




兴业银行  
INDUSTRIAL BANK CO.,LTD.

Stock code 601166



2025 ANNUAL REPORT



行治廠從  
行辦家專  
行興技科

Governance Strategy:  
Strict Governance  
Expert Management  
Technology Enhancement

## Important Notice

The Company's Board of Directors, directors and senior management members hereby warrant that the information contained in this annual report is true, accurate and complete, free from false representation, misleading statement or material omission, and assume joint and several liabilities.

The 13th meeting of the 11th session of the Board of Directors of the Company was held on March 26, 2026. 14 directors shall attend the meeting, and 14 directors actually attended it. The meeting considered and approved the 2025 annual report and the summary thereof.

The financial data and indicators contained in this annual report were prepared in accordance with the Chinese Accounting Standards for Business Enterprises. Unless otherwise specified, they represented the consolidated data. The monetary sums were expressed in RMB in this annual report.

KPMG Huazhen LLP has audited the Company's 2025 financial statements in accordance with the Chinese Standards on Auditing, and has issued an auditor's report with an unqualified opinion.

The Company's Chairman Lyu Jiabin, President Chen Xinjian and the person in charge of the accounting body Lin Shu hereby warrant that the financial statements in the 2025 annual report are true, accurate and complete.

The profit distribution plan for the reporting period as considered by the Board of Directors is as follows: a cash dividend of RMB10.66 (inclusive of tax) should be distributed for every 10 ordinary shares throughout the year. Specifically, an interim cash dividend of RMB5.65 (inclusive of tax) was distributed for every 10 ordinary shares, and it is planned to distribute a cash dividend of RMB5.01 (inclusive of tax) for every 10 ordinary shares at the end of 2025. The above profit distribution plan is subject to review and approval of the 2025 Annual General Meeting before implementation.

Investors are advised to read the full content of this annual report carefully. Perspective and forward-looking statements regarding future financial conditions, operating performance, business development and business plan contained in this report do not constitute any substantive commitment of the Company to investors. Investors should pay attention to investment risks.

The Board of Directors hereby reminds investors that the risk factors the Company is subject to have been listed in detail in this report. Please refer to Chapter 3 "Management Discussion and Analysis" for information on various types of risks and risk management.



## Message from Chairman

In 2025, we stood in solidarity and forged ahead with resolve and tenacity. Our total assets exceeded RMB11 trillion, with both our technology finance and green finance loans surpassing the trillion-yuan threshold. Operating income and net profit both increased, and asset quality and risk offset capability remained at a favorable level in the industry. We outperformed most peers by share price increases, and a portion of our convertible bonds were successfully converted into equity. We were the first joint-stock commercial bank to establish a financial asset investment company. Overall, our operating results continued to outpace the broader market.

The year 2025 was a single wave in the mighty current of the 14th Five-Year Plan. Over the past five years, we have worked hard to navigate a markedly different industry cycle and proactively responded to multiple challenges, such as "low interest rates, low interest margins, and high risks", yielding a steadily upward growth trajectory: corporate banking customers grew from 930 thousand to 1.67 million, and retail customers increased from 79.56 million to 115 million. Total assets increased from RMB7.89 trillion to more than RMB11 trillion, successively crossing four one-trillion-yuan milestones. Loans expanded by nearly RMB2 trillion, with loans to the manufacturing sector, green finance and technology finance growing by more than 100%, 200% and 300%, respectively. The non-performing loan ratio fell from 1.25% to 1.08%, and the provision coverage ratio rose from 218.83% to 228.41%. Operating income and net profit remained among the highest of joint-stock commercial banks, the capital adequacy ratio improved steadily, and the dividend payout ratio exceeded 30%. Our global banking ranking advanced from 21st to 14th, and our MSCI ESG rating was elevated from A to AAA. The Head Office was honored with the "National May 1st Labor Certificate", and the labor union received the "National March 8th Red-Banner Collective" award. We have also been rated as a "Five-Star Banking Institution for Serving Fujian" for consecutive years.

We are grateful to everyone who has supported us along the way. With support from all sectors of society, we have resolutely followed the path of financial development with Chinese characteristics, striving to answer the question of "how to thrive" on the new journey of the new era.

Over the past five years, we have deeply cultivated our "roots and soul" by earnestly studying and implementing Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era. We have carried forward and promoted Comrade Xi Jinping's remarks on and practices of finance during his tenure in Fujian, embedded the Party's leadership into our corporate DNA, and integrated strict internal governance into daily operations. We proactively translated national priorities into our key tasks and drove high-quality development with high-quality Party building, thereby staying firmly on the right course.

Over the past five years, we have grasped the timing and the prevailing trend, with a focus on the global changes unseen in a century and the domestic new development pattern. We have worked to consolidate our foundation while accelerating our expansion into new growth areas and diligently advancing the "five priorities" of the financial sector. We elevated international operations and digital and intelligent transformation to a matter of vital importance for our survival, and pursued a second growth curve with a sense of urgency.

Over the past five years, we have coordinated efforts to ensure both stability and progress. Respecting the reality and development patterns, we consistently prioritized quality and efficiency. We made every effort to manage asset yields, lower funding costs, and stabilize interest margins. We strengthened our advantages in inter-bank business, consolidated the foundation of corporate finance, and reinforced the weak link in retail finance. We continually enhanced our lines of defense for risk control, compliance, and internal control, achieving steady progress and risk convergence.

Over the past five years, we have balanced the short-term and long-term goals. While ensuring steady growth, we directed more time, energy and resources towards foundational, long-term initiatives. We carried out institutional reforms in areas including technology finance, retail finance, corporate finance, the Fujian area, Party building and discipline inspection, and risk management, actively nurtured a new generation of talent capable of shouldering major responsibilities, and persisted in doing what is difficult but right, sustaining value creation through long-termism.

As we journey beyond mountains and seas in pursuit of our dreams, our aspirations surge ever higher with the waves. The blueprint for economic and social development during the 15th Five-Year Plan period has been in place. By placing our work within the broader national context, we have formulated a new five-year development strategy: adhere to the principles of digital and intelligent, green, international, integrated and ecosystem-driven development, deepen industrial finance in support of the building of a modern industrial system, and continue to polish the “four business cards” of technology finance, green finance, wealth management banking and investment banking, so as to build a first-class value bank in all respect.

Pursuing digital and intelligent, green, international, integrated and ecosystem-driven development is rooted in a deep understanding of the trend of our times. Innovation, green transformation, global expansion, financial resources, and ecosystem building have become the resounding responses of various market entities to the changes of the era. We must adapt to the times and act accordingly, taking digital and intelligent development as the fundamental engine for strategic transformation, green development as the distinctive hallmark of our business operations, international development as the essential path for expanding our development space, integrated development as a key lever for deepening customer relationships, and ecosystem-driven development as the path to elevate financial services to new heights. With solid steps in innovation and transformation, we will continue our mission of exploring new paths for financial reform.

Developing industrial finance represents our proactive response to economic transformation. “Building a modern industrial system” is listed as the top strategic task in the 15th Five-Year Plan, and the collective rise of China’s industries will become an even more striking spectacle for the world. Named Industrial Bank, we were born to serve the nation and its industries. We will closely align our strategy with the intelligent, green, and integrated development of industries, renew our development philosophy, and upgrade our business models to better serve the needs of industries. We will strengthen integrated financial services along the innovation chain, supply chain, equity chain, capital chain, and talent chain, fulfilling our original aspiration of contributing more to economic development by deeply integrating into the virtuous cycle of “technology-industry-finance”.

Polishing the “four business cards” reflects our unwavering commitment to distinctive operations. In this new industry cycle, it is imperative to find a way out of homogeneous competition given highly overlapping markets. We will firmly follow the path of distinctive operations and differentiated development, focusing on polishing the “four business cards”: continuously steering technology finance towards hard technology, advancing green banking for carbon reduction, bringing quality wealth management products to ordinary households, and enabling investment banking to grow alongside customers throughout their lifecycle. This will converge the value-creating forces of the real economy and the financial sources of the people, composing a touching symphony of thriving industries, a sound ecosystem, and a prosperous society.





Building a value bank stems from our solemn commitment to serving the people through. Finance creates value by serving the real economy and achieves steady, long-term progress by growing alongside customers. We must always bear in mind the people's fundamental interest, take customer evaluation as the yardstick of value creation, and aim for long-term business growth as our development goal. We will continuously enhance our capability of striking a balance between returns, risks, and capital, promote coordinated growth in scale, quality and efficiency, strive for integrated economic, social, and environmental benefits, and navigate business cycles with more comprehensive and robust value-creation capabilities.

The river of time flows ceaselessly, and questions posed by the times are ever new. We will let dreams drive us forward, brave the winds and waves, and set out for the next journey. We will write a new chapter in high-quality development and contribute more of Industrial Bank's strength to advancing Chinese modernization.

Secretary of the Party Committee and  
Chairman of Industrial Bank: **Lyu Jiajin**



## Message from President

In 2025, all our staff members united as one and forged ahead courageously, collectively delivering results that will be long remembered.

The past year saw the global economic and trade order being reshaped at an accelerated pace as the global economy recovered amid twists and turns. The Chinese economy forged ahead against headwinds towards innovation-driven, high-quality development. New development philosophy guided new practices and new quality productive forces ignited new growth engines, leading to solid progress in Chinese modernization. In a changing environment where opportunities and challenges are intertwined, how can commercial banks address external uncertainties with the certainty of their own operations? Our answer is clear and resolute: anchoring to the goal of building a value bank and continuously advancing high-quality development through capability enhancement.

Over the past year, we resolutely implemented the decisions and plans of the CPC Central Committee and the State Council, as well as various regulatory requirements, translated “the country’s most fundamental interests” into the “top priority of the Bank”, and proactively responded to internal and external challenges. We aimed for “strong profitability, in-depth cooperation with customers, low risks and costs, a balanced business structure, and distinctive business characteristics”, continuously enhanced the five core capabilities of “strategy execution, customer service, investment trading, comprehensive risk control, and management propulsion”, and consolidated our development strengths, to build us into a value bank. As at the end of 2025, the Group’s total assets reached RMB11.09 trillion, an increase of 5.58% from the end of the previous year; operating income was RMB212.741 billion, a year-on-year increase of 0.24%; net profit attributable to the parent company was RMB77.469 billion, a year-on-year increase of 0.34%; the non-performing loan ratio was 1.08% and the provision coverage ratio was 228.41%. We managed to achieve balanced development in scale, profitability and quality, delivered performance that exceeded expectations, and outperformed the broader market overall.

### “Strong Profitability”: Delivering Resilient Operating Performance

We actively responded to the industry challenge of narrowing interest margins, adhered to a steady approach for growth, fortified the foundation of current performance through meticulous work, and accumulated momentum for future development through structural optimization. **We consolidated**

**the foundation of the on-balance sheet business.** Through refined asset-liability management and flexible pricing strategies, we outperformed the broader market in controlling the reduction in our net interest margin, and net interest income maintained positive growth. **We also promoted the growth of non-interest income.** Leveraging the Group’s synergy of integrated investment banking, asset management and wealth management, we seized opportunities from increased capital market activity, unleashed the effectiveness of integrated operations, and achieved steady growth in net fee and commission income. We solidified our strengths in financial markets and accurately captured opportunities arising from market swings, with investment income becoming a significant driver of growth. Revenue sources became more diversified and resilient, accumulating endogenous momentum to navigate business cycles.

### “In-depth Customer Cooperation”: Unlocking Potential and Expanding Coverage with Stronger Coordination

We proactively adapted to a market environment of intensified competition and consistently lived up to customer trust with professionalism and a strong sense of responsibility, with more enterprises choosing us as their main settlement bank, more households choosing us for wealth management, and more peers considering us as a like-minded partner. **In corporate finance**, the Bank deepened its stratified and classified customer management system. The number of corporate finance customers reached 1,667.0 thousand, and main settlement accounts drove an increase of RMB57.1 billion in average daily settlement deposits. The large-scale marketing campaign that focused on breakthroughs in key accounts, quality enhancement across a broader customer base, and wider market outreach achieved notable results. **In retail finance**, the Bank accelerated systemic development. The number of retail customers increased by 4.15% from the end of the previous year to 115 million. Relying on digital operations to deepen its relationship with existing customers, the Bank had 588.5 thousand basic accounts upgraded to platinum and above levels, a year-on-year increase of 17.87%. **In inter-bank finance**, we solidified our position as the lead bank in the settlement, custody, transactions, and investment banking business, with continuously improved customer coverage, product utilization, and revenue growth rates. Our business has essentially covered all inter-bank corporate customers in major domestic industries, and the proportion of value customers has increased steadily.

## “Low Risk Cost”: Maintaining Stable Asset Quality Overall

We were acutely aware that risk cost remains the largest source of operational cost. Upholding the principle of “preferring to give up profit rather than risk”, we were committed to firmly building a “moat” for developing a value bank. **For systems and mechanisms**, we fully leveraged the driving role of reform and advanced organizational restructuring, institutional refinement, and process optimization. By adjusting the authorization system, strengthening industry exposure limits, expanding monitoring and inspection scope, and deepening cross-departmental collaboration, we transmitted risk appetite more effectively and further integrated risk management with business operations. **For system development**, we advanced the three-year plan for the risk management system, continuously iterated digital risk control models and the end-to-end risk monitoring system, and refined the dedicated evaluation system for “technology flow”, with the approved amounts under this system reaching RMB1.15 trillion. We actively explored AI application scenarios and accelerated the development of key projects such as intelligent due diligence and intelligent review, effectively enhancing our intelligent risk control capabilities. **In preventing and mitigating risks in key sectors**, we continued to leverage supervision by bank leadership and the agile team mechanism and accurately seized policy opportunities. As a result, newly incurred non-performing loans in corporate real estate and credit card businesses decreased by 41.85% and 12.98% year on year, respectively, demonstrating significant success in risk convergence.

## “Balanced Business Structure”: Reshaping Development Pattern Through Strategic Initiative

We accelerated structural transformation, continuously optimizing assets and liabilities through dynamic balancing. **On the asset end**, in aligning closely with the needs of building a modern industrial system, we effectively advanced the “Five Priorities” of the financial sector and channeled financial resources into critical areas at a faster speed, making our commitment to serving the real economy more evident. The outstanding technology finance, green finance and inclusive finance loans, as well as outstanding medium – and long-term manufacturing loans, increased by 18.47%, 19.05%, 7.22%, and 14.91%, respectively, compared to the end of the previous year. **On the liability end**, we implemented the “Network Weaving Project 3.0” and leveraged scenario-based finance to enhance settlement fund retention, achieving a significant leap in deposit scale. The deposit interest payment

rate decreased by 33 basis points year on year. The proactive reduction in funding costs created more room for targeted allocation on the asset end. **On the capital end**, we utilized various capital instruments, such as the orderly arrangement of convertible bond conversions, preference share redemptions, and the issuance and redemption of perpetual bonds. The Group’s core tier 1 capital adequacy ratio stood at 9.70% at the year-end, and the cash dividend payout ratio exceeded 30% for the first time, ensuring both investor returns and sustainable business development.

## “Distinctive Business Characteristics”: Continuously Polishing the “Four Business Cards”

We moved faster to build technology finance as the “fourth business card”, while continuously reinforcing our differentiated competitive advantages in green finance, wealth management banking, and investment banking. **For technology finance**, we deepened the integration of the policy chain, innovation chain, capital chain, industrial chain, and talent chain, and strengthened comprehensive service capabilities in core areas of “hard technology”. The financing balance of technology finance reached RMB2 trillion.

**For green finance**, we accelerated product innovation and breakthroughs in transition finance. We maintained the leading position among joint-stock commercial banks in terms of the balance of green loans under the PBOC’s scope. We were rated as a “Model Unit in Green Banking Evaluation” for five consecutive years and received MSCI’s highest ESG rating among domestic banks for seven consecutive years. **For wealth management banking**, we attract customers with our professional expertise in asset and wealth management. The combined assets under management of the Group’s five asset management subsidiaries totaled RMB3.65 trillion, with CIB Wealth Management’s AUM increasing by 11.64% from the end of the previous year. The balance of wealth management products sold on the Bank-to-Bank Platform approached the RMB1 trillion milestone, and the balance of wealth management products distributed by small and medium-sized banks ranked first in the industry. **For investment banking**, we continued to strengthen synergy with asset management and wealth management businesses, effectively enhancing asset organization capabilities. Both the FPA of large investment banking and the FPA of the transformed investment banking business grew by over 7%. Key products such as non-financial bond and overseas bond underwriting, as well as M&A financing and syndicated loans, continued to lead the industry.



Over the past year, while creating value for our customers, we have strived to generate more economic, social, and environmental benefits. As you read through this annual report, you will find many more moments worth remembering, in addition to data.

In the chapter on **technology finance**, we recount how commercial banking and investment banking work together to turn laboratory findings into industrialization, turning the spark of innovation into a sweeping trend across industries. On the journey of **green finance**, we document the precise tracking of every carbon footprint and the successful “monetization” of ecological value, making green value quantifiable and transferable and paving a broader path for sustainable development. In the field of **inclusive finance**, we share the joy and hope of farmers who benefited from the “One County, One Industry, One Strategy” initiative. In our **pension finance** practice, we safeguard the well-being of senior citizens, enabling them to enjoy a dignified and secure retirement. In our exploration of **digital finance**, we utilize data credit enhancement to help delivery riders translate their hard work into tangible improvements in their lives.

Small as they are, these stories reveal profound truths. They unfold ordinary yet genuine progress in every passing day, documenting the growth of a value bank, and converge moments into the momentum that drives us forward. The trust and companionship we share strengthen our resolve to persevere in doing the difficult but right things. Here, on behalf of the management, I extend my sincere gratitude to all our customers, investors, and friends from all sectors of society for your long-standing care and support.

As we look into 2026, the modern industrial system is taking shape at an accelerated pace, the wave of AI is sweeping across industries, and international operations have become inevitable. Following the guidance of the 15th Five-Year Plan, we will maintain our strategic focus and resolve for reform, adhere to the general principle of seeking progress while maintaining stability, and focus on improving quality and efficiency. We will develop industrial finance into a new driver, enhance our integrated service capabilities with “commercial banking + investment banking”, bridge the value nexus with “asset management + wealth management”, reinforce the bottom line of security with risk compliance and internal control, and elevate operational quality and efficiency through refined management and digital and intelligent empowerment, thereby striving for new heights in building a first-class value bank.

Deputy secretary of the Party Committee,  
vice chairman and president of Industrial Bank:

**Chen Xinjian**



○  
Important Notice

○  
Message from  
Chairman

  
**Message from  
President**

○  
Definition

○  
Company  
Profile

○  
Financial  
Highlights



Member of the Party Committee, director,  
vice president **Sun Xiongpeng**



Member of the Party Committee,  
former supervisor **Zhang Guoming**



Vice president **Yang Liu**



Member of the Party Committee, vice president  
**Zhang Min**



Member of the Party Committee, vice president  
**Zhang Ting**



Member of the Party Committee, vice president  
**Zeng Xiaoyang**

# CONTENTS

Important Notice .....	1	Chapter 2 Financial Highlights .....	26
Message from Chairman .....	2	2.1 Main accounting data and financial indicators .....	27
Message from President .....	6	2.2 Main quarterly financial data in 2025 .....	29
Definition .....	14	2.3 Items and amounts of non-recurring gains and losses .....	29
Chapter 1 Company Profile .....	15	2.4 Asset quality indicators .....	30
1.1 Company overview .....	16	2.5 Capital adequacy ratio .....	30
1.2 Party building leadership .....	18	2.6 Supplementary financial indicators .....	31
1.3 Core competitiveness .....	19	Chapter 3 Management Discussion and Analysis .....	32
1.4 Corporate profile .....	21	3.1 The Company's high-quality development achievements during the "14th Five-Year Plan" period .....	33
		3.2 Industrial updates and development trends during the reporting period .....	37
		3.3 Strategy implementation .....	38
		3.4 Discussion on and analysis of future development .....	70
		3.5 Financial statement analysis .....	74
		3.5.1 Analysis of the income statement .....	74
		3.5.2 Balance sheet analysis .....	81
		3.5.3 Cash flow statement analysis .....	88
		3.5.4 Loan quality analysis .....	89
		3.5.5 Main items with changes of over 30% .....	95
		3.5.6 Other financial information disclosed according to regulatory requirements .....	96



3.6 Business overview .....	99	5.3 Appointment of the accounting firm.....	161
3.7 Risk management .....	113	5.4 Material lawsuits and arbitrations.....	161
3.8 Liability quality management .....	119	5.5 Punitive actions against the Company and its directors, supervisors and senior management members.....	161
3.9 Capital management .....	120	5.6 Integrity of the Company.....	161
<b>Chapter 4 Corporate Governance, Environment and Society .....</b>	<b>123</b>	5.7 Related party transactions .....	161
4.1 Sound governance, laying a new foundation for sustainable and steady development .....	124	5.8 Material contracts and performance thereof.....	164
4.2 Green innovation, co-creating an eco-friendly future .....	146	5.9 Description of other material matters .....	164
4.3 Finance for the people, painting a new vision for a better life .....	151	<b>Chapter 6 Share Capital Changes and Shareholders .....</b>	<b>166</b>
4.4 More ESG information.....	159	6.1 Changes in ordinary shares during the reporting period.....	167
<b>Chapter 5 Significant Events.....</b>	<b>160</b>	6.2 Information on ordinary shareholders .....	167
5.1 Commitment of the Company and its shareholders holding more than 5% of shares of the Company during the reporting period or remaining in effect in the reporting period .....	161	6.3 Matters regarding preference shares .....	173
5.2 Appropriation of funds during the reporting period.....	161	<b>Chapter 7 Particulars of Convertible Corporate Bonds.....</b>	<b>174</b>
		7.1 Issuance of the convertible corporate bonds.....	175
		7.2 Particulars of the holders of the convertible bonds.....	175
		7.3 Changes in convertible bonds.....	175
		7.4 Previous adjustments of conversion price .....	176
		7.5 Changes in the Company's liabilities, credit standing and cash arrangements for debt repayment in the coming years.....	176
		<b>Chapter 8 Financial Statements.....</b>	<b>177</b>



## Special Topic

Adhering to the strategy of “basing banking operation on liabilities” and systematically promoting the improvement of liability quality .....	41
Upgrading the Network Weaving Project to empower the high-quality development of customer management .....	43
Building an ETF ecosystem with a forward-looking strategic layout and achieving leapfrog growth in ETF products under custody .....	45
Promoting the reform of the risk management system and mechanism and strengthening the security foundation for high-quality development .....	47
Accelerating the digital transformation from the development stage to the harvest stage, with business results becoming increasingly evident .....	53



## Case

“Commercial banking + investment banking” assisted the development of technology enterprises .....	56
Laboratory economy + integration of four chains continuously polished the business card of technology finance .....	57
The Company practiced the concept of “green + industry” to serve the development of the real economy .....	59
The Company overcame transition challenges: “CIB solutions” for carbon reduction in the industrial chain and value appreciation of the ecological chain .....	60
“One County, One Industry, One Policy”: cultivating county-level specialty industries with industrial chain finance .....	63
Putting “Finance for the People” into practice, the Company relied on “data-based credit enhancement” to overcome financing difficulties for food delivery riders and service providers .....	63
The Company focused on the needs of elderly customers to build an “Anyu+” integrated service ecosystem and created a new benchmark for pension finance services .....	65
The Company revitalized idle fixed assets through market-oriented mechanisms to activate the supply of elderly-care facilities .....	66
The Company served industrial digitalization, with “platform + scenario”-based innovation empowering the transformation and upgrading of key industries .....	69
The Company served digital industrialization, driven by dual engines of credit support and technology output .....	69

○  
Important Notice

○  
Message from  
Chairman

○  
Message from  
President



Definition

○  
Company  
Profile

○  
Financial  
Highlights

## Definition

In this report, unless otherwise specified in the context, the following terms have the meanings set forth below:

Industrial Bank/the Company	Industrial Bank Co., Ltd.
Group/the Group	Industrial Bank Co., Ltd. and its subsidiaries
Central Bank/PBOC	The People's Bank of China
CSRC	China Securities Regulatory Commission
NFRA	National Financial Regulatory Administration
Former CBIRC	Former China Banking and Insurance Regulatory Commission
KPMG Huazhen	KPMG Huazhen LLP
Industrial Financial Leasing	Industrial Bank Financial Leasing Co., Ltd.
Industrial Trust	China Industrial International Trust Limited
Industrial Fund	CIB Fund Management Co., Ltd.
Industrial Consumer Finance	Industrial Consumer Finance Co., Ltd.
CIB Wealth Management	CIB Wealth Management Co., Ltd.
CIB Investment	CIB Financial Asset Investment Co., Ltd.
Industrial Futures	Industrial Futures Co., Ltd.
CIB FINTECH	CIB FINTECH (Shanghai) Co., Ltd.
Industrial Asset Management	China Industrial Asset Management Co., Ltd.
CIIT Asset Management	China Industrial International Trust Asset Management Company Limited
Yuan	RMB Yuan
"1234" strategy	1: Light assets, light capital and high efficiency are the main lines of development 2: Take the strategy of "commercial banking + investment banking" as the starting point, and adhere to the development philosophy of "customers as the foundation, commercial banking as the carrier, and investment banking as the functional arm" 3: Continuously improve the capacity building of settlement banks, investment banks and transaction banks 4: Strengthen the strategic roles of key branches, key industries, key customers and key products
Commercial banking + investment banking	Deepening and expanding the strategy of "commercial banking + investment banking" involves the improvement of the product system, coordination mechanism, risk model and evaluation mechanism.
Four business cards	Technology finance, green finance, wealth management banking and investment banking
Five new arenas	Technology finance, inclusive finance, energy finance, auto finance and industrial zone finance
Five online platforms	"Industrial Inclusion", "Industrial Steward", "Industrial Living", "Qianda Money Manager", "Bank-to-Bank Platform"
Five capabilities/five core capabilities	Strategy execution, customer service, investment trading, comprehensive risk control, and management and implementation
Three qualities and four capabilities	Systematic thinking, digital and intelligent literacy and refined management; political capability, professional capability, implementation capability, and emergency response capability
Three fundamentals and three transformations	Primary-level employees, basic policies and basic management; standardized management, systematic marketing and digital operation
One committee, three departments, one company and one institute	Digital Transformation Committee, Science & Technology Management Department, Data Management Department, Security Department/Anti Money Laundering Center, CIB FINTECH and CIB Fintech Research Academy
FPA of large investment banking	During the reporting period, the Company focused on providing customers with solutions for diversified financial demands, effectively integrated the strengths of the entire Group and established the FPA of large investment banking, including bond underwriting, bond investment, M&A loans, syndicated loans, capital market, equity investment and other investment banking products.
"1+20+150" for technology finance	Leading group for technology finance at the Head Office + 20 key technology finance branches + 150 technology finance-focused sub-branches



Chapter 1

# Company Profile



# Chapter 1 Company Profile

## 1.1 Company overview



Industrial Bank Co., Ltd. was founded in 1988 in Fuzhou, Fujian Province. In 2007, the Company was listed on the Shanghai Stock Exchange. Since its inception, the Company has kept in mind General Secretary Xi Jinping's expectations for Industrial Bank when he worked in Fujian. In line with the fundamental strategy of "strict governance, expert management and technology enhancement", as well as the development goals of "outstanding service capabilities, distinctive business and management features, and prominent market and brand image", the Company has taken root in Fujian and reached out to customers around the nation and the globe, transforming from a regional bank to a national bank, a listed bank, and finally a modern, comprehensive financial service group.

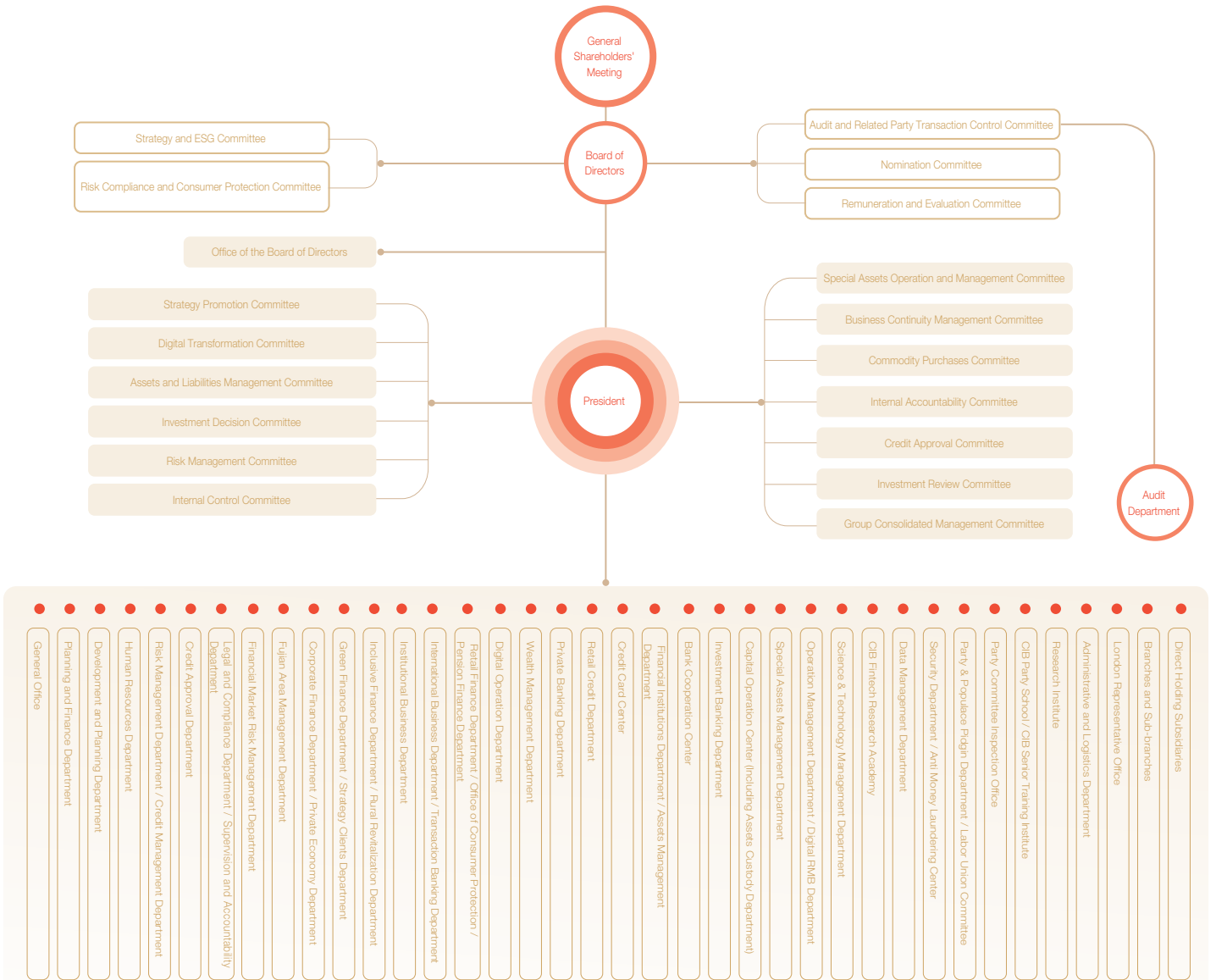
The Company was born in the reform and prospers through innovation. Bearing in mind the original aspiration of "exploring the path for financial reform and contributing more to economic development", the Company stays committed to reform, innovation and competition, thereby forming a modern, comprehensive financial service system based on the bank that covers trust, funds, futures, financial leasing, bank wealth management, consumer finance, asset management and financial asset investment and forges differentiated competitive advantages in multiple fields such as technology finance, green

finance, investment banking, wealth management, asset management, financial markets, and cooperation with peers.

In recent years, the Company has fully implemented the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, adhered to the political and people-oriented nature of financial work, actively transformed the "country's most fundamental interests" into the "top priority of the Bank", coordinated efforts in the "five priorities" of technology finance, green finance, inclusive finance, pension finance and digital finance, and made every effort to promote high-quality development, continually contributing Industrial Bank's strength to the building of a financial powerhouse.

Standing at the new starting point of the 15th Five-year Plan period, the Company will earnestly implement the spirit of the Fourth Plenary Session of the 20th CPC Central Committee and the Central Economic Work Conference, adhere to the principles of digital and intelligent, green, international, integrated and ecosystem-driven development, deepen industrial finance in support of the building of a modern industrial system, and continue to polish the "four business cards" of technology finance, green finance, wealth management banking and investment banking, so as to build a first-class value bank in all respect.

# The Company's Organizational Structure



○  
Important Notice

○  
Message from  
Chairman

○  
Message from  
President

○  
Definition

○  
**Company  
Profile**  
Party building leadership

○  
Financial  
Highlights

## 1.2 Party building leadership

The Company adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, fully studied and implemented the spirit of the 20th National Congress of the Communist Party of China and the successive plenary sessions of the 20th CPC Central Committee, thoroughly acted on General Secretary Xi Jinping's important thought on Party building and the Party's self-revolution, important remarks on financial work, as well as remarks on and practice of finance during his tenure in Fujian, firmly upheld the "Two Establishments", and resolutely achieved the "Two Upholds", leading high-quality development through high-quality Party building. During the reporting period, the labor union of Industrial Bank was awarded the "National March 8th Red-Banner Collective", and the Youth League Committee of the Company was awarded the "Fujian May Fourth Red-Banner Youth League Committee".

### Upholding the Party's political building as the overarching guide.

The Company has always regarded upholding the Party's leadership and strengthening Party building as its "root" and "soul". **First, it carried forward and promoted Comrade Xi Jinping's remarks on and practices of finance during his tenure in Fujian.** It revised the Party-building clauses in the Articles of Association, issued implementation opinions on strengthening political building, held the symposium themed "Keeping in Mind the Important Entrustment, Forging Ahead on Industrial Bank's Path", released the governance strategy and image standards of "strict governance, expert management and technology enhancement", and continuously promoted the integration of the governance strategy throughout the

Company's development. **Second, it studied and acted on the spirit of the Fourth Plenary Session of the 20th CPC Central Committee.** It strictly implemented the "first topic" mechanism, carried out special lectures and rotational training on Party building, and promoted the development of "three qualities and four capabilities" among Head Office departments and "three fundamentals and three transformations" among branches and sub-branches, further aligning thinking with actions. **Third, it continued to study and make good use of the Fifth Volume of Xi Jinping: The Governance of China.** The Company built a six-learning system of "comprehensive and systematic learning, learning through education and training, learning through special guidance, learning by tracing the origins and footprints, intensified learning for the youth, and learning in practice", with relevant practices recognized by the Publicity Department of the Fujian Provincial Committee of the CPC.

### Improving the quality and efficiency of Party building at the primary level.

The Company firmly established a clear orientation of prioritizing the primary-level Party organizations by promoting their overall progress and strengths. **First, it enhanced the education and management of Party members.** The Company used the "PDCA + SDCA" (where "PDCA" refers to Plan-Do-Check-Act and "SDCA" refers to Standardize-Do-Check-Act) dual-cycle management model to optimize the digital Party building system, and introduced functions such as AI assistants and panoramic Party building to achieve checklist-based Party building management, standardized Party building processes, online intra-Party activities, and automated early warning prompts. **Second, it exercised strict discipline in intra-Party activities.** The Company improved the system of primary-level Party building contact points, with members of the Head Office's Party committee leading by



Industrial Bank History Exhibition Hall

example in participating in both intra-Party activities and democratic life meetings, visiting subsidiaries, branches and sub-branches to communicate the spirit of the Fourth Plenary Session of the 20th CPC Central Committee, and guiding the implementation of the “three meetings and one lesson”, themed Party days, etc., thereby improving the quality of Party building.

**Third, it enforced the responsibilities of primary-level Party building.** The Company issued a “three levels and five posts” responsibility list, promoted two-way exchanges between Party affairs cadres and business cadres on a regular basis, linked the results of Party building assessment with the annual assessment of leaders who are Party members, and established a responsibility where accountability is internalized, clearly assigned to individuals, and translated into concrete action. **Fourth, it ensured the quality of Party building research.** The Company further refined and summarized the experience and practice of Party building in recent years, and promoted innovative cases of Party building at the primary level. The case of the “Red Partner Work Mechanism” was published in *Ideological and Political Work Research* under the Publicity Department of the CPC Central Committee, and five Party building research projects were recognized as outstanding provincial-level research projects on Party building.

**Promoting full and rigorous Party self-governance.** The Company strictly implemented the principal responsibility for full and rigorous Party self-governance, advanced the Party self-governance to greater depth, and extended it to the primary level. **First, it built a solid line of defense against corruption.** The Company carried out an in-depth study of the spirit of the central Party leadership’s eight-point decision on improving party conduct and compiled the *Industrial Bank’s Positive and Negative List for Implementing the Central Party Leadership’s Eight-Point Decision on Improving Party Conduct*. It carried out micro Party lessons on integrity under the theme of “shaping integrity through ideology, promoting integrity through culture, encouraging integrity through cases, safeguarding integrity through education, and cultivating integrity through platforms” to continuously reinforce work conduct. **Second, it promoted a practical work style.** By implementing the *Several Provisions on Rectifying Formalism to Reduce Burdens on the Primary Level*, the Company effectively streamlined documents, reduced meetings, optimized assessments, and increased revenue while lowering expenditure, running itself with diligence and frugality. **Third, it reinforced a rigorous tone.** The Company carried out the campaign themed “Year of Standardized, Law-based and Regularized Development of Discipline Inspection and Supervision Work”, closely followed the “key few” and key areas, further improved the working mechanism for investigating and handling misconduct and corruption simultaneously, and refined the supervision and accountability system, making every effort to build a clean Industrial Bank.

### 1.3 Core competitiveness

**Clear strategic goals and increasingly evident advantages.** The Company makes sustained effort to implement its “1234” strategy, advances transformation towards “light assets, light capital and high efficiency”, focuses on “commercial banking + investment banking”, continuously strengthens the intelligent core of a “settlement, investment and transaction” bank, and strives to increase the value contribution of “key branches, key industries, key customers and key products”. Meanwhile, the Company plans according to the situation and acts in line with the trend to continuously enrich the strategy. In 2021, the Company called for efforts to establish and polish the “three business cards” of green banking, wealth management banking

and investment banking to accelerate digital transformation. In 2022, the Company put forward the strategy of “consolidating the overall performance and developing new arenas”, sped up development in the “five new arenas” of technology finance, inclusive finance, energy finance, auto finance and industrial zone finance, and accelerated the building of a “Digital Industrial Bank”. The “three business cards”, “five new arenas”, and “Digital Industrial Bank” align closely with the “five priorities” of technology finance, green finance, inclusive finance, pension finance and digital finance proposed at the Central Financial Work Conference, reflecting the Company’s forward-looking strategic capabilities. In 2024, the Company emphasized the need to enhance the five core capabilities of “strategy execution, customer service, investment trading, comprehensive risk control, and management and implementation” and further developed itself into a value bank with “strong profitability, in-depth customer cooperation, low risk cost, balanced business structure, and distinctive business characteristics”, striving to achieve long-term sustainable development through all-round value creation. **In terms of execution,** the Company continuously strengthens strategy execution. Through reforms in organizational structure and mechanisms, the Company invigorates organizational vitality, enhances professional capabilities, and improves response speed to better meet customer needs in a timely manner. It persistently restructures the balance sheet and drives the transformation and upgrading of the business model, showing robust vitality and promising prospects for development. The outcomes of strategy implementation continue to emerge, which sustains stable and upward momentum for the Company and lays a solid foundation for the next stage of development.

寻足迹 悟思想 铸忠诚 担使命

## 重温历史 感恩奋进

深入学习领会习近平同志多年来  
对我行工作的直接关心支持和指示批示精神

 兴业银行  
INDUSTRIAL BANK CO., LTD.



**A unified and pragmatic management team.** The Company's management team highly identifies with its corporate culture and core values, possesses rich experience in financial management, and has outstanding capabilities in situation analysis, strategy execution, policy formulation and risk management. The members maintain a high level of unity and a pragmatic and efficient work style, working together towards the realization of the Company's strategic goals. Under the leadership of the management team, the enthusiasm, initiative, and creativity of all employees within the Group have been fully stimulated, significantly enhancing cohesion and unity. They readily take responsibility and diligently perform their duties, ensuring that various strategies, decisions and measures are effectively implemented and yield tangible results, thereby laying a solid foundation for the Company's high-quality development.

**Distinctive business features and comprehensive functions.** The Company adheres to a business development path that is market-oriented, differentiated and integrated. It has created new products and services in various niche business areas to carve out its own blue oceans, thereby forming distinctive business features. The Company steadfastly positions green finance as a strategic core business of the Group and proactively elevates it to an ESG concept, taking the lead in integrating sustainable development into the corporate strategy and governance levels and pioneering a social responsibility model that "integrates righteousness with profitability"; it develops and integrates a value chain that spans investment banking, asset management and wealth management, and promotes the coordinated development of FICC, investment banking, asset management, and asset custody services; it builds a technology-finance ecosystem, improves the full lifecycle service system for technology enterprises, and develops technology finance into the "fourth business card". All subsidiaries are deeply integrated into the Group's strategic system. They focus on main businesses, specialize in professional fields, complement each other's functions and realize distinctive development, thereby forming a modern, comprehensive financial service system that spans both domestic and international markets, integrates online and offline services, and covers trust, financial leasing, funds, bank wealth management, consumer finance, futures, asset management, financial asset investment, research consulting and digital finance.

**A standardized, professional and efficient operational system.** The Company continues to improve its corporate governance mechanism that features the "leadership of the Party Committee, strategic decision-making by the Board of Directors, and implementation by the Senior Management". It adheres to strict governance and compliant operations, constantly enhances professional and refined risk management capabilities, and effectively empowers business development while forestalling risks, thereby developing core capabilities to navigate a new economic cycle. The Company advances "three transformations" of standardized management, systematic marketing and digital operation for branches and "three fundamentals" for primary-level employees, basic policies and basic management. These initiatives aim to "reduce the burden on and empower primary-level operations" and consolidate the Company's basic management and development foundation. Proactively embracing the digital era, the Company accelerates its digital transformation, reshapes the organizational structure, business processes and business patterns, increases investment in technology resources and implements a plan for tens of thousands of technology talent. It deepens the integration of technology, data and business, coordinates the implementation of the distributed core system development projects, advances the construction of new "cities" and renovation of old ones in an orderly way, makes forward-looking plans in frontier fields such as AI and cloud native, and carries out the "AI+" initiative, embarking on a new journey of transformation from "Digital Industrial Bank" to "Intelligent Industrial Bank".

**Profound cultural heritage for steady and sustained development.** The Company remains committed to the mission of sincere service and common growth, pursues the core values of rationality, innovation, a human-centered approach and shared benefits, promotes fine traditional Chinese culture, and fosters a financial culture with Chinese characteristics. Throughout its long-term development, the Company has formed a profound cultural heritage with its own characteristics. It carries forward a culture of professionalism defined by dedication and accountability, an ambitious culture marked by courage and a winning spirit, a collaborative culture grounded in pragmatism and responsibility, and a culture of shared progress with a sense of belonging. It also holds firm to a banking culture dedicated to robust development, legal and compliant operations, and customer centricity. These cultures constitute the common values and behavioral guidelines for the entire Group.

## 1.4 Corporate profile

### 1.4.1 Basic information

Legal Chinese name: 兴业银行股份有限公司 (Abbreviation: 兴业银行)

Legal English name: INDUSTRIAL BANK CO., LTD.

### 1.4.2 Legal representative: Lyu Jiajin

### 1.4.3 Contact persons and details

Secretary of the Board of Directors: Xia Weichun

Representative of securities affairs: Li Dapeng

Address: Industrial Bank Building, 398 Jiangbin Middle Avenue, Taijiang District, Fuzhou, Fujian Province

Tel: (86)591-87824863

Email: irm@cib.com.cn

### 1.4.4 Registered address

Registered address: Industrial Bank Building, 398 Jiangbin Middle Avenue, Taijiang District, Fuzhou, Fujian Province

Change history of the registered address of the Company:

Date of change	Before change	After change
August 15, 1997	17 Hualin Road, Fuzhou, PRC	154 Hudong Road, Fuzhou, PRC
March 15, 2022	154 Hudong Road, Fuzhou, PRC	Industrial Bank Building, 398 Jiangbin Middle Avenue, Taijiang District, Fuzhou, Fujian Province

Office address: Industrial Bank Building, 398 Jiangbin Middle Avenue, Taijiang District, Fuzhou, Fujian Province

Postal Code: 350014

Website: www.cib.com.cn

### 1.4.5 Information disclosure and location where copies of this annual report are kept

Media and websites for disclosure of annual reports: *China Securities Journal*, *Shanghai Securities News*, *Securities Times* and *Securities Daily*

Website designated by CSRC for publishing annual reports: www.sse.com.cn

Location where copies of this annual report are kept: the Board of Directors Office of the Company


  
Important Notice


  
Message from  
Chairman


  
Message from  
President


  
Definition

**Company  
Profile**  
Corporate profile


  
Financial  
Highlights

#### 1.4.6 Brief introduction of company securities

Classes of securities	The stock exchange	Abbreviation	Code
A share	Shanghai Stock Exchange	Industrial Bank	601166
Convertible corporate bond	Shanghai Stock Exchange	Industrial convertible bonds	113052

#### 1.4.7 Other related information

Accounting firm engaged by the Company: KPMG Huazhen LLP

Office address: 8/F, KPMG Tower, Oriental Plaza, 1 Dongchang'an Street, Dongcheng District, Beijing, PRC

Signing accountants: Wu Zhongming and Pan Sheng

This report is prepared in both Chinese and English. Should there be any discrepancy in interpretation, the Chinese version shall prevail.

#### 1.4.8 Documents available for inspection

Financial statements bearing the signatures and seals of the Company's legal representative, President and person in charge of the accounting body.

Original auditors' report bearing the seal of the accounting firm and personally signed and sealed by certified public accountants.

All the original documents and announcements publicized by the Company during the reporting period.

## 1.4.9 Honors and awards



Ranked 14th in The Banker's  
"Top 1000 World Banks 2025"  
by tier 1 capital



Received AAA in MSCI ESG  
Ratings



Awarded "National March 8th  
Red-Banner Collective" by All-  
China Women's Federation



**The Banker, a magazine from the UK:** Ranked 14th in "Top 1000 World Banks 2025" by Tier 1 capital, up 2 places compared to last year. In the comprehensive performance ranking list, the Company rose to the 2nd place among Chinese-funded banks, up 6 places compared to last year.

**MSCI:** Received AAA, the highest ESG rating, in the global banking industry for the second consecutive year, which marks the top 3% globally among peers, making it the only bank receiving the highest rating in China's banking industry for seven consecutive years.

**All-China Women's Federation:** "National March 8th Red-Banner Collective".

**The People's Bank of China:** Second Prize and Third Prize in Financial Technology Development Award, Third Prize in the research project "Comprehensive Statistics of the Financial Industry".

**Office of the Central Cyberspace Affairs Commission and Ministry of Agriculture and Rural Affairs:** National Second Prize in the National Digital Rural Innovation Competition.

**Shanghai Municipal Government:** Second Prize in Shanghai Financial Innovation Achievement Award.

**Shanghai Commercial Paper Exchange:** Excellent Comprehensive Business Institution Award, Excellent Discounting Institution, Excellent Trading Institution, Excellent Acceptance Institution, Excellent Settlement Institution, Excellent Bill Payment Institution, Excellent Enterprise Promotion Institution, Excellent Bill Information Disclosure Service Institution, Excellent Institution in Advancing the "Five Priorities" of the financial sector.

**Shanghai Clearing House:** 14 awards, including Excellent Clearing Member, Excellent Settlement Member, Excellent Award for Self-operated Clearing of Interest Rate Swaps, Excellent Custodian Institution, Excellent Issuer (Commercial Bank Financial Bonds), Excellent Underwriter (of policy financial bonds issued by Shanghai Clearing House), Excellent Risk Management Collaboration Institution (Business Collaboration), etc.

**Artificial Intelligence Industry Development Alliance of China (AIIA), News and Publicity Center of the Ministry of Industry and Information Technology, and China Academy of Information and Communications Technology:** Excellent case in the financial category, and the only award-winning commercial bank in the financial category.



Important Notice



Message from  
Chairman



Message from  
President



Definition



Company  
Profile

Corporate profile



Financial  
Highlights

**China Association for Public Companies:** 2025 Best Practice Case of the Board of Directors of Listed Companies, 2025 Best Practice of the Board Office of Listed Companies, 2024 Best Practice of the Annual Results Briefing of Listed Companies, 2025 Best Practice Case of Sustainable Development of Listed Companies, Best Practice of Investor Relationship Management of Listed Companies, and selected for the 2025 Cash Dividend List of Listed Companies.

**China Enterprise Evaluation Association:** 21st China Enterprise Talent Development Benchmark Organization, Top 100 Advanced Organizations for Chinese Enterprise Education in China, and Model Learning Project for Chinese Enterprise Training.

**China Enterprise Confederation:** Ranked 61st in the “Top 500 Chinese Enterprises in 2025”.

**Fortune:** ranked 242nd in the Fortune Global 500, the only joint-stock commercial bank included in the “Fortune China ESG Impact List” for three consecutive years.

**Brand Finance:** Ranked 259th in the Brand Finance Global 500 2025, and 10th among domestic banks; ranked 42nd in the Brand Finance China 500 2025.

**S&P Global:** Selected for the **Sustainability Yearbook 2025 (China Edition)**, the only domestic bank included in this yearbook for two consecutive years.

**The Asian Banker:** Best Consumer Credit Technology Implementation in the Asia-Pacific Region.

**GYBrand:** Ranked 38th in the “2025 China’s TOP 500 Most Valuable Brands”.

**Forbes:** Ranked 75th in the “2025 Global 2000”.

**People’s Daily Online:** People’s corporate social responsibility case and case of “People’s Craftsmanship Service”.

**China Securities Journal:** Golden Disclosure Award, Golden Bull Award for Investor Engagement, and Golden Bull Award for Green Finance.

**Shanghai Securities News:** “SSE Eagle • Golden Quality” ESG Award.

**Securities Times:** Tianji Award for High-quality Development Bank, Honorary Award for Commitment to Advancing the “Five Priorities” in China’s Financial Industry, Tianji Award for 2025 Outstanding M&A Financing Bank, Tianji Award for 2025 ESG Practice of China’s Banking Industry.

**China Banking and Insurance News:** Excellent Case of **Protecting Consumers’ Financial Security**, Excellent Case of Elderly-Friendly Services, 2025 Typical ESG Practice Case in the Banking Industry – Green Finance Innovation Case, 2025 Typical ESG Practice Case in the Banking Industry in 2025 – ESG Brand Building Case.

**China Fund:** Green Finance Demonstration Bank in Advancing the “Five Priorities” of the Financial Sector and Excellent Wealth Management Sales Bank (Joint-stock Bank)

- **Fortune China:** Ranked 62nd on the list of 2025 Fortune China 500.
- **Caijing Magazine:** Enterprise of the Year for Contribution to the Sustainable Development Ecosystem.
- **Southern Finance Omnimedia Corp and 21st Century Business Herald:** 2025 Leading Joint-stock Bank, 21st Century Vitality • ESG Corporate Governance Case, and 2025 Listed Companies for Outstanding ESG Practice.
- **The Economic Observer:** The Most Respected Enterprise of the Year.
- **China Business Journal:** Outstanding Competitive Brand-Building Bank of the Year.
- **National Business Daily:** Ranked 54th in the 2025 Brand Value Ranking of China's Listed Companies and Financial Golden Tripod Award.
- **Jiemian News:** "Excellent Finance Award" Comprehensive Category – Annual Joint-stock Commercial Bank.
- **The Time Weekly:** Excellent Case of Green Finance.
- **China Newsweek:** Low-carbon Case for 2025.
- **Businessweek:** Green Financial Institution and Green Finance Case.
- **Cailian Press:** 2025 "Topology Award" for National Banks in China's Financial Industry, 2025 Green Finance Institution, 2025 Bank Credit Cards, and 2025 Financial Institution Helping Boost Consumption.
- **Southern Weekly:** ESG Influential Enterprise of the Year and TOP 10 Banks in New Financial Competitiveness Ranking.
- **JRJ.com:** Outstanding High-quality Development Model Award, Excellent Practice Case of Pension Finance, and Excellent Innovative Case of Green Finance.
- **Stockstar:** Outstanding Brand Bank Award.
- **7th Annual Excellent Brand Case Selection in the Financial Industry:** Annual Case of Inclusive Finance and Annual Case of Social Responsibility.
- **The 11th Asset Securitization and Bond • Jiefu Award:** Outstanding Trading Case of Structured Financing.
- **Ocean Engine:** 2024 Annual Brand Marketing Award.
- **Tencent Ads:** 2024 Tencent IN Best Social Innovation Award in the Financial Industry.
- **Sina Finance:** Most Socially Responsible Bank of the Year, Outstanding Green Finance Bank of the Year, Excellent Case of Credit Card Consumer Protection, and Excellent Case of Convenient and Elderly-friendly Services.



Chapter 2

# Financial Highlights



## Chapter 2 Financial Highlights

### 2.1 Main accounting data and financial indicators

Unit: RMB million

Item	2025	2024	Increase/decrease in the current period compared to the same period last year (%)	2023
<b>Operating results</b>				
Operating income	212,741	212,226	0.24	210,831
Net interest income	148,752	148,107	0.44	146,503
Net non-interest income	63,989	64,119	(0.20)	64,328
Operating profit	89,948	87,197	3.15	84,140
Profit before tax	89,973	87,120	3.27	84,329
Net profit attributable to shareholders of the parent company	77,469	77,205	0.34	77,116
Net profit attributable to shareholders of the parent company, after deduction of non-recurring gains and losses	77,064	76,772	0.38	76,523
Net cash flows generated from operating activities	653,656	(237,258)	Negative in the same period last year	433,617
<b>Per share data (in RMB yuan)</b>				
Basic earnings per share	3.46	3.51	(1.42)	3.51
Diluted earnings per share	3.21	3.23	(0.62)	3.24
Basic earnings per share, after deduction of non-recurring gains and losses	3.44	3.49	(1.43)	3.48
Net cash flow per share from operating activities	30.89	(11.42)	Negative in the same period last year	20.87
<b>Profitability indicators (%)</b>				
Total return on assets	0.72	0.75	Down 0.03 percentage points	0.80
Weighted average ROE	9.15	9.89	Down 0.74 percentage points	10.64
Weighted average ROE, after deduction of non-recurring gains and losses	9.10	9.83	Down 0.73 percentage points	10.55
Net interest spread	1.50	1.56	Down 6 bps	1.66
Net interest margin	1.71	1.82	Down 11 bps	1.93
Cost-to-income ratio	29.56	29.50	Up 0.06 percentage points	29.97

Note: Basic earnings per share, diluted earnings per share and weighted average ROE were calculated based on the *Preparation and Submission Rules for Information Disclosure by Companies Offering Securities to the Public No.9 – Calculation and Disclosure of Return on Net Assets and Earnings per Share* (2010 Revision).


  
Important Notice


  
Message from  
Chairman


  
Message from  
President


  
Definition


  
Company  
Profile

**Financial  
Highlights**

 Main accounting data  
and financial indicators

Unit: RMB million

Item	December 31, 2025	December 31, 2024	Increase/decrease at the end of the current period compared to the end of last year (%)	December 31, 2023
<b>Scale indicators</b>				
Total assets	11,094,256	10,507,898	5.58	10,158,326
Total loans	5,948,938	5,736,610	3.70	5,460,935
Including: Corporate loans	3,738,896	3,441,976	8.63	3,164,814
Personal loans	1,923,268	1,991,100	(3.41)	1,976,372
Discount loans	286,774	303,534	(5.52)	319,749
Loan loss provisions	146,754	146,183	0.39	143,426
Including: Loan loss provisions at fair value through other comprehensive income	514	550	(6.55)	862
Total liabilities	10,180,610	9,614,287	5.89	9,350,607
Total deposits	5,929,615	5,532,333	7.18	5,137,073
Including: Demand deposits	2,028,772	2,068,250	(1.91)	1,847,206
Time deposits	3,342,457	2,989,110	11.82	2,808,521
Other deposits	558,386	474,973	17.56	481,346
Equity attributable to shareholders of the parent company	901,716	881,908	2.25	796,224
Equity attributable to ordinary shareholders of the parent company	821,716	766,106	7.26	710,422
<b>Per share data (in RMB yuan)</b>				
Net assets per share attributable to ordinary shareholders of the parent company	38.83	36.88	5.29	34.20

## 2.2 Main quarterly financial data in 2025

Unit: RMB million

Item	The first quarter (January-March)	The second quarter (April-June)	The third quarter (July-September)	The fourth quarter (October-December)
Operating income	55,683	54,775	50,776	51,507
Net profit attributable to the shareholders of the listed company	23,796	19,345	19,942	14,386
Net profit attributable to the shareholders of the listed company, after deduction of non-recurring gains and losses	23,681	19,159	19,987	14,237
Net cash flows generated from operating activities	(59,413)	(18,538)	280,854	450,753

## 2.3 Items and amounts of non-recurring gains and losses

Unit: RMB million

Item	2025
Gains and losses on the disposal of non-current assets	66
Government grants recognized in profit or loss	597
Other non-operating income and expense, net	(17)
Impact on income tax	(226)
Total	420
Non-recurring gains and losses attributable to shareholders of the parent company	405
Non-recurring gains and losses attributable to minority shareholders	15

## 2.4 Asset quality indicators

Unit: %

Item	December 31, 2025	December 31, 2024	Increase/decrease at the end of the reporting period over the end of the previous year (%)	December 31, 2023
NPL ratio	1.08	1.07	Up 0.01 percentage points	1.07
Provision coverage ratio	228.41	237.78	Down 9.37 percentage points	245.21
Provision-to-loan ratio	2.47	2.55	Down 0.08 percentage points	2.63

## 2.5 Capital adequacy ratio

Unit: RMB million

Main Indicator	December 31, 2025		December 31, 2024		December 31, 2023	
	Group	Bank	Group	Bank	Group	Bank
Net capital	1,147,112	1,055,170	1,120,544	1,043,880	1,033,057	960,834
Including: Core Tier 1 capital	821,451	764,329	766,314	714,164	714,764	667,283
Additional Tier 1 capital	80,258	80,000	116,052	115,776	86,089	85,802
Tier 2 capital	246,623	241,975	239,449	235,139	233,463	228,941
Deductions	1,220	31,135	1,272	21,200	1,259	21,192
Total risk-weighted assets	8,460,074	8,053,631	7,848,126	7,494,426	7,312,326	6,956,839
Capital adequacy ratio (%)	13.56	13.10	14.28	13.93	14.13	13.81
Tier 1 capital adequacy ratio (%)	10.64	10.10	11.23	10.79	10.93	10.52
Core Tier 1 capital adequacy ratio (%)	9.70	9.10	9.75	9.25	9.76	9.29

Note: The data in the above table was compiled in accordance with the *Rule on Capital Management of Commercial Banks* of the NFRA, as well as its supporting rules.

## 2.6 Supplementary financial indicators

Unit: %

Main Indicator	Standard Value	December 31, 2025	December 31, 2024	December 31, 2023
Liquidity ratio (total in RMB and foreign currencies)	≥25	65.72	65.70	54.82
Including: RMB	≥25	62.38	64.75	54.06
Foreign currency	≥25	114.90	81.49	72.83
Proportion of loans to the largest single borrower	≤10	1.63	1.41	1.84
Proportion of loans to the top ten borrowers	≤50	10.08	8.75	12.25
Migration ratio of pass loans	–	1.52	1.54	1.66
Migration ratio of special-mention loans	–	36.48	30.46	40.33
Migration ratio of substandard loans	–	79.33	75.85	76.39
Migration ratio of doubtful loans	–	82.52	76.52	84.69

- Notes:
- The data in the above table was compiled before consolidation and did not include the data of subsidiaries.
  - The data in the above table was calculated based on the data reported to regulatory authorities. Specifically, the loan migration ratios were calculated as follows:
 

Migration ratio of pass loans: (Amount of pass loans at the beginning of the year that migrated downward + Amount of loans that were pass loans at the beginning of the year, became non-performing loans and were disposed of during the reporting period)/Balance of pass loans at the beginning of the year \* 100%;

Migration ratio of special-mention loans: (Amount of special-mention loans at the beginning of the year that migrated downward + Amount of loans that were special-mention loans at the beginning of the year, became non-performing loans and were disposed of during the reporting period)/Balance of special-mention loans at the beginning of the year \* 100%;

Migration ratio of substandard loans: (Amount of substandard loans at the beginning of the year that migrated downward + Amount of loans that were substandard loans at the beginning of the year, became doubtful and loss loans and were disposed of during the reporting period)/Balance of substandard loans at the beginning of the year \* 100%;

Migration ratio of doubtful loans: (Amount of doubtful loans at the beginning of the year that migrated downward + Amount of loans that were doubtful loans at the beginning of the year, became loss loans and were disposed of during the reporting period)/Balance of doubtful loans at the beginning of the year \* 100%.
  - The net capital in the proportion of loans to the largest single borrower and proportion of loans to the top ten borrowers at the end of the reporting period complies with relevant standards in the *Rule on Capital Management of Commercial Banks*, and the data of previous periods remain unchanged.



Chapter 3

# Management Discussion and Analysis





## Chapter 3 Management Discussion and Analysis

### 3.1 The Company's high-quality development achievements during the "14th Five-Year Plan" period

The "14th Five-year Plan" period is the first five years of China's new journey to build a modern socialist country in all respects. The CPC Central Committee with Comrade Xi Jinping at its core demonstrated great foresight, proposing the strategic goal of "accelerating the building of a financial powerhouse" and setting the direction for financial work in the new era. Under the strong leadership of the CPC Central Committee, China's financial system reform has been comprehensively deepened, the quality and efficiency of financial services for the real economy have been significantly improved, risks in key areas have been orderly resolved, major progress has been made in the reform and opening up of the financial industry, and the economy has shifted from high-speed growth to high-quality development. At the Central Financial Work Conference, important plans have been made for advancing the "Five Priorities" of the financial sector, pointing the direction for the banking industry to serve modernization with Chinese characteristics. As a staunch practitioner in building a financial powerhouse, the Company adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, deeply studied and comprehended important remarks and practices of Comrade Xi Jinping on financial work during his work in Fujian, actively transformed the "country's most fundamental interests" into "top priority of the Bank", and worked towards the vision of "First-class Bank, Everlasting CIB". The Company navigated business cycles with strategic determination and tackled challenges through reform and innovation, thereby charting a development curve with both improved quantity and quality in hard work and leaving a solid mark of CIB on the new journey in the new era.

**The governance strategy provided direction and guidance.** The Company has always adhered to the governance strategy of "strict governance, expert management and technology enhancement", which are the earnest instructions given by General Secretary Xi Jinping when personally charting the Company's development blueprint during his work in Fujian, and the spiritual wealth passed down through generations of CIB employees.

The Company has always integrated the Party's leadership into all aspects of corporate governance and incorporated Party-building requirements into the Articles of Association, so as to ensure that decisions and plans of the CPC Central Committee are implemented thoroughly and effectively. The governance strategy of "strict governance, expert management and technology enhancement" and the Party's political advantages complement each other, have long been part of the Company's development DNA and internalized into the actions of all CIB employees, becoming the fundamental support for the Company's steady and long-term progress.

Over the past five years, the Company has deeply integrated its governance strategy into strategic development, operations and management, team building, as well as risk prevention and control, yielding abundant achievements in pursuing the path of financial development with Chinese characteristics:

#### Strict Governance

only by maintaining a sense of reverence and constantly considering the responsibilities on its shoulders can the Company rigorously uphold compliance boundaries and reinforce the risk defense line, so as to lay a solid foundation for itself to navigate market turbulence.

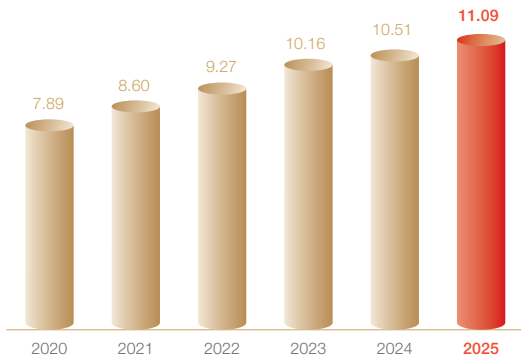
#### Expert Management

only by forging professionalism and honing strong skills can the Company accurately meet market demands and improve service quality and efficiency, so as to highlight distinctive advantages in fierce competition.

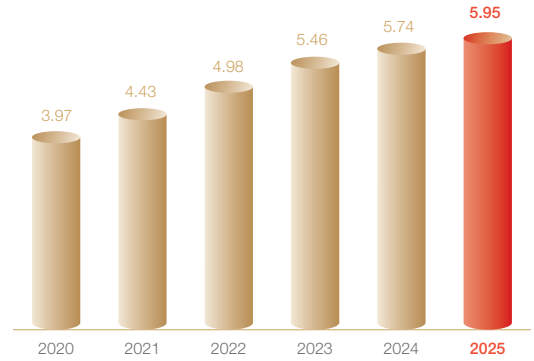
#### Technology Enhancement

only by maintaining a sharp innovative edge and keeping pace with the times can the Company seize the initiative in development and gain strategic initiative, so as to inject inexhaustible momentum into high-quality development.

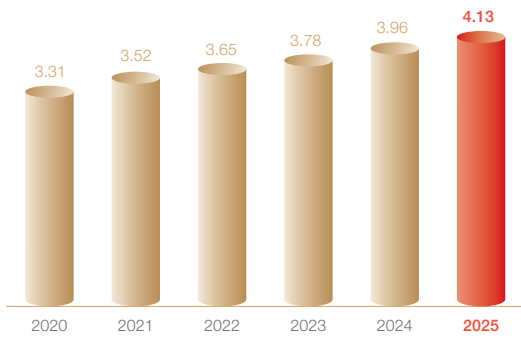
**Total assets (trillion Yuan)**



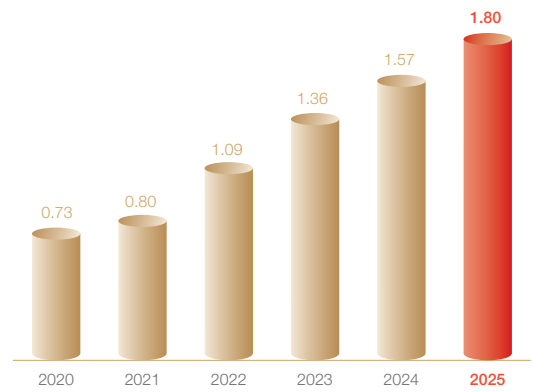
**Total loans (trillion Yuan)**



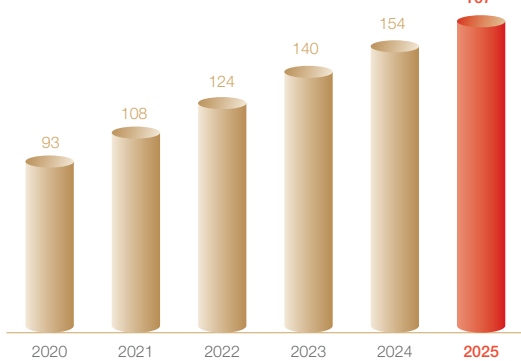
**Corporate deposits (trillion Yuan)**



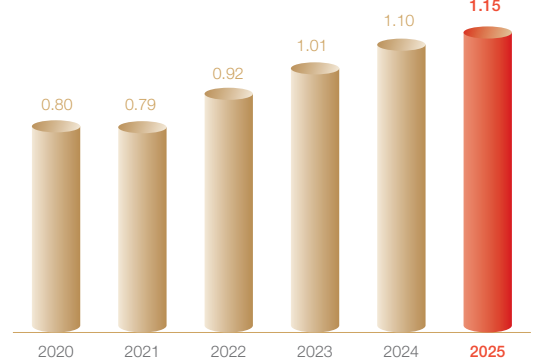
**Retail deposits (trillion Yuan)**



**Corporate clients (10 thousand)**



**Retail clients (100 million)**





**The number of customers increased significantly.** The number of corporate banking customers increased from 930 thousand to 1.67 million, an increase of nearly 80%; retail customers increased from 79.56 million to 115 million, an increase of 44%; the Company has basically achieved full coverage in cooperation with inter-bank corporate customers across major domestic industries.

**The scale expanded step by step.** The total assets successively crossed four one-trillion-yuan thresholds from RMB7.89 trillion, surpassing RMB11 trillion, firmly holding the second place among joint-stock commercial banks. Both loans and deposits achieved an increase of nearly RMB2 trillion.

**The structure was optimized.** Loans were more focused on industries, with manufacturing loans, green finance loans and technology finance loans increasing by more than 100%, 200% and 300%, respectively. Progress was made in deposits. Corporate banking deposits increased from RMB3.31 trillion to RMB4.13 trillion, retail deposits increased from RMB0.73 trillion to RMB1.80 trillion, rising to the second place among joint-stock commercial banks, and retail assets and liabilities basically achieved self-balance. Off-balance-sheet business maintained a leading position, inter-bank cooperation, bond underwriting and asset custody continuously led the market, and the total assets under management (AUM) of five asset management subsidiaries reached RMB3.65 trillion, making the diversified income structure more stable.

**Profits maintained a leading position.** The net interest margin fell from 2.36% to 1.71%, a decline better than the industry average, while net interest income generally maintained an upward trend. Income from peers and financial markets gradually increased year by year, making a significant contribution to stabilizing overall income. The operating income and net profit remained at the forefront of joint-stock commercial banks. The capital adequacy ratio and the Core Tier 1 capital adequacy ratio both increased. The market value steadily increased, the mid-term dividend was distributed

prudently, the cash dividend payout ratio exceeded 30%, and the total dividend distributed over five years reached RMB106.9 billion, rewarding all investors with excellent performance.

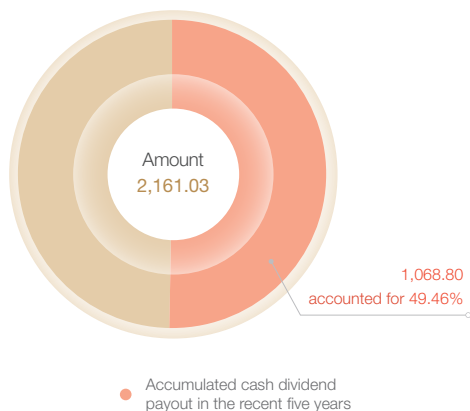
**The quality remained robust.** The non-performing loan ratio decreased from 1.25% to 1.08%, the provision coverage ratio increased from 218.83% to 228.41%, and the overall asset quality remained stable, consistently outperforming the industry average.

**The status continued to rise.** The Company ranked among the top 1000 global banks by Tier 1 capital, up from 21st place to 14th place, thereby increasing its influence in the global banking system. The ESG rating by MSCI was elevated from A to AAA, consistently ranking in the top 3% among global peers, and the brand image of responsible finance was deeply rooted in people's minds. The Company became the 10th designated e-CNY operating institution in China. The Head Office was honored with the "National May 1st Labor Certificate", and the labor union of Industrial Bank was awarded the title of "National March 8th Red-Banner Collective". The Company has been rated as a "Five-star Service Banking Institution for Serving Fujian" for four consecutive years, with social recognition constantly improving.

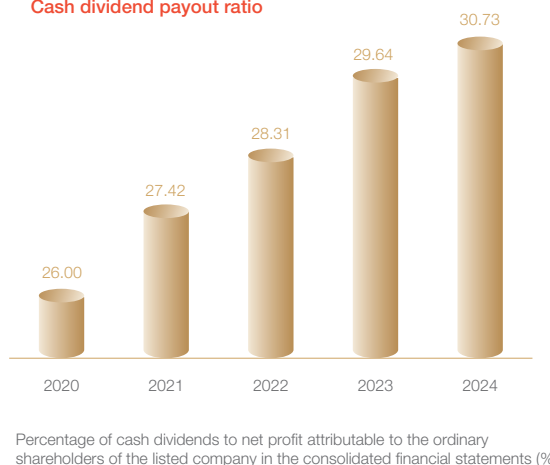
After forging ahead with dedication for five years, the Company gained a deeper understanding of how to run a commercial bank in the new era in pursuing the path of financial development with Chinese characteristics, and summarized the experience in the following eight aspects:

**Regarding the Party's leadership and Party building as the root and soul.** Over the past five years, the Company has realized that the Party's leadership is the fundamental guarantee for the development of its undertakings. It deeply studied and comprehended Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, traced and followed Comrade Xi Jinping's remarks and practices on financial work made during his tenure in Fujian, consciously guided high-quality development with high-quality Party

Accumulated cash dividend payout at the end of 2025 (100 million Yuan)



Cash dividend payout ratio



building, actively transformed the “country’s most fundamental interests” into “top priority of the Bank”, and earnestly implemented strict governance, so as to better grasp the trend of development, master science-based methods, unite the strength of the team, and always move forward along the correct path.

**Adhering to the work principle of pursuing progress while ensuring stability.**

Over the past five years, the Company has realized that pursuing progress while ensuring stability is the fundamental approach for doing economic work well. It has insisted on proceeding from reality in all respects, establishing the new before abolishing the old, promoting stability through progress, strengthening advantages, addressing weaknesses, and reinforcing the foundation simultaneously. The Company consolidated the overall performance and expanded into new arenas, following through on the blueprint while maintaining the unique advantages of Industrial Bank. It continuously explored new development models and expanded new development space.

**Taking high-quality development as the top priority.**

Over the past five years, the Company has realized that high-quality development is the foundation and key to solving all problems. By insisting that corporate banking is the main battlefield, retail banking is the ballast stone, inter-bank business is the moat, and subsidiaries are new driving forces, the Company ensured that key regional branches shoulder primary responsibilities, and called on the entire bank to act courageously in the market and do the difficult but right things. It has become even clearer about CIB’s position and direction, increasingly demonstrating the standing and responsibility of a systemically important bank in China.

**Making digital and intelligent transformation a battle for survival.**

Over the past five years, the Company has realized that digital and intelligent development has become a key variable affecting the development model of the banking industry. It has adhered to the strategy of reinvigorating the bank through technology, implemented reforms in the technological system, increased investment in technological resources, strengthened the cultivation of technological talents, and advanced a series of major technological projects according to enterprise-level principles and standardized methods. In a relatively short period, it has brought about marked improvements in technology work, gradually entered the period of harvest in digital transformation, and embarked on a new journey of intelligent transformation.

**Committed to risk prevention as an eternal theme.**

Over the past five years, the Company has realized that the level of risk management determines how far a bank can go. It has coordinated development and safety, continuously increased efforts to resolve existing risks and recover special assets, comprehensively strengthened the prevention of both traditional and new types of risks, implemented reforms in the risk management system, consolidated the foundation of risk compliance and internal control, and strived to manage the personnel, safeguard funds and strengthen institutional firewalls, ensuring that risks were under control

overall and were gradually converged and maintaining steady and sustained development.

**Relying on reform and innovation as the fundamental driving forces.**

Over the past five years, the Company has realized that Industrial Bank was born out of reform and thrives because of innovation. It has insisted on seeking momentum from reform and vitality from innovation, and has successively carried out reforms in areas such as technology, retail, corporate banking, the Fujian area, Party building and discipline inspection, administrative logistics, and risk management. It has vigorously promoted a spirit and culture of daring to be first and striving to win, establishing the pillars that support high-quality development and effectively solving problems encountered in the course of development.

**Treating talent as the primary resource.**

Over the past five years, the Company has realized that the key to business development lies in people. It attracted and utilized talent from all over the world, creating a favorable environment for the growth and development of its employees. The Company established the CIB Fintech Research Academy, CIB Carbon Finance Research Institute, and Southeast Asia Research Institute, promoted programs such as “Tens of Thousands of Technology Talent Program”, the “Tens of Thousands of Green Finance Talent Program”, the “Tens of Thousands of Wealth Management Talent Program”, and the International Talent Cultivation Program. It built Honghu, Kunpeng, and Hongyan talent pools, created competition platforms like “Xing Feiyue” and “Xinghuo • Liaoyuan”, and launched awards and honors such as the Outstanding Contribution Award, CIB Craftsman and Young Science and Technology Expert to establish a larger talent team and effectively stimulate the team vitality.

**Seeing Fujian as the place of origin.**

Over the past five years, the Company has realized that a tree can only flourish with deep roots. It has been committed to rooting itself in Fujian, conducted multiple major surveys in Fujian, established a Fujian Management Department at the Head Office, required branches within Fujian Province to “strive to be among the top three and compete for the first place” in performance, and promoted the entire Group to better support the building of a new Fujian. The balance of various financing in the province increased from RMB1.4 trillion to RMB2.1 trillion, and RMB86.4 billion was made in tax payments in the province, fulfilling the mission of “finance for the people” with concrete action.

**Looking back on the “14th Five-year Plan”,**

the Company tempered its resolve in adversity, opened up new prospects amid changing circumstances, and delivered a strong performance through diligent work. The valuable experience accumulated over the past five years is the common wealth for all CIB employees, and this battle-tested team is the Company’s greatest source of confidence for the future. The journey ahead is as splendid as a rainbow, yet the responsibilities are heavy on our shoulders. With firmer confidence and higher morale, the Company will achieve new leapfrog development on the new journey of the “15th Five-year Plan”.



## 3.2 Industrial updates and development trends during the reporting period

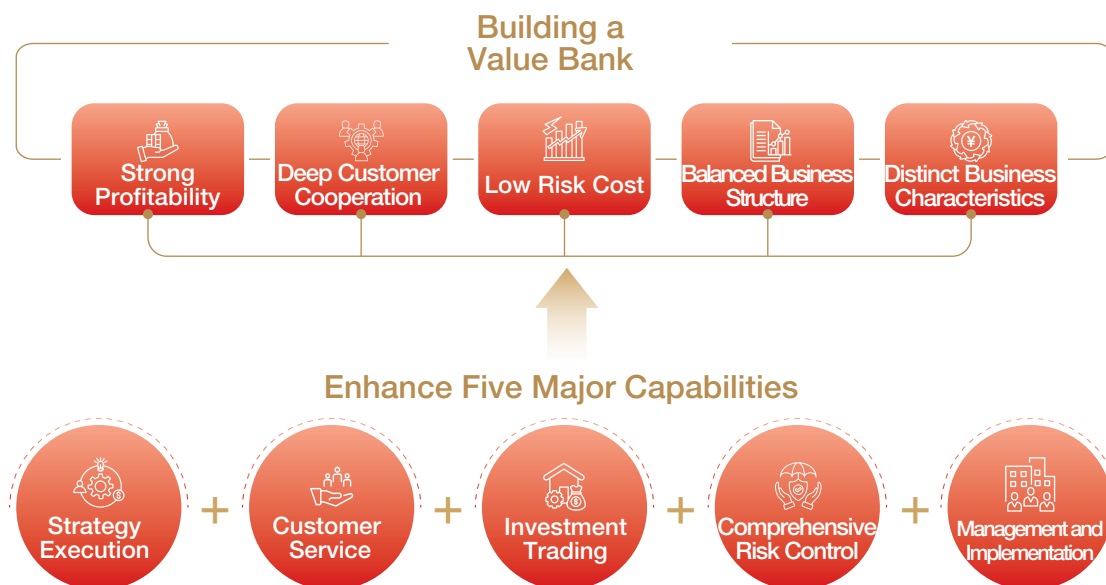
2025 is the final year for completing China's "14th Five-Year Plan". Facing a complex external environment with insufficient momentum for global economic recovery, intensified geopolitical conflicts, and deep adjustments in the international economic and trade order, China's economy forged ahead against headwinds and achieved innovation-driven and high-quality development. The banking industry actively integrated into the overall national strategy, achieving steady improvement in its own operational quality and efficiency while serving the transformation and upgrading of the real economy.

**From a global perspective, the landscape evolved rapidly. In terms of politics,** global geopolitics has entered a period of deep restructuring, with frequent regional wars and cross-border conflicts. The strategic competition over energy and critical mineral resources intensified, and the international governance system faced severe challenges. **In terms of the economy,** although global inflationary pressures eased to some extent, the pace of economic recovery varied among economies. Major central banks around the world continued to implement accommodative monetary policies, but monetary easing has reached its end in many developed economies. Trade protectionism, ongoing geopolitical conflicts, and the restructuring of industrial and supply chains continued to exacerbate the risk of global economic fragmentation.

**From a domestic perspective, opportunities and challenges coexisted. In terms of challenges, the impact of changes in the external environment increased,** and the problem of strong domestic supply and weak demand was prominent. Consumption and investment lacked sufficient growth momentum. During the transition from old to new drivers of growth, some industries still suffered from overcapacity, while risks and hidden dangers in certain key areas, such as real estate, have not been fully eliminated. **In terms of opportunities,** China's economy showed a trend towards innovation-driven and high-quality development. By volume, China's GDP exceeded RMB140 trillion for the first time; by structure, the value added of high-tech manufacturing enterprises above the designated size accounted for 17.1% of the value added of industrial enterprises above the designated size, and the final consumption expenditure contributed to more than 50% of the economic growth. The reform and opening-up were further deepened, the building of a unified national market was advanced in depth, the *Private Sector Promotion Law* was officially implemented, and the comprehensive rectification of "involution-style" competitions became effective. Hainan Free Trade Port launched island-wide special customs operations, taking an important step towards high-level opening-up. The feature of "innovation-driven and high-quality development" was distinctive, and new growth drivers were cultivated and strengthened. The R&D expenditure reached 2.8% of GDP, an increase of 0.11 percentage points from the previous year, surpassing the national average of OECD for the first time; the value added of digital product manufacturing above the designated size increased by 9.3% year on year, with high-speed growth in the output of servers and industrial robots; green electricity, green energy and green economy were thriving, and new energy vehicles accounted for more than 50% of domestic new vehicle sales.

**For the banking industry, "low interest rates, low interest margins and high risks" remained the main issues.** In a complicated and changing business environment, China's banking industry rose to challenges and accelerated its transformation and development. **In terms of interest rates,** although the net interest margin was still operating at a low level, the decline narrowed. The banking industry responded to the challenges of an environment with low interest rates and low interest margin by optimizing business structures and strengthening asset-liability management. **In terms of credit,** the banking industry continued to increase the targeted allocation of financial resources to the "Five Priorities" of the financial sector, with an optimized allocation structure. **In terms of fee and commission income,** under the pressure of narrowing interest margins, expanding the fee and commission income has become the key for banks to achieve high-quality development and light-capital transformation. The banking industry seized opportunities from the growth of residents' wealth and the development of the capital market and focused on investment banking, wealth management, asset management and other businesses. However, affected by factors such as insufficient consumer willingness, the growth of consumer-related fee and commission income, such as credit cards, still faced pressure. **In terms of risks,** significant progress was made in mitigating risks in key areas, the coordination mechanism for real estate financing was expanded in coverage and became more effective, and comprehensive debt resolution plans of local governments were effectively implemented. The banking industry supplemented capital through multiple channels, increased efforts to dispose of non-performing assets, and maintained stable asset quality. **In terms of financial technology,** the banking industry focused on AI to accelerate digital and intelligent transformation, continuously promoted the large-scale application of AI in scenarios such as intelligent customer service, code assistance, investment research and risk control, and continuously enhanced data governance capabilities and the efficiency of unleashing the value of data elements. **In terms of effectiveness,** the banking industry aligned itself with the goal of building a financial powerhouse, maintained stability in key business indicators, and significantly enhanced the quality and efficiency of services for the real economy. **The total assets grew steadily.** At the end of 2025, the total assets of financial institutions in the banking industry were RMB480 trillion, representing an increase of 8.0% from the end of the previous year. Among them, the balance of RMB loans to the real economy amounted to RMB268.40 trillion, an increase of 6.3% over the end of the previous year. **The loan structure continued to improve.** In 2025, loans for the technology, green, inclusive finance, elderly care and digital economy sectors increased by 11.5%, 20.2%, 10.9%, 50.5% and 14.1% year on year, respectively, continuously exceeding the growth rate of total loans. **The risk offset capability was sufficient.** The NPL ratio was 1.50%, unchanged from the end of last year; the provision coverage ratio was 205.21%, a decrease of 5.98 percentage points from the end of the previous year. The liquidity coverage ratio was 157.99%, an increase of 3.26 percentage points from the end of the previous year. The net stable funding ratio was 127.83%, and the liquidity ratio was 80.95%.

### 3.3 Strategy implementation



During the reporting period, based on the basic operation logic of commercial banks and with the goal of building a value bank, the Company clearly regarded “strong profitability, deep customer cooperation, low risk cost, balanced business structure and distinct business characteristics” as the five major characteristics of a value bank. Moreover, it regarded five major capabilities of “strategy execution, customer service, investment trading, comprehensive risk control, and management and implementation” as the fundamental path to achieving the goal of building a value bank. In creating value for customers, the Company aimed to simultaneously enhance corporate value and shareholder value, promoting a sound integration of economic benefits, social benefits and environmental benefits. At the same time, adopting the strategy of “commercial banking + investment banking”, the Company made a proactive plan for industrial finance, promoted the deep integration of business strategy with the “Five Priorities” of the financial sector, and achieved solid results in the building of a value bank and the enhancement of core capabilities, with the operating results meeting expectations.

**On strong profitability, the Company achieved growth in both operating income and net profit.** During the reporting period, the operating income of the Company recorded RMB212.741 billion, a year-on-year increase of 0.24%; the net profit attributable to the parent company was RMB77.469 billion, a year-on-year increase of 0.34%; the net interest income was RMB148.752 billion, a year-on-year increase of 0.44%. **The Company seized the opportunity arising from increased activity in the capital market,** strengthened the Group’s coordination and synergy through the business model of “integrated investment banking, asset management and wealth management”. The net fee and commission income was RMB25.891 billion, a year-on-year increase of 7.45%.

**On deep customer cooperation, the Company achieved improvement in both the quantity and quality of customers.** During the reporting period, there were 115 million retail customers, an increase of 4.15% compared to

the end of the previous year; there were 1.667 million corporate banking customers, an increase of 8.57% compared to the end of the previous year. **The Company worked to find potential customers and broaden the existing customer base at the same time.** Retail platinum and black gold customers and private banking customers grew by 12.87% and 12.83%, respectively, and potential and above customers and value customers in the corporate banking business grew by 10.57% and 12.25%, respectively.

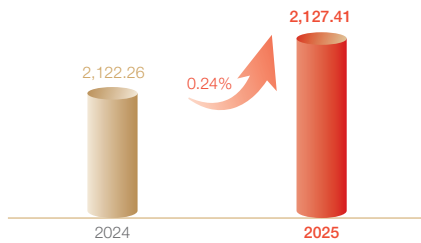
**On low risk cost, the Company maintained overall stability in asset quality.** At the end of the reporting period, the non-performing loan ratio was 1.08%, and the provision coverage ratio was 228.41%, remaining within a reasonable range. **Risks in key areas converged.** New non-performing loans in real estate, local government financing vehicles, and credit cards all declined year on year.

**On a balanced business structure, the Company continuously optimized asset structure and effectively reduced liability costs.** On the asset side, the Company directed more resources for loan issuance in key areas, improving the alignment of asset allocation with the structure of the national economy. Green loans, technology loans, and medium – to long-term loans for the manufacturing industry increased by 19.05%, 18.47% and 14.91%, respectively, compared to the end of the previous year, all exceeding the overall growth rate of loans. **On the liability side,** the Company strengthened the operation of main settlement accounts for corporate banking, deepened the systematic development of retail banking, and promoted the growth of settlement deposits, with a deposit interest rate of 1.65%, a year-on-year decrease of 33 basis points.

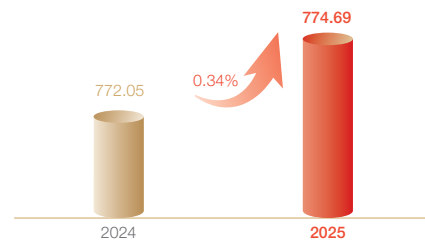
**On distinct business characteristics, the Company continued to polish its business cards of “green banking, wealth management banking and investment banking”.** The Company’s balance of green financing was RMB2.46 trillion and that of green finance loans was RMB1.11 trillion, representing increases of 12.37% and 19.05%, respectively, compared to



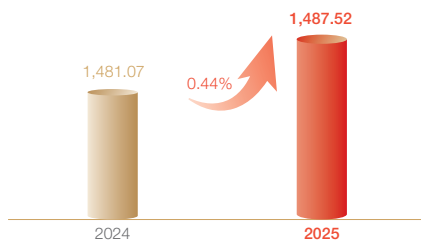
Operating income (100 million Yuan)



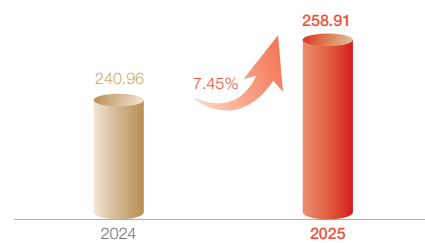
Net profit attributable to the parent company (100 million Yuan)



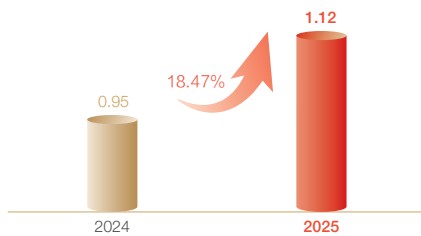
Net interest income (100 million Yuan)



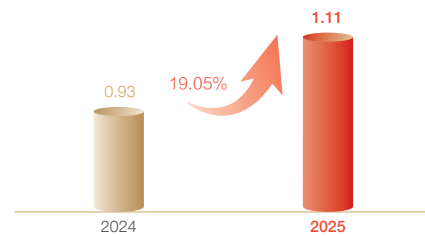
Net fee and commission income (100 million Yuan)



Balance of technology financing (100 million Yuan)



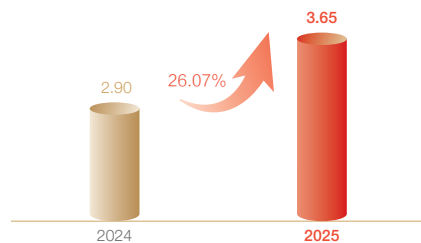
Balance of green financing (100 million Yuan)



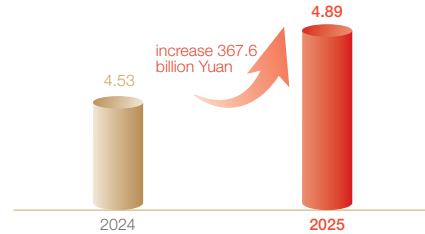
Note: Technology financing balance at the end of 2024 was adjusted in accordance with adjustments in regulatory standards

Note: Green financing balance at the end of 2024 was retrospectively adjusted in accordance with requirements of the *Catalogue of Green Finance-Supported Projects (Trial)* issued by the PBOC in February 2025

Total assets under management by five asset management subsidiaries (100 million Yuan)



Size of FPA in the large investment banking (100 million Yuan)



the end of the previous year, ranking first among joint-stock commercial banks in terms of balance. The Group's five asset management subsidiaries had total assets under management of RMB3.65 trillion, an increase of 26.07% compared to the end of the previous year. The size of FPA in the large investment banking was RMB4.89 trillion, an increase of RMB367.6 billion compared to the end of the previous year. **The Company focused on creating the "fourth business card" of technology finance.** The balance of technology financing was RMB2 trillion and that of technology finance loans was RMB1.12 trillion, representing increases of 15.98% and 18.47%, respectively, compared to the end of the previous year.

### 3.3.1 Steadily improved five major capabilities

#### 3.3.1.1 Enhancing the strategy execution capabilities

Focused on the goal of "light assets, light capital and high efficiency", the Company deepened the management of asset-liability portfolios. By vigorously expanding low-cost settlement deposits, the Company coordinated the efforts for advancing the "Five Priorities" of the financial sector, deepened measures such as "region + industry" operations, promoted continuous reduction of liability costs, and steadily optimized the asset structure. During the reporting period, the Company achieved a net interest income of RMB148.752 billion, a year-on-year increase of 0.44%. The net interest margin was 1.71%, a year-on-year decrease of 11 basis points, with the decline kept under control at a relatively good level among peers.

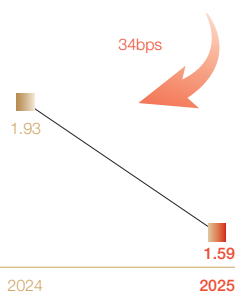
**Continuously reduced the liability costs.** In terms of corporate banking, the Company continued to advance the development of "Network Weaving Project 3.0", deepened customer management and engagement in key scenarios, and improved the payment and clearing infrastructure, driving steady growth in settlement-related funds. In terms of retail business, the Company optimized the operation system, improved the product supply system and cross-selling system, focused on key customer groups for payroll services, acquiring, wealth management, and payment and settlement, strengthened integrated operation, and promoted the accumulation of low-cost funds. In terms of inter-bank business, the Company actively implemented various initiatives of the self-regulatory mechanism for market interest rate pricing, standardized the pricing of inter-bank demand deposits, and took multiple measures to reduce liability costs. As at the end of the reporting period, the balance of various deposits was RMB5.93 trillion, an increase of RMB397.282 billion compared to the end of the previous year, an increase of 7.18%. Specifically, the balance of **corporate banking deposits** increased by RMB165.077 billion compared to the end of the previous year, an increase of 4.16%; the interest payment rate was 1.59%, a year-on-year

decrease of 34 basis points. The balance of **retail deposits** increased by RMB232.205 billion compared to the end of the previous year, an increase of 14.81%; the interest payment rate was 1.80%, a year-on-year decrease of 31 basis points; in retail settlement deposits, the proportion driven by transactional customers was 39.48%, a year-on-year increase of 1.98 percentage points. The interest payment rate of **inter-bank deposits** was 1.64%, a year-on-year decrease of 59 basis points; the proportion of the average daily balance of inter-bank settlement deposits in inter-bank deposits increased by 12 percentage points compared to the previous year.

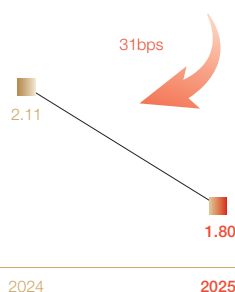
**Optimized the structure of asset allocation.** The Company actively responded to the effective financing needs of the real economy, and increased financial support for major strategies, key areas and weak links of the national economy. **It coordinated the efforts to advance the "Five Priorities" of the financial sector,** accelerated the allocation of assets in key areas such as technology finance, green finance and inclusive finance, with loans to these areas increasing by 18.47%, 19.05% and 7.22%, respectively, from the end of the previous year. **It continuously deepened "region and industry" operations.** It enhanced the alignment between key branches and local mainstream industries. Loans to key regional industries (the top ten industries in terms of industrial operating income) increased by RMB143.43 billion compared to the end of the previous year, a growth of 20.1%.

**Strengthened Group synergy to expand the fee and commission income.** During the reporting period, the Company achieved net fee and commission income of RMB25.891 billion, a year-on-year increase of RMB1.795 billion, up 7.45%. **For investment banking,** the Company further implemented the integrated strategy of "investment, underwriting, sales and custody". As at the end of the reporting period, the underwriting scale of debt financing instruments of non-financial enterprises was RMB837.210 billion, ranking second in the market; the underwriting scale of overseas bonds was USD6.026 billion, ranking first among Chinese-funded joint-stock commercial banks. **For asset management,** through collaborative upgrades, equity transformation and function enhancement, the Company promoted steady growth in the Group's AUM, and offset price pressure with volume growth to support the fee and commission income of asset management. During the reporting period, the AUM of CIB Wealth Management and CIB Fund Management, as well as the scale of trust managed by Industrial Trust increased by 11.64%, 25.30% and 155.44%, respectively, compared to the end of the previous year. **For wealth management,** the Company achieved the fee and commission income from retail wealth management of RMB5.561 billion, a year-on-year increase of 19.22%. **For the custody business,** the Company achieved the fee and commission income from the custody business of RMB3.780 billion, a year-on-year increase of 5.35%.

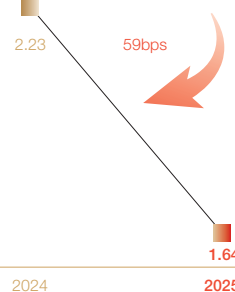
**Interest payment rate of corporate banking deposits (%)**



**Interest payment rate of retail deposits (%)**



**Interest payment rate of inter-bank deposits (%)**





### Special Topic 1: Adhering to the strategy of “basing banking operation on liabilities” and systematically promoting the improvement of liability quality

Affected by changes in the macroeconomic situation, decline in the LPR and other factors, the return on assets continues to decrease, and the narrowing net interest margin has become a challenge faced by the entire industry. At the same time, as regulators strengthen the implementation and supervision of interest rate policies, the transmission of interest rate policies has been improved, the practice of manual interest adjustment has been effectively rectified, and the industry competition logic has shifted from scale expansion to cost saving and structural optimization. In this context, the quality of liability business, which serves as the cornerstone of commercial bank operations, directly determines the space for value creation and the capability to withstand risks.

At the crucial stage of transformation, the Company faces multiple challenges on the liability side: first, the competitive pressure of interest payment costs; second, in implementing interest rate policies and self-regulatory code, and converting high-cost liabilities into low-cost deposits, the Company faces dual risks of customer loss and scale fluctuations; third, customer stickiness needs to be improved, as it is essential to convert “transaction flows” into “retained balances”, so as to achieve the normalized accumulation of low-cost settlement funds. To this end, the Company has unwaveringly implemented the strategy of “basing banking operations on liabilities”. By improving institutional guidance, the Company made coordinated efforts across its retail, corporate and inter-bank lines to systematically advance the high-quality development of liabilities.

**Strengthened top-level design and mechanism orientation to solidify the foundation of governance.** The Company established and improved a full lifecycle management system for liability quality and clarified the governance structure where the Board of Directors bears the ultimate responsibility and the Senior Management is responsible for specific implementation. Focusing on the strategy of “stabilizing scale, optimizing structure, and reducing costs”, the Company improved the top-level mechanism. First, it effectively implemented various interest rate self-regulation initiatives, leveraged the guiding role of FTP (Funds Transfer Pricing), achieved a reasonable downward adjustment of deposit pricing, and continuously optimized the deposit maturity structure. Second, it continued to strengthen the proactive management of high-cost liabilities, coordinating various policies such as asset-liability management, assessment and evaluation and financial management, ensuring that the business focus is on expanding low-cost liabilities and guiding operating institutions to return to the original principle of pursuing development through service.

**Improved both scale and quality of retail business.** The Company used retail liabilities as the foundation for the stable operation of the retail business. First, it anchored in customer needs and seized market opportunities. It closely responded to customers’ wealth management needs, continuously consolidated the core positioning of deposits as the risk-free foundation of asset allocation, deeply integrated deposit product allocation into the full lifecycle customer management, continuously strengthened the customer base, and optimized product and service offerings to improve customer satisfaction and promote steady growth in the scale of personal deposits. Second, it focused on structural optimization and strengthened the foundation of the settlement. It was deeply engaged in key settlement scenarios such as payroll services, merchant acquiring and quick payment, built a full-chain service system of “scenario-based customer attraction – digital operations – product adaptation”, and continuously enhanced the penetration of payment settlement and the level of integrated customer management, thereby laying a solid foundation of customer group and capital for the diversified growth of settlement deposits.

**Enhanced structural adjustments to and reduced costs of corporate banking.** The Company strengthened the integrated transformation from marketing liabilities to customer management. First, the Company strengthened overall coordination and organization, refined the monitoring and analysis of deposit changes from multiple dimensions such as deposit types, terms, industries and customer groups, and promoted enhanced collaboration, joint management and shared responsibility between the customer and product departments. Second, the Company broadened the sources of settlement deposits, continued to deepen the building of “Network Weaving Project 3.0”, accurately matched settlement products and services by focusing on the marketing of main settlement accounts, deepening comprehensive management of credit customers, and expanding high-quality upstream, downstream and related enterprises, expanded the scale and quality of settlement customers, and consolidated the foundation for development of settlement deposits. Third, the Company orderly lowered the proportion of long-term deposits, prudently carried out the renewal and reduction of long-term deposits (including large-denomination certificates of deposit) upon maturity, and continuously optimized the deposit maturity structure. Fourth, the Company optimized proactive management strategies for liabilities, implemented differentiated strategies based on the overall interest payment rate of customers, gradually reduced the scale of high-cost deposits, effectively promoted the development of settlement liabilities, and lowered the average interest payment cost.

**Refined deposit management for inter-bank business.** The Company balanced the relationship between scale, pricing and liquidity security. First, it implemented the self-regulation initiative on non-bank inter-bank deposit pricing, proactively optimized the pricing of inter-bank time liabilities, adjusted the treasury curve, and controlled liability costs. Second, it vigorously developed settlement deposits, controlled the scale of inter-bank deposits within an acceptable range and focused on core businesses such as opening of material accounts, factor markets and third-party depository services to build a “payment and settlement ecosystem”.

Through the above systematic measures, the Company’s liability business achieved steady growth in scale and a significant decline in costs. First, cost reduction was significant. In 2025, the deposit interest payment rate was 1.65%, a significant year-on-year decrease of 33 basis points. Specifically, the interest payment rate of corporate banking deposits and that of retail deposits fell by 34 basis points and 31 basis points year on year, respectively. The interest payment rate of inter-bank deposits fell by 59 basis points year on year, effectively alleviating the pressure of narrowing interest margins. Second, the scale, quality and efficiency of deposits improved. As at the end of 2025, the Group’s total liability balance amounted to RMB10.18 trillion, an increase of 5.89% compared to the end of the previous year. Specifically, the total customer deposits amounted to RMB5.93 trillion, an increase of 7.18% compared to the end of the previous year, and the proportion in total liabilities increased by 0.70 percentage points compared to the previous year. The balance of corporate banking deposits reached RMB4.13 trillion, an increase of 4.16% compared to the end of the previous year. The balance of retail deposits reached RMB1.80 trillion, an increase of 14.81% compared to the end of the previous year. Third, settlement deposits showed a sound growth trend. As at the end of the reporting period, the retail settlement deposits from payroll services reached RMB114.4 billion, a year-on-year increase of RMB11.9 billion, and the proportion of the average daily balance of inter-bank settlement deposits in inter-bank deposits increased by 12 percentage points.

### 3.3.1.2 Enhancing the customer service capabilities

During the reporting period, the Company deeply practiced the “customer-centric” philosophy. Through measures such as improving the customer management system, enhancing the operating efficiency of platforms, creating a key scenario ecosystem, and optimizing product strategies, the Company continuously improved the level of professionalism of customer service and promoted the development of customer relationships in a deeper and more substantial way. As at the end of the reporting period, the number of the Company’s retail and corporate banking customers reached 115 million and 1.667 million, a year-on-year increase of 4.15% and 8.57%, respectively, achieving full coverage in cooperation with inter-bank corporate customers across major domestic industries.

**Deepened the systematic development of the retail business.** The Company continued to deepen the management of retail customers and the development of customer journey, constantly improved the mechanism for upgrading customers, and significantly increased the quality and efficiency of customer management. It established a dedicated work mechanism, focused on five key customer groups, namely, key customers, personal investment, production and operation, daily consumption, and user experience, and formed a business model of “digital management of basic customers – management of platinum and black gold customers – centralized management of private banking customers”. **For basic customers**, the Company expanded the coverage of the Head Office’s account management model, effectively reached customers through channels such as remote digital operation, mobile banking and WeCom, and extensively promoted and applied the intelligent operation projects and “CIB Code” across the Bank. **For platinum and black gold customers**, the Company steadily improved the service of the wealth team and launched the “AI Wealth Xiaoxing” for trial operation, providing customers with full-process online wealth companionship at any time. **For private banking customers**, the Company accelerated the construction of a direct operation center for private banking, comprehensively promoted centralized and professional customer management, and enhanced the depth of customer management and the breadth of services. It strengthened the standardized management of first-time engagement with new customers, and promoted the implementation of standardized services such as linking bank cards for quick payment, logging into mobile banking, and adding WeCom. It achieved a preliminary breakthrough in collaborative operations of key enterprises and steadily advanced cooperation in businesses such as joint card issuing, payroll services, acquiring, and quick payment. During the reporting period, 588.5 thousand basic retail customers of the Company were upgraded to platinum and back gold customers or private banking customers, the number of platinum and back gold customers upgraded to private banking customers increased by 11.56 percentage points year on year, and the downgrade and churn rate of platinum and back gold customers and private banking customers decreased by 0.71 percentage points year on year. As at the end of the reporting period, the

retail AUM (based on CIB standards, excluding the market value of third-party depository funds) reached RMB3.70 trillion, and the number of customers with a monthly average daily AUM of over RMB50,000 increased by 8.01%.

**Strengthened the stratified and classified management of corporate banking customers.** Focusing on the business philosophy of “opening accounts for qualified customers, facilitating account opening, and managing accounts effectively”, the Company continuously promoted the high-quality expansion and in-depth management of corporate banking customers. **Targeted customer acquisition.** The Company accelerated the development of the key target customer database and the extension of the circle-and-chain ecosystem, strengthened the penetration of the equity chain, as well as the extension of the capital chain, supply chain and industry chain operation, and continuously expanded the high-quality customer base. **Categorized operations.** Guided by “expanding scope, improving quality, and increasing efficiency”, the Company fully adopted the model of “upgraded management of industry strategic customer groups”. It deepened data applications, enhanced digital empowerment in areas such as business opportunity models and strategic operations, and accelerated the formation of an integrated and standardized online and offline operation model for long-tail customers without loans. It focused on the in-depth operation of institutional customers, promoted the transformation of institutional business from “fragmented layout” to “system integration”, and continuously improved systematic operation capabilities. **Upgraded customer experience.** The Company deepened the deployment of the special action themed “Battle for Experience”, redesigned the account opening process, shortened the counter processing time, strengthened the capabilities for settlement and liability products and services, and accelerated the building of the key scenario ecosystem. It built a hierarchical evaluation system of “corporate settlement accounts – main settlement accounts”, and promoted a virtuous cycle between the development of settlement business and in-depth customer management. As at the end of the reporting period, the Company had 399.1 thousand potential and high-potential customers, accounting for 23.94% of the total, 0.43 percentage points higher than that at the end of the previous year. It acquired 2.672 million retail customers for payroll services through the linkage between corporate banking and retail banking businesses, an increase of 4.34% compared to the same period of the previous year.

**Enhanced the service capability for inter-bank customers.** In line with industry development trends, the Company further promoted the systematic development of customer management and built a pyramid-shaped customer service system, including strategic customers, key customers and basic customers. Relying on the advantage of integrated collaboration featuring “investment, underwriting, sales, custody and deposit”, the Company deepened engagement with inter-bank customers. It enhanced the depth of product applications, leveraged its role as a main settlement bank, a main custodian, a trading counterparty and a main investment bank, upgraded customer cooperation models from single product to comprehensive service solutions, and strengthened customers’ integrated service capabilities, thereby increasing customer stickiness and value contribution.



## Special Topic 2: Upgrading the Network Weaving Project to empower the high-quality development of customer management

During the 14th Five-year Plan period, China accelerated its economic transition from the old triangular cycle of “real estate-infrastructure-finance” to the new one of “technology-industry-finance”, the LPR continued to decline, the growth of assets slowed down, the pressure of narrowing interest margins increased, and the business logic of the banking industry shifted from “incremental dividends” to “stock management”. It has become a necessary path for the high-quality development of value banks to tap into the customer value, enhance customer stickiness, and build a moat for customer management. In this regard, the Company adhered to balancing quantity and quality, refined customer management, and systematically carried out the development of “Network Weaving Project” with a focus on breakthroughs in payment and settlement scenarios. It was committed to becoming the first-choice main settlement bank for customers, enhancing comprehensive customer service capabilities, and promoting the accumulation of settlement funds and the reduction of liability costs.

**In terms of retail finance, first, the Company improved the debit card quick payment service.** It carried out the Network Weaving Project around “one-stop card binding – consumption – engagement” for customers, and effectively improved customer engagement and settlement account stickiness through multi-channel and multi-scenario customer reach. **The card-binding experience was optimized.** The Company launched the functions of “one-click multiple opening, one-click multiple binding” for mobile banking, supporting customers to quickly complete the binding of multiple cards and multiple payment institutions; it promoted leading payment institutions to achieve “binding of both debit and credit cards, and binding of multiple cards”, significantly improving the card binding efficiency. **Payment scenarios were expanded.** The Company orderly carried out the debit card Quick Payment marketing campaign, government subsidy campaign and UnionPay cloud network promotional campaign, benefiting 5.16 million customers and driving growth in the transaction volume and assets at the same time. All branches, drawing on local resources, built integrated online and offline consumption scenarios and strengthened the card usage network. **The development of offline scenarios was deepened.** Focusing on supermarkets, catering and other scenarios in high-quality parks/business areas, the Company carried out targeted operations for key customer groups, such as payroll services and acquiring, and fostered customer habits of using CIB accounts as their main settlement accounts. As at the end of the reporting period, the quick payment service had 17.91 million annual active customers, driving a settlement deposit balance of RMB248.1 billion. **Second, the Company continued to deepen the payroll services.** It steadily promoted the collaboration between corporate banking and retail banking businesses and the development of ecosystem scenarios, expanded high-quality customer groups in batches, and effectively drove the growth of low-cost deposits. During the reporting period, 2.672 million new customers of retail payroll services were acquired through the linkage between corporate banking and retail banking businesses, a year-on-year increase of 4.34%; new

customers acquired through payroll services accounted for 33.09% of new retail customers; retail settlement deposits from payroll customers amounted to RMB114.4 billion, a year-on-year increase of RMB11.9 billion. Payroll services to make a notable contribution to retail customer acquisition and deposit growth.

**In terms of corporate banking,** focusing on the business philosophy of “opening accounts for qualified customers, facilitating account opening, and managing accounts effectively”, the Company deepened customer management, cultivated key scenarios, strengthened infrastructure and support guarantees, and promoted the iterative upgrade of “Network Weaving Project 3.0” with significant results. Taking “opening accounts for qualified customers” as the starting point, and focusing on “function-oriented jobs, digital functionality and standardized processes”, the Company efficiently launched “Corporate Account Opening 2.0”, achieved efficient rollout of services in “three currencies and four products”, promoted dual recording in customer service, launched paperless signing, and reduced the counter transaction time from 70 minutes to 15.35 minutes, thereby significantly optimized the over-the-counter experience. Guided by the principle of “facilitating account opening”, and focusing on key target customers and extension of the circle-and-chain ecosystem, the Company dynamically built databases, made targeted breakthroughs, and vigorously promoted account opening for key target customers. As at the end of the reporting period, target customers who opened new accounts and were upgraded to the potential level or above accounted for 31.07% of target customers, exceeding the Bank’s overall average for new account opening by 12.78 percentage points, with the quality of customer acquisition continuously improved. With “managing accounts effectively” as the core, the Company promoted the improvement of comprehensive operation quality and efficiency of corporate banking customers through measures such as in-depth development of targeted marketing for main settlement accounts, advancement of supply chain finance, optimization of the payment and settlement product matrix, deep cultivation of key scenarios and distinctive industry scenarios, strengthening digital customer management, and deepening coordinated development of corporate banking and retail banking businesses. As at the end of the reporting period, the number of main settlement accounts increased by 4,500, a growth of 44.22%, contributing to a stable base of high-value customers with close business ties.

**In terms of inter-bank finance,** the Company made sustained efforts to advance the “Network Weaving Project” of financial institutions. It provided efficient and stable comprehensive financial services to major financial market institutions; it also optimized tiered marketing services for various types of inter-bank customers, continuously enriched application scenarios, built a dense capital network, and effectively drove the growth of settlement deposits through trading and clearing cooperation, thereby further optimizing the structure of inter-bank liabilities. As at the end of the reporting period, the proportion of the average daily balance of inter-bank settlement deposits in inter-bank deposits increased by 12 percentage points.

### 3.3.1.3 Enhancing the investment trading capabilities

During the reporting period, the Company implemented the strategic priority of "light assets, light capital and high efficiency", continuously improved the integrated investment research mechanism of "research-decision-execution", seized opportunities in major market swings, and enhanced trading capabilities; it accelerated the building of a comprehensive asset management system for the Group, and smoothed the value cycle chain of "comprehensive investment banking, comprehensive asset management and comprehensive wealth management". The Company continuously consolidated the advantageous position in the financial markets business, and effectively increased non-interest income, achieving net non-interest income of RMB63.989 billion. Specifically, the net income from fees and commissions was RMB25.891 billion, a year-on-year increase of 7.45%.

#### Advanced the integration of "research-decision-execution".

The Company thoroughly implemented the work deployment for developing a "market forecasting mechanism, collaborative linkage mechanism, and centralized decision-making mechanism", and leveraged the institutional advantages of the agile team for investment trading as a specialized group for research and decision-making on financial market investment and trading strategies. By combining long-term macro strategies with short-term micro structures, the Company accurately assessed market trends and made critical strategic decisions and deployments, achieving good results in the investment and trading business. **In terms of the bond banking business**, relying on the "research, investment, underwriting, sales and custody" system, the Company enhanced the capabilities for bond underwriting, investment, and market-making transactions, maintained a leading position in market-making transaction business in areas such as bonds, interest rates, exchange rates, and precious metals, and drove the development of the custody and settlement business to improve comprehensive income. It actively seized opportunities in the bond market to gain spread income, reasonably promote the allocation of high-quality assets worldwide, further optimize the structure of asset portfolios, and raise the overall return of asset portfolios. **In terms of FICC**, the Company continued to improve the systematic development of the FICC business system across the entire market, all customer groups, the whole chain and the whole ecosystem, and optimized organizational structure, marketing system, team system, product and service system, digital system, etc. For enterprises going global, the

Company continuously provided a package of FICC service solutions for exchange rate and interest rate hedging throughout the process, covering forwards, options, swaps, and foreign currency interest rate swaps, etc.

#### Strengthened the coordinated pattern of "comprehensive investment banking, comprehensive asset management, and comprehensive wealth management".

The Company established the Strategic Work Group for Wealth and Asset Management, set up the Asset Management Department at the Head Office, and coordinated the integrated development of the three business sectors. **In terms of investment banking**, the FPA of the transformed investment banking business reached RMB3.26 trillion, an increase of 18.98% compared to the end of the previous year. Specifically, the scale of underwritten non-financial bonds ranked second in the market; M&A financing increased by 25.26% year on year, with the financing balance ranking first among joint-stock commercial banks; syndicated

loans increased by 12.17% year on year, with the financing balance ranking second among joint-stock commercial banks.

**In terms of asset management**, the Group's five asset management subsidiaries had a total AUM of RMB3.65 trillion, an increase of 26.07% compared to the end of the previous year. Specifically, the AUM of CIB Wealth Management increased by 11.64% compared to the end of the previous year, ranking second in the market, and the comprehensive wealth management capabilities topped the PYSStandard's list of national wealth management institutions for 32 consecutive quarters. The AUM of CIB Fund Management recorded a growth of 25.30% from the end of the previous year. Specifically, the AUM of public mutual funds increased by 33.08% compared to the end of the previous year, and the AUM of non-monetary funds increased by

20.78% compared to the end of the previous year.

The scale of the asset management trust business of Industrial Trust increased by 155.44% compared to the end of the previous year. **In terms of wealth management**, seizing the opportunity of a warming capital market, the AUM of retail banking wealth (based on CIB standards, excluding third-party stock market value) reached RMB1.90 trillion, a year-on-year increase of 9.88%; the AUM of corporate banking wealth (scale of asset management products approved for distribution by the Company) was RMB352.591 billion, a year-on-year increase of 26.76%. **In terms of asset custody**, the Company strengthened collaboration, closely followed the country's key directions, and continuously improved the product line, achieving custody-related income from fees and commissions of RMB3.780 billion, a year-on-year increase of 5.35%.





### Special Topic 3: Building an ETF ecosystem with a forward-looking strategic layout and achieving leapfrog growth in ETF products under custody

Since the introduction of a raft of monetary stimulus, property market support and capital market strengthening measures on September 24, 2024, the domestic capital market has developed rapidly, and asset management products have shifted towards more diversified, passive and index-based development. At the level of macro policy, China is vigorously promoting the development of new quality productive forces, and regulatory authorities are intensively issuing policies to guide medium – and long-term funds into the market. At the level of asset management, in a low-interest-rate environment, residents' funds are shifting from low-yield deposits to major asset classes, leading to a significant increase in demand for asset management products with relatively stable risk-return characteristics, such as multi-market, multi-strategy and multi-asset products. ETFs, with their advantages of high transparency, low fees, high liquidity, and diversified investment to spread risks, have become an important tool for asset allocation and an important bridge connecting the capital market to the real economy. The domestic ETF market has continuously reached a series of key milestones. As at the end of 2025, the scale of ETF products across the market increased more than fourfold compared to the end of 2020, with both the newly added scale and the number of products reaching historic highs in 2025.

In response to new developments in the capital market, CIB grasped the opportunities in the ETF market, continuously deepened its engagement in the inter-bank financial sector with a forward-looking strategic layout, and leveraged its advantages in investment and trading. By optimizing the mechanisms and systems and improving professional capabilities, the Company actively built an open and win-win ETF ecosystem, and promoted the coordinated development of financial markets, asset management, wealth management, and inter-bank businesses, thereby injecting strong momentum into high-quality development of the capital market.

**First, deeply aligned with the national strategy and accurately served the “Five Priorities”.** The Company deeply embedded custody services into key areas such as technological innovation, green and low-carbon development, and regional coordination, guiding funds to support the real economy in a targeted manner. In 2025, the Company actively expanded its presence in benchmark market-making bonds

and sci-tech innovation bonds, with the number bonds under custody accounting for more than 50% of the first batch of similar products; as at the end of the reporting period, ETF products of the Company's sci-tech innovation bonds ranked first in the market in both the number and scale of bonds under custody. During the reporting period, the Company became one of the first custodians in the market for public mutual funds linked to ChinaBond Investment Select Green Bond Index and ETF products in the shipping industry, becoming a vivid example of the financial market's contribution to the development of a modern industrial system.

**Second, continued to promote the integrated development of “investment, underwriting, sales and custody”, further consolidating its market influence.** The Company fully leveraged the Group's advantage of integrated operation, smoothed the value cycle chain of “comprehensive investment banking, comprehensive asset management and comprehensive wealth management”, deepened collaboration across the Group, and achieved close interaction and mutual empowerment between the asset custody business and various business sectors, meeting the diversified demands of customers. As at the end of the reporting period, the scale of ETF products held under custody by the Company exceeded RMB350 billion, and their proportion in the scale of overall public mutual funds increased significantly compared to the end of the previous year. Among them, the number of bond ETF products under custody and their scale both ranked first in the market.

**Third, leveraged the advantage of inter-bank cooperation to jointly build an open and collaborative ETF ecosystem.** Relying on an extensive network of inter-bank customers and comprehensive financial service capabilities, CIB collaborated deeply with various financial partners such as securities firms, fund companies, insurance companies and wealth management companies, building an ETF service ecosystem that covers the entire product lifecycle and forming a multidimensional cooperative inter-bank network. During the reporting period, the Company ranked first in the market in terms of the number of newly issued equity ETF products under custody. The scale of equity ETF products under custody achieved leapfrog growth, with notable progress made in building an open and collaborative ecosystem.

### 3.3.1.4 Enhancing the capabilities for comprehensive risk control

The Company firmly established the principle of “managing risks before conducting business”, initiated reforms of the risk management system and mechanism, continuously enhanced the specialization and independence of risk management, deepened the integration of risk and business, and built an authorization and credit system that “balances control and flexibility”. **Asset quality was generally stable.** At the end of the reporting period, the Company’s non-performing loan ratio was 1.08%, the special-mention loan ratio was 1.69%, and the provision coverage ratio was 228.41%, remaining within a reasonable level. **The Company solidly advanced risk prevention and resolution in key areas and sought benefits through risk management.** New non-performing loans in real estate, local government financing vehicles and credit cards all declined year on year. The Company intensified recovery of written-off loans, collecting RMB16.212 billion in written-off loans during the reporting period, a year-on-year increase of 12.03%.

#### **Launched the reform of the risk management system and mechanism.**

In terms of mechanism, the Company changed risk embedding to risk dispatching, with the risk line strengthening guidance, communication, service, assessment and evaluation for dispatched institutions; in terms of system, relying on the risk management system, the Company achieved the management in the entire process from due diligence to special assets operation, which enhanced the work efficiency of employees and the quality of risk control; in terms of professionalism, the Company restructured the existing credit business authorization framework, streamlined and optimized authorization rules, deepened the “region + industry” strategy, and strengthened the integration of business and research; in terms of responsibility, the Company comprehensively clarified the division of duties and boundaries in risk management, and detailed and specified the responsibilities of the first and second lines of defense.

#### **Took solid steps to ensure comprehensive risk management.**

The Company firmly established a risk-based mindset, empowered the high-quality development of business through risk management, and ensured “full understanding of business model”, “effective control of risks” and “proficiency in business”. It fully supported the “Five Priorities” of the financial sector, deepened the implementation of the “region + industry” strategy, provided differentiated authorization and credit policy support for specialty industries with significant advantages in market, resources, technology, etc. within the branch’s jurisdiction, promoted the development of high-quality assets and the optimization of credit structure, enhanced the alignment of branch business with the regional economic structure, and continuously improved the efficiency of financial resource allocation while strictly adhering to the bottom line of risk management. It promoted the digital transformation of risk control, improved the risk monitoring operation mechanism, strengthened the application of machine learning models as well as the development and deployment of new tools, enriched risk identification, analysis and early warning methods, and achieved normalized, automated, and closed-loop management of monitoring and inspection. It completed the iterative upgrade of the “technical flow” evaluation system and enhanced the management capabilities of the technology finance business. It strengthened a unified bottom line of risk management, incorporated subsidiaries into the Group’s comprehensive risk management system, and established a group-wide risk appetite management mechanism.

**Firmly advanced the resolution of risks in key areas.** The Company fully leveraged bank leader supervision and the agile team mechanism, and took multiple measures to promote the resolution of risks in key areas.

**In terms of real estate,** the Company implemented the central government’s requirements to stabilize the housing market and local governments’ requirements to “ensure housing delivery”, adhered to the working mechanism of agile team for real estate risk prevention and control with linkage between corporate banking and retail banking businesses, and effectively prevented and resolved risks by promoting development and sales, mergers and acquisitions, replacement of high-quality assets, etc. During the reporting period, new non-performing loans of corporate real estate decreased significantly compared to the same period of the previous year. As at the end of the reporting period, the balance of corporate real estate financing was RMB691.892 billion, a decrease of RMB53.293 billion compared to the end of the previous year; the balance of non-performing assets was RMB30.016 billion, an increase of RMB1.022 billion compared to the end of the previous year; the non-performing asset ratio was 4.34%, an increase of 0.45 percentage points compared to the end of the previous year. The main reason for the increase in the non-performing asset ratio was that the Company strengthened the risk assessment of existing projects. For some real estate projects that found it challenging to meet the conditions for housing delivery in the short term, the Company promptly downgraded their risk ratings, made adequate impairment provisions, and urged the project operators to accelerate risk disposal.

#### **In terms of local government financing vehicles,**

the Company strengthened supervision and breakthroughs in key areas, seized the opportunities arising from debt resolution policies, and promoted the resolution of risks in an orderly manner by means such as “including, replacing and reducing as many risk exposures as possible and resolving risks through restructuring”. During the reporting period, the risk exposure of the business was reduced by RMB35.8 billion through the replacement by special bonds, and nearly RMB1.7 billion of impairment loss was reversed. As at the end of the reporting period, the balance of local government financing vehicle debts was RMB57.704 billion (including actual and contingent credit, bond investment, proprietary and wealth management fund investment, etc.), a decrease of RMB46.643 billion from the end of the previous year; the balance of non-performing assets was RMB3.760 billion, a decrease of RMB322 million from the end of the previous year; the non-performing asset ratio was 6.52%, an increase of 2.60 percentage points from the end of the previous year. The non-performing debts across financing platforms were reduced, and the existing amount was relatively small, with the impact on the overall asset quality of the Company under control.

#### **In terms of credit cards,**

the Company continued to improve its digital risk control model system and full-process risk monitoring system, optimized the credit approval and access strategy, strengthened the risk identification and control in ongoing loan management, and enhanced the coordination between the Head Office and branches on debt collection. The control of risks associated with both new card and existing card holders produced increasingly better results, and the increasing momentum of non-performing loans was effectively curbed. As at the end of the reporting period, the NPL ratio of credit cards and the overdue rate decreased by 0.29 percentage points and 0.08 percentage points, respectively, from the end of the previous year.

#### **In terms of retail loans,**

facing the rising trend of retail credit risk in the banking industry, the Company steadily promoted the development of retail risk control capabilities, strengthened collection management, quality inspection through coordination between the Head Office and branches, as well as risk inspection and supervision, and promoted digital and intelligent transformation, improvement of institutional systems, upgrading of system functions, and iteration of model strategies, comprehensively enhancing the effectiveness of risk prevention and control. As at the end of the reporting period, the non-performing loan ratio for retail business was 0.88%, maintaining a relatively strong level in the industry, and the overall asset quality was stable.



#### Special Topic 4: Promoting the reform of the risk management system and mechanism and strengthening the security foundation for high-quality development

In the current operating environment of “low interest rates, low interest spreads and high risks”, risk management is becoming increasingly complex and diverse. The traditional scale-driven development model of the banking industry is no longer sustainable. The risk management capability has become an important component of the core competitiveness of commercial banks, and it has become the inevitable path for the high-quality development of commercial banks to build a refined, professional and independent risk management system. During the reporting period, CIB, guided by the principles of “prioritizing risk management, focusing on development, ensuring professional checks and balances, and serving business operations”, has built a risk management system with clear responsibilities, unified standards and distinct characteristics, improved and refined the risk management mechanism, and firmly upheld the bottom line of preventing systemic risks, thereby empowering the company’s high-quality development.

**Built a comprehensive risk management framework with clear responsibilities.** The Company comprehensively reviewed the division of responsibilities and management boundaries in risk management, integrated and set up specialized management departments according to the logic of risk management, clarified the risk management departments for each category, and formed a comprehensive risk management framework with clear division of labor and clear responsibilities. At the same time, taking into account the needs of differentiated management, the Company established professional risk management windows in specialized licensed institutions and established a risk compliance management office to serve as a line of defense in the product department to strengthen product risk management and empower business development.

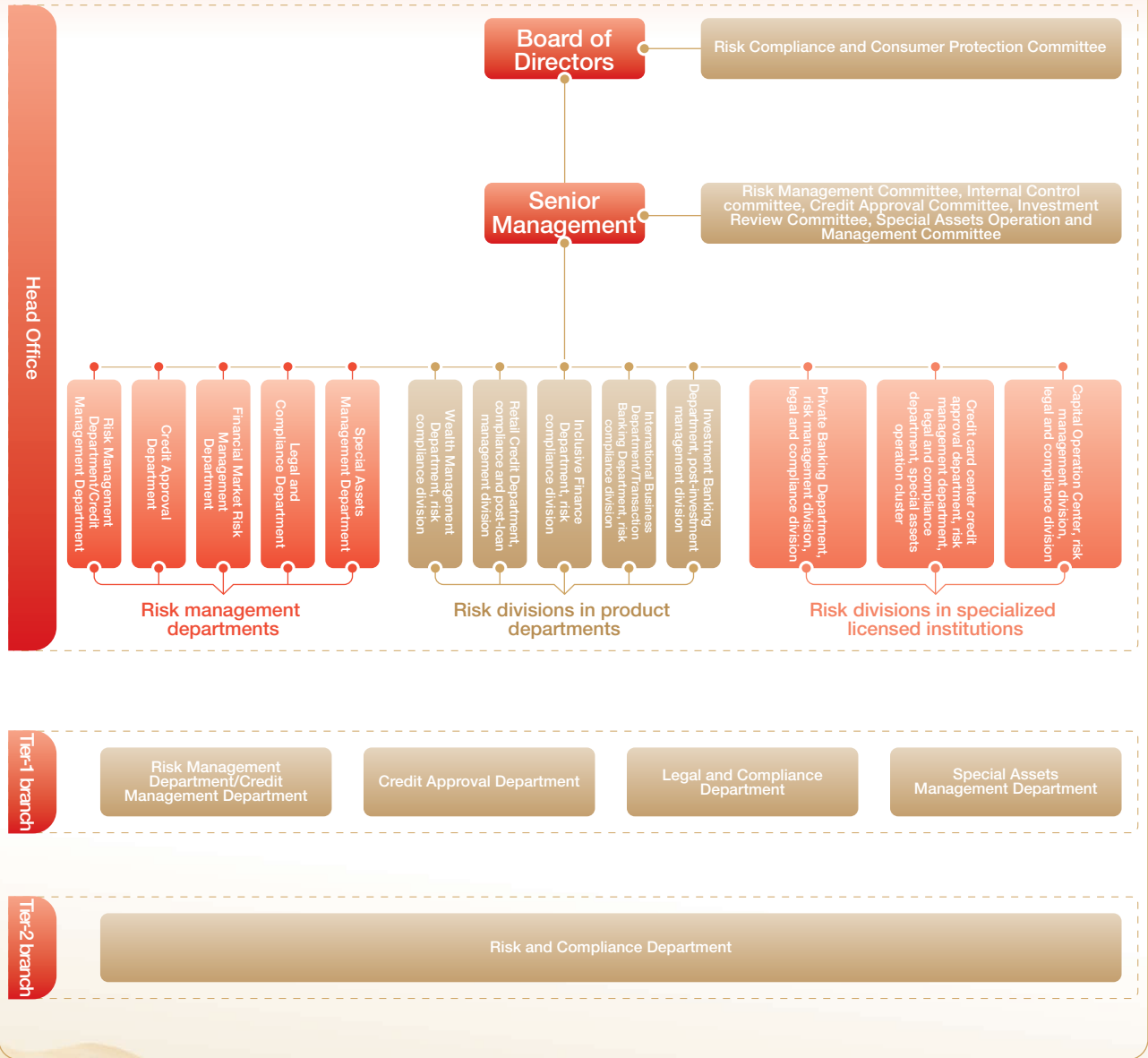
**Established a unified and standardized credit management system.** The Company strengthened the unified management of credit business for retail and corporate banking, with the credit management department

fully responsible for standardizing the entire process of investment and financing business. The Company strengthened the monitoring and analysis of risk assets and concentration management, properly classified credit assets, and carried out risk monitoring, screening and mitigation in various fields. It strengthened post-loan management and reinforced accountability for post-loan management to continuously improve the capability to monitor, warn and control risks.

**Put in place a professional and efficient review and approval system.** The Company comprehensively strengthened credit management and continued to build an efficient review and approval system. It coordinated and strengthened the functions of credit review as well as legal compliance review and approval, and strengthened the building and standardized management of the review and approval system. It enhanced the management and supervision of approvers and approval personnel at all levels, established a customer-centered, efficient operation mechanism, and improved the independence, professionalism and timeliness of review and approval. The Company strengthened industry research, refined the review and approval team and improved the system of full-time approvers to continuously enhance the professionalism of review and approval work.

**Consolidated a market risk management system with distinctive characteristics.** Focusing on the “commercial banking + investment banking” strategy, the Company consolidated and improved the Group’s market risk management system, and strengthened the professional management of the Group’s market risks. It continuously enriched market risk management tools, enhanced the capabilities for early warning, monitoring, assessment and measurement of market risks, strengthened the foresight and sensitivity of market risk management and further promoted the transformation of market risk management toward full-process control, proactive risk management and digital risk control, thereby improving the business response efficiency.

### Overview of risk management structure after reform



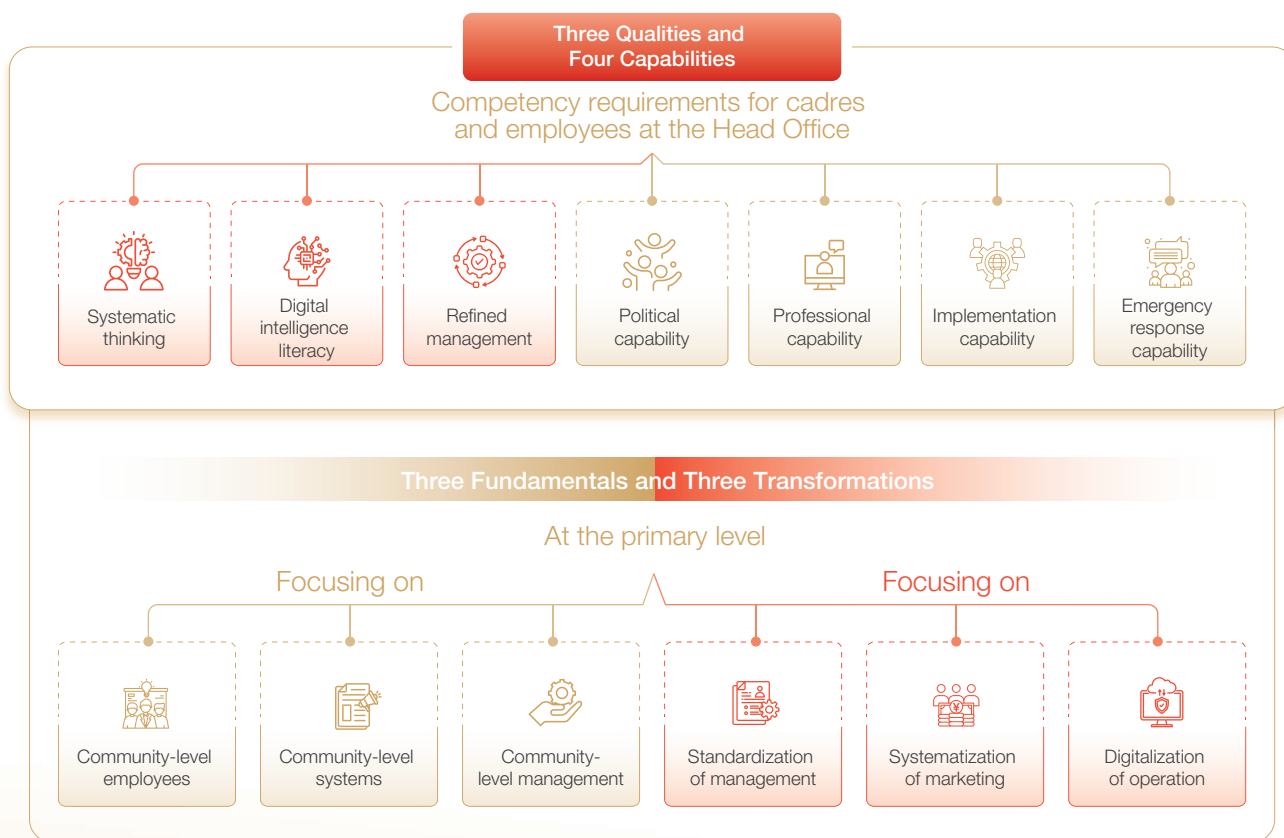


### 3.3.1.5 Enhancing the capabilities for management and implementation

During the reporting period, the Company led high-quality development with high-quality Party building, and aimed to optimize operations for scalability and refine management for profitability through measures such as comprehensive digital transformation, strengthening basic work, deepening system and mechanism reforms, and building a high-quality talent team.

**Continuously intensified basic work and made all-out efforts to create a refined management system. At the Head Office level,** the Company comprehensively promoted the building of a strong Head Office through

the development of “Three Qualities and Four Capabilities” at Head Office departments. It refined the competency requirements for cadres and employees at the Head Office according to seven dimensions, namely, systematic thinking, digital intelligence literacy, refined management, political capability, professional capability, implementation capability, and emergency response capability, and guided cadres and employees of the Head Office departments to transform their mindset, improve their work style and enhance their capabilities by carrying out a series of themed activities and promoting the application of multiple empowerment tools, to continuously enhance their competency in all dimensions, providing a solid guarantee for the Company’s high-quality development. **At the primary level,** the Company was deeply engaged in “Three Fundamentals” and



“Three Transformations”. In terms of “Three Fundamentals”, focusing on community-level employees, community-level systems, and community-level management, as well as the overall objectives of “reducing the burden on and empowering primary-level operations”, and around five aspects of “deepening the development of community-level culture, improving community-level systems, strengthening the management of community-level employees, empowering and reducing the burden of community-level management, and conducting special governance in key areas”, the Head Office and branches made collaborated efforts in reducing the burden on the community level by optimizing processes, improving mechanisms, and reforming work styles, and gradually enhancing the comprehensive capabilities of “operation + management” at the community level. In terms of “Three Transformations”, focusing on standardization of management, systematization of marketing and digitalization of operation, the Company issued the *2025 Implementation Plan for “Three Transformations”*, further clarifying the meaning and implementation requirements for the branches’ “Three Transformations”, and improving the institutional framework systems for transformations such as systematization of marketing. The Company iteratively optimized the “Three Transformations” tool platform, “Wuhushan” Forum, the “Sub-branch Ledger”, the “Sub-branch Evaluation”, “Primary-level Business Community” and other mechanism platforms for coordinated operations, and organized the Head Office departments to carry out special activities for capacity building, effectively reducing burdens for and empowering the primary level.

**Comprehensively deepened the reform of front, middle, and back offices.** The Company formulated and issued a plan for further deepening reform on all fronts, and used the plan as a guide to promote the adjustment of systems and mechanisms in key areas in a hierarchical manner. **The achievements of past reforms and practices were consolidated.** The Company comprehensively summarized past reform results and experiences, further streamlined the operational mechanisms in various areas of business management according to the functional division framework determined by the functional architecture map for the Head Office and branches, and

promoted the formation of effective practices at the institutional level. **The organizational system of business management was optimized.** The Company adjusted the functional framework of risk management, integrated and set up specialized management departments according to the division logic of comprehensive risk management and credit management, review and approval, market risk management, legal compliance management and special assets management, and built a risk management organization system with clear responsibilities, unified standards and distinct characteristics. It further streamlined the science and technology management system and mechanism, strengthened the centralization and optimization of functions such as technology research and development, operation and maintenance, architecture, security, quality and innovation, enhanced end-to-end support capabilities for scenarios, and built a professional and efficient operation and maintenance support system. It further clarified the transformation and development direction of the credit card business, strengthened the division of responsibilities among operation and management entities of the Head Office and branches, and improved the supporting mechanisms for operation and management. At the same time, the Company further optimized the systems and mechanisms in business areas such as wealth and asset management and banking cooperation, as well as in compliance and assurance areas such as financial and tax compliance and operational risk management. **New operation and management systems were explored.** Focusing on improving the overall efficiency of the organization, the Company broke the divisions of traditional lines of business, departmental barriers and hierarchical boundaries, and actively explored the establishment of a cross-departmental and cross-line integrated organizational system that adapted to scenario-based finance and industrial finance development.

**Continued to strengthen the building of talent teams.** Adhering to the principle of “running the Bank by experts”, the Company continuously intensified the introduction of leading talent, brought in more young talented personnel to the leadership pipeline, and stepped up development of existing human resources. The Company continuously advanced the exchange





and rotation of cadres and talent between the Head Office and branches, between the parent company and subsidiary companies, between eastern and western regions, and between northern and southern regions, to enhance the transmission of corporate strategies and business tactics and the improvement of professional capabilities. The Company deepened the implementation of systems such as “open recruitment for leadership” and “horse racing” for major tasks, and assessed cadres in the implementation of major strategies such as the “Xing Feiyue” competition. The Company improved the assessment system for cadres and talent, and promoted the fostering of an employment orientation where the capable are promoted, the excellent performers are rewarded, the mediocre are demoted, and the unfit are removed. The Company vigorously promoted the financial culture with Chinese characteristics, and actively fostered the home culture, innovation culture, clean culture, and engineer culture with the characteristics of Industrial Bank, to educate employees and invigorate the Bank with culture and continuously improve the purity, professionalism, and competitiveness of the team.

**The effectiveness of digital transformation continued to become evident. The digital foundation was further solidified.** In terms of the governance system, the Company continuously optimized the operational system of “one committee, three departments, one company and one institute” (one committee refers to the Digital Transformation Committee; three departments refer to Science & Technology Management Department, Data Management Department, Security Department/Anti Money Laundering Center, one company refers to CIB FINTECH, and one institute refers to CIB Fintech Research Academy). The Company strengthened the overall coordination function of the Digital Transformation Committee, compiled the digital and intelligent transformation plan for the “15th Five-Year Plan” period, and promoted the creation of an industry-leading “smart bank”. In terms of core breakthroughs, the Company vigorously launched two campaigns on “Agility and Experience” and fully implemented the “AI+” initiative. The “Agility Campaign” achieved a 33% reduction in the average delivery cycle of IT project by exploring the integration of demand, research, development and operation; the “Experience Campaign” optimized over 1,500 business processes, significantly improving the business efficiency and customer experience; the “AI+” initiative built a new system for intelligent development, with AI technology empowering more than 260 application scenarios. In terms of major projects, the Company made full efforts to advance the “No.1 Project” for the distributed core system, achieving key breakthroughs in areas such as cloud-native and infrastructure construction. The Company coordinated development and security, built an integrated security system of “cloud, network, terminal, data and intelligence” and deeply explored the potential of independent and controllable technology, thereby laying a solid security foundation for a steady and long-term digital transformation. **The digital operation platform achieved remarkable results.** Digital ecosystem development and business conversion capabilities were comprehensively improved. As at the end of the reporting period, the number of active mobile banking customers was 70,216.7 thousand, a year-on-year increase of 11.83%; the Remote Management Center reached customers 77,379.1 thousand times. In terms of the five major online platforms, the number of customers using Industrial Steward grew by 10.06% year on year; the number of registered customers of Industrial Living rose by 10.86% year on



year; the number of registered users of Qianda Money Manager increased by 2.12% year on year; the number of certified enterprise users of Industrial Inclusion platform surged by 56.43% from the end of the previous year; and wealth product sales and holdings scale in the Bank-to-Bank Platform increased by 13.88% from the end of the previous year.

## Digital Industrial Bank accumulated strength to build momentum

Digital transformation entered the period of harvest, continuously improved 1+5+N Digital Industrial Bank system





### Special Topic 5: Accelerating the digital transformation from the development stage to the harvest stage, with business results becoming increasingly evident

CIB adhered to the strategy of “revitalizing the Bank through science and technology”, comprehensively accelerated digital transformation, continuously increased technological investment, strengthened the technological foundation, deepened the establishment of the scenario ecosystem, improved the digital operation system, and optimized customer experience, thereby accelerating the transformation of “Digital Industrial Bank” to “Intelligent Industrial Bank”.

**First, the effectiveness of digital operations became prominent, and the capability to manage the entire customer lifecycle was comprehensively enhanced.** The Company steadily advanced the development of a digital operation system. Centered on the “six unifications” (unified strategy arrangement, unified customer management, unified channel management, unified resource allocation, unified performance evaluation, and unified user experience optimization) framework, the Company basically established an operation mechanism covering strategy deployment, customer management, channel collaboration, resource allocation, performance evaluation and experience optimization, making the Company’s digital operations more standardized, centralized and refined.

In terms of **digital customer reach**, steady growth of the basic customer group was achieved through coordination between digital channels such as mobile banking, WeCom and remote operations, and business strategies. As at the end of 2025, the number of active mobile banking customers reached 70,216.7 thousand, with 7,428.2 thousand new customers added that year; the Remote Management Center reached customers 77,379.1 thousand times; WeCom cumulatively added 12,637.0 thousand verified customers, with 7,629.7 million new customers added that year, a year-on-year growth of 84.19%, laying a solid foundation for private traffic management. In terms of **basic customer group management**, the customer base was effectively strengthened by “building a strategy system – smoothing the collaboration mechanism – integrating reach channels”, becoming a steady source of upward customer migration. In 2025, 588.5 thousand platinum customers and above were subject to upward migration, a year-on-year increase of 17.87%, accounting for 76.15% of the newly added VIP customers in the year. In terms of **customer stickiness and value conversion**, targeted conversion was effectively empowered through data-driven approaches and precise strategies, as well as the “service-sales integration” service model that accompanied customers’ growth. In 2025, the digital marketing platform deployed over 21,000 strategies throughout the year, reaching customers totaling 770 million times, and driving customers’ comprehensive financial assets to RMB200.497 billion. Specifically, **active strategies** drove customers’ total financial assets to RMB88.436 billion, with the total financial assets of the population reached by the strategies increasing by RMB36.877 billion compared to those not reached; **passive strategies** recovered 485.2 thousand financial management transactions, with a recovered amount of RMB77.261 billion, driving an increase of RMB34.8 billion in wealth management repurchase.

**Second, deepened the “Experience Campaign”, driving high-quality business development through experience optimization.** In 2025, the Company fully launched the “Experience Campaign”, promoting comprehensive user experience improvement with NPS (Net Promoter Score) as the core indicator. As at the end of 2025, the deployment of online and offline NPS was preliminarily completed. The “**Outlet Industrial Bank**” NPS had fully covered 44 outlets, 51.7 thousand customers visiting the outlets were randomly sampled for online surveys, and the score increased from 67 at the beginning of the year to 74 for the whole year. The Company continuously conducted digital experience monitoring and problem identification through NPS scores, and established a standardized closed-loop management

process of “identifying problems – analyzing root causes – proactive repair – mechanism optimization”, achieving continuous improvement in customer evaluation. “**Digital Industrial Bank**” conducted NPS accompanying surveys by deploying 65 scenarios through online channels such as mobile banking, and the annual NPS score rose to 64 points through a random sampling survey of 437 thousand users. The Company built a full-process optimization loop of “problem localization – solution implementation – effect verification”, and drove overall channel experience improvement through optimization of key online business processes such as transfers and funds, with NPS scores increasing by 30% year on year.

Moreover, “Digital Industrial Bank” fully leveraged its data advantage of reaching a massive number of users and launched an event tracking management platform covering 43 systems and 370 core business scenarios, enabling user behavior to be traceable and experience issues to be quantifiable. On this basis, the Company established a data-driven closed-loop operation system, used the special task force for online wealth management as a breakthrough, and applied behavioral data combined with intelligent recommendations and A/B testing for rapid iteration, achieving accelerated growth in the wealth management business. As at the end of 2025, the sales amount achieved through online wealth management channels increased by nearly RMB362.5 billion year on year; the overall purchase conversion rate starting from the wealth management entry page rose from 4.1% to 8.6%, an increase of 110%; the second-time repurchase rate within 10 minutes increased by 32%, fully demonstrating the direct driving effect of experience optimization on business growth. The project was awarded the “Typical Case of National User Experience Innovation in 2025” by the China Quality Management Association for Electronics Industry under the Ministry of Industry and Information Technology (ranked first in the fintech sector).

**Third, further advanced the application of technologies such as artificial intelligence to empower the entire business management chain.** The Company built intelligent tool platforms such as large model platforms, small model platforms, and agent platforms to improve the management efficiency and service quality. In the field of retail finance, AI digital customer service achieved 24/7 intelligent interaction in 13 types of channels, serving customers approximately 55 million times; AI marketing strategies cumulatively reached 21.39 million people, significantly improving the customer experience and marketing conversion efficiency; among joint-stock commercial banks, the Company took the lead in building an intelligent consumer protection review platform built natively on large models, covering businesses such as agency sales of wealth management products, personal loans, credit cards and corporate finance, supporting the review of various materials including posters, scripts and agreements and achieving 100% coverage of internal publicity channels, with 66,000 materials reviewed and 4.32 million model calls. The intelligent consumer protection review platform won multiple external awards due to the outstanding value of its innovative practice. In the field of corporate finance, the financial report agent assisted corporate customer managers in generating 34 thousand reports required for due diligence, significantly enhancing digital productivity. In the field of financial markets, the industry’s first custody contract review agent was built, completing more than 2,600 intelligent reviews, with comprehensive improvements in review compliance, accuracy and efficiency. In the fields of middle and back offices, the anti-money laundering report assistant assisted in analyzing the transaction status of flagged customers, generating more than 4,500 preliminary monthly reports on average. The audit and compliance tools empowered auditors more than 5,000 times, continuously optimizing the audit efficiency and compliance management.

### 3.3.2 Steadily advanced “Five Priorities”

During the reporting period, the Company continuously leveraged the advantages of “commercial banking + investment banking”, deepened the “region + industry” strategy, promoted the integration of “corporate banking + retail banking”, polished the “three business cards” of green banking, wealth management banking and investment banking, created the “fourth business card” of technology finance, accelerated the transformation of “Digital Industrial Bank” towards “Intelligent Industrial Bank”, and continuously enhanced its capability to advance the “Five Priorities” of the financial sector.

#### 3.3.2.1 Strengthening technology finance

The Company took high-standard development of technology finance as the main theme of action, focusing on a virtuous cycle of “technology – industry – finance”, and leveraged its own advantages to strengthen technology finance. As at the end of the reporting period, the Company cooperated with 364.9 thousand technology finance customers, an increase of 13.27% compared to the end of the previous year; the balance of technology financing was RMB2 trillion, an increase of 15.98% compared to the end of the previous year; the loan balance of technology finance was RMB1.12 trillion, an increase of 18.47% compared to the end of the previous year (Note: The above technology finance-related data at the end of 2024 were adjusted in accordance with adjustments in regulatory standards). The NPL ratio was 0.85%, lower than the average of corporate banking loans, indicating sound asset quality.

**Built the “1+20+150” operation and management system for technology finance.** According to the layout of “1+20+150” (one leading group for technology finance at the Head Office + 20 key technology finance branches + 150 technology-focused sub-branches), the Company promoted the licensing of technology-focused sub-branches in batches and in an orderly manner and continuously expanded the coverage of specialized operating networks. At the Head Office level, the Company deepened top-level design, introduced special institutional guidelines, and allocated more policies and resources to key areas such as the building of technology-focused sub-branches, long-term performance assessment, and exemption from liability for due diligence. At the branch level, in combination with regional technological endowment, the Company explored the implementation of a regional differentiated assessment mechanism and the framework for review and approval processes. At the sub-branch level, the technology-focused sub-branches operated smoothly, with good operation quality and efficiency, providing a solid organizational support for the high-quality development of technology finance business.

**Strengthened “Four Transformations” of technology finance.** Relying on the dedicated supporting system of “ecological partners, professional research, products and services, risk management, assessment and evaluation, and technological support”, the Company comprehensively improved the quality and efficiency of technology finance services, forming distinctive advantages of “professionalization of customer group management, standardization of ecosystem development, systematization of marketing tools, and differentiation of risk mechanisms”. **In terms of the professionalization of customer group management**, focusing on technology enterprises and hard technology enterprises, the Company implemented hierarchical and classified refined management and made efforts to enhance the coverage of cooperation, as well as the quality and efficiency of services. By implementing the “region + industry” strategy, the Company accelerated the development of specialized and differentiated industry service models. **In terms of the standardization of ecosystem development**, the Company held the “Xinghuo Technology” ecological chain event, and built a technology-finance ecosystem integrating “policy chain, innovation chain, capital chain, industry chain and talent chain”. The Company launched the “Three Major Peers” series of activities at the Head Office. “Visiting the Exchange” helped enterprises connect with the capital market, “Joining Hands with Equity Investment Institutions” leveraged the advantages of AIC licenses, and “Connecting with Leading Industrial Enterprises” focused on the area of hard technology, enhancing the Company’s position and influence within the ecosystem. **In terms of the systematization of marketing tools**, relying on the iterative upgrade of “1+4+N” exclusive product system (one basic product manual + four types of specialized product tools + N exclusive product series), the Company created a full-spectrum product matrix covering “equity, bonds, loans, insurance and leasing”. For different stages of technology enterprises, namely, the startup stage, growth stage and maturity stage, the Company launched a special service solution for three types of products and services of “Xinghuo Technology”. The Company strengthened industry research empowerment, launched marketing service templates for the technology industry, refined marketing paradigms and enhanced the service accuracy and effectiveness with a focus on the industry. **In terms of the differentiation of risk mechanisms**, centering on technology customer groups, the Company customized authorization and credit policies, established a three-tier coordination mechanism featuring “overall planning of branches – main operations at prefecture-level branches – deep cultivation at sub-branches”, promoting the formation of a long-term mechanism of having the willingness, confidence, capacity and capability to lend. The Company continuously iterated the “technology flow” evaluation model and formed the “fourth statement” focusing on assessing enterprises’ scientific and technological strength. During the reporting period, RMB1.15 trillion of credit was approved and RMB391.8 billion was issued through the “technology flow” evaluation model, with a balance of RMB344.9 billion, fully safeguarding the high-quality development of technology finance business.



**Made concerted efforts in five major areas.** With a **“green + technology”** approach, the Company built a green product system and scaled up technology finance services, serving 45.5 thousand technology finance customers, with a financing balance of RMB730.6 billion, an increase of 12.62% from the end of the previous year. With an **“investment banking + technology”** approach, the Company built a whole-lifecycle investment banking product and service system dominated by debt, equity and alternative investment, serving 2,298 technology finance customers, and recording RMB671.936 billion in outstanding FPA in large investment banking business, an increase of 17.65% from the end of the previous year. With a **“park + technology”** approach, the Company fostered new quality productive forces and the technology finance ecosystem chain in the park scenario, serving 147 thousand technology finance customers,

with a financing balance of RMB1,068.8 billion, an increase of 15.67% from the end of the previous year. With an **“energy + technology”** approach, the Company increased support for strategic emerging fields such as new energy, energy conservation and environmental protection, and empowered the transformation and upgrading of the traditional energy industry, serving 35.8 thousand technology finance customers, with a financing balance of RMB534.301 billion, an increase of 8.39% from the end of the previous year. With an **“auto + technology”** approach, the Company promoted the electrification and intelligent upgrading of the auto industry, strengthened cooperation with mainstream auto enterprises, and extended the coverage of financial services, serving 14.1 thousand technology finance customers, with a financing balance of RMB252.484 billion, an increase of 12.00% from the end of the previous year.





### Case 1: “Commercial banking + investment banking” assisted the development of technology enterprises

In recent years, China has accelerated its transition toward a new economic triangular cycle of “technology – industry – finance”, and the financing demand of technology innovation enterprises continues to rise. However, technology enterprises generally exhibit characteristics such as high growth, high risk and light assets. Under the traditional credit model, such enterprises are often at a disadvantaged position in terms of financing.

In response, CIB grasped the law governing the development of new quality productive forces, fully leveraged the strategic advantage of “commercial banking + investment banking”, built an investment banking product system covering debt, equity and alternative investments, launched exclusive products such as technology enterprise M&A loans, and sci-tech innovation bills and sci-tech innovation bonds, supporting scientific and technological innovations and industrial integration by means of investment banking. The Company connected the pathways between technology, industry and capital, and provided technology enterprises with financial services throughout the lifecycle from the startup stage, growth stage to maturity stage.

**Hangzhou Branch, together with CIIT Asset Management, completed two rounds of equity investment consecutively in a technology enterprise in 2021 and 2023.** In post-investment management, Hangzhou Branch fully leveraged the advantages of comprehensive financial services, built an industrial collaboration ecosystem, and facilitated the establishment of strategic partnerships between the customer and industry-leading enterprises; at the same time, the Branch innovatively launched the “equity-debt linkage” service model and tailored financing solutions worth hundreds of millions of RMB for the customer. On March 11, 2025, the customer was officially listed on the ChiNext of the Shenzhen Stock Exchange, setting sail into the blue ocean of capital.

**Suzhou Branch, through the coordination between the Head Office, branches and Hong Kong Branch and FICC empowerment, supported advanced manufacturing enterprises in achieving stable implementation of cross-border M&A.** Against the backdrop of accelerated global expansion of high-end manufacturing enterprises, a leading enterprise in the electronic industry in Suzhou planned to implement cross-border M&A through its Hong Kong subsidiary, with a scale exceeding USD680 million, facing challenges such as high financing costs, tight approval and delivery timelines, and compounded risks of multiple currencies and exchange rate and interest rate. CIB, relying on the linkage mechanism of the Head Office, branches and Hong Kong Branch, innovatively designed the “1+6 Combined Loan” plan and, along with the combination of “HKD loan + CCS + spot foreign exchange purchase”, swiftly completed the approval of the credit line of USD412.2 million and implemented the financing of HKD780.3 billion in the first tranche. Compared with traditional USD direct loans, it significantly reduced enterprises’ financing costs, effectively locked in exchange rate risk, and ensured the smooth implementation of mergers and acquisitions. Through this project, CIB achieved synergistic growth in asset allocation, FICC fee and commission income and international business, and further enhanced its brand influence in advanced manufacturing enterprises with professional and efficient cross-border M&A services, providing a model for serving the globalization of advanced manufacturing enterprises.

**Beijing Branch empowered the actual controller of a technology-based listed company to incubate business outside the listed entity through innovative design.** Through the financing structure of enhanced M&A, and relying on the policy dividends of M&A loans for technology enterprises, the Branch provided technology M&A loans to entities designated by the actual controller of the listed company, and helped the customer successfully complete this M&A transaction with dual support of “M&A loan + technology finance”, supporting customers on their journey toward high-quality development. The implementation of this project fully demonstrated the Company’s motivation and confidence in supporting the development of technology enterprises, and provided a beneficial exploration for driving the Company’s high-quality development with an investment banking mindset under the new circumstances.

**Longyan Branch assisted a multinational mining group in successfully issuing its first sci-tech innovation bond worth RMB1.5 billion.** A multinational mining group is a strategic customer with long-term close cooperation with CIB. The cooperation between Longyan Branch and the group covers multiple areas such as deposits and loans, bond underwriting and investment, M&A, international business, and supply chain finance. In June 2025, CIB, as one of the lead underwriters, successfully underwrote the first sci-tech innovation bond in Longyan City (with a scale of RMB1.5 billion). CIB, leveraging its professional advantage in the investment banking business, accurately seized the issuance window and efficiently completed the entire process of project application, regulatory communication, investor roadshows and sales. The final underwriting share reached RMB700 million, ranking first in the industry in terms of proportion. This transaction filled the gap in local sci-tech financial products, provided the group with low-cost and long-term funding support, strongly promoted the optimization of the debt structure, and reduced financial costs. In doing so, more resources were diverted to technology upgrades and capacity expansion, enabling the group to advance towards the strategic goal of becoming a “green, high-tech, first-class international mining group”. In the past three years, Longyan Branch has underwritten bonds totaling over RMB8 billion for the Group, with a market share of nearly 30%.

As at the end of 2025, the scale of CIB’s FPA of large investment banking in technology finance exceeded RMB670 billion. It efficiently assisted the buyer group of one of the major M&A cases in the year in issuing a loan commitment letter, as well as the implementation of market benchmark projects such as mezzanine financing for cross-border M&A of a Hong Kong-listed material company, M&A financing for a leading Internet technology company, alternative investments for a leading new energy battery company, and share repurchase loans, continuously building the Company’s market influence in the field of technology finance through “commercial banking + investment banking” services.


**Case 2: Laboratory economy + integration of four chains continuously polished the business card of technology finance**

At present, China is vigorously promoting sci-tech innovations and industrial upgrading and accelerating the development of new quality productive forces. CIB created a featured service mode for technology finance according to local conditions, and took the laboratory economy and the integration of “innovation chain, industry chain, capital chain and talent chain” as a starting point to promote efficient commercialization of scientific and technological achievements, forming replicable and scalable examples in places such as Chongqing and Fuzhou.

As a strategic pivot for the large-scale development of China’s western region, Chongqing is accelerating the building of the “33618” modern manufacturing cluster system, aiming to build a national sci-tech innovation center with Chinese characteristics and Chongqing’s distinct identity. The city has a strong industrial foundation, but the “laboratory economy” faces difficulties in receiving financial support due to a lack of collateral in the commercialization of scientific and technological achievements. Chongqing Branch of CIB took the lead in establishing a special task force for technology finance and formulated the *Special Solution of Loan for Commercialization of Sci-tech Achievements* under the feature mode of “financial specialist + laboratory”, becoming the first joint-stock bank to cooperate with four provincial-level laboratories, including Jinfeng and Jialingjiang laboratories, and achieving a zero-to-one breakthrough in business. Subsequently, the Branch promoted the business from 1 to N, extending to more research institutes and technology enterprises, and successively established cooperation with Harbin Institute of Technology, Jilin University, Shanghai Jiao Tong University, etc. The Branch deeply participated in industry matchmaking, roadshows and achievement transformation activities organized by laboratories and research institutes, and served a total of 14 laboratory economic cluster customers, with credit extension totaling RMB127 million, focusing on supporting benchmark projects in chips, new energy, intelligent equipment, etc. At present, the balance of technology finance loans at Chongqing Branch has exceeded RMB12 billion, with nearly ten thousand technology finance customers. Its innovative practices received coverage by mainstream media.



Mindu Innovation Laboratory  
Comprehensive Financial Service Programme

Branch has been deeply involved in the optoelectronics industry for many years, serving over a hundred enterprises. In 2025, the Branch proactively upgraded its role in financial services and leveraged the multifaceted functions of the factor integration platform. Through a series of on-site visits and surveys, and by organizing initiatives such as the special event “Fuxing Spotlight • Creating Four Chains” Fujian Provincial Four-Chain Integration Initiative for Key County-Level Industrial Chains – Fuzhou Optoelectronics Industry Special Session, the Branch pooled both “financing + intelligence” resources, helping promote high-quality development of the industry. First, the Branch conducted research and released the first report on the Fuzhou optoelectronics industry; second, the Branch held the special event “Fuxing Spotlight • Creating Four Chains”, established a partnership with national-level scientific research resources across the entire region, and built a “industry, academia, research, application and finance” platform. All organizations also jointly initiated the establishment of the Fujian Optoelectronics “Four-chain” Integrated Development Innovation Consortium, which now has over a hundred members, and on-site industry-finance contracts exceeded RMB22.3 billion; third, the Branch launched exclusive products such as the “Optoelectronic Loan” and “Loan for Commercialization of Sci-tech Achievements”, established five optoelectronic-specialized sub-branches, and collaborated with various investment institutions to create an investment ecosystem, jointly supporting industrial development. As a result, the Branch upgraded from a “capital provider” to an “ecosystem organizer”. As at the end of 2025, Fuzhou Branch had 176 customers in the optoelectronics industry, with a financing balance of RMB2.754 billion. The Branch also participated in events such as the global optoelectronics application competition, launched full lifecycle financial products, formed the consensus of “Choosing CIB for Optoelectronics”, and replicated the model to industries such as the marine economy and cultural tourism economy, providing “CIB Wisdom” and “Fuzhou Model” for finance servicing the real economy.



Jialingjiang Laboratory Financial Specialists  
Workroom of CIB Chongqing Branch

Fuzhou is known as the “Capital of Optoelectronic Components”. The optoelectronic industry has entered a period of rapid development, during which, however, it faces challenges in the smooth connection of the innovation chain, industrial chain, capital chain and talent chain, such as difficulties in technology industrialization and mismatched financing terms. CIB Fuzhou

The practices in Chongqing and Fuzhou followed the same underlying approach. CIB broke away from the traditional credit mindset and unblocked financial bottlenecks in the technology industry by means of pooling both “financing + intelligence” resources, achieving the transformation from a capital provider to an ecosystem organizer. In the future, CIB will continue to deepen its technology finance services, and replicate and promote the laboratory economy and the four-chain integrated service model, injecting stronger financial momentum into sci-tech innovations and the development of new quality productive forces.

### 3.3.2.2 Optimizing green finance

The Company remained closely focused on the strategic goals of carbon peaking and carbon neutrality, aligned itself with the development direction of new quality productive forces, and promoted the integration of green principles into the Group's operations. It adhered to both green finance and transition, facilitated collaborated development between the eastern and western regions, continuously expanded the depth and breadth of green financial services, innovatively improved the product and service system, and promoted high-quality development of green financial business. As at the end of the reporting period, the Company's green finance scale doubled compared with the end of 2020, and green loans exceeded RMB1 trillion, successfully achieving the green finance development goals for the "14th Five-year Plan" period.

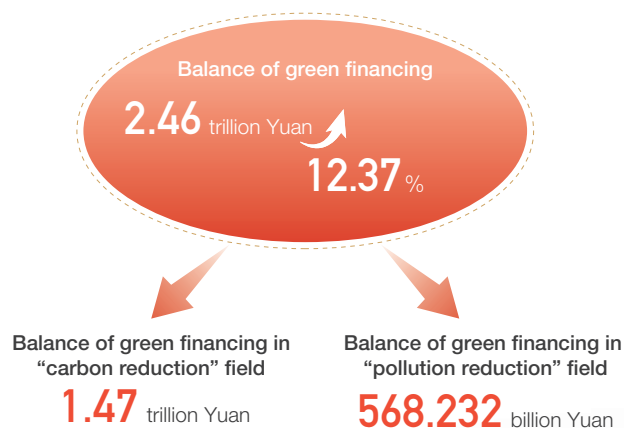
**Focused on green finance and transition to drive business growth.** The Company leveraged its professional advantages to help reduce pollution and carbon emissions efficiently, explored the effective connection between green finance and transition finance, and continuously expanded the coverage of its business services. While deeply engaging in energy-saving and environmentally friendly industries such as clean and renewable energy, and water resource protection and utilization, the Company provided support of "financing + intelligence" resources for the green and low-carbon transition of traditional industries such as steel and non-ferrous metals, creating a driving engine for the high-quality development of green finance. As at the end of the reporting period, the Company's balance of green financing on and off the balance sheet was RMB2.46 trillion. Specifically, the balance of green financing in the "carbon reduction" field was RMB1.47 trillion, and the balance of green financing in the "pollution reduction" field was RMB568.232 billion. The balance of green loans according to the standards of the PBOC was RMB1,107.554 billion, an increase of RMB177.196 billion compared to the end of the previous year (according to the requirements of the *Catalogue of Green Finance-Supported Projects (Trial)* issued by the PBOC in February 2025, the Company's balance of green loans according to the standards of the PBOC at the end of 2024 was retrospectively adjusted to RMB930.358 billion). The transition finance business achieved rapid growth, effectively meeting the financing needs of key industries for transition and upgrading.

**Cultivated new quality productive forces and expanded into emerging areas.** Focusing on the high-end, intelligent and green development path of the manufacturing industry, the Company formulated specialized green finance product and service plans for manufacturing scenarios such as zero-carbon parks and green factories, assisting enterprises in green and low-carbon transition. The Company promoted coordinated advancement of the "green + technology" finance, supported the promotion and application of energy saving, emission reduction and environmental protection technologies, and served the green development of strategic emerging and specialized and sophisticated technology enterprises producing unique and novel products. The Company strengthened the application of an exclusive "technology flow" evaluation system in energy-saving and environmentally friendly sci-tech innovation enterprises, with the balance of green loans provided to technology enterprises totaling RMB419.773 billion. With integrated development of "green finance + cultural tourism", the Company actively supported ecological protection, restoration and utilization. The balance of green loans in this field was RMB85.937 billion, promoting the transformation of lucid waters and lush mountains into invaluable assets. Emerging sectors

expanded rapidly, with the balance of green loans in areas such as green service, green trade and green consumption totaling RMB78.761 billion, and the coverage of green finance continued to expand.

**Built a new pattern of collaboration between the eastern and western regions to serve coordinated regional development.** The Company actively served the development of pilot zones for the Beautiful China initiative, such as the Beijing-Tianjin-Hebei region, the Yangtze River Delta, and the Guangdong-Hong Kong-Macao Greater Bay Area, and provided targeted service support based on regional characteristics, such as transition finance and green high-end manufacturing. The total balance of green loans in the above-mentioned areas was RMB532.2 billion, an increase of more than 20% compared to the end of the previous year. Focusing on the resource endowments of the western region, the Company served the construction of an industrial park for the East-to-West Computing Resource Transfer project and the green data center, cooperated with the first batch of national-level zero-carbon parks in the western region, and deeply explored opportunities related to the "park + green" business. The Company promoted the innovation of green financial products and services in the western region, and implemented innovative products such as "climate loans" and loans pledged by water withdrawal rights of green mines. As at the end of the reporting period, the balance of green loans of branches in the western region was RMB87.382 billion, an increase of about 30% compared to the previous year.

**Introduced innovative products and services and activated the driver for green transformation.** The Company optimized and upgraded the Group's three-tier green finance product and service system featuring diverse products, dual-carbon services and special solutions, enriched green finance services, and extended the financial scenario ecosystem. It focused on innovation in the carbon finance business and created professional products and services across the entire carbon reduction chain. It promoted the implementation of bank-government cooperation products such as climate loans and water-saving loans, launched innovative environmental equity loans such as water right pledge loans, pollution right pledge loans and





carbon asset pledge loans, and provided sustainable financial services such as sustainability-linked loans, carbon footprint loans, and comprehensive ESG services. During the reporting period, 1,228 green finance innovation transactions were executed, with an amount of RMB101.387 billion, serving the diversified needs of enterprises for green financing. Focusing on "carbon" as the core, the Company built professional product and service capabilities across the entire carbon reduction chain, relied on the Dual-carbon Management Platform to achieve carbon data management, and empowered

innovation in carbon financial products and services. As at the end of the reporting period, the Dual-carbon Management Platform recorded 51.5 thousand corporate carbon accounts and 7,784.2 personal carbon accounts. Based on corporate carbon accounts, a total of 367 carbon financial innovation products were implemented during the reporting period, totaling RMB28,345 billion.

Dual-carbon Management Platform recorded

51.5 thousand corporate carbon accounts

7.7842 million personal carbon accounts

Achieved remarkable results in the building of a green banking group.

The Company continuously strengthened strategic guidance, promoted the integration of the green concept into the Group's development, and was committed to building a market-leading green banking group. It improved the organizational structure, established cross-line and cross-department business coordination mechanisms, increased policy support and resource allocation, cultivated green finance professionals, and deepened domestic and international exchange and cooperation. Based on green credit, the Company expanded multi-level and wide-range comprehensive financial services, achieving sound operating results. At the end of the reporting period, the size of green finance businesses, such as green leasing, green trust and green funds, reached RMB149.831 billion, and the cumulative issuance of ESG and green wealth management products amounted to RMB393.904 billion, providing customers with diversified and high-quality services and continuously enhancing the Company's market influence.



Case 3: The Company practiced the concept of "green + industry" to serve the development of the real economy

Against the background of China actively and steadily advancing the goals of "carbon peaking and carbon neutrality" and accelerating the cultivation of new quality productive forces, green and low-carbon practices have become a distinct feature of the high-quality development of the real economy. CIB adhered to the rules of industrial green transformation, continuously practiced the business philosophy of "green + industry", and was committed to building a "green banking group" in the fullest sense. By deeply integrating green finance with industrial finance and technology finance, CIB not only focused on "pure green" areas such as clean energy, but also actively explored the path of transition finance, providing comprehensive and multi-dimensional financial support for the low-carbon upgrading of traditional industries and the green innovation transformation of private manufacturing.

implementation and transformation of a company. By introducing third-party assessment and certification, the loan interest rate was linked to the verified key indicators of "energy consumption per unit of alumina and electrolytic aluminum product", achieving a dual incentive of improving energy-saving performance and reducing financing costs. It drove enterprises to reduce product energy consumption by 8%, improve the production efficiency by 12%, and cut carbon dioxide emissions by about 12 thousand tons, helping enterprises achieve the carbon reduction targets in the local aluminum industry set out in the "14th Five-year Plan" and providing a replicable "CIB solution" for carbon-intensive industries such as steel and building materials.

**Transition finance empowered the upgrading of traditional industries and drove low-carbon energy development.** The Urumqi Branch included a wind power project supporting the flexibility retrofitting of a coal-fired power plant in Changji Hui Autonomous Prefecture into the standard pilot for transition finance in the coal-fired power industry, and issued a project loan of RMB300 million to provide financial support for low-carbon retrofitting of coal-fired power generation, thereby reducing the carbon emission level of coal-fired power. The project adopted the model of "coal-fired power flexibility retrofitting + wind-solar multi-energy complementarity" to achieve synergy between clean energy and traditional energy. Upon completion, the project is expected to reduce annual carbon dioxide emissions by 786.8 thousand tons.

**The Company promoted the integration of green finance and technology finance through dual linkage with technology and ESG performance.** Hangzhou Branch combined the "technology flow" evaluation model for technology enterprises with Huzhou ESG evaluation system, provided specialized financial services to enterprises meeting a certain threshold in CIB's "technology flow" scoring and Huzhou ESG evaluation system, and optimized the allocation of financial resources. As at the end of 2025, through the "ESG Green Innovation Loan", the Branch successfully supported 41 green technology enterprises and provided credit support of RMB5.5 billion, with a total financing balance of RMB630 million, injecting strong momentum into the high-quality development of private manufacturing.

**Jinan Branch established a standardized process of "science-based objectives – third-party verification – performance linkage – monitoring and assessment".** The Branch successfully linked a loan of RMB200 million to the innovation

While planning the building of a green energy system, the construction of zero-carbon parks and green factories, resource recycling and reuse, and green trade and consumption in frontier fields, CIB actively extended the green finance service chain, promoted the steady growth in the scale of green finance business, and made the feature of "green banking" more pronounced.



#### Case 4: The Company overcame transition challenges: “CIB solutions” for carbon reduction in the industrial chain and value appreciation of the ecological chain

##### Nanjing Branch: “Carbon account + supply chain finance” empowered collaborative carbon reduction in the industrial chain

Guided by the goals of “carbon peaking and carbon neutrality” and driven by internal and external environments such as EU’s Carbon Border Adjustment Mechanism (CBAM), a leading enterprise A in the photovoltaic industry and its upstream and downstream enterprises in the supply chain faced challenges in transition: first, carbon emission data were scattered, and accounting was unclear, making it difficult to form credible carbon footprint reports, which affected export compliance and international competitiveness; second, small and medium-sized enterprises in the supply chain generally faced the challenge of “having the motivation to reduce emissions, but lacking financing tools” in green transformation, and it was difficult for traditional financial models to accurately identify and incentivize the low-carbon performance.

Nanjing Branch of CIB, based on the strategic advantage of “green banking” and the technology empowerment of “Digital Industrial Bank”, deeply integrated green finance with supply chain scenarios. After capturing the needs of A and its affiliated enterprises, the Branch achieved data connectivity with the Jiangsu provincial public service platform for product carbon footprint by using the independently developed “Dual-carbon Management Platform”, innovatively launched the “carbon performance-linked financing” mechanism, opened unified carbon

accounts for core enterprises and suppliers, and dynamically tracked and quantitatively evaluated their product carbon footprint. On this basis, the Branch implemented differentiated pricing based on the enterprise’s carbon performance in the previous year, achieving “the lower the carbon footprint, the more favorable the financing cost”, and created a financial incentive loop of “carbon-based lending, lending-driven carbon reduction”.

This project successfully converted the enterprises’ emission reduction achievements into “financing coupons”, effectively breaking the financial bottleneck of green transformation in the supply chain. This model not only helped A in building a transparent and traceable digital hub for carbon management in its supply train and enhanced the competitiveness of the industrial chain in responding to international carbon regulations, but also explored a collaborative carbon reduction path of “leadership by core enterprises, support by financial institutions, and linkage along upstream and downstream chain”. As at the end of the reporting period, CIB provided relevant supply chain financing services to more than 70 upstream suppliers of A, with a financing balance of nearly RMB2 billion, achieving the unity of economic benefits and social and environmental benefits while consolidating relationships with core customers.

##### Xi’an Branch: Implemented the first GEP pledge biodiversity loan in Shaanxi Province and explored new ways to realize the value of ecological products

A water conservancy hub company in Yan’an undertakes multiple functions such as water supply, flood control, irrigation, and ecological conservation for key energy and chemical enterprises in southern Yan’an and nearby counties and towns. The supporting water conservancy scenic area has become a regional ecological highlight. Over the years, the reservoir has continuously carried out ecological restoration projects, releasing over one million fish fry in total. Through the mechanism of “controlling algae with fish and purifying water with fish”, the project has effectively suppressed algae outbreaks and enhanced the water body’s self-purification ability, with the water quality at state-controlled

monitoring sections consistently meeting the national Class II standards. The enterprise possesses a large amount of aquatic ecological resources, but faces the difficulty of converting them into financial value.

GEP-based solution: GEP (Gross Ecosystem Product) uses the accounting value of ecological services such as provisioning services, regulating services and cultural services for human habitation as collateral, providing a new approach to solving the above-mentioned problems.



Upon learning of the enterprise's financing needs, CIB Xi'an Branch conducted multiple on-site visits and entrusted professional institutions to complete the accounting of ecological products of the reservoir, confirming that its GEP reached RMB626 million. Eventually, using the ecological asset value represented by GEP for credit enhancement, the first GEP pledge registration in Shaanxi Province was completed on the PBOC's "Unified Registration and Announcement System for Movable Property Financing", which led to a loan issuance of RMB10 million to the enterprise.

The successful implementation of this GEP pledge loan represented another successful exploration by CIB in the area of realizing the value of ecological products. This model not only effectively alleviated the corporate liquidity challenge, but also further supported regional water resource conservation and

ecosystem protection, enhanced overall ecological resilience and resistance to disruption, and achieved multi-party benefits encompassing economic, environmental and social returns. It provided a replicable and scalable "CIB Model" for financial support in ecological conservation.

The above case is a vivid illustration of CIB's practice of the "green + industry" concept and services for the green transformation of the real economy. CIB will continue to deepen innovations in green financial products and services, extend its reach further along the industrial chain by focusing on core enterprises, and expand mature models to more export-oriented manufacturing clusters facing carbon constraints as well as regions rich in ecological resources, helping more market entities build green competitiveness and contribute a sustained stream of financial momentum to the high-quality development of the real economy.



### 3.3.2.3 Making solid progress in inclusive finance

Upholding the vision of building a world-class value bank, the Company leveraged its own strengths to enhance inclusive finance. Adhering to the main business line of “risk prevention and development promotion”, it introduced new inclusive scenarios and products, optimized financial services for rural revitalization, and drove the high-quality development of inclusive finance.

**Leveraged its strengths to drive inclusive finance.** As at the end of the reporting period, the balance of inclusive loans to small and micro enterprises reached RMB596.067 billion, an increase of RMB40.135 billion compared with the end of the previous year, representing a growth of 7.22%, higher than the average growth rate of all loans; during the reporting period, the weighted average interest rate on newly issued inclusive loans to small and micro enterprises was 2.97%, and the number of small and micro enterprises receiving inclusive loans reached 240.3 thousand. The number of certified enterprise users on the “Industrial Inclusion” platform reached 115.7 thousand, an increase of 41.8 thousand compared with the end of the previous year, representing an increase of 56.43%; since the launch of the “Industrial Inclusion” platform, the Company met cumulative financing needs of RMB515.919 billion, an increase of RMB120.417 billion compared with the end of the previous year, up by 30.45%.

**In terms of policy support,** the Company strengthened policy support to enhance the quality and effectiveness of services for small and micro enterprises. It firmly upheld the political nature and people-centered nature of financial work, strengthened policy implementation, deepened and solidified the coordination mechanism for supporting small and micro enterprises and adopted promotion measures, including issuing dedicated implementation rules, streamlining loan renewal processes, and improving product offerings. In total, RMB718.093 billion of loans were disbursed to 103 thousand small

and micro enterprises. The Company also promoted the deep integration of online and offline services, implemented human-machine collaboration and parallel operation mechanisms and continuously optimized credit renewal and extension processes, thereby improving operational efficiency and service quality and enhancing the accessibility and convenience of financing for small and micro enterprises.

**In terms of product system,** the Company continued to improve the supply of inclusive finance products and built a diversified inclusive product matrix to meet the differentiated needs of small and micro enterprises. The Company developed new financial models, such as “Credit Boost”, a new supply chain finance model that reduces reliance on core enterprises without disconnecting from them. Focusing on the financing needs of upstream and downstream suppliers and distributors along industrial chains, it leveraged “data credit” such as tax invoices to determine credit limits, facilitating financing for small and micro enterprises along the supply chain. In response to the financing demand features of small and micro enterprises, the Company optimized key products such as “Xingsu Loan” (exclusive to guarantee-based credit enhancement), “R&D Loan for Tech Enterprises”, “Industrial Plant Loan” and “Lianlian Loan”, enhancing its market competitiveness.

**In terms of scenario-based financing,** the Company steadily advanced financing in inclusive finance scenarios, actively explored new financing scenarios and business forms, proactively responded to the financing needs of upstream and downstream small and micro enterprises within the industrial chain, and continuously improved the alignment between capital supply and real economic activities. The Company gradually built an online scenario-based financing product system of “Xingsu Loan” that supports “region + industry” and a model-based system support architecture in a bid to empower the development of scenario-based financing.

**In terms of customer management,** the Company deepened its integrated customer management and promoted the “credit+” transformation. By enriching a wide range of benefits, strengthening the efficient integration of fund settlement and account management, and increasing comprehensive income, the Company established an all-round financial service closed-loop of “financing + settlement + payroll services”, thereby empowering the digital operation of small and micro enterprises.

**In terms of rural revitalization,** the Company remained committed to exploring new paths to providing financial services for agriculture, rural areas, and rural residents. By fully leveraging the role of financial service commissioners as liaisons, the Company removed the last-mile barrier to extending financial services to the primary level, while harnessing the empowerment effect of financial technology measures to enhance the quality and effectiveness of financial services for rural revitalization. Focused on the development of specialized market scenarios, the Company helped build circulation systems for distinctive agricultural products; it was deeply engaged in the development of county-level industries that improve the income of local people and promoted industrial quality enhancement and upgrading through financial services along the full industrial chain; it proactively aligned itself with the overall framework of integrated urban-rural development, supporting rural infrastructure development and facilitating the two-way flow of resources between urban and rural areas. Through these measures, the Company continued to build and refine a distinctive rural revitalization financial service model with the CIB characteristics and effectively empowered the modernization of agriculture and rural areas with high-quality financial supply, contributing CIB’s strength to building a new landscape of beautiful villages where people live and work in harmony. As at the end of the reporting period, the balance of agriculture-related loans reached RMB543.935 billion, an increase of 10.25% from the beginning of the year; inclusive agriculture-related loans totaled RMB61.275 billion, growing by 10.14% from the beginning of the year.

**兴业银行** INDUSTRIAL BANK CO., LTD. **兴业普惠**

## 科技企业研发贷

**利率优**      **期限长**

**用途广**      **额度高**

**产品特点**

额度高：购置研发设备的贷款成数最高可至 70%，购买专利的贷款成数最高可至 50%。  
用途广：既可用于设备购置、薪资发放等研发支出，也可用于购买专利。  
期限长：流贷最长 5 年，面贷最长 10 年。      利率优：年利率（单利）3.35% 起。

**适用客户**

1. 国家技术创新示范企业、制造业单项冠军企业、专精特新企业、国家级高新技术企业、科技型中小企业、创新型中小企业等科技型企业及其控股成员企业。
2. 高技术制造业、高技术服务业、战略性新兴产业、知识产权（专利）密集型产业等科技相关产业客户。

**业务流程**

贷款申请—资料收集—开立账户—贷款审批—签订合同—按需放款

扫码获取更多信息



**Case 5: "One County, One Industry, One Policy": cultivating county-level specialty industries with industrial chain finance**

"When the counties are well governed, the country is at peace." The integrated development of urban and rural areas is an inherent requirement of Chinese modernization, and the rise of county economies is key to addressing the issue of unbalanced development. CIB has fully leveraged the role of finance in connecting various industries, focused on key county industrial chains, and deeply implemented the customized financial service solution of "One County, One Industry, One Policy", channeling the financial resources to the county specialty industries in a targeted manner.

As key agricultural hubs in northern Xinjiang, the Changji and Kuitun regions have seen over 150,000 mu (approximately 10,000 hectares) of tomatoes planted annually and more than one million tons of tomatoes processed, accounting for 15% of the national total, as the government continues to strengthen industrial support policies in recent years. Due to factors such as export demand and industrial upgrading, many small and

micro enterprises are in urgent need of financing for processing upgrade and production line optimization. However, they generally face the pressures of difficult and slow financing. Focusing on the "region + industry" strategy, CIB vigorously advanced the upgrade of financial services for key county-level agricultural industrial clusters. Urumqi Branch dispatched financial service commissioners to conduct on-site visits to tomato planting and processing enterprises and identify their financing pain points. Starting with tomatoes, the Branch connected the entire industrial chain spanning agricultural inputs, agricultural machinery, planting and harvesting, deep processing, packaging, and export sales, and successfully rolled out its first "One County, One Industry, One Policy" solution tailored to the tomato industry. During the reporting period, Urumqi Branch served more than 10 enterprises along the tomato industry chain and cumulatively extended over RMB80 million of loans, leveraging the power of finance to underpin the harvest success of the "Red Industry" in Changji.



**Case 6: Putting "Finance for the People" into practice, the Company relied on "data-based credit enhancement" to overcome financing difficulties for food delivery riders and service providers**

In recent years, new business forms supported by the platform economy have become an important reservoir for absorbing employment. As a cornerstone of the food delivery industry and a representative of flexible employment, food delivery riders are deeply embedded in the consumption scenarios of people's livelihoods. Currently, the number of food delivery riders nationwide has exceeded 10 million, making timely payment of their wages an essential requirement for ensuring people's livelihoods. However, this has also imposed short-term funding pressure on service providers for food delivery riders due to advance wage payments. Given the frequent adjustments in the number of riders and the flexible and diverse payroll cycles, such service providers often face cash advance pressures. Their financing needs are characterized by "short terms, high frequency and urgency," making it difficult for traditional collateral-based models to effectively accommodate their needs.

Through in-depth cooperation with food delivery platforms, CIB incorporated transaction data between service providers for food delivery riders and the platforms, and innovatively replaced traditional "collateral-based credit enhancement" with "data-based credit enhancement", thereby opening up convenient and efficient financing channels for service providers for food delivery riders. This model effectively overcame the capital liquidity challenge faced by service providers in the wage payment process and ensured the timely fulfillment of riders' rights and interests, delivering the warmth of livelihood-oriented finance through thoughtful details. As at the end of 2025, CIB cumulatively extended loans of nearly RMB5 billion and served over 8,000 food delivery riders. Speaking with data and delivering professional services, CIB embarked on a path of serving new citizens and new business forms, demonstrating a vivid example of "finance for the people".


  
Important Notice


  
Message from  
Chairman


  
Message from  
President


  
Definition


  
Company  
Profile


  
Financial  
Highlights

### 3.3.2.4 Deepening pension finance

The Company actively responded to the national strategy on addressing population aging. By leveraging its own strengths, focusing on its core business, introducing innovative models, and deepening synergies, the Company continuously improved its pension finance business system, **promoted the coordinated development of the three major segments of pension finance**, and enhanced the quality and efficiency of pension finance services.

**In the area of pension fund finance, the “three pillars” continued to exert coordinated strength.** Relying on local branches, the Company vigorously expanded the financial social security card business, with issuance coverage continuing to grow. Innovative models and service scenarios for compensation and benefits-related annuity business were developed, with the business scale exceeding RMB10 billion. The private pension business developed steadily, with contributions maintaining relatively high growth. As at the end of the reporting period, the Company opened 7,780.4 thousand private pension accounts.

**In the area of pension service finance, the Company comprehensively deepened system development.** The Company strengthened the standardized service foundation of its pension finance service centers and increased the average outlet coverage of its pension finance planner team. The Company enriched the diversified supply of pension finance products, optimized age-friendly service experiences, expanded external cooperation ecosystems, and enhanced full-scenario customer management capabilities both online and offline. As at the end of the reporting period, the Company served 11,582.7 thousand customers aged 60 and above, representing a year-on-year increase of 14.00%, and managed integrated financial assets exceeding RMB1.17 trillion, up by 12.50% from the end of the previous year.



“Anyu Life” Pension Finance Service Center

**In the area of pension industry finance, the Company accelerated its efforts to build the development of ecosystem-wide services.** Leveraging its comprehensive financial service advantages, the Company focused on core silver economy scenarios such as elderly care services, elderly care facility development, and smart health and elderly care, to build an ecosystem-wide financial service system. The Company adopted innovative financial products and service models, supported the development of the elderly care industry through an **“investment banking + elderly care”** approach, and successfully issued its first elderly care industry bond, further broadening financing channels for the sector. The Company introduced a dynamic adjustment mechanism linking loan interest rates with bed occupancy rates to guide enterprises to improve operational efficiency and overall service quality through market-based mechanisms. The Company closely integrated itself into the local elderly care industry development framework, supported governments in revitalizing idle and underutilized assets, and empowered regional elderly care services to improve quality and expand capacity.

By focusing on the needs of elderly customers and continuously improving the “Anyu Life” pension finance service system, the Company leverages its strengths to deepen the development of pension finance. During the reporting period, nine additional operating institutions of the Company were named the national “Model Unit for Respecting the Elderly”, bringing the cumulative total to 22, placing the Company among the top in the industry.



National Model Unit for Respecting the Elderly



**Case 7: The Company focused on the needs of elderly customers to build an “Anyu+” integrated service ecosystem and created a new benchmark for pension finance services**

Ensuring that the elderly are provided for, supported, and able to enjoy life is not only the aspiration of every senior citizen but also the cornerstone of social progress and civilization. Against the backdrop of an increasingly aging population, developing pension finance is not only a task entrusted to financial institutions by the times, but also an important vehicle for fulfilling social responsibilities and putting into practice the original aspiration of “finance for the people”. As a pioneer in the domestic pension finance sector, CIB focused on the needs of elderly customers, continuously improved its “Anyu Life” pension finance service system, and engaged in building an elderly-friendly society.

Take Longyan Branch as an example. The Branch built an “Anyu+” integrated service ecosystem, covering the three pillars of pension fund finance, pension finance service and pension industry finance, addressed the pain points of the elderly population across multiple dimensions, including social security, wealth, health and wellness, and intellectual and cultural needs, explored an innovative path that deeply integrates financial services with the improvement of people’s livelihoods and industrial upgrade, shifting from providing financial products to building a service ecosystem.

“Anyu + Education” deepened intellectual enrichment: Longyan Branch, in collaboration with Longyan University for the Elderly, established a joint education base, and organized activities such as “Anyu Back-to-School Season” and “Silver-age Finance Class”, attracting 3,000 new enrollees and achieving a conversion rate of over 40% from students to customers.

“Anyu + Social Security” solved the issue of service accessibility: The Branch built an “integrated social security-banking” service network to facilitate the handling of high-frequency social security-related services both locally and online and served over 20,000 pension payroll service customers annually. In 2025, it handled more than 2,000 social security cards online.

“Anyu + Pension” strengthened the wealth foundation: The Branch expanded the third pillar of personal pension, with over 83,000 accounts opened and total contributions exceeding RMB65 million.

“Anyu + Consumer Protection” built a security defense line: The Branch established a four-in-one pension finance service assurance system featuring “regulatory guidance, technology empowerment, police-bank collaboration, and community co-governance”, co-established the “Silver-Age Financial Consumer Protection Workstation” and a multi-party mediation mechanism for disputes involving the elderly, and regularly offered “Silver-Age Finance Classes”, upgrading elderly-care services from “passive handling” to “proactive prevention and collaborative resolution”.

“Anyu + Financing” activated industrial momentum: The Branch introduced an innovative credit model, extended the first inclusive project loan for elderly-care institutions in Longyan City, and provided targeted support to the development of the “Fujian Care” elderly care service system.

Through the operation of the “Anyu+” ecosystem, Longyan Branch served over 300,000 “Anyu Life” customers, managed integrated financial assets exceeding RMB22 billion, and cultivated 49 professional pension finance planners, achieving coordinated development in customer base consolidation and liability structure optimization. A total of nine operating institutions, including Longyan Branch, were named the national “Model Unit for Respecting the Elderly” in 2025. Through continuous efforts to advance age-friendly environment renovation and the establishment of service platforms for elderly customers, CIB built a differentiated pension finance service model, contributing financial strength to the development of an elderly-friendly society.



### Case 8: The Company revitalized idle fixed assets through market-oriented mechanisms to activate the supply of elderly-care facilities

As the aging of China's population accelerates, the market demand for pension services continues to grow, presenting significant development opportunities for the pension industry. At the same time, the industry faces considerable challenges, including high upfront construction investment, long asset recovery cycles, and difficulties in identifying operational risk. CIB, with a deep insight into the substantial demands for pension industry finance, was committed to addressing the industry's financing pain points through the deep integration of financial product innovation and market-based evaluation mechanisms, thereby providing comprehensive support for the sustainable development of the pension industry.

The bed occupancy rate is an important indicator for measuring the comprehensive service level of elderly care facilities. When supporting an urban elderly care integration and upgrading project, CIB innovatively launched China's first loan linked to the bed occupancy rates in elderly care facilities. This loan featured a dynamic "interest rate – bed occupancy rate" adjustment mechanism as its core. When the bed occupancy rate reached a specified threshold, the loan interest rate would be lowered accordingly, with a positive effect on improving the operational efficiency of elderly care facilities and promoting the development of the regional silver economy. As at the end of 2025, this loan model was replicated and promoted across other businesses of CIB, guiding pension service companies to enhance their operational standards and comprehensive service quality.

In addition, in response to the needs of multiple local governments to revitalize existing assets and increase the supply of pension facilities, CIB efficiently designed and implemented comprehensive financial service solutions, and assisted governments and enterprises in integrating and utilizing idle assets such as existing community properties to provide pension services, effectively alleviating regional bottlenecks in the supply of pension facilities and offering a replicable model for densely populated urban areas in establishing pension facilities. As at the end of 2025, CIB extended this pension industry finance service model to multiple regions, including Zhejiang, Fujian and Jiangxi, with cumulative loan disbursements exceeding RMB600 million, strongly supporting the development of regional pension service systems. From point-based breakthroughs to chain-wide coverage, and from project collaboration to ecosystem co-construction, CIB contributed its financial strength to the development of the local pension industry. By deepening "government-bank-enterprise" synergies, CIB put in place a diverse and mutually beneficial pension industry ecosystem, allowing the original aspiration of "finance for the people" to take root in the practice of serving the elderly population.



### 3.3.2.5 Promoting digital finance

The Company adhered to the strategy of “revitalizing the Bank through science and technology”, taking serving the real economy as its fundamental purpose, accelerating the transition from “Digital Industrial Bank” to “Intelligent Industrial Bank”, and achieving in-depth integration with digital finance. The Company strengthened its digital foundation, built a blueprint for intelligent development, leveled up digital operations, and improved digital operations, thereby empowering financial services for higher quality and effectiveness. It effectively advanced digital finance and supported the development of digital industrialization and industrial digitalization.

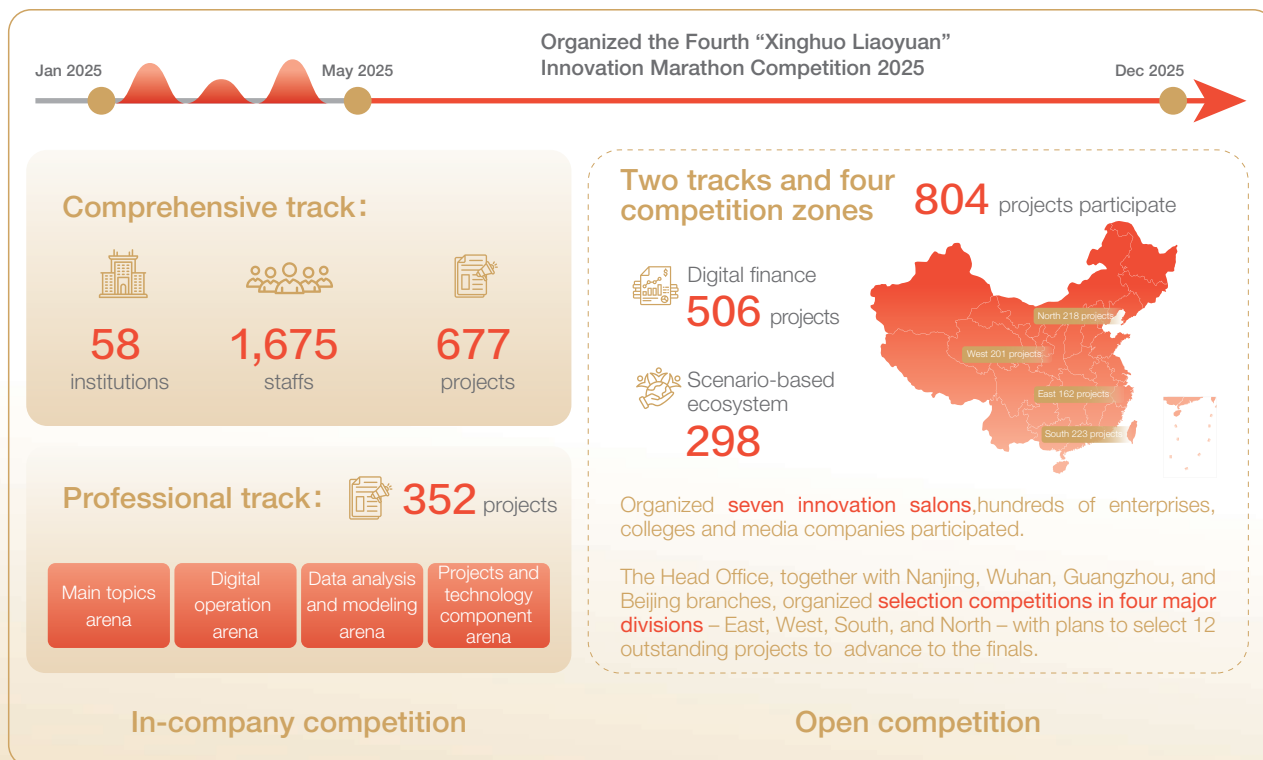
**Strengthened the digital foundation.** The Company pressed ahead with the reform of the science and technology institution and mechanism, strengthened the coordinated management of science and technology, and maintained stable investment in science and technology. It recruited high-caliber talent in key fields such as AI and cloud native, strengthened the integration of business and technology, built a training system for technology application-oriented talent, and fostered a cultural atmosphere for all employees to learn, use and understand technology. The “Xinghuo Technology” Forum has attracted participation from over 35 thousand attendees in total, and the “Xinghuo • Liaoyuan” Innovation Marathon Competition has become a core event in the financial track of the Digital China Summit • Digital China Innovation Contest, providing new ideas and solutions for the virtuous cycle of “technology – industry – finance”. The Company strengthened enterprise-level architecture governance, steadily

advanced key projects, and coordinated the orderly implementation of both new system development and old system improvement. The Company advanced the whole-process data governance and enhanced enterprise-level data service capabilities, handling an average of more than 11.90 million service requests per day. The Company promoted the construction of the data center in Guian New Area based on the standards for green data centers, forming a computing layout featuring multi-location, multi-center and multi-active deployment.

**Prepared an intelligent development blueprint.** The Company developed a high-quality digital and intelligent transformation plan for the “15th Five-year Plan” period to advance the goal of building an industry-leading “smart bank”. It fully implemented the “AI+” initiative and formed a “1+7” intelligent application framework covering AI-enabled customer management, customer marketing, customer service, risk and compliance, investment and trading, decision-making review and approval, and centralized operations. It also launched three strategic foundational projects: a high-quality dataset project, a knowledge project, and a model project. The Company rolled out over 200 intelligent agents, with AI technologies applied across over 260 scenarios, including customer service, marketing, risk control, and investment research, to deeply empower business operations and management decision-making, effectively reducing burdens while enhancing capabilities. The “Digital Industrial Bank” is accelerating its transition toward an “Intelligent Industrial Bank.”

## Improved product management and innovation promotion

“Xinghuo Liaoyuan” Innovation Marathon Competition empowered the innovation result commercialization



**Improved digital operation.** Through organizational reforms, the architecture of a digital operation system initially took shape. Relying on the centralized digital operation capabilities of the Head Office, the Company built a digital marketing middle office, explored the remote operation mode with mobile banking and the five major online platforms as the main channels, and achieved intelligent and efficient online operations centering on the data-driven strategy. As at the end of the reporting period, its mobile banking recorded 70,216.7 thousand effective customers, an increase of 11.83% from the end of the previous year; 12,637.0 thousand verified customers were served via WeCom; and remote digital operations reached 77,379.1 thousand customer interactions during the year.

**Empowered financial services for higher quality and efficiency. In terms of technology finance,** the Company upgraded the “technology flow” evaluation system to enhance the accessibility of financing for technology enterprises by expanding data sources, integrating evaluation indicators, and refining the indicator logic. During the reporting period, RMB1.15 trillion of credit was approved and RMB391.8 billion was disbursed through the “technology flow” evaluation model. **In terms of green finance,** the Company leveraged its Dual-carbon Management Platform and green finance business system to accelerate digital empowerment of green finance. By applying technologies such as big data, cloud computing, and AI, the Company provided diversified external services such as carbon data management, while empowering internal business management and product innovation. The Company created carbon accounts for 51.5 thousand corporate customers and 7,784.2 thousand retail customers, and expanded application scenarios such as carbon finance products and ESG evaluation. The “Dual-carbon Management Platform” was selected in the 6th “Digital Finance Innovation Cases (2025)” and the book *Empowerment*

*Through Breakthroughs + Digital and Intelligent Reconstruction: Digital Finance Innovation Practices* published by People’s Daily Press. The project “Data + Models” Jointly Drive the Building of a New Paradigm for Green Finance was selected as an innovation case at the Financial Technology Innovation Conference during the “14th Five-year Plan” period. **In terms of inclusive finance,** the Company relied on the “Smart Market System” to build a unified SaaS-based service platform, systematically advancing the digital transformation of commodity trading markets and their integration with financial scenarios. This effectively addressed practical challenges such as difficulties in government supervision, weak market management, and high financing costs for merchants, achieving intelligent regulation, efficient operations, digitalized management, and inclusive financial services. As at the end of the reporting period, the Smart Market System had been implemented in 334 commodity trading markets, recording over RMB45 billion in outstanding financing balance across all scenarios. Leveraging IoT and AI technologies, the Company developed a digital supervision platform for biological assets, achieving remote monitoring of the indicators of living collaterals, significantly improving the post-loan monitoring capability and effectively activating the biological assets of breeding enterprises. Relevant service models won the second prize in the 2025 China “Digital Village” Innovation Contest. **In terms of pension finance,** the Company built the pension finance section and personal pension section in mobile banking into the main channels for online services. During the reporting period, customers were served 9,550.6 thousand times; and online elderly-friendly service channels were kept unimpeded, with the “Anyu Edition” of mobile banking and the customer service hotline 95561 serving customers 4,503.4 thousand times, helping elderly consumers cross the digital divide and share the benefits of digital finance development.



**Case 9: The Company served industrial digitalization, with “platform + scenario”-based innovation empowering the transformation and upgrading of key industries**

Currently, China’s real economy is at a critical stage of digital and intelligent transformation. The demand for financial services across various industries has shifted from single funding support to integrated digital services that are deeply embedded in the entire processes of production, circulation and supervision. CIB, with a deep insight into the trend of “industry-digital integration”, focused on the needs for digital transformation of key industries. By leveraging digital platforms and technologies to build scenario-based financial service models, CIB innovatively addressed industrial financing and operational pain points, achieved online service coverage across multiple industries, and promoted the digital and intelligent upgrading of traditional industries.

**Upgraded and established the integrated industry financing service platform (hereinafter referred to as the “Industry Financing Platform”).**

Based on the original “Xingcherong” digital platform for auto finance, CIB upgraded and established the Industry Financing Platform, and replicated the “digital solutions for the auto industry” it accumulated to other industries. Currently, the platform has achieved online service coverage across key industries, including energy, consumer goods and services, healthcare and medical care, and transportation. Take the transportation industry as an example. CIB leveraged the railway 95306 platform as a core scenario. Through the Industry Financing Platform, CIB developed a comprehensive financial service solution for upstream and downstream enterprises of railway transportation and launched the “Freight Loan” business in Taiyuan, strongly

supporting the integrated development of “logistics + finance” in the fields such as railway. During the reporting period, the platform extended RMB250.436 billion in financing, representing a year-on-year increase of 21%. As at the end of the reporting period, the platform cumulatively extended financing exceeding RMB1 trillion and completed the transformation for information technology innovation, injecting new financial momentum into the development of a modern industrial system.

**Deepened the development of a smart market ecosystem and provided full-chain digital services.**

Focusing on commodity trading markets as a key scenario for people’s livelihoods, CIB innovatively built a digital ecosystem platform centered around the “Smart Market System”. The platform deeply integrates digital technologies such as the IoT, cloud computing, and big data with inclusive financial services, establishing a comprehensive “non-financial + financial” service system that combines market operations and management, merchant business empowerment, unified payment and settlement, and intelligent financing services. Since its launch, the project has provided systematic services to 334 commodity trading markets and extended over RMB45 billion in financing support. The project, titled “Building a Smart Market Ecosystem Driven by the Dual Engines of ‘Industrial Digitalization + Scenario-based Financial Services’” won the third prize of the 2024 Financial Technology Development Award, which served as a replicable and scalable model for applying financial technology to serve the real economy and support rural revitalization.



**Case 10: The Company served digital industrialization, driven by dual engines of credit support and technology output**

Digital industrialization is the core driver of the digital economy and the cornerstone of digital services for the real economy. CIB, with a deep insight into the trend of deep integration between digital technology and financial services, actively responded to the national strategic plan for building a “Digital China” and accelerated the development of its comprehensive capabilities to serve digital industrialization. CIB continued to increase credit support for the digital economy. As at the end of the reporting period, the balance of loans to the digital economy industry was RMB327.495 billion, representing a year-on-year increase of 19.54% from the end of the previous year. At the same time, leveraging technologies such as artificial intelligence, blockchain and big data, CIB independently developed digital products and systems, realized the external output of fintech achievements, and built a digital industry service system that spans from technology R&D, result commercialization to ecosystem empowerment.

The enterprise-level digital archive system is one of the key digital products independently developed by CIB. Based on a “large model + small model” technical architecture, the system created an enterprise-level platform that integrates five functions into one: archive management, data management, knowledge management, document AI, and agent. In 2024, the system passed the first pilot acceptance for enterprise group digital archives by the National Archives Administration; in 2025, it won the second prize of the Financial Technology Development Award

of the PBOC, and was selected as a national innovation case in archive informatization. At present, the system has been launched at a city commercial bank and a securities firm, and technology output cooperation has been reached between the Company and institutions, including a provincial rural commercial united bank, helping drive the digital and intelligent transformation of archive management in the financial industry.

Take a provincial rural commercial united bank as an example. During the unified legal entity reform within the provincial rural credit cooperative system, the customer faced the enormous challenge of consolidating historical and current archive data from rural commercial banks across the province. The need for digital transformation of its existing archive management system was clear and urgent. In response, CIB keenly identified the customer’s needs and used its enterprise-level digital archive system as a breakthrough point for technological cooperation. Through the coordinated efforts of the Head Office, branches, and CIB FINTECH, a customized solution for a digital archive system was developed for the customer, enabling the categorized integration and intelligent retrieval of historical archives and effectively driving the customer’s digital transformation of archive management. While delivering the outcomes of digital transformation to empower customers, the system greatly enhanced customer stickiness and the depth of cooperation, laying a solid foundation for subsequent integrated financial services and cooperation.

## 3.4 Discussion on and analysis of future development

### 3.4.1 Industry landscape and trends

2026 marks the beginning of China's 15th Five-Year Plan. **Internationally**, the external environment has become increasingly complex and severe. The policy spillover effects following the U.S. presidential election are gradually materializing. Factors such as trade protectionism, geopolitical tensions, and heightened fiscal vulnerabilities continue to pose downward pressure on the global economy and may exacerbate volatility in global financial markets. **Domestically**, the Fourth Plenary Session of the 20th CPC Central Committee has drawn up a grand blueprint for China's development during the "15th Five-Year Plan" period, while the Central Economic Work Conference has made systematic arrangements for economic work in 2026. Looking ahead to 2026, China will adhere to the underlying principle of pursuing progress while maintaining stability, implement more proactive and effective macroeconomic policies, and make its policies more forward-looking, targeted and coordinated. China will continue to expand domestic demand, improve supply, optimize the allocation of new resources while making the best use of existing ones, develop new quality productive forces according to local conditions, and advance the building of a unified national market. China will continue to prevent and mitigate risks in key areas, with a focus on stabilizing employment, enterprises, markets and expectations, so as to promote higher-quality economic growth while achieving an appropriate increase in economic output, thereby achieving a good start to the "15th Five-Year Plan" period.

China's banking sector faces both opportunities and challenges. **In terms of opportunities**, the accelerated release of potential in technology and industry, consumption and investment, and coordinated development between urban and rural areas and different regions presents broad prospects for the banking sector. China remains committed to intelligent, green, and integrated development, promotes the quality improvement and upgrading of key industries, and vigorously fosters and strengthens emerging and future industries. With the in-depth implementation of the "AI+" initiative, new development opportunities are emerging in areas such as technology finance, inclusive finance, and digital finance. Special initiatives to boost consumption, plans to increase the income of urban and rural residents, the release of service consumption potential, and the development of the silver economy drive steady growth in demand for payment and settlement, wealth management, pension finance, and inclusive credit. Policies for implementing major national strategies and enhancing security capacity in key areas, as well as for carrying out large-scale equipment upgrades and consumer goods trade-in programs, urban renewal and new urbanization development, provide opportunities for the banking sector to deepen comprehensive financial services in areas such as infrastructure, public services, and industrial support. The steady expansion of high-standard opening up, the development of pilot free trade zones and the Hainan Free Trade Port, and the high-quality Belt and Road cooperation bring new growth points for the banking sector in areas such as cross-border settlement, cross-border financing, and global cash management. At the same time, a new wave of technological transformation, represented by large language models, automation, and intelligent technologies, is gaining momentum, providing important support for the banking sector to reduce costs, improve efficiency, and introduce innovative business models. **In terms of challenges**, net interest margin pressure is intertwined with emerging risks. Under the guidance of moderately accommodative monetary policy, market interest rates trend downward, loan yields continue to decline, and the narrowing trend of net interest margin has slowed, but is difficult to reverse, putting sustained pressure on the profitability of the banking sector. The supply-demand adjustment in the real estate sector is expected to be a

long-term process. Operational difficulties faced by certain industries during the transition from old to new growth drivers may transmit to credit assets, making risk prevention and control in key areas a challenging and protracted task. Furthermore, the in-depth application of large language models and artificial intelligence is making emerging risks, such as model hallucination, algorithmic bias, data privacy protection, and cyberattacks, increasingly prominent, placing higher demands on banks' technology governance capabilities and the comprehensive risk management system.

### 3.4.2 The Company's development strategy

During the "15th Five-Year Plan" period, the Company will fully implement the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, act on the guiding principles of the Party's 20th National Congress and successive plenary sessions of the 20th CPC Central Committee, profoundly grasp the political and people-oriented nature of financial work, actively transform the "country's most fundamental interests" into "top priority of the Bank", and implement a new round of strategic development plan. **The Company will adhere to the principles of digital and intelligent, green, international, integrated and ecosystem-driven development, focus on the development of a modern industrial system while deepening industrial finance, continue to polish the "four business cards" of technology finance, green finance, wealth management banking and investment banking, and build a first-class value bank on all fronts.** The Company will make more contributions to building China into a financial powerhouse and demonstrate a stronger sense of responsibility in advancing Chinese modernization.

Pursuing digital and intelligent, green, international, integrated and ecosystem-driven development represents the Company's strategic direction. Among them, digital development is the fundamental engine driving business transformation; green development is the underlying value that guides business operations and growth; international development is a necessary requirement for supporting cross-border development; integrated development is a key means of enhancing customer value; and ecosystem-driven development is an advanced form of upgrading service quality.

Industrial finance is the Company's strategic priority. Focus on the development of a national modern industrial system, the Company will take industries as the core, connect the full chain of government (G-end), business (B-end), customer (C-end), and financial institutions (F-end), and work comprehensively on all dimensions in an integrated manner so as to strengthen comprehensive financial services and drive the transformation and development of the entire Bank.

The "Four Business Cards" embody the Company's strategic features. The Company will expand and upgrade its core advantages from the "Three Business Cards" to the "Four Business Cards", namely technology finance, green finance, wealth management banking, and investment banking. It will refine its specialized businesses and strengthen its core capabilities, leveraging the distinctive advantages of the "Four Business Cards" to build the core competitiveness in the "Five Priorities" of the financial sector.

"Value Bank" is the Company's strategic goal. In the process of creating value for customers, the Company will generate more value for itself and its shareholders, achieving an organic unity of economic, social, and environmental benefits. Ultimately, it will build a first-class value bank with "five major characteristics", namely, strong profitability, deep customer cooperation, low risk cost, balanced business structure and distinct business characteristics.



### 3.4.3 The Company's development approaches

The Company will implement the guiding principles of the Fourth Plenary Session of the 20th CPC Central Committee and the Central Economic Work Conference in a coordinated manner, ensure a good start to the "15th Five-Year Plan" period, adhere to the principle of "pursuing progress while maintaining stability, improving quality and efficiency", and maintain a proper balance among the four key priorities of "stability, progress, quality, and efficiency". With a focus on deepening the engagement in industrial finance and building an intelligent bank as its main work, the Company will take new steps towards the goal of becoming a value bank.

**With industrial finance as the central focus, the Company will revitalize and develop new drivers of growth.** The Company will closely follow policies, pursue comprehensive operations, enhance strengths and address weaknesses, promote green development, and focus on strengthening empowerment through research, risk management, technology and collaboration. It will accelerate the formation of operational models and build a development pattern for industrial finance featuring Head Office guidance, branch implementation, and cross-department, cross-line and cross-subsidiary collaboration.

**With "commercial banking + investment banking" as an important lever, the Company will strengthen its service capabilities.** The Company will adhere to an industry-oriented approach, deepen the Network Weaving Project, and strengthen the foundation for payment and settlement. It will optimize asset allocation, enhance asset origination capabilities, and make solid progress in advancing the "Five Priorities" of the financial sector. The Company will further integrate the three links of asset origination, product creation, and wealth product distribution to cultivate an ecosystem of "integrated investment banking". By leveraging the synergies between commercial banking and investment banking, the Company will provide solid support for industrial finance and drive the upgrading of its asset and liability structure.

**With "asset management + wealth management" as an effective support, the Company will generate connectivity across the value chain.** The Company will actively respond to the financing needs of industrial finance and the wealth management needs of retail customers, improve its sales channel system, product portfolio system and supporting system, and expand the scale of asset management and wealth management of the Group, thereby fostering a stable source for the growth of the fee and commission income.

**The Company will uphold the principles of strict governance, expert management and technology enhancement.** The Company will consolidate the achievements of its risk management system reform, effectively prevent and control risks in key areas, and strictly adhere to the bottom line of compliance and internal control. It will deepen refined management, foster a more specialized workforce, establish a better evaluation system, achieve higher efficiency in resource allocation, and build stronger capital management capabilities. Focusing on digital and intelligent development as its primary strategy, the Company will strengthen foundational work in IT architecture management, data governance and cybersecurity, advance digital operations, promote the development of e-CNY and accelerate intelligent transformation so as to build a "first-class intelligent bank".

### 3.4.4 The Company's business plan and outlook

In 2026, under the coordinated framework of "more proactive fiscal policy" and "moderately accommodative monetary policy", macroeconomic policies will leverage the synergy effects of both existing and incremental policies, and strengthen both counter-cyclical and cross-cyclical adjustments, thereby

creating broad space for the high-quality development of commercial banks. The Company will actively seize policy opportunities, thoroughly implement various national decisions and plans, as well as financial regulatory requirements, balance development and security, maintain strategic focus, and adhere to the general principle of pursuing progress while maintaining stability. Guided by the principles of digital and intelligent, green, international, integrated and ecosystem-driven development, and aligning with national strategies, the Company will promote the deep integration of the "Five New Arenas" and "Five Priorities" of the financial sector, continue to polish its four business cards, namely, technology finance, green finance, wealth management banking and investment banking, advance the development of a "light bank", and optimize its business structure, working to effectively enhance its capability to navigate a low-interest-rate cycle.

#### 3.4.4.1 Outlook on assets, liabilities and net interest income

In 2026, China will implement more proactive and effective macroeconomic policies, continue to expand domestic demand, and optimize supply. Financial regulatory authorities will continue to strengthen the guidance on banks' liability interest rate management and asset structure optimization, which will help create a favorable environment for the Company's sound operations and present opportunities for optimizing its asset-liability portfolios and growing its net interest income. At the same time, it must be recognized that the international situation is becoming increasingly complex and volatile, and domestic structural imbalances still exist. Commercial banks face challenges such as insufficient effective credit demand and increased deposit volatility. In light of this situation, the Company will actively leverage external favorable factors, deeply tap into effective demand in the real economy, and consistently advance the development of a value bank. It will promote the balance in total volume, structure optimization and quality improvement, strive to outperform the market in terms of net interest margin trends, and promote steady growth in net interest income.

On the asset side, the Company will pursue sustainable and high-quality growth, align itself with China's 15th Five-Year Plan, and translate national strategic directions into concrete business deployment, resource allocation, and operational objectives, thereby effectively implementing national credit policies and its own transformation and development requirements. In terms of corporate banking, the Company will fully leverage its advantages in "commercial banking + investment banking" across different regions and industries. Focusing on the "Five Priorities" of the financial sector, it will conduct thorough and detailed industrial, sectoral and regional research, enhance the forward-looking and scientific nature of asset allocation, accelerate the development of an industrial finance service system, and respond to effective financing demand of the real economy in a targeted manner. In terms of retail banking, the Company will place greater emphasis on customer quality, asset yield, and risk balance. Focusing on key scenarios such as expanding domestic demand, boosting consumption, serving new urban residents, and supporting small and micro enterprises, it will continuously refine the product design, process control, model strategies, etc., thereby enhancing its comprehensive strength in retail credit.

On the liability side, the Company will firmly adhere to the philosophy of basing banking operations on liabilities. Guided by the goals of strengthening the foundation and optimizing structure, and under the premise of maintaining a stable liability scale and ensuring liquidity security, it will achieve liability structure optimization and cost improvement. First, the Company will further advance the Network Weaving Project, strengthen the development of scenario-based ecosystem, build a "financial + non-financial" comprehensive service engine, enhance service capabilities, increase customer stickiness, deepen collaboration, and expand low-cost settlement funding sources. Second, the Company will strictly follow the requirements of the self-regulatory mechanism for market interest rate pricing, strengthen refined

management of deposit pricing, and ensure proper follow-up arrangements for existing long-term deposits upon maturity. Third, the Company will strengthen the coordinated management of financial market liabilities, make reasonable use of diversified financing instruments, flexibly absorb market-based funds, promote the issuance of financial bonds when appropriate, so as to reasonably replenish medium- and long-term funding.

#### 3.4.4.2 Outlook on net income from intermediary business, handling fees and commissions

In 2026, the Company will stay focused on customers' demands for financial services, continue to promote the integrated development of "comprehensive investment banking, comprehensive asset management, and comprehensive wealth management", speed up the development of the financial ecosystem, improve the capabilities in digital services and operations, and strive to keep the growth of net income from handling fees and commissions at a desirable level.

**In terms of wealth management banking,** the Company will build systems, develop tools, set standards, and strengthen support. It will deepen the value conversion of data elements, enhance intelligent empowerment in wealth management, and develop a holistic, data-driven wealth management framework. It will establish a closed-loop operating system for key customer groups featuring "data-driven decision-making, targeted reach, feedback iteration, and performance improvement". The Company will actively embrace the equity market, build a tiered system for products with equity exposure, properly respond to market volatility, and select products based on the principle of strategy diversification and low-volatility assets, so as to effectively enhance customers' sense of gains and achieve mutual benefits with customers.

**In terms of investment banking,** the Company will continuously enhance its capabilities in investment banking asset distribution and circulation, deepen the development of its investment banking partner network, strengthen coordination between the parent company and its subsidiaries, as well as between the Head Office and branches, and build an integrated sales coordination system. Focusing on customers' underlying needs, the Company will provide full-cycle and customized professional advisory services. With the goal of becoming a comprehensive service provider for customers, it will fulfill the core investment advisory function of "matching funds with projects and projects with funds", thereby enhancing its capabilities in business opportunity identification and asset origination.

**In terms of custody business,** the Company will remain committed to building an inter-bank ecosystem, continue to strengthen collaboration, constantly deepen customer cooperation, and continuously expand the level of cooperation within its inter-bank ecosystem. The Company will achieve breakthroughs in technology empowerment, refine and enhance AI capabilities in the custody business, improve the digital risk control system for the custody business, and forge the core competitiveness of the custody business.

**In terms of corporate banking settlement,** the Company will focus on product refinement, process optimization, and experience enhancement to continuously expand the customer group coverage and business scale. It will fully leverage the network of its correspondent banking to develop services such as issuance of guarantees against counter guarantees and entrusted issuance of international letters of credit for customers in industries going global, optimize channel experience, and provide customers with a full range

of financial services, including foreign exchange management, exchange rate hedging, financing cost optimization, and deposit yield enhancement. The Company will continuously iterate product functions such as letters of credit, guarantees, and factoring, leverage technology empowerment to further drive the growth of supply chain business, and effectively enhance the quality and efficiency of services provided to upstream and downstream customers. It will focus on the full-chain demand of enterprises for "collection, payment, management, and control", strengthen industry-specific and scenario-based service capabilities in products such as treasury management, corporate banking acquiring and fund supervision, and expand the reach and improve the quality of cash management services to help upgrade customer value. Focusing on the core goal of "building a user-friendly and easy-to-use one-stop corporate financial services platform", the Industrial Steward will make systematic progress in four directions: enhancing functional experience, optimizing customer service, strengthening platform operations, and establishing an evaluation system, so as to reinforce channel operations and increase customer cooperation stickiness.

**In terms of treasury business,** the Company will comprehensively promote the systemic development of FICC business, optimize the income structure, reduce reliance on endogenous capital, mitigate the impact of market volatility, and enhance comprehensive value contribution. In terms of cross-border FICC, the Company will enhance the quality of customer services, intensify efforts to serve the real economy, expand overseas and cross-border businesses, enhance the capability of providing cross-border services for enterprises going global, and increase cross-border financial services. In terms of wealth management FICC, the Company will step up product and service model innovation, with a focus on promoting core businesses such as gold accumulation and over-the-counter bonds. In terms of bond FICC, the Company will continue to build a distinctive domestic and international "trading ecosystem" with CIB characteristics, keep pace with market innovation and development, expand cross-border trading customers, and actively participate in business innovation in factor markets.

**In terms of bank card business,** the Company will align with the development of the "cultural and tourism economy" and the policy direction of "boosting consumption", and build a service matrix covering high-frequency life scenarios, including "clothing, food, accommodation, transportation, travel, entertainment, and shopping". It will leverage quick payment and acquiring services to develop customers' primary settlement accounts, and empower business quality and efficiency improvement through scenario-based ecosystems. In terms of foreign exchange facilitation, in light of key directions of industrial finance, the Company will further expand industry coverage of customer acquisition through cross-border bulk payment services and upgrade the multi-channel settlement model, and continuously improve the cross-border financial service experience for enterprises and their employees. It will accelerate the development of the credit card product system, establish a closed-loop operation for customer acquisition, activation, and retention, strengthen the management of existing customers, and promote continuous optimization of transaction structure with a focus on the two main themes of "scenario-based ecosystem" and "targeted operation".



### 3.4.4.3 Outlook on asset quality

In 2026, the Company will firmly adhere to the bottom-line mindset, consolidate the achievements of its reform of the risk management system and mechanism, and clearly define the responsibilities throughout the risk prevention and control. It will make forward-looking predictions, strengthen the concentration management of regions, industries, and customers, refine management of the entire credit extension process, and effectively control the quality of investment and financing assets across the Group. It will continue to improve the working mechanism featuring coordination between Head Office leaders' supervision and agile teams over key branches and major risk projects, and make further use of policy tools to drive the resolution and disposal of risks in key areas.

**In terms of real estate**, the Central Economic Work Conference held at the end of 2025 emphasized efforts to stabilize the real estate market and made important plans, providing guidance for promoting the stable and healthy development of the real estate market and for preventing and mitigating systemic risks. The Company will resolutely implement the central government's work plans on real estate. It will follow national policy directions and changes in market conditions, seize new opportunities arising from reforms in urban-rural development and the housing sector, focus on high-quality regions, promote balanced development of real estate segments, support the construction of "quality homes", and steadily advance businesses such as housing rental, industrial park development, and urban renewal. Moreover, the Company will also adhere to the working mechanism featuring coordination between Head Office leaders' supervision and agile teams, and actively implement policies such as the "Sixteen Financial Measures" for the real estate sector, the urban real estate financing coordination mechanism, operating property loans, and loan extensions for "whitelist" projects. It will take multiple measures to revitalize project value and, taking advantage of the favorable opportunity presented by the stabilization and recovery of the real estate market, prudently push forward the resolution of business risks.

**In terms of local government financing platforms**, the Company will remain committed to the principle of compliance and market-oriented operation, and properly combine the transformation and development of new businesses with the resolution of existing risks. It will drive the transformation and development of new businesses based on the principle of market-oriented and law-based operation, seize the business opportunities brought by proactive fiscal policies, give full play to its strength in the "commercial banking + investment banking" business, strongly support the financing platforms or transformed entities with market-based operation models and sustained operating income, serve the high-quality development of regional economy, and consolidate its relationship with governments to create a better environment for various institutions and businesses. Moreover, the Company

will continue to maintain a stringent stance on the risk control of existing businesses, further improve the working mechanism featuring coordination between Head Office leaders' supervision and agile teams, and seize the opportunity brought by the increased support from the central government for debt resolution. It will strive for debt resolution resources such as special purpose bond swaps and make the best use of debt resolution policies to support the resolution of local government debt risk and safeguard its legitimate rights and interests, and ensure the orderly clearance of financing platform business.

**In terms of credit cards**, the Company will deepen the system where the business is driven by both the Head Office and branches. With a customer-centric approach, it will reshape the customer structure, product structure and asset structure, further transform the development model of the credit card business, and improve the quality of business development. Meanwhile, it will refine the whole-process risk control system, update risk control models, enhance the quality of new credit supply, refine the in-process loan management and post-lending collection, and continuously reduce new non-performing loans.

**In terms of retail loans**, the Company will actively practice the philosophy of "finance for the people", adhere to the general principle of achieving stable growth in key areas, and advance high-quality development. Aligning with policy directions such as industrial innovation, technology finance, and expanding domestic demand and boosting consumption, the Company will focus on real scenarios and high-quality customer groups. It will seek breakthroughs in all aspects, including customer service, customer management, product design, and risk management, enhance its core capabilities in asset origination, and explore sustainable business development models. Moreover, the Company will steadily advance the development of risk control capabilities, strengthen risk management and control over key products, implement full-process risk monitoring, and accelerate risk resolution and disposal. It will improve the quality and efficiency of risk early warning and collection management, thereby maintaining stable asset quality.

### 3.5 Financial statement analysis

As at the end of the reporting period, the Bank's total assets amounted to RMB11,094,256 million, representing an increase of 5.58% from the end of the previous year; the balance of local and foreign currency deposits reached RMB5,929,615 million, representing an increase of 7.18% from the end of the previous year; the balance of local and foreign currency loans reached RMB5,948,938 million, representing an increase of 3.70% from the end of the previous year; the total assets of the Bank's overseas branches amounted to RMB273,046 million, accounting for 2.46% of the Bank's total assets.

During the reporting period, the operating income of the Company recorded RMB212,741 million, representing a year-on-year increase of 0.24%, of which net interest income was RMB148,752 million, representing a year-on-year increase of 0.44%. The Company achieved a net profit attributable to shareholders of the parent company of RMB77,469 million, representing a year-on-year increase of 0.34%, demonstrating resilience in its operating performance; the weighted average return on equity was 9.15%, representing a year-on-year decrease of 0.74 percentage points; the return on total assets was 0.72%, representing a year-on-year decrease of 0.03 percentage points; the cost-to-income ratio was 29.56%, representing a year-on-year increase of 0.06 percentage points.

As at the end of the reporting period, the Company's balance of NPLs amounted to RMB64,251 million, representing an increase of RMB2,774 million compared to the end of the previous year; the NPL ratio was 1.08%, representing an increase of 0.01 percentage points from the end of the previous year. During the reporting period, the Company recognized a total of RMB57,622 million in asset impairment losses. As at the end of the reporting period, the provision-to-loan ratio was 2.47%, a decrease of 0.08 percentage points from the end of the previous year; the provision coverage ratio was 228.41%, a decrease of 9.37 percentage points from the end of the previous year.

#### 3.5.1 Analysis of the income statement

During the reporting period, the Company achieved steady and sound growth in various businesses, with steady growth in interest-bearing assets and costs of liabilities under effective control. Net interest income recorded a year-on-year increase of 0.44%; affected by market interest rate fluctuations and other factors, net non-interest income declined by 0.20% year on year, with the decline narrowing compared with the third quarter; expenditure control remained robust, keeping the cost-to-income ratio at a reasonable level; the Company continued to strengthen asset quality, made adequate impairment provisions, and steadily enhanced its risk resilience.

Unit: RMB million

Item	2025	2024
Operating income	212,741	212,226
Net interest income	148,752	148,107
Net non-interest income	63,989	64,119
Taxes and surcharges	(2,278)	(2,229)
Operating and administrative expenses	(62,291)	(62,203)
Impairment loss	(57,622)	(60,189)
Other operating costs	(602)	(408)
Net non-operating income and expense	25	(77)
Profit before tax	89,973	87,120
Income tax	(12,119)	(9,629)
Net profit	77,854	77,491
Profit and loss of minority shareholders	385	286
Net profit attributable to shareholders of the parent company	77,469	77,205



### 3.5.1.1 Net interest income

During the reporting period, the net interest income of the Company was RMB148,752 million, up RMB645 million or 0.44% from the previous year.

Unit: RMB million

Item	2025		2024	
	Amount	Percentage (%)	Amount	Percentage (%)
<b>Interest income</b>				
Interest income from corporate and personal loans	207,625	66.46	232,151	67.52
Interest income from discounted bills	2,913	0.93	4,004	1.16
Interest income from investment	74,613	23.88	76,218	22.17
Interest income from deposits with central banks	5,110	1.64	5,346	1.55
Interest income from placements with banks and other financial institutions	10,416	3.33	12,787	3.72
Interest income from reverse repurchase agreements	2,937	0.94	4,877	1.42
Interest income from deposits with banks and other financial institutions	4,189	1.34	3,216	0.94
Interest income from financing lease	4,419	1.41	5,048	1.47
Other interest income	184	0.07	188	0.05
Subtotal of interest income	312,406	100	343,835	100
<b>Interest expense</b>				
Interest expense on borrowings from central banks	1,510	0.92	4,998	2.55
Interest expense on deposits	93,959	57.41	103,728	53.00
Interest expense on bonds issuance	23,840	14.57	29,618	15.13
Interest expense on deposits from banks and other financial institutions	33,726	20.61	45,146	23.07
Interest expense on placements from banks and other financial institutions	6,822	4.17	9,183	4.69
Interest expense on repurchase agreements	3,414	2.09	2,620	1.34
Other interest expenses	383	0.23	435	0.22
Subtotal of interest expense	163,654	100	195,728	100
Net interest income	148,752		148,107	

○  
Important Notice

○  
Message from  
Chairman

○  
Message from  
President

○  
Definition

○  
Company  
Profile

○  
Financial  
Highlights

The net interest spread was 1.50%, representing a year-on-year decrease of 6 basis points; the net interest margin was 1.71%, representing a year-on-year decrease of 11 basis points. The daily average balance, annualized average yield and cost ratio of the Company's asset and liability items are set out as follows:

Unit: RMB million

Item	2025		2024	
	Average balance	Average yield (%)	Average balance	Average yield (%)
<b>Interest-bearing assets</b>				
Corporate and personal loans and advances	5,861,646	3.59	5,622,843	4.20
Based on loan type:				
Corporate loans	3,630,243	3.49	3,382,363	3.96
Personal loans	1,945,948	4.16	1,944,544	5.06
Discounted bills	285,455	1.02	295,936	1.35
Based on loan term:				
General short-term loans	1,526,081	4.70	1,646,620	5.33
Medium and long-term loans	4,050,110	3.36	3,680,287	3.92
Discounted bills	285,455	1.02	295,936	1.35
Investments	2,398,913	3.07	2,289,225	3.28
Deposits with central banks	328,566	1.56	341,189	1.57
Deposits and placements with banks and other financial institutions (including financial assets purchased under reverse repurchase agreements)	900,415	1.97	834,987	2.52
Financing lease	121,598	3.63	122,707	4.11
<b>Total</b>	<b>9,611,138</b>	<b>3.24</b>	<b>9,210,951</b>	<b>3.72</b>



Item	2025		2024	
	Average balance	Average cost rate (%)	Average balance	Average cost rate (%)
<b>Interest-bearing liabilities</b>				
Deposits from customers	5,691,443	1.65	5,230,014	1.98
Corporate deposits	3,999,405	1.59	3,792,252	1.93
Demand deposits	1,461,324	0.52	1,482,597	0.88
Time deposits	2,538,081	2.20	2,309,654	2.61
Personal deposits	1,692,038	1.80	1,437,762	2.11
Demand deposits	437,947	0.06	385,712	0.16
Time deposits	1,254,091	2.41	1,052,050	2.83
Deposits and placements from banks and other financial institutions (including financial assets sold under repurchase agreements)	2,518,310	1.76	2,430,778	2.35
Borrowings from central banks	83,275	1.81	212,466	2.35
Bonds payable	1,079,641	2.21	1,154,188	2.57
Total	9,372,669	1.74	9,027,446	2.17
Net interest spread		1.50		1.56
Net interest margin		1.71		1.82

Standards for measuring net interest margin: The Company has adopted the New Financial Instruments Standards since January 1, 2019, according to which gains from financial assets held for trading shall not be classified as interest income, and their corresponding interest-bearing liabilities and interest expense shall be adjusted accordingly.

### 3.5.1.2 Net non-interest income

During the reporting period, the net non-interest income of the Company was RMB63,989 million, down RMB130 million or 0.20% from the previous year.

Unit: RMB million

Item	2025	2024
Net fee and commission income	25,891	24,096
Gain and loss from investment	27,319	36,202
Gain and loss from changes in fair value	8,379	3,222
Gain and loss from exchange	912	(674)
Income from asset disposal	24	109
Other income	597	661
Other operating income	867	503
Total	63,989	64,119

During the reporting period, the Company achieved net income from fees and commissions of RMB25,891 million, an increase of RMB1,795 million or 7.45% from the previous year. Items such as gain and loss from investment, gain and loss from changes in fair value, and gain and loss from exchange were highly interrelated. The total consolidated gain and loss amounted to RMB36,610 million, representing a year-on-year decrease of 5.52%.

The composition of net fee and commission income is set out as follows:

Unit: RMB million

Item	2025		2024	
	Amount	Percentage (%)	Amount	Percentage (%)
<b>Fee and commission income:</b>				
Fee income from bank cards	8,750	28.36	10,171	34.08
Fee income from custody and other fiduciary services	9,203	29.83	7,830	26.23
Fee income from agency business	5,315	17.22	5,253	17.60
Fee income from payment and settlement	3,026	9.81	2,860	9.58
Fee income from guarantees and commitments	1,217	3.94	1,238	4.15
Other fee income	3,345	10.84	2,496	8.36
Subtotal	30,856	100	29,848	100
Fee and commission expense	4,965		5,752	
Net fee and commission income	25,891		24,096	

### 3.5.1.3 Operating and administrative expenses

During the reporting period, the operating and administrative expenses of the Company reached RMB62,291 million, an increase of RMB88 million or 0.14% from the previous year.

Unit: RMB million

Item	2025		2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Accrued payroll	38,909	62.46	38,048	61.17
Depreciation and amortization	6,854	11.00	6,842	11.00
Lease expenses	140	0.22	130	0.21
Other general and administrative expenses	16,388	26.32	17,183	27.62
Total	62,291	100	62,203	100



### 3.5.1.4 Impairment loss

During the reporting period, the Company's impairment losses reached RMB57,622 million, a decrease of RMB2,567 million or 4.26% from the previous year.

Unit: RMB million

Item	2025		2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Impairment losses on loans	53,866	93.48	51,613	85.75
Impairment losses on debt investments	2,109	3.66	7,842	13.03
Impairment losses on other debt investments	(277)	(0.48)	871	1.45
Impairment losses on off-balance sheet assets	1,234	2.14	115	0.19
Impairment losses on financing lease receivable	(451)	(0.78)	(239)	(0.40)
Other impairment losses	1,141	1.98	(13)	(0.02)
Total	57,622	100	60,189	100

During the reporting period, the Company made adequate provisions for loan losses in accordance with relevant provisions of the Accounting Standards for Business Enterprises based on the expected credit loss model, as well as risk quantification parameters such as customers' default probability and loss given default, with macro proactive adjustments taken into consideration.

### 3.5.1.5 Income tax

During the reporting period, the effective income tax rate of the Company was 13.47%. The difference between the income tax expense and the amount calculated based on the 25% statutory tax rate is set out as follows:

Unit: RMB million

Item	2025
Profit before tax	89,973
Statutory tax rate (%)	25
Income tax calculated at the statutory tax rate	22,493
Effect on tax due to adjustment on the following items:	
Tax-exempt income	(11,109)
Non-deductible items	743
Adjustment to the tax of previous years	(8)
Income tax expenses	12,119

### 3.5.1.6 Composition of operating income and operating profit

The Company divided its geographic segments into nine segments by importance and comparability, namely, the Head Office (including the Head Office and its operating institutions), the Pearl River Delta and the Economic Zone on the West Side of the Taiwan Straits, the Yangtze River Delta, the Bohai Rim, Central China, Northeast China, Western China, Overseas and Subsidiaries. The operating income and operating profit of each segment are set out as follows:

Unit: RMB million

Region	Operating income	Change in operating income over previous year (%)	Operating profit	Change in operating profit over previous year (%)
Head Office	72,758	(8.59)	38,201	0.03
Pearl River Delta and the Economic Zone on the West Side of the Taiwan Straits	24,363	4.59	4,034	71.37
Yangtze River Delta	33,090	9.20	15,847	21.57
Bohai Rim	20,734	9.10	6,656	(31.23)
Central China	17,100	4.79	6,945	(7.16)
Northeast China	3,201	4.61	1,420	143.15
Western China	16,989	3.11	7,399	(8.61)
Overseas	4,336	46.39	3,456	49.22
Subsidiaries	20,170	(4.90)	5,990	9.61
Total	212,741	0.24	89,948	3.15

Note: The above geographic segments are defined as follows:

"Head Office" refers to the Head Office and its operating institutions;

"Pearl River Delta and the Economic Zone on the West Side of the Taiwan Straits" refers to the areas where the following tier-one branches are located: Guangzhou, Shenzhen, Fuzhou, Xiamen, Ningde, Putian, Quanzhou, Zhangzhou, Longyan, Sanming and Nanping;

"Yangtze River Delta" refers to the areas where the following tier-one branches are located: Shanghai, Nanjing, Suzhou, Hangzhou and Ningbo;

"Bohai Rim" refers to the areas where the following tier-one branches are located: Beijing, Tianjin, Shijiazhuang, Dalian, Ji'nan and Qingdao;

"Central China" refers to the areas where the following tier-one branches are located: Changsha, Wuhan, Zhengzhou, Taiyuan, Hefei, Nanchang and Haikou;

"Northeast China" refers to the areas where the following tier-one branches are located: Harbin, Changchun and Shenyang;

"Western China" refers to the areas where the following tier-one branches are located: Chongqing, Chengdu, Xi'an, Kunming, Urumqi, Nanning, Hohhot, Guiyang, Lanzhou, Xining, Yinchuan and Lhasa;

"Overseas" refers to Hong Kong Branch;

"Subsidiaries" refer to the wholly-owned and controlling subsidiaries of the Group. Refer to "Note VI. 1" to the financial statements.



## 3.5.2 Balance sheet analysis

### 3.5.2.1 Assets

As at the end of the reporting period, the total assets of the Company amounted to RMB11,094,256 million, representing an increase of RMB586,358 million or 5.58% compared to the end of the previous year; of which loans (excluding accrued interest) increased by RMB212,328 million or 3.70% compared with the end of the previous year, and net amount of various investments increased by RMB96,405 million or 2.79% compared with the end of the previous year.

Unit: RMB million

Item	December 31, 2025		December 31, 2024	
	Balance	Percentage (%)	Balance	Percentage (%)
Net loans and advances to customers	5,821,808	52.48	5,608,859	53.38
Investment <sup>Note (1)</sup>	3,554,502	32.04	3,458,097	32.91
Financial assets purchased under reverse repurchase agreements	332,368	3.00	177,518	1.69
Financing lease receivables	110,376	0.99	114,913	1.09
Deposits with banks	201,728	1.82	107,117	1.02
Placements with banks and other financial institutions	421,546	3.80	377,748	3.59
Cash and deposits with central banks	391,045	3.52	394,940	3.76
Others <sup>Note (2)</sup>	260,883	2.35	268,706	2.56
Total	11,094,256	100	10,507,898	100

Notes: 1. Including financial assets held for trading, debt investments, other debt investments, other equity instrument investments and long-term equity investments.

2. Including precious metals, derivative financial assets, right-of-use assets, fixed assets, construction in progress, intangible assets, goodwill, deferred income tax assets and other assets.

#### Details of loans are set out as follows:

Unit: RMB million

Type	December 31, 2025	December 31, 2024
Corporate loans	3,738,896	3,441,976
Personal loans	1,923,268	1,991,100
Discounted bills	286,774	303,534
Total	5,948,938	5,736,610

As at the end of the reporting period, corporate loans accounted for 62.85%, an increase of 2.85 percentage points from the end of the previous year; personal loans accounted for 32.33%, a decrease of 2.38 percentage points from the end of the previous year; discounted bills accounted for 4.82%, a decrease of 0.47 percentage points from the end of the previous year. During the reporting period, the Bank continued to optimize its credit structure, proactively responded to market changes, reasonably adjusted the credit business structure, and maintained steady development of key businesses.

For details about loans, please refer to Section 3.5.4 "Loan quality analysis" of this chapter.


  
Important Notice


  
Message from  
Chairman


  
Message from  
President


  
Definition


  
Company  
Profile


  
Financial  
Highlights

**Details of investment are set out as follows:**

- (1) Overall analysis of external investment

As at the end of the reporting period, the Company's net investment increased by RMB96,405 million or 2.79% from the end of the previous year to RMB3,554,502 million.

- (a) Classification based on accounting item

Unit: RMB million

Item	December 31, 2025		December 31, 2024	
	Balance	Percentage (%)	Balance	Percentage (%)
Financial assets held for trading	930,715	26.18	923,189	26.70
Debt investments	1,919,255	54.00	1,896,064	54.83
Other debt investments	697,208	19.62	630,916	18.24
Other equity instrument investments	3,619	0.10	4,011	0.12
Long-term equity investments	3,705	0.10	3,917	0.11
Total	3,554,502	100	3,458,097	100



(b) Classification based on issuer

Unit: RMB million

Category	December 31, 2025		December 31, 2024	
	Balance	Percentage (%)	Balance	Percentage (%)
Government bonds	1,308,729	36.61	1,201,622	34.55
Central bank bills and financial bonds	422,592	11.82	405,791	11.67
Corporate bonds and asset-backed securities	462,693	12.94	524,633	15.08
Other investments	1,377,492	38.53	1,342,093	38.59
Long-term equity investments	3,705	0.10	3,917	0.11
Total	3,575,211	100	3,478,056	100
Accrued interest	19,989		21,283	
Impairment provision	(40,698)		(41,242)	
Net value	3,554,502		3,458,097	

(2) Long-term equity investments

As at the end of the reporting period, the book value of the Company's long-term equity investments was RMB3,705 million, and the details are set out as follows:

- (a) The Company held 294.40 million shares or 10.34% of Bank of Jiujiang Co., Ltd., with a book value of RMB3,570 million.
- (b) China Industrial International Trust Asset Management Company Limited held other long-term equity investments with a book value of RMB127 million as at the end of the reporting period.
- (c) CIB Fund Management Co., Ltd. held other long-term equity investments with a book value of RMB8 million as at the end of the reporting period.

**Details of deposits with banks and other financial institutions are set out as follows:**

As at the end of the reporting period, the balance of deposits with banks and other financial institutions (excluding accrued interests) stood at RMB201,622 million, an increase of RMB94,471 million or 88.17% from the end of the previous year.

Unit: RMB million

Category	December 31, 2025		December 31, 2024	
	Balance	Percentage (%)	Balance	Percentage (%)
Deposits with domestic banks	167,987	83.32	76,983	71.85
Deposits with other domestic financial institutions	21,409	10.62	16,769	15.65
Deposits with foreign banks	11,365	5.64	13,087	12.21
Deposits with other foreign financial institutions	861	0.42	312	0.29
Total	201,622	100	107,151	100
Accrued interest	179		80	
Impairment provision	(73)		(114)	
Net value	201,728		107,117	

**Details of placements with banks and other financial institutions are set out as follows:**

As at the end of the reporting period, the balance of placements with banks and other financial institutions (excluding accrued interests) stood at RMB421,268 million, an increase of RMB44,714 million or 11.87% from the end of the previous year.

Unit: RMB million

Item	December 31, 2025		December 31, 2024	
	Balance	Percentage (%)	Balance	Percentage (%)
Placements with domestic banks	7,121	1.69	15,447	4.10
Placements with other domestic financial institutions	362,504	86.05	298,620	79.31
Placements with foreign banks	51,643	12.26	62,487	16.59
Total	421,268	100	376,554	100
Accrued interest	669		1,560	
Impairment provision	(391)		(366)	
Net value	421,546		377,748	



**Details of financial assets purchased under reverse repurchase agreements are set out as follows:**

As at the end of the reporting period, the balance of financial assets purchased under reverse repurchase agreements (excluding accrued interests) stood at RMB332,347 million, an increase of RMB154,875 million or 87.27% from the end of the previous year.

Unit: RMB million

Category	December 31, 2025		December 31, 2024	
	Balance	Percentage (%)	Balance	Percentage (%)
Bonds	332,347	100	177,472	100
Total	332,347	100	177,472	100
Accrued interest	83		79	
Impairment provision	(62)		(33)	
Net value	332,368		177,518	

**3.5.2.2 Liabilities**

As at the end of the reporting period, the total liabilities of the Company amounted to RMB10,180,610 million, representing an increase of RMB566,323 million or 5.89% compared with the end of the previous year.

Unit: RMB million

Item	December 31, 2025		December 31, 2024	
	Balance	Percentage (%)	Balance	Percentage (%)
Deposits from banks and other financial institutions	2,245,590	22.06	1,832,111	19.06
Placements from banks and other financial institutions	330,540	3.25	336,862	3.50
Financial assets sold under repurchase agreements	363,699	3.57	261,996	2.73
Deposits from customers	6,020,806	59.14	5,630,360	58.56
Bonds payable	937,816	9.21	1,252,987	13.03
Others <sup>Note</sup>	282,159	2.77	299,971	3.12
Total	10,180,610	100	9,614,287	100

Note: Including borrowings from central banks, financial liabilities held for trading, derivative financial liabilities, employee benefits payable, tax payable, provisions, lease liabilities, deferred income tax liabilities and other liabilities.

**The specific composition of customer deposits is set out as follows:**

As at the end of the reporting period, the balance of customer deposits (excluding accrued interests) stood at RMB5,929,615 million, an increase of RMB397,282 million or 7.18% from the end of the previous year.

Unit: RMB million

Item	December 31, 2025		December 31, 2024	
	Balance	Percentage (%)	Balance	Percentage (%)
Demand deposits	2,028,772	34.21	2,068,250	37.38
Including: Corporate	1,537,277	25.92	1,623,797	29.35
Personal	491,495	8.29	444,453	8.03
Time deposits	3,342,457	56.37	2,989,110	54.03
Including: Corporate	2,037,624	34.36	1,869,121	33.79
Personal	1,304,833	22.01	1,119,989	20.24
Other deposits	558,386	9.42	474,973	8.59
Subtotal	5,929,615	100	5,532,333	100
Accrued interest	91,191		98,027	
Total	6,020,806		5,630,360	

**Details of deposits from banks and other financial institutions are set out as follows:**

As at the end of the reporting period, the balance of deposits from banks and other financial institutions (excluding accrued interests) stood at RMB2,239,252 million, an increase of RMB415,680 million or 22.79% from the end of the previous year.

Unit: RMB million

Counterparty	December 31, 2025		December 31, 2024	
	Balance	Percentage (%)	Balance	Percentage (%)
Deposits from banks	310,666	13.87	257,341	14.11
Deposits from other financial institutions	1,928,586	86.13	1,566,231	85.89
Subtotal	2,239,252	100	1,823,572	100
Accrued interest	6,338		8,539	
Total	2,245,590		1,832,111	

**Details of placements from banks and other financial institutions are set out as follows:**

As at the end of the reporting period, the balance of placements from banks and other financial institutions (excluding accrued interests) stood at RMB329,531 million, a decrease of RMB6,229 million or 1.86% from the end of the previous year.

Unit: RMB million

Counterparty	December 31, 2025		December 31, 2024	
	Balance	Percentage (%)	Balance	Percentage (%)
Placements from banks	326,277	99.01	325,955	97.08
Placements from other financial institutions	3,254	0.99	9,805	2.92
Subtotal	329,531	100	335,760	100
Accrued interest	1,009		1,102	
Total	330,540		336,862	

**Details of financial assets sold under repurchase agreements are set out as follows:**

As at the end of the reporting period, the balance of financial assets sold under repurchase agreements (excluding accrued interests) stood at RMB363,241 million, an increase of RMB101,348 million or 38.70% from the end of the previous year.

Unit: RMB million

Category	December 31, 2025		December 31, 2024	
	Balance	Percentage (%)	Balance	Percentage (%)
Bonds	362,159	99.70	252,170	96.29
Bills	1,082	0.30	9,723	3.71
Subtotal	363,241	100	261,893	100
Accrued interest	458		103	
Total	363,699		261,996	


  
Important Notice


  
Message from  
Chairman


  
Message from  
President


  
Definition


  
Company  
Profile


  
Financial  
Highlights

### 3.5.2.3 Shareholders' equity

Unit: RMB million

Item	December 31, 2024	Increase in the period	Decrease in the period	December 31, 2025
Share capital	20,774	389	–	21,163
Other equity instruments	118,960	50,000	86,348	82,612
Capital reserve	74,733	9,100	1,393	82,440
Other comprehensive income	5,561	203	2,243	3,521
General reserve	125,365	9,125	–	134,490
Surplus reserve	10,684	194	–	10,878
Undistributed profits	525,831	77,469	36,688	566,612
Equity attributable to shareholders of the parent company	881,908	146,480	126,672	901,716

### 3.5.3 Cash flow statement analysis

Unit: RMB million

Item	2025	2024
Net cash flows from operating activities	653,656	(237,258)
Net cash flows from investing activities	19,877	23,438
Net cash flows from financing activities	(397,583)	194,894

During the reporting period, the net cash inflows from operating activities amounted to RMB653,656 million, as compared with net outflows of RMB237,258 million for the same period of the previous year, mainly because of a year-on-year increase in cash received from items such as borrowings from central banks, deposits from banks, placements from banks and other financial institutions, and financial assets sold under repurchase agreements.

Net cash inflows from investing activities amounted to RMB19,877 million, as compared with net inflows of RMB23,438 million for the same period of the previous year, mainly because of a year-on-year increase in cash paid for investments.

Net cash outflows from financing activities amounted to RMB397,583 million, as compared with net inflows of RMB194,894 million for the same period of the previous year, mainly because of a year-on-year increase in cash paid for repayment of inter-bank certificates of deposit.



### 3.5.4 Loan quality analysis

#### 3.5.4.1 Five-category loan classification

Unit: RMB million

Item	December 31, 2025		December 31, 2024		Increase/decrease in balance at the end of 2025 compared with that at the end of 2024 (%)
	Balance	Percentage (%)	Balance	Percentage (%)	
Pass	5,784,295	97.23	5,577,027	97.22	3.72
Special mention	100,392	1.69	98,106	1.71	2.33
Substandard	28,985	0.49	27,347	0.48	5.99
Doubtful	8,145	0.14	10,324	0.18	(21.11)
Loss	27,121	0.45	23,806	0.41	13.93
Total	5,948,938	100	5,736,610	100	3.70

As at the end of the reporting period, the Company's balance of NPLs amounted to RMB64,251 million, representing an increase of RMB2,774 million compared to the end of the previous year; the NPL ratio was 1.08%, representing an increase of 0.01 percentage points from the end of the previous year. The balance of special mention loans amounted to RMB100,392 million, an increase of RMB2,286 million from the end of the previous year. The proportion of special mention loans was 1.69%, down 0.02 percentage points from the end of the previous year. During the reporting period, the Company steadily advanced its initiative of "curbing new NPLs and reducing existing losses", made effective use of three working mechanisms, namely, the Head Office leaders' supervision, the agile teams for risk prevention and control in key areas, and the high-level coordination and communication, and effectively promoted the resolution and disposal of large-amount risk assets in key areas. Focusing on key areas and weak links, the Company implemented more refined and targeted risk control measures and enhanced its capabilities for forward-looking assessment, as well as prevention and resolution of risks. It further deepened the execution of the "region + industry" strategy, aligned with national policy orientations and its strategic deployment, formulated differentiated support policies based on regional advantageous industries, and promoted in-depth integration of risk management and business operations under a "one city, one policy" approach based on differentiated regional competitive industries.

#### 3.5.4.2 Loan distribution by industry

As at the end of the reporting period, the top five industries that received the largest proportion of bank loans were personal loans, manufacturing, leasing and commercial service, real estate, and water conservancy, environment and public utility administration.

Unit: RMB million

Industry	December 31, 2025				December 31, 2024			
	Loan balance	Percentage (%)	NPL balance	NPL ratio (%)	Loan balance	Percentage (%)	NPL balance	NPL ratio (%)
Agriculture, forestry, husbandry and fishery	31,610	0.53	107	0.34	28,505	0.50	416	1.46
Mining	128,255	2.16	51	0.04	106,883	1.86	35	0.03
Manufacturing	874,393	14.70	7,627	0.87	759,709	13.24	5,497	0.72


  
Important Notice


  
Message from  
Chairman


  
Message from  
President


  
Definition


  
Company  
Profile


  
Financial  
Highlights

Industry	December 31, 2025				December 31, 2024			
	Loan balance	Percentage (%)	NPL balance	NPL ratio (%)	Loan balance	Percentage (%)	NPL balance	NPL ratio (%)
Production and supply of power, heat, gas and water	232,269	3.90	499	0.21	212,228	3.70	231	0.11
Construction	189,148	3.18	2,313	1.22	176,234	3.07	2,743	1.56
Transportation, storage and postal services	210,216	3.53	1,397	0.66	180,426	3.15	138	0.08
Information transmission, software and IT service	104,395	1.76	806	0.77	67,126	1.17	791	1.18
Wholesale and retail	295,151	4.96	9,548	3.23	277,852	4.84	10,050	3.62
Accommodation and catering	9,962	0.17	68	0.68	9,135	0.16	59	0.65
Finance	69,567	1.17	28	0.04	57,459	1.00	41	0.07
Real estate	429,648	7.22	8,285	1.93	474,075	8.26	7,304	1.54
Leasing and commercial service	736,644	12.38	4,496	0.61	702,301	12.24	4,840	0.69
Scientific research and technical service	49,146	0.83	412	0.84	43,458	0.76	339	0.78
Water conservancy, environment and public utility administration	316,614	5.32	1,671	0.53	299,715	5.22	1,661	0.55
Residential services, repair and other related services	4,844	0.08	95	1.96	4,322	0.08	141	3.26
Education	21,675	0.36	92	0.42	15,428	0.27	31	0.20
Health and social services	23,648	0.40	131	0.55	18,741	0.33	112	0.60
Culture, sports and entertainment	11,586	0.20	129	1.11	8,377	0.15	176	2.10
Public administration, social security and social organization	125	0.00	–	0.00	2	0.00	–	0.00
International organization	0.00	0.00	–	0.00	0.00	0.00	–	0.00
Personal loans	1,923,268	32.33	26,496	1.38	1,991,100	34.71	26,872	1.35
Discounted bills	286,774	4.82	–	0.00	303,534	5.29	–	0.00
Total	5,948,938	100	64,251	1.08	5,736,610	100	61,477	1.07

During the reporting period, the Company firmly established and polished the “four business cards” of technology finance, green finance, wealth management banking, and investment banking, focused on the “Five Priorities” of the financial sector, actively integrated itself into and served the new development pattern, and implemented a differentiated credit policy that supports, controls and reduces credit exposure as appropriate, to empower high-quality development through targeted financial services. First, in response to the policy of boosting domestic demand, the Company, with “mainstream markets and mainstream businesses” as its core focus, selectively supported consumer upgrade and new consumption areas such as automobiles, pharmaceuticals, modern logistics, education, culture and sports, and home appliances, and enriched the supply of high-quality financial goods and services. Second, the Company served the “Five Priorities” of finance in a targeted manner. It strengthened its technology finance services to support the development of international science and



technology innovation centers in the Beijing-Tianjin-Hebei region, the Yangtze River Delta, and the Guangdong-Hong Kong-Macao Greater Bay Area. In response to the characteristics of "light assets and intensive intelligence" of technology enterprises, it refined the evaluation system and application model of "technology flow", driving customer expansion through risk empowerment. It advanced the development of green banking, refined risk control in traditional energy-intensive industries, and maintained equal emphasis on business growth and risk prevention and control. It directed credit resources toward high-quality entities such as energy-saving and carbon-reduction retrofits in key industries, the development of new energy systems, the expansion of green electricity application, comprehensive solid waste management, and energy security and supply assurance in a targeted manner, thereby supporting a comprehensive green transformation of the economy and society. The Company strengthened climate risk management, and actively guided credit resources to business areas with low energy consumption, low emission, low pollution, high efficiency and promising market prospects, achieving synergies between business growth and green transformation. It supported the development of inclusive finance, adhered to "scenario + industry-based" financing, expanded upstream and downstream SME customers along key industrial chains, and built a refined scenario ecosystem, achieving both targeted funding and customer acquisition in batches. It deepened its engagement in the field of pension finance, grasped the trend of population aging, expanded application scenarios such as elderly consumption and medical rehabilitation, supported the development of nursing elderly care institutions and geriatric rehabilitation centers, strengthened the financial supply for innovation in elderly care products, elderly care food and elderly care services, and empowered the R&D and manufacturing of smart elderly care equipment. It accelerated the development of digital finance, focused on core industries such as digital product manufacturing, digital product service, digital technology application and digital factor-driven industries, implemented industry policies of priority or moderate support, and strengthened financial services in key areas of the digital economy. Third, the Company strictly adhered to both compliance and risk bottom lines. The Company continuously strengthened comprehensive risk management and redoubled efforts to establish and enhance a risk appetite and limit management system characterized by indicator sensitivity and robust execution. It strengthened the coordinated management of risk appetite indicators and carried out regular monitoring and follow-up supervision of risk appetite. It strengthened industry limit controls, guided rational resource allocation, and promoted continuous optimization of asset structure. In line with regulatory guidance, the Company strengthened risk control in key areas such as real estate, local government financing platforms, credit cards and retail loans, enhanced the management and disposal of non-performing assets, and maintained stable asset quality.

For details of the credit and environmental requirements for certain sectors in the above table, please refer to Chapter 4 "Corporate Governance, Environment and Society" in this Report.

### 3.5.4.3 Loan distribution by geographical region

Unit: RMB million

Region	December 31, 2025				December 31, 2024			
	Loan balance	Percentage (%)	NPL balance	NPL ratio (%)	Loan balance	Percentage (%)	NPL balance	NPL ratio (%)
Head Office	581,206	9.77	11,068	1.90	593,387	10.34	13,521	2.28
Pearl River Delta and the Economic Zone on the West Side of the Taiwan Straits	1,251,978	21.04	15,103	1.21	1,238,278	21.58	14,851	1.20
Yangtze River Delta	1,400,273	23.54	10,884	0.78	1,347,421	23.49	9,046	0.67
Bohai Rim	811,534	13.64	5,117	0.63	761,209	13.27	5,743	0.75
Central China	737,435	12.39	8,235	1.12	691,066	12.05	5,603	0.81
Northeast China	128,936	2.17	1,790	1.39	127,853	2.23	1,298	1.02
Western China	839,273	14.11	9,573	1.14	788,214	13.74	8,570	1.09
Overseas	122,372	2.06	384	0.31	106,784	1.86	445	0.42
Subsidiaries	75,931	1.28	2,097	2.76	82,398	1.44	2,400	2.91
Total	5,948,938	100	64,251	1.08	5,736,610	100	61,477	1.07

During the reporting period, the regional structure and asset quality of the Company's loans remained basically stable, with loans primarily distributed across the Yangtze River Delta, the Pearl River Delta and the Economic Zone on the West Side of the Taiwan Straits, Western China, the Bohai Rim, and other regions. The Company served national regional development strategies, including the coordinated development in the Beijing-Tianjin-Hebei region, integrated development of the Yangtze River Delta, the Guangdong-Hong Kong-Macao Greater Bay Area, and the Chengdu-Chongqing economic circle, and actively supported the credit demand of areas covered by major national strategic plans and regions within Fujian Province. Based on regional planning and industrial development characteristics, the Company fully leveraged its strengths in the Group's integrated services across all sectors, channels and products supported by its multiple licenses, thereby actively integrating itself into the local mainstream economy.

### 3.5.4.4 Forms of loan guarantee

Unit: RMB million

Guarantee type	December 31, 2025				December 31, 2024			
	Loan balance	Percentage (%)	NPL balance	NPL ratio (%)	Loan balance	Percentage (%)	NPL balance	NPL ratio (%)
Unsecured	1,657,067	27.86	19,874	1.20	1,522,520	26.54	20,934	1.37
Guaranteed	1,638,999	27.55	16,271	0.99	1,539,069	26.83	16,605	1.08
Mortgage	2,006,794	33.73	24,481	1.22	2,013,900	35.11	20,557	1.02
Pledge	359,304	6.04	3,625	1.01	357,587	6.23	3,381	0.95
Discounted bills	286,774	4.82	–	0.00	303,534	5.29	–	0.00
Total	5,948,938	100	64,251	1.08	5,736,610	100	61,477	1.07

As at the end of the reporting period, the proportion of unsecured loans of the Company increased by 1.32 percentage points from the end of the previous year, with the NPL ratio decreasing by 0.17 percentage points; the proportion of guaranteed loans increased by 0.72 percentage points from the end of the previous year, with the NPL ratio decreasing by 0.09 percentage points; the proportion of loans secured by mortgages and pledges decreased by 1.57 percentage points from the end of the previous year, with the NPL ratio increasing by 0.18 percentage points; the proportion of discount bills decreased by 0.47 percentage points from the end of the previous year.

### 3.5.4.5 Loans granted to the top ten borrowers

Unit: RMB million

Customer	December 31, 2025	Proportion to total loans (%)
Customer A	17,187	0.29
Customer B	16,988	0.29
Customer C	14,740	0.25
Customer D	10,185	0.17
Customer E	8,268	0.14
Customer F	8,200	0.14
Customer G	8,134	0.14
Customer H	7,957	0.13
Customer I	7,600	0.13
Customer J	7,153	0.12
Total	106,412	1.80

As at the end of the reporting period, the loan balance of the Company's largest single borrower was RMB17,187 million, accounting for 1.63% of the Company's net capital before consolidation, which conformed to the requirement of regulatory authorities that the proportion of the loan balance of a single borrower shall not exceed 10% of a bank's net capital.



## 3.5.4.6 Structure of personal loans

Unit: RMB million

Item	December 31, 2025				December 31, 2024			
	Loan balance	Percentage (%)	NPL balance	NPL ratio (%)	Loan balance	Percentage (%)	NPL balance	NPL ratio (%)
Personal residential and business mortgage loans	1,071,561	55.72	6,409	0.60	1,086,251	54.56	6,543	0.60
Personal business loans	359,131	18.67	4,618	1.29	351,850	17.67	2,824	0.80
Credit cards	330,885	17.20	11,068	3.34	371,656	18.67	13,521	3.64
Others	161,691	8.41	4,401	2.72	181,343	9.10	3,984	2.20
Total	1,923,268	100	26,496	1.38	1,991,100	100	26,872	1.35

As at the end of the reporting period, the proportion of personal residential and business mortgage loans increased by 1.16 percentage points compared with the end of the previous year, the proportion of personal business loans increased by 1 percentage point compared with the end of the previous year, and the proportion of credit card balances decreased by 1.47 percentage points compared with the end of the previous year.

The Company continued to strengthen the capacity building of its retail risk control, iteratively optimized its full-process risk monitoring system, and implemented targeted risk prevention and control measures focusing on key business areas. It further strengthened the coordinated collection mechanism between the Head Office and branches, established a dedicated agile task force integrating litigation and collection, and drove the transformation of the risk disposal model from passive response to proactive intervention. The Company further advanced digital and intelligent transformation, accelerated the iterative upgrade of models and strategies, and comprehensively enhanced the quality and efficiency of risk prevention and control, thereby building a solid safeguard for high-quality development of the retail loan business. As at the end of the reporting period, the NPL ratio of personal loans was 1.38%, an increase of 0.03 percentage points from the end of the previous year.

## 3.5.4.7 Provision for and write-off of loan impairment

Unit: RMB million

Item	Amount
Opening balance	146,183
Provision during the reporting period	53,866
Write-off and transfer-out during the reporting period	(65,545)
Write-back during the reporting period of write-off in previous years	13,114
Changes in exchange rates and others	(864)
Closing balance	146,754

Based on the New Financial Instruments Standards, the Company made adequate provisions for loan losses based on the expected credit loss model, as well as risk quantification parameters such as customers' default probability and loss given default, with macro proactive adjustments taken into consideration.

### 3.5.4.8 Changes in overdue loans

Unit: RMB million

Item	December 31, 2025		December 31, 2024	
	Balance	Percentage (%)	Balance	Percentage (%)
Overdue for 1-90 days (inclusive)	40,348	45.40	39,026	42.78
Overdue for 91-360 days (inclusive)	28,813	32.42	35,852	39.30
Overdue for 361 days-3 years (inclusive)	16,953	19.08	13,814	15.14
Overdue for over 3 years	2,753	3.10	2,538	2.78
Total	88,867	100	91,230	100

As at the end of the reporting period, the balance of the Company's overdue loans stood at RMB88,867 million, representing a decrease of RMB2,363 million compared with the end of the previous year. Among them, overdue corporate loans decreased by RMB2,566 million, overdue personal loans increased by RMB3,047 million, and overdue credit card loans decreased by RMB2,844 million. The Company refined the pre-loan access policy, continued to improve the credit business monitoring mechanism, strengthened loan control and collection, and maintained stable overdue loan indicators.

### 3.5.4.9 Changes in rescheduled loans

Unit: RMB million

Item	December 31, 2025		December 31, 2024	
	Balance	Proportion to total loans (%)	Balance	Proportion to total loans (%)
Rescheduled loans	37,861	0.64	27,540	0.48

Based on regulatory guidance and substantive risk evaluation, the Company adopted restructuring measures to resolve risks in an orderly manner for borrowers experiencing temporary repayment difficulties but demonstrating strong repayment willingness. As at the end of the reporting period, the balance of the Company's rescheduled loans was RMB37,861 million, accounting for 0.64% of total loans.



## 3.5.4.10 Repossessed assets and impairment provision

Unit: RMB million

Item	December 31, 2025		December 31, 2024	
	Amount	Provision for impairment	Amount	Provision for impairment
Repossessed assets	1,513	272	1,232	153
Including: Buildings	1,513	272	1,231	152
Others	-	-	1	1
Less: Impairment provision	(272)		(153)	
Net value of repossessed assets	1,241		1,079	

During the reporting period, the balance of repossessed assets of the Company increased by RMB281 million from the end of the previous year, and the impairment provision increased by RMB119 million from the end of the previous year.

## 3.5.5 Main items with changes of over 30%

Unit: RMB million

Item	December 31, 2025	December 31, 2024	Change over the end of the previous year (%)	Brief description
Deposits with banks and other financial institutions	201,728	107,117	88.32	Increase in deposits with banks and other financial institutions
Precious metals	12,285	6,731	82.51	Increase in precious metals held for trading
Derivative financial assets	44,692	70,524	(36.63)	Derivative financial instruments increased by RMB10,785 million from the end of the previous year, primarily due to an increase in precious metals derivatives.
Derivative financial liabilities	38,273	74,890	(48.89)	
Financial assets purchased under reverse repurchase agreements	332,368	177,518	87.23	Increase in bonds purchased under reverse repurchase agreements
Financial liabilities held for trading	36,547	26,740	36.68	Increase in gold accumulation
Financial assets sold under repurchase agreements	363,699	261,996	38.82	Increase in bonds sold under repurchase agreements
Preference shares	-	55,842	(100.00)	Redemption of preference shares
Perpetual bonds	80,000	59,960	33.42	Issuance of RMB50 billion and redemption of RMB30 billion in perpetual bonds
Other comprehensive income	3,521	5,561	(36.68)	Decrease in the balance of fair value changes in other debt investments through other comprehensive income

Unit: RMB million

Item	2025	2024	Compared with the same period of last year (%)	Brief description
Investment income	27,319	36,202	(24.54)	These three items are highly correlated. The total consolidated gain and loss amounted to RMB36,610 million, a year-on-year decrease of 5.52%, the fluctuation of which is within a reasonable range.
Gains from changes in fair value	8,379	3,222	160.06	
Foreign exchange (losses) gains	912	(674)	Negative in the same period of last year	

### 3.5.6 Other financial information disclosed according to regulatory requirements

#### 3.5.6.1 Information on structured entities under the control of the Company

For information on consolidated structured entities and structured entities that were not consolidated but were managed by the Company or in which the Company had interests, please refer to “Notes VII. 45” to the Financial Statements.

#### 3.5.6.2 Information on financial bonds held

Categories and par value of financial bonds held as at the end of the reporting period

Unit: RMB million

Item	Par value
Bonds of policy banks	121,586
Bonds of commercial banks	189,545
Bonds of non-banking financial institutions	104,723
Total	415,854

Ten financial bonds held at the end of the reporting period

Unit: RMB million

Bond	Par value	Annual yield rate (%)	Maturity date
Bond 1	4,512	3.58	2032/11/21
Bond 2	4,000	1.27	2030/1/6
Bond 3	3,000	3.10	2026/8/16
Bond 4	2,170	1.78	2035/5/15
Bond 5	1,850	3.00	2032/1/17
Bond 6	1,730	2.67	2030/9/1
Bond 7	1,652	5.89	2034/12/5
Bond 8	1,400	2.88	2035/6/18
Bond 9	1,350	3.70	2030/10/20
Bond 10	1,310	1.70	2028/5/8



## 3.5.6.3 Derivative financial instruments held at the end of the reporting period

Unit: RMB million

Item	Nominal value	Fair value	
		Asset	Liability
Exchange rate derivatives	3,684,682	13,736	(15,241)
Interest rate derivatives	9,579,301	19,712	(22,173)
Precious metals derivatives	73,337	11,177	(857)
Credit derivatives and others	2,232	67	(2)
Total	13,339,552	44,692	(38,273)

## 3.5.6.4 Items measured at fair value

Unit: RMB million

Item	December 31, 2024	Changes in fair value for the period recognized in gains and losses	Accumulated changes in fair value recognized in equity	Provision for impairment reversed in the period	December 31, 2025
Precious metals	6,683	2,621	-	-	12,279
Placements with banks and other financial institutions	-	-	-	-	-
Derivative financial assets	70,524	10,785	-	-	44,692
Derivative financial liabilities	74,890	-	-	-	38,273
Loans and advances to customers	323,112	(14)	(7)	36	322,310
Financial assets held for trading	923,189	1,614	-	-	930,715
Other debt investments	630,916	148	1,043	277	697,208
Other equity instrument investments	4,011	-	119	-	3,619
Financial liabilities held for trading	26,740	(442)	-	-	36,547
Placements from banks and other financial institutions	41,637	(6,467)	-	-	51,529

## 3.5.6.5 Interest receivable

According to the requirements of the *Notice on Revising and Issuing the Formats of Financial Statements of Financial Enterprises for 2018* issued by the Ministry of Finance, the interest of financial instruments accrued by the Company based on the effective interest rate method is reflected in the corresponding items in the financial instrument statement, and the accrued but unpaid interest is listed in "other assets".

Withdrawal of bad debt provision for interest receivable: During the reporting period, the Company reviewed the interest receivable and made provisions for losses of corresponding financial instruments based on the expected credit loss model.

Bad debt write-off procedures and policies: The write-off of bad debts of the Company shall be carried out in strict accordance with the conditions stipulated in the *Measures for the Administration of the Write-Off of Bad Debts by Financial Enterprises (2017 Version)* issued by the Ministry of Finance and submitted to the authorized approver for approval according to the Company's internal authorization regulations. For items that meet the conditions of bad debt write-off, the Company will handle them according to the reporting procedures by branches and approval procedures by the Head Office: Relevant departments of branches will organize the submission and examination of bad debt write-off, which will be reported to the Head Office after being approved at the office meetings of branch general managers. After being reviewed by relevant Head Office departments, the bad debts will be submitted to relevant Head Office departments, the President, the Strategy and ESG Committee of the Board of Directors or the Board of Directors for approval, depending on the amount of bad debts and in line with the authorization regulations, before being written off. In the write-off of bad debts, the Company abides by the principle of "meeting recognition criteria, providing valid evidence, writing off accounts while retaining claims, and pursuing recovery to the fullest extent". After the bad debts are written off, the Company will strictly implement the management responsibility and take various means to continue to pursue recovery for items with recourse rights.

Unit: RMB million

Item	December 31, 2024	Increase in the period	Decrease in the period	December 31, 2025
Interest receivable	43,607	307,118	307,910	42,815

Note: Including accrued interest of cash and deposits with central banks, deposits with banks and other financial institutions, placement with banks and other financial institutions, financial assets purchased under reverse repurchase agreements, loans and advances to customers, debt investments and other debt investments, and interest receivable of other assets.

### 3.5.6.6 Provision for impairment of other receivables

Unit: RMB million

Item	December 31, 2025	December 31, 2024	Provision for impairment	Provision method
Other receivables	25,008	18,341	2,718	At the end of the period, other receivables were tested individually and collectively to make provision for impairment based on aging analysis

### 3.5.6.7 Situation of off-sheet items that may have a material impact on the financial position and operating results

Unit: RMB million

Item	December 31, 2025	December 31, 2024
Letters of credit	401,658	321,788
Letters of guarantee	139,475	106,417
Bank acceptance bills	855,405	788,291
Unused credit card commitments	560,536	537,681
Irrevocable loan commitments	39,565	22,745



## 3.6 Business Overview

### 3.6.1 Overview of business units

As at the end of the reporting period, the Company had a total of 2,091 business outlets (excluding the Head Office and licensed specialized institutions), including 1,123 comprehensive sub-branches and 802 community sub-branches.

Unit	Business Address	Number of outlets	Number of employees	Size of assets (RMB million)
Head Office	398 Jiangbin Middle Avenue, Taijiang District, Fuzhou	1	5,588	3,327,708
Capital Operation Center	167 Yincheng Road, Pudong New District, Shanghai	1	180	1,738,815
Credit Card Center	500 Lai'an Road, Pudong New District, Shanghai	1	1,060	311,650
Private Banking Department	167 Yincheng Road, Pudong New District, Shanghai	1	95	521
Beijing Branch	20 Chaoyangmen North Avenue, Chaoyang District, Beijing	77	3,106	798,928
Tianjin Branch	11 Baoding Road, Heping District, Tianjin	72	1,232	140,384
Shijiazhuang Branch	1 Weiming South Avenue, Qiaoxi District, Shijiazhuang	60	1,549	126,254
Taiyuan Branch	1 Changfeng West Street, Wanbolin District, Taiyuan	74	1,651	166,722
Hohhot Branch	4 Daxue East Street, Saihan District, Hohhot	37	977	94,701
Shenyang Branch	77 Wenhua Road, Heping District, Shenyang	44	1,114	75,123
Dalian Branch	85A Yide Avenue, Zhongshan District, Dalian	21	524	54,752
Changchun Branch	283 Jiefang Road, Nanguan District, Changchun	31	1,091	63,909
Harbin Branch	88 Huanghe Road, Nan'gang District, Harbin	29	825	71,951
Shanghai Branch	168 Jiangning Road, Jing'an District, Shanghai	96	2,975	816,532
Nanjing Branch	2 Changjiang Road, Xuanwu District, Nanjing	143	3,967	447,519
Suzhou Branch	125 Wangdun Road, Suzhou Industrial Park, Suzhou	19	795	103,283
Hangzhou Branch	40 Qingchun Road, Shangcheng District, Hangzhou	116	3,120	473,596
Ningbo Branch	88 Daqing South Road, Jiangbei District, Ningbo	29	771	92,512
Hefei Branch	Building C2, Expressway Times Square, Intersection of Xizang Road and Yandun Road, Baohe District, Hefei	49	1,533	164,647
Fuzhou Branch	398 Jiangbin Middle Avenue, Taijiang District, Fuzhou	74	1,582	295,535
Xiamen Branch	78 Hubin North Road, Siming District, Xiamen	31	1,310	163,834
Putian Branch	811 Licheng South Avenue, Fenghuangshan Street, Chengxiang District, Putian	12	351	30,910
Sanming Branch	Building 362, Qianlong New Village, Meilie District, Sanming	13	404	28,116
Quanzhou Branch	Industrial Bank Building, Fengze Street, Fengze District, Quanzhou	37	1,202	108,941


  
Important Notice


  
Message from  
Chairman


  
Message from  
President


  
Definition


  
Company  
Profile


  
Financial  
Highlights

Unit	Business Address	Number of outlets	Number of employees	Size of assets (RMB million)
Zhangzhou Branch	491 Zhanghua Middle Road, Xiangcheng District, Zhangzhou	22	643	65,345
Nanping Branch	17 Guangchang West Road, Jiayang District, Nanping	17	375	28,273
Longyan Branch	298 Longyan Avenue, Xinluo District, Longyan	14	429	40,361
Ningde Branch	6 Tianhu East Road, Jiaocheng District, Ningde	13	351	46,721
Nanchang Branch	369 Lushan South Avenue, Honggutan District, Nanchang	48	868	83,153
Ji'nan Branch	7000 Jingshi Road, High-tech Industrial Development Zone, Ji'nan	120	2,750	239,028
Qingdao Branch	886 Tongan Road, Laoshan District, Qingdao	33	802	86,780
Zhengzhou Branch	288 Jinshui Road, Jinshui District, Zhengzhou	44	1,665	152,955
Wuhan Branch	108 Zhongbei Road, Wuchang District, Wuhan	71	1,660	181,534
Changsha Branch	567 III Furong Middle Road, Yuhua District, Changsha	44	1,533	137,818
Guangzhou Branch	101 Tianhe Road, Tianhe District, Guangzhou	140	3,751	513,721
Shenzhen Branch	4013 Shennan Boulevard, Futian District, Shenzhen	61	2,028	433,041
Nanning Branch	15 Songxiang Road, Liangqing District, Nanning	28	966	88,949
Haikou Branch	7 Jinlong Road, Longhua District, Haikou	13	374	23,665
Chongqing Branch	1 Honghuang Road, Jiangbei District, Chongqing	47	1,217	100,225
Chengdu Branch	936 Shijicheng Road, Gaoxin District, Chengdu	124	2,040	230,496
Guiyang Branch	2 Tongbao Road, Guanshanhu District, Guiyang	17	524	56,448
Kunming Branch	363 Jinbi Road, Xishan District, Kunming	29	833	76,400
Xi'an Branch	1 Tangyan Road, Yanta District, Xi'an	75	1,368	154,915
Lanzhou Branch	2 & 8 Qingyang Road, Chengguan District, Lanzhou	13	406	26,908
Xining Branch	54 Wusi West Road, Chengxi District, Xining	5	194	13,875
Urumqi Branch	898 Weitai South Road, Toutunhe District, Urumqi	39	774	92,712
Yinchuan Branch	239 Shanghai West Road, Jinfeng District, Yinchuan	7	177	12,821
Lhasa Branch	6 Yangdao Road, Taiyangdao, Chengguan District, Lhasa	2	118	8,832
Hong Kong Branch	1 Harbour View Street, Central, Hong Kong	1	385	273,046
Netting and summation adjustment within the system				(2,084,925)
Total		2,095	63,233	10,779,940

Note: data in the table above do not include subsidiaries. Only Tier 1 branches (sorted by the administrative regions) that were in operation as at the end of the reporting period are listed in the table above, while data of Tier 2 branches and other sub-branches are included in the data of Tier 1 branches according to their management affiliation. Lhasa branch included personnel dispatched to support Xizang.



## 3.6.2 Business analysis

### 3.6.2.1 Corporate banking business

During the reporting period, for the corporate banking business, the Company focused on high-quality development, actively consolidated the fundamentals, delved deeper into segmented fields, contributed to the development of the industrial system, continuously improved the customer management effectiveness, optimized the asset structure, and controlled the cost of liabilities.

#### (1) Basic corporate banking business

**The Company steadily expanded the scale of corporate banking customers and gradually optimized the customer structure.** The customer scale continued to expand. As at the end of the reporting period, the total number of corporate banking customers reached 1,667.0 thousand, an increase of 131.6 thousand from the end of the previous year. Both the total volume and the increase ranked third among joint-stock commercial banks. The customer structure was continuously optimized. As at the end of the reporting period, the number of potential and above customers totaled 399.1 thousand, an increase of 38.1 thousand from the end of the previous year, accounting for 23.94% of corporate banking customers, 0.43% higher than the end of the previous year.

**The Company achieved both solid growth and sound quality in asset origination, with profitability leading the industrial peers.** As at the end of the reporting period, the balance of corporate loans in domestic and foreign currencies (based on CIB standards, excluding bills) was RMB3,742.912 billion, an increase of RMB298.420 billion, or 8.66%, from the end of the previous year. The Company further stepped up asset origination, refined the business structure, and achieved sound growth in loans to key sectors. It seized the opportunities brought by the transformation and upgrading of the manufacturing industry and the development of green industries, and scaled up loan extension, with medium and long-term loans to manufacturing enterprises and green loans (to corporate customers) under the PBOC's standards growing by 14.91% and 19.64%, respectively, both higher than the growth of all corporate loans. In terms of pricing, the Company strengthened income management and enhanced pricing capabilities. The average interest rate on newly issued corporate loans during the reporting period remained at a relatively favorable level among peers.

**The Company maintained stable growth in liabilities and significantly optimized its liability structure.** As at the end of the reporting period, the balance of corporate deposits in domestic and foreign currencies (based on CIB standards) was RMB4,134.898 billion, an increase of RMB169.491 billion, or 4.27%, from the end of the previous year. Costs were effectively reduced. The average interest payment rate for domestic RMB corporate deposits was 1.50%, a decrease of 34 basis points from the end of the previous year.

#### (2) Green finance business/strategic customer business

During the reporting period, the Company actively implemented the philosophy of "lucid waters and lush mountains are invaluable assets", adhered to the principle of "finance for the people", and took concrete actions to realize the goals of "carbon peaking and carbon neutrality", thereby contributing to the building of a Beautiful China. The Company adopted the "green + industry" approach in its business operations, focused on serving key sectors of green development and low-carbon transition, helped cultivate new quality productive forces, innovatively improved green finance products and service systems, and enhanced the quality and efficiency of green financial services to promote the high-quality economic and social

development. As at the end of the reporting period, the Company recorded 90.3 thousand green finance customers. The financing balance of green finance, both on and off the balance sheet, was RMB2.46 trillion, an increase of 12.37% from the end of the previous year. The balance of green loans under the PBOC's standards was RMB1,107.554 billion.

**The Company focused on key areas of green finance and transition finance.** The Company closely followed policy orientation, actively supported the coordinated reduction of pollution and carbon emissions, deepened its engagement in traditional green industries such as clean energy, green transportation, water resource protection and solid waste treatment, and accelerated its deployment in emerging sectors including zero-carbon parks, green manufacturing, zero-waste cities, transportation-energy integration, ecological and cultural tourism, etc. As at the end of the reporting period, the balance of green financing in the field of carbon reduction was RMB1,474.202 billion, an increase of RMB202.667 billion from the end of the previous year; the balance of green financing in the field of pollution control was RMB568.232 billion, an increase of RMB80.981 billion from the end of the previous year. The Company provided financing and advisory services for the green transformation of traditional industries and assisted enterprises in sectors such as steel, non-ferrous metals, petrochemicals and building materials in carrying out energy-saving and carbon-reduction upgrades, as well as process optimization, making a breakthrough in transition finance business.

**The Company strengthened innovation-driven leadership in products and services.** The Company optimized its green finance products and services, formulated an innovation guideline for carbon finance products, and launched product and service solutions for zero-carbon parks. It innovatively promoted various government-bank cooperation products, including climate loans and water-saving loans, environmental rights-based products such as water right pledge loans and pollutant discharge right pledge loans, as well as sustainable integrated financial services such as carbon emission reduction-linked loans and ESG comprehensive services. During the reporting period, a total of 1,228 innovative transactions were completed, with an amount of RMB101.387 billion. Focusing on "carbon" as the core of its business, the Company built professional product and service capabilities across the entire carbon reduction chain, relied on the Dual-carbon Management Platform for carbon data management, and empowered innovation in carbon financial products and services. As at the end of the reporting period, the Dual-carbon Management Platform recorded 51.5 thousand corporate carbon accounts and 7,784.2 thousand personal carbon accounts. During the reporting period, the Bank rolled out a total of 367 innovative carbon finance products based on corporate carbon accounts, totaling RMB28.345 billion.

**The Company promoted high-quality development of green finance.** Guided by the objectives of promoting green and low-carbon economic development and facilitating innovation-driven transformation and upgrading, the Company further optimized and enhanced its green finance system with CIB characteristics, effectively advancing the high-quality development of green finance. The Company strengthened group-wide coordination in green banking, promoted diversified asset origination, and achieved comprehensive development across green investment banking, green retail business, green leasing, green trust, and green funds. As at the end of the reporting period, the scale of green finance businesses, including green leasing, green trust and green funds, reached RMB149.831 billion. The Company actively promoted the development of a green finance talent team, with a particular focus on building teams of industry experts in green finance and specialists in carbon financial services. Professional capabilities and brand influence continued to improve.

### (3) Investment banking business

During the reporting period, for the investment banking business, the Company focused on the key areas and emerging sectors in the “Five Priorities” of finance, actively cultivated new business growth drivers, achieved significant improvement in business structure, and notably enhanced its asset origination capabilities. As at the end of the reporting period, the balance of FPA in the large investment banking business was RMB4.89 trillion, an increase of RMB367.6 billion from the end of the previous year.

**Bond underwriting maintained a leading position in the market.** The Company underwrote RMB837.210 billion of debt financing instruments of non-financial enterprises, ranking second in the market (data from Wind), with a market share of 8.31%; it underwrote USD6.026 billion of overseas bonds, ranking first among Chinese-funded joint-stock commercial banks (DMI ranking data); it underwrote RMB21.715 billion of green debt financing instruments of non-financial enterprises, ranking second among joint-stock commercial banks (data from Wind); it underwrote RMB38.274 billion of ABNs, ranking first among joint-stock commercial banks (data from Wind). The Company seized market innovation opportunities, and successfully launched the first technology innovation bonds in the market, the first M&A notes in the market, the first technology innovation bonds issued by private equity investment institutions in the market, and the first elderly care industry bond in the Guangdong-Hong Kong-Macao Greater Bay Area.

**Businesses such as M&A and syndicated loans sustained the momentum of growth.** The Company continuously improved its investment banking product and service system, while maintaining the competitive edge of its key products. The Company granted RMB238.950 billion in M&A financing, a year-on-year increase of 25.26%, seizing the opportunities of key M&A projects in the market and maintaining clear market advantages; it granted RMB234.100 billion in syndicated financing, an increase of 12.17% and granted RMB50.982 billion in the capital market business.

**The linkage between commercial banking and investment banking businesses was increasingly enhanced.** The Company established a closed loop between investment banking assets and wealth management funds, tapped into the demands of private banking, corporate banking and inter-bank customers for wealth management, facilitated the value circulation chain of “investment banking – asset management – wealth management” for comprehensive wealth management, and provided RMB367.083 billion of quality assets for the wealth management segment, a year-on-year increase of 35.41%. Meanwhile, guided by the ESG business philosophy, the Company recorded RMB190.204 billion in green investment banking financing, a year-on-year increase of 21.72%.

### (4) Institutional business

During the reporting period, the Company continued to solidify its foundation and empower transformation for its institutional business, deepened the institutional customer group management, and achieved counter-cyclical growth in deposits in key sectors such as finance, tobacco, and housing and construction. The industry-specific scenario-based financial service system was iteratively upgraded. The Company deepened its collaborative empowerment mechanism, closely followed the entire chain of government budget fund receipts and expenditures, and broke down collaboration barriers across business lines, levels and institutions. Driven by G-end business, the Company extended its reach to B-end and C-end markets, establishing a closed-loop management system enabling efficient flow of funds and resources.

**Focusing on the main business line, the Company strengthened marketing efforts and refined management for key institutional customer groups, continuously consolidating its business foundation.** As at the end of the reporting period, the total number of institutional customers approached 70,000, an increase of over 5,000 from the end of the previous year, with customer coverage and penetration continuously improving; the balance of institutional customer deposits exceeded RMB900 billion, with average daily deposits increasing by over RMB80 billion. The deposit interest payout rate was reduced by nearly 30 basis points, further consolidating the development pattern featuring both solid growth and favorable pricing. The coverage ratio of fiscal agency qualifications exceeded 60%, and that of public resource agency qualifications surpassed 30%. The qualification-based entry barriers in core businesses were further strengthened, accumulating strong momentum for long-term development.

**Centering on the fiscal budget revenue and expenditure chain, the Company strengthened collaboration and empowerment within its business lines, steadily enhancing the effectiveness of leveraging G-end customers to acquire B-end customers.** The Company continuously optimized its chain-based marketing for fiscal funds and its full-cycle service system for special bonds, deepened the assessment of the flow of fiscal budget expenditures, and promoted the implementation of the cross-business line collaboration mechanism. During the reporting period, the Company undertook nearly RMB700 billion in fiscal funds through chain-based marketing, driving an increase of nearly RMB30 billion in settlement deposits, with the efficiency of fund retention significantly improved. The scale of financial advisory services for special bonds totaled nearly RMB600 billion, leading the market with a market share of nearly 20%. The Company redeposited funds exceeded RMB300 billion, transforming policy dividends at G-end into business growth at B-end, which drove an increase of nearly RMB30 billion in settlement deposits and achieved a win-win outcome for banks, governments and enterprises.

**Strengthening the development of scenario-based finance in key industries for its institutional business, the Company continuously improved its conversion capabilities.** The Company deepened its engagement in key industrial scenarios, such as finance, education, healthcare, housing and construction, tobacco and debt funds, advanced the development of scenario ecosystem for government institutional platforms, and built a comprehensive customer service system covering all “G-end + B-end + C-end” scenarios, continuously unleashing the integrated marketing efficiency of scenario-based finance. During the reporting period, the average daily deposit covered by the institutional scenario ecosystem was RMB400 billion, driving the acquisition of over 15,000 corporate banking customers. This marked a transformation from single-product service to comprehensive ecosystem empowerment, opening up new growth opportunities for the high-quality development of institutional business.

### (5) International business/transaction banking business

During the reporting period, the international business served the development of an open economy in a targeted manner. For the supply chain finance, the Company deeply cultivated and strengthened the scenario-based ecosystem. “Industrial Steward” focused on winning the “battle for experience”. The digital and intelligent upgrade of treasury management enhanced the efficiency of enterprise fund management. Through high-quality international business and transaction banking services, the Company helped promote steady and sustained growth of the real economy.



**The Company aligned with the trend of global expansion and took bigger strides in its international operations.** The Company established a “five-in-one” international business service system integrating domestic and overseas, online and offline, RMB and foreign currencies, onshore and offshore, as well as commercial and investment banking businesses, with the number of international business customers exceeding 30,000. It upgraded its full-chain comprehensive financial services for enterprises going global, covering the entire cycle of cross-border investment and financing, production and sales, etc. It comprehensively upgraded its global treasury service system, officially released the *Global Treasury-based Integrated Financial Service Solutions*, and launched the Global Treasury (Version 1.0) on its corporate online banking portal. By offering “six financial scenarios + three non-financial scenarios” with modular customization, it met the treasury management needs of multinational enterprises. It deepened digital and intelligent empowerment, built an integrated online operating system for domestic and foreign currencies and an integrated “three-currency” payment system, and upgraded its online service platform to Version 4.0. The Company improved its product system, introduced USD demand deposits (SOFR-linked) for corporate customers, 7-day foreign currency time deposit products, and wealth management products with daily returns, helping micro, small and medium-sized enterprises increase their wealth. It upgraded the “Xingsu Loan” special solution for cross-border financing for micro and small enterprises and improved risk control processes. Seizing the opportunities presented by cross-border e-commerce, the Company launched the *Cross-border E-commerce Comprehensive Service Solution 3.0*, integrating “financial + non-financial” services. The Solution focuses on core compliance scenarios such as taxation, customs and foreign exchange policies, covering the full lifecycle of fund tracking, foreign exchange policy traceability, case simulations, compliance self-assessment, and expert consultation. The Company also connected with third-party payment institutions, launched the function of payment collection across all sites of leading global cross-border e-commerce platforms, and built a one-stop service ecosystem. The Company leveraged the policy advantages of free trade zones, optimized FT/EF online functions, and enhanced the business linkage mechanism. During the reporting period, the volume of foreign-related receipts and payments in both domestic and foreign currencies was USD363.734 billion, and the volume of cross-border RMB receipts and payments was RMB1,877.712 billion. As at the end of the reporting period, the average daily deposit of domestic corporate banking customers in foreign currency was USD14.809 billion; the average daily loan of domestic corporate banking customers in foreign currency was USD11.506 billion; the cross-border e-commerce ecosystem served nearly 5,000 customers, and the volume of foreign-related foreign exchange receipts and payments handled exceeded USD11.2 billion.

**The Company expanded and deepened its supply chain scenario ecosystem, driving the integration of industry and finance through technology.** The Company expanded scenarios such as public utility bill payments, focused on key industries in the letter of guarantee business, and provided efficient services to key sectors, including energy, technology innovation, cultural tourism, etc. During the reporting period, the transaction volume of domestic letter of guarantee business was RMB101.417 billion, a year-on-year increase of 58.93%, and the number of customers served was 3,648, a year-on-year increase of 22.33%. The amount of financing extended under supply chain finance business reached RMB3,116.894 billion, serving 37,697 customers, a year-on-year increase of 15.68%.

**The Company upgraded the user experience of “Industrial Steward” and enhanced the quality and efficiency of treasury management customer services.** From the perspective of customers, the Company fought to win the “battle for experience”, reshaped the customer journey, strengthened digital operations, and built a one-stop comprehensive financial service platform for enterprises. As at the end of the reporting period, “Industrial Steward” recorded 1,450.8 thousand customers (including 102.8 self-employed individuals), an increase of 132.7 thousand or 10.06% from the end of the previous year; the number of annual transactions reached 143 million, an increase of 6.80% from the end of the previous year. The Company iteratively upgraded the “Industrial Steward” treasury management platform,

improved technical operations, and empowered enterprises to reduce costs and improve efficiency. As at the end of the reporting period, the Company implemented 1,432 treasury management projects at the headquarters level in total.

### 3.6.2.2 Retail banking business

During the reporting period, the Company continued to enhance the quality of its systematic retail development for the retail banking business, established a customer management model featuring “digital operations for basic customers – account management for platinum and black gold customers – centralized direct management for private banking customers”, and strengthened the effectiveness of customer migration to higher tiers. The Company adhered to the deep integration of “comprehensive investment banking, comprehensive asset management and comprehensive wealth management”, optimized its retail deposit structure, improved retail credit quality, promoted the steady development of its credit card business, and strengthened omnichannel service capabilities, thereby driving the high-quality development of its retail banking business.

#### (1) Basic retail banking business

**The Company consolidated the retail customer base.** The Company continuously improved its standardized, professional, intensive, digital and integrated operation capabilities. As at the end of the reporting period, the number of retail customers was 114,727.1 thousand, an increase of 4,567.6 thousand, or 4.15%, from the end of the previous year; the number of active mobile banking customers was 70,216.7 thousand, an increase of 7,428.2 thousand, or 11.83%, from the end of the previous year. The number of monthly active users of mobile banking was 27,575.5 thousand.

**The Company achieved steady growth in retail deposits.** The Company steadily promoted the personal deposit business on the principle of balancing quantity with price. Focusing on customers’ asset allocation needs, the Company improved customer fund retention and value contribution through personalized services. It actively developed and expanded payment scenarios and steadily drove an increase in settlement deposits. As at the end of the reporting period, the balance of retail deposits (based on CIB standards) was RMB1,800.350 billion, an increase of RMB232.205 billion, or 14.81%, from the end of the previous year. Among them, the retail settlement deposits accounted for 27.33% of the average daily retail deposits, and the settlement deposits driven by transaction-oriented customers accounted for 39.48% of the total retail settlement deposits, an increase of 1.98 percentage points from the end of the previous year.

**The Company continued to advance the building of ecosystem scenarios.** Centering on the core strategy of developing scenario-based finance, the Company deeply integrated internal and external resources, as well as technological capabilities and customer needs, precisely connected customer groups across key sectors, and built a service matrix covering high-frequency lifestyle scenarios across all dimensions, including “clothing, food, accommodation, transportation, shopping, tourism, entertainment, healthcare, education, and government services”. The Company leveraged the scenario-driven traffic to drive customer acquisition growth and empowered payment and settlement businesses through the scenario ecosystem for better quality and efficiency. Closely following the development of the “cultural tourism economy” and the policy direction of “boosting consumption”, the Company continuously enriched its financial product systems, upgraded its financial entitlement services, comprehensively met residents’ consumption needs, and promoted the deep integration of lifestyle scenarios with financial services and value conversion.

**The Company met diversified needs for pension finance.** The Company provided comprehensive services to customers preparing for retirement and elderly care customers, enriched the supply of pension finance products, introduced innovative pension asset management tools, and continuously improved the professionalism of its pension finance services. Leveraging the “Anyu Life” club, the Company regularly conducted customer activities and financial education programs, enriched the content of pension services, and promoted a healthy view of aging. As at the end of the reporting period, the Company served 11,582.7 thousand customers aged 60 and above, managing comprehensive financial assets of RMB1.17 trillion; a total of 7,780.4 thousand personal pension accounts were opened, an increase of 1,505.9 thousand, or 24.00%, from the end of the previous year; its personal pension products covered four categories, including savings, funds, wealth management, and insurance, numbering 261 in total.

#### (2) Retail loan business

During the reporting period, the Company deepened the development of its retail system, continuously enriched consumer finance scenarios, further engaged in key industries of the supply chain, and steadily expanded retail loans. The asset quality remained stable, and the asset structure continued to improve. As at the end of the reporting period, the balance of retail loans (based on CIB standards, excluding credit cards) was RMB1,516.913 billion, an increase of RMB20.594 billion from the end of the previous year.

**The Company implemented fine management and consolidated the mortgage fundamentals.** The Company optimized its mortgage loan business processes, upgraded product strategies, iterated the centralized approval model, and continuously enhanced customers’ experience in the loan application. It strengthened cooperation with key channels, promoted coordination across various business lines, enhanced compliance management, established an access list management mechanism, and continuously improved the quality and efficiency of cooperation with key developers and second-hand housing intermediaries. As at the end of the reporting period, the balance of personal housing mortgage loans reached RMB1,072.694 billion. During the reporting period, the amount of mortgage loans issued cumulatively exceeded RMB140 billion.

**The Company conducted systematic operations and enriched consumer loan scenarios.** In active response to policy requirements, the Company launched interest subsidy services for consumer loans to boost consumption through financial means. The Company iterated the strategy for product access, strengthened the renewal of credit extensions, expanded data applications, and continuously enhanced product competitiveness. The Company enriched consumer scenarios, launched products targeting key customer groups, optimized the special loan program for technology talent, and created special plans with branch characteristics to meet multi-dimensional consumption needs. The Company steadily carried out cooperation with platform businesses, remained committed to the principle of compliant operations, and continuously improved its financial support capability in the consumption sector. As at the end of the reporting period, the balance of individual consumer loans reached RMB85.088 billion.

**The Company integrated its corporate banking and retail banking businesses to empower the development of business loans.** The Company further advanced its “region + industry” strategy, focused on key business-related ecosystems, relied on channels to acquire customers in batches, deepened engagement in key industries across the supply chain, and optimized the execution of the collaborative service model featuring

“nationwide business with nationwide implementation”. The Company vigorously promoted the implementation of comprehensive personal service solutions for technology talent and financing products for employee stock ownership. It deepened the development of smart market scenarios, optimized the pre-approved credit limit function and merchant financing solutions, and continuously improved its comprehensive service capability for managing customer groups. As at the end of the reporting period, the balance of the personal business loans was RMB359.131 billion, an increase of RMB7.282 billion from the end of the previous year.

#### (3) Wealth management business

During the reporting period, for the retail wealth management business, the Company strengthened the management of existing customers, optimized the product supply strategy, and continuously met the needs of customers for wealth preservation and appreciation. As at the end of the reporting period, the Company recorded RMB3.70 trillion in the balance of retail banking assets (based on CIB standards, excluding the market value of third-party depository funds), an increase of 12.23% from the end of the previous year. Among them, the balance of retail wealth management financial assets (excluding the market value of third-party depository funds) accounted for 51.30%. During the reporting period, the Company achieved the fee and commission income from retail wealth business of RMB5.561 billion, a year-on-year increase of 19.22%.

**The Company enhanced management of customer groups.** The Company focused on enhancing customer value, deepened the application of digital and intelligent tools, continuously optimized its retail customer management system, expanded its investor customer group, and strengthened customer service and engagement. As at the end of the reporting period, the number of retail customers holding the wealth management products of the Company was 9,085.3 thousand, up by 4.92% from the end of the previous year; the number of individual customers with third-party depository agreements reached 8,675.7 thousand, an increase of 9.35% from the end of the previous year; the monthly market share of new individual third-party depository account openings increased from 1.7% in January 2025 to 4.21% in December 2025 (data from the Shanghai Stock Exchange). The number of the Company’s VIP customers (excluding gold customers) reached 3,132.7 thousand, an increase of 12.87% from the end of the previous year. Among them, 15.9 thousand retail platinum and black gold customers were upgraded to private banking customers; the downgrade and churn rate of VIP customers (excluding gold customers) fell by 0.71 percentage points year on year.

**The Company enriched its product offerings.** Adapting to the low-interest-rate environment, the Company drove the upgrade of its wealth product offerings toward a “wealth steward” service model, developed four main product lines, namely, “Change+”, “Deposit+”, “Fixed Income+”, and “Cross-border+”, enriched its wealth management product offerings during night-time trading hours, further refined sub-labels for products with equity exposure such as “Stable Fixed Income+”, “Aggressive Fixed Income+”, “Index and Index-Enhanced” and “Active Equity”, and continuously diversified its cross-border investment product offerings including foreign currency wealth management and mutual recognition funds between the Chinese mainland and Hong Kong, meeting customers’ wealth management needs for liquidity management, steady value appreciation, enhanced returns, and global asset allocation. During the reporting period, the Company helped customers achieve a cumulative wealth appreciation of RMB88.939 billion.



**The Company continuously deepened its digital transformation.** Relying on technologies such as big data and artificial intelligence, the Company built a full-chain digital tool system covering “team – customer – product – channel – compliance”, optimized customer service experience, and improved the business operation efficiency and management effectiveness. The Company promoted data empowerment and established a data-driven framework for wealth management business centered on “attribution analysis + strategy support + asset retention”, driving the development of wealth operations and management toward greater precision, agility and closed-loop management. The Company completed the upgrade of the “Qianda Money Manager” platform, building an open, professional, and market-leading wealth management platform. As at the end of the reporting period, the number of registered users of “Qianda Money Manager” was 20,625.0 thousand, up by 2.12% from the end of the previous year.

**The Company upgraded its brand and team building.** During the reporting period, the Company launched the third “11•18 Wealth Management Festival”, organized seven online benefit activities to reward customers, developed “AI Wealth Xiaoxing” to answer customers’ inquiries, and offered a full range of wealth products and value-added services, providing customers with a high-quality financial service experience. The online activities recorded a total of 4,629.3 attendances from over 400,000 participants; more than 8,400 offline themed salons and enterprise outreach activities were held, covering nearly 96,000 customers. This further strengthened the Company’s image as a wealth management brand preferred by customers. Based on the development of a standardized team management system, the Company adhered to the principle of “building a solid foundation through expertise and enhancing efficiency through digital intelligence” and continuously advanced the tiered and categorized development of its teams and enhanced its professional capabilities, so as to make customer service more professional, precise and intelligent.

#### (4) Private banking business

During the reporting period, for the private banking business, the Company deepened its engagement in customer management, comprehensively upgraded the private banking customer operation and management system, expanded the large-scale deployment of direct operation centers, streamlined the investment research, product and sales processes, strengthened the professional capabilities of its talent teams, focused on the entrepreneur customer group, actively developed the “individual-family-enterprise” ecosystem, and deepened the development of its charitable service system, thereby leading the private banking business to a new level of development.

**The Company achieved a record high in net customer growth.** By deepening refined management of customer groups, improving the customer management evaluation system, and strengthening digital and intelligent empowerment, the Company consolidated the foundation for customer development. As at the end of the reporting period, the monthly average daily number of private banking customers was 86,901, an increase of 9,884, or 12.83%, from the end of the previous year, along with an increase in average assets per customer. The downgrade and churn rate of private banking customers continued to decline year on year, and customer stickiness increased significantly.

**The Company comprehensively advanced the deployment of the direct operation system.** As at the end of the reporting period, the Company established 39 private banking direct operation centers, covering 21 branches and 32 cities. By establishing a standardized operation and management system, the direct operation centers achieved a critical transition from pilot operation to large-scale rollout, and the number of direct operation customers

increased significantly. During the reporting period, the average monthly downgrade and churn rate of customers under the centralized management model “X+1+1+N” (exclusive service system for private banking, where “X” refers to the person responsible for maintaining the supporting relationship, the first “1” refers to the private banking relationship manager, the second “1” refers to the Head Office/branch investment advisor, and “N” refers to Head Office/branch expert advisors) was lower than that under the non-centralized account management model, demonstrating the outstanding effectiveness of the centralized management model in improving customer stability and value.

**The Company deeply implemented the research-production-sales mechanism.** By building an integrated “research-production-sales” operational system that is “led by investment research, characterized by product selection and driven by sales”, the Company achieved a collaborative upgrade in the professional operations of its front and middle offices. Empowered by investment research, the front office shifted from standardized product recommendations to professional asset allocation; the middle office established a closed-loop strategy mechanism based on product implementation and market feedback, jointly building a customer-centered professional service system, creating long-term value for customers’ wealth, and driving steady growth in the scale of comprehensive financial assets for private banking. As at the end of the reporting period, the monthly average daily comprehensive financial assets of private banking were RMB1,106.690 billion (CIB standards, excluding the market value of third-party depository funds), an increase of RMB145.646 billion, or 15.15%, from the end of the previous year.

**The Company systematically upgraded the talent team building.** Focusing on the dual priorities of “team building” and “professional empowerment”, the Company advanced the systematic management, professional capabilities, and standardized services of the two core teams, namely, private banking relationship managers and investment advisors. By refining the top-level institutional design, improving professional qualification standards and building a systematic career development path, the Company achieved coordinated growth in team size and per capita productivity.

#### (5) Credit card business

During the reporting period, the Company focused on consumption scenarios and group-wide coordination for the credit card business, accelerated its transformation toward a transaction-driven model with stable returns, stabilized the risk profile of the credit card business and improved card issuance quality. It newly issued a total of 1,906.4 thousand credit cards, and the credit card transaction volume reached RMB1,736.862 billion.

**The Company improved the quality of new customers.** Focusing on the positioning of “growth-oriented and value-conscious” customer groups, the Company accelerated the transformation of its customer acquisition model toward group and scenario-based customer acquisition. During the reporting period, the proportion of cards issued through the “Three Integrations” (integration of debit and credit card, integration of corporate banking and retail banking businesses, and integration of inter-bank financial business) increased by 18.5 percentage points from the end of the previous year, and the proportion of new cards issued to young educated customers increased by 1.6 percentage points from the end of the previous year. Focusing on five core scenarios, namely, consumption, cultural tourism, travel, sports and automotive ecosystem, the Company combined the development of local merchant ecosystem with scenario-based customer acquisition, forming an integrated operation of both customer acquisition and activation. The Company strengthened cross-industry collaborations with corporate groups

such as Xtep and SF Express, promoting the integration of benefits, the expansion of scenarios, and joint customer development. The Company built a “4+N” product system (Centurion Card, American Express Card, auto owner card, Youyi/Youyue Card + other card types), and launched the American Express Centurion Platinum Card, of which the average monthly transaction volume was more than three times that of other platinum cards over the same period. The Company completed the renewal and upgrade of its co-branded cards with Xiamen Airlines and China Southern Airlines, launched new auto owner cards, and introduced DIY programs such as Chongqing Changyou Card, Changsha Xiaoxiang Cultural Tourism Card, and Xi’an Xingyue Chang’an Card, creating a “business travel + cultural tourism” product matrix that combines national coverage with regional characteristics.

#### The Company deepened the management of existing customers.

Adopting the customer management approach of scenario-driven engagement and targeted operations, the Company boosted consumer demands and invigorated the transaction activity. **In terms of scenario development**, the Company deepened its cooperation with leading Internet platforms such as Alipay, WeChat, JD.com and Douyin, and continuously strengthened customer card binding and activation. Focusing on eight high-frequency consumption scenarios such as tea drinks, dining, shopping and travel, the Company improved its offline vertical ecosystem scenarios, deeply integrated merchant resources of Meituan, and created a diversified card usage environment, achieving partnerships with 147 leading brands and covering about 350,000 stores. **In terms of targeted marketing**, the Company built a targeted marketing model system covering the entire customer lifecycle, including key stages such as card binding, credit limit adjustment, activation, churn warning and cross-selling. As a result, both the marketing response rate and the capability to unlock customer value improved significantly. Externally, the Company leveraged targeted campaign placements on platforms such as Alipay and WeChat to improve operational efficiency and build a marketing brand. During the reporting period, the proportion of online transactions increased by 3.6 percentage points year on year. **The Company created a closed loop for point value creation.** It launched the point-to-cash redemption campaign on channels such as Alipay, Meituan, JD.com, and Douyin, expanded the coverage of the point-to-airline miles exchange campaign, and introduced the point-to-gold red packets activities, thereby enhancing the point usage experience and customers’ sense of value. **The Company deepened the scenario-based installment business.** It built a medium-to-low risk asset portfolio. As at the end of the reporting period, the balance of auto installment loans increased by 23.44% from the end of the previous year. The Company accelerated the platform and ecosystem-based and intelligent development of the “Industrial Living” platform, and integrated Internet platforms such as Meituan, Maoyan and Tongcheng, significantly extending the reach of lifestyle services. It also deepened user activation and engagement through the Panda game IP. As at the end of the reporting period, the number of registered users of “Industrial Living” was 61,412.0 thousand, an increase of 10.86% from the end of the previous year.

**The Company improved risk control capabilities. On the customer admission end**, through continuous optimization of credit approval policies and the ongoing transformation of customer acquisition models, coupled with the implementation of risk control mechanisms such as two-tier quality control, three-tier early warning, and marketing personnel suitability assessments, new risks were effectively contained. During the reporting period, the proportion of new cardholders with low risks rose by 2.61 percentage points year on year. **On the existing customer end**, the Company leveraged multi-dimensional internal and external data to optimize in-process management strategies, and refined its risk labeling system and tracking and monitoring system, enabling accurate risk identification, early intervention and rapid disposal. During the reporting period, the average monthly amount newly placed under collection decreased by 18.25% year on year. **On the collection end**, the Company actively explored the application

of new technologies such as large language models and artificial intelligence in areas including robot-assisted collection, extraction of best-practice scripts, speech quality inspection, and intelligent training simulation, thereby enhancing the collection efficiency and compliance standards. **On the model end**, a digital risk control model system centered on ABC cards has covered key decision-making links throughout the entire process. The model achieved industry-leading performance in both discriminatory power and stability. During the reporting period, the credit card non-performing loans and non-performing ratio both declined.

#### The Company enhanced consumer protection governance.

The Company incorporated consumer protection into its assessment, continued to carry out root cause tracing and rectification of complaints, as well as “follow-up review”, and established a long-term mechanism for consumer protection complaint management. The Company adopted innovative forms of education campaigns concerning consumer protection, promoted the financial anti-fraud knowledge, and released micro-films such as *Consumer Rights Protection in Journey to the West and Behind the Scam*. Among them, Behind the Scam won the third prize in the video category of the 2025 Shanghai Outstanding Works on Preventing and Combating Illegal Financial Activities. The Company explored digital and intelligent applications for consumer protection. Its project, *Intelligent Credit Card Collection Practice Based on Multimodal AI Integration to Enhance Consumer Protection and Identification Capabilities of “Black and Grey Activities”*, won the second prize of the 2023-2024 Shanghai Financial Innovation Achievement Award issued by the Shanghai Municipal Government.

#### 3.6.2.3 Inter-bank and financial markets businesses

During the reporting period, the Company continued to drive the transformation of its inter-bank and financial markets businesses, conducted research and analysis on domestic and foreign financial markets, and carried out financial markets business based on inter-bank cooperation. It advanced business transformation and income improvement centering on the goal of building a “light bank”. Meanwhile, it expanded the development space of the inter-bank ecosystem by enhancing matchmaking and agency capabilities. During the reporting period, the Company diversified the cooperation with inter-bank customers, achieved a more balanced business structure, forged closer collaboration, and further improved the sustainability, overall value and benefits of development.

##### (1) Inter-bank customer service

#### The Company deepened its cooperation with inter-bank customers.

The Company provided comprehensive and in-depth services across all areas of the financial sector, and established an all-round partnership with the main financial element market institutions, continuously offering them efficient and stable clearing and settlement services, while carrying out in-depth cooperation with them on financing services, investment trading, system building, etc. During the reporting period, the Company recorded RMB26 trillion in securities fund settlement volume, RMB5.4 trillion in settlement volume of fund deposits and withdrawals by futures exchange members, RMB1.8 trillion in agency settlement volume on the Shanghai Clearing House, and RMB398.1 billion in settlement volume of the Shanghai Gold Exchange.

In terms of cooperation with inter-bank financial institutions, the Company continuously optimized its tiered marketing services, provided comprehensive financial solutions to different types of inter-bank financial institutions, and developed cooperation templates for key customers, aiming to be a main settlement bank, main custodian bank, main investment bank, and main trading counterparty for its partners. The value of inter-bank customers



across all tiers continued to increase. The Company established partnerships with basically all inter-bank corporate customers across major domestic industries, and jointly built a global cross-border banking service network with 1,259 banks in 94 countries and regions across the globe. A total of 160 Chinese-funded and foreign-funded banks became indirect participants in the Cross-Border Inter-bank Payment System (CIPS) of China through the Company.

**The Company expanded the influence of the integrated ecosystem.**

The Company actively implemented the “commercial banking + investment banking” strategy, and carried out the building of the “investment bank + investment” ecosystem in collaboration with leading financial institutions. Through the integrated operation of “investment, underwriting, sales and custody”, the Company aligned with the market financing needs in bond issuance and underwriting projects, jointly served the “customers of inter-bank customers”, and continuously improved market activity and investment trading capabilities through bidding in the primary market and trading in the secondary market of bond assets such as financial bonds, asset-backed securities (ABS) and inter-bank certificates of deposit. Meanwhile, relying on the “Bank-to-Bank Platform”, the Company integrated the competitive products, channel resources and technological capabilities inside and outside the Group and effectively served the diversified needs of market participants for products, sales, trading and services to further empower the inter-bank ecosystem.

**The Company optimized the asset-liability structure.** The Company focused on developing settlement-related businesses. The proportion of the average daily balance of settlement deposits in inter-bank deposits increased by 12 percentage points. The Company effectively matched the settlement and financing needs of inter-bank customers and financial markets, maintained stable inter-bank liabilities with an optimized structure, and achieved effective cost control. For inter-bank major asset classes, the Company continuously optimized the allocation by taking into account multiple factors such as scale, income, capital consumption and yield. The proportion of standardized products remained high, and returns improved. The Company introduced more qualified trading counterparties and effectively drove the coordinated development of depository, custody, and investment banking businesses through investment, further enhancing its trading capabilities.

**The Company supported the real economy through the bill business.**

Leveraging technology, inclusive, green, and digital bills as strategic drivers, the Company expanded its bill discounting business. Based on the assessment of the interest rate market, the Company revitalized bill trading activities and empowered corporate financing in a targeted manner to effectively serve the real economy.

(2) Bank-bank cooperation business

The “Bank-to-Bank Platform” serves as a unified brand for inter-bank and financial markets businesses. Centering on its three core positioning as “unified portal”, “investment and trading hub”, and “financial service supermarket”, the platform focused on building five ecosystems: “wealth product sales”, “payment and settlement”, “market-making transactions”, “cross-border finance” and “digital finance”, establishing a professional investment research think tank to support business development. Adhering to the Company’s strategy of “comprehensive investment banking, comprehensive asset management and comprehensive wealth management”, the platform integrated diversified asset management product resources such as funds, wealth management and trust both inside and outside the Group, building a large-scale, professional and ecosystem-driven service system,

and providing efficient, secure and diversified wealth management solutions to inter-bank financial institutions and their end customers. Through deep connectivity on the “Bank-to-Bank Platform”, the Company continuously cultivated collaborations with small and medium-sized banks over the years, established a “circle of friends” of small and medium-sized banks featuring wide coverage, in-depth cooperation, and extended reach, and expanded its services to all inter-bank customers, which has become an important source of differentiation for the Company’s business.

**The Company continued to transform and upgrade the “Bank-to-Bank Platform”, empowering customer service.**

Keeping a close eye on technological innovation and customer needs, the Company promoted four transformations of the “Bank-to-Bank Platform”, namely, transformation of the development model from “product-centric” to “customer-centric”, transformation of the business focus from liability business to sales and trading, transformation of customer experience from functional fulfillment to intelligent empowerment, and transformation of platform value from business-line collaboration to group-wide empowerment.

**The development of the five ecosystems under the “Bank-to-Bank Platform” continued to deliver tangible results, with synergies being released at a faster pace.**

**The “Wealth Product Sales Ecosystem”** integrated diversified asset management products and service capabilities both inside and outside the Group, and developed industry-leading sales capabilities. As at the end of the reporting period, the “Bank-to-Bank Platform” recorded nearly RMB1 trillion in the balance of wealth products sold, an increase of 13.88% from the end of the previous year; it partnered with 586 institutions on wealth management product distribution, empowering the end customers of inter-bank customers, enriching the supply of modern financial services and products in less developed regions, and contributing to rural revitalization and common prosperity. The **“Payment and Settlement Ecosystem”** met the multi-level demands of inter-bank customers for payment and settlement and reinforced its existing strengths. Leveraging four core scenarios, namely, collection and payment agency services, third-party depository services, e-CNY, and agency central bank payment services, and by building an efficient payment and settlement service system, the “Bank-to-Bank Platform” provided comprehensive payment and settlement services for small and medium-sized financial institutions. The **“Market-making Transaction Ecosystem”** continued to focus on the three types of scenarios, namely, fund market-making, inter-bank certificate of deposit matchmaking, and bond trading, building a liquidity support and transaction matchmaking platform covering multiple types of financial products for inter-bank financial institutions. The **“Cross-border Finance Ecosystem”** established a comprehensive cross-border service solution covering domestic and overseas markets, as well as domestic and foreign currency businesses, and serving cross-border clearing and settlement, investment and financing, and FICC trading integration for small and medium-sized banks. The **“Digital Finance Ecosystem”** provided small and medium-sized financial institutions with mature digital transformation solutions, and continued to deliver digital products in emerging sectors such as wealth management, green finance, anti-fraud and data applications, gaining wide recognition from the market and customers.

(3) Asset management business

During the reporting period, the Company further enhanced the professional capabilities of wealth management, fund, and trust subsidiaries, advanced the transformation and development of the asset management business, and met customers’ growing needs for asset allocation.



**CIB Wealth Management** actively adapted to changes in the market and customer needs, reshaped and optimized its product offerings based on the integration of investment, research and sales and improved the quality and efficiency of wealth management services, so as to create long-term returns for customers. As at the end of the reporting period, the scale of products managed by CIB Wealth Management reached RMB2,431.161 billion. Among them, fixed-income products amounted to RMB2,372.154 billion, equity products RMB7.766 billion, and hybrid products RMB51.240 billion.

**Industrial Trust** accelerated its return to the core business, expanded and optimized its “circle of friends” of asset management, and continued to enhance its investment research capabilities and independent management level. Leveraging full coverage of the fixed-income, fixed-income + and equity product lines, and by focusing on multiple dimensions such as strategy category, asset type, investment term and risk level, Industrial Trust effectively matched the differentiated needs of various entrusted funds. As at the end of the reporting period, the assets under management of Industrial Trust reached RMB850.482 billion, an increase of 110.29% from the end of the previous year; the outstanding scale of its trust business amounted to RMB809.020 billion. Specifically, the outstanding scale of asset management trust business reached RMB669.004 billion, an increase of 155.44% from the end of the previous year; the outstanding scale of asset service trust business reached RMB128.017 billion, an increase of 50.30% from the end of the previous year; and the outstanding scale of public welfare/charitable trust business reached RMB36 million.

**CIB Fund Management** built an organizational structure highly compatible with its business development, continuously optimized the market-oriented and differentiated product portfolio, established a diversified product style matrix, took into account the allocation needs of investors with different risk appetites, and promoted the comprehensive transformation of product structure, investment research capabilities and investor protection toward refined and specialized development. As at the end of the reporting period, CIB Fund Management recorded RMB514.773 billion in AUM, an increase of 25.30% from the end of the previous year. Among them, the AUM of public funds reached RMB462.448 billion, an increase of 33.08% from the end of the previous year; and the AUM of non-money market funds reached RMB268.455 billion, an increase of 20.78% from the end of the previous year.

#### (4) Fund business

During the reporting period, the Company was committed to serving the real economy, financial institutions and the financial market, focused on building itself into a comprehensive operator and integrated service provider in the financial market, consolidated its competitive advantages in the financial market, and drove the high-quality development of the business.

**The Company fulfilled its responsibilities to serve the “country’s most fundamental interests”** and maintained steady growth in the underwriting volume of central government bonds and policy financial bonds for years. During the reporting period, the total underwriting volume of interest rate bonds reached RMB870.8 billion. As a core market maker in the inter-bank bond market, the Company registered nearly RMB7 trillion in the RMB bond trading volume during the reporting period.

**The Company leveraged its strengths in bond investment and trading business to meet the financing needs of enterprises** and serve the real economy. The Company prioritized support for investments in thematic

bonds, such as green bonds, sci-tech innovation finance bonds, rural revitalization bonds, and small and micro enterprise bonds to promote the healthy development of the real economy. On a cumulative basis, it invested RMB240 billion in local government bonds and over RMB71.5 billion in themed bonds of various types.

**The Company stepped up efforts in market-making transactions and sales, drove transaction empowerment**, and improved the transaction ecosystem. It maintained a leading position in the market in terms of market-making transactions in fields such as bonds, interest rates, exchange rates and precious metals. The Company continuously improved the bond market liquidity, provided market-making quotes for over 100 RMB bonds around the clock and without interruption, and continuously carried out market-making transactions in thematic bonds such as floating-rate bonds, sci-tech innovation bonds and green bonds. It actively carried out over-the-counter bond trading business in the inter-bank market, contributing to the tiered and categorized development of the inter-bank bond market.

**The Company fully aligned the operation capability with the service capability, advanced product and service innovation**, and provided integrated service solutions in the fields of financial markets, such as interest rates, exchange rates, credit, and precious metals for various customer groups. The Company strengthened collaboration with factor markets. During the reporting period, it served over 1,000 financial institution customers, and the bond FICC trading volume exceeded RMB32 trillion, covering large, medium and long-tail customer groups; its cross-border FICC business served 19.1 thousand customers, with a trading volume of RMB977.8 billion. The Company improved its gold product system, guiding customers to further optimize the allocation and trading of gold assets.

**The Company strengthened collaboration to drive business growth, customer expansion and the improvement in overall benefits.** The assets under custody reached nearly RMB300 billion through investments and product sales. The Company made continuous efforts in serving enterprises going global, and proactively and promptly met their needs for foreign exchange hedging. Through FICC foreign exchange products, it helped import and export enterprises effectively cope with the fluctuations in the foreign exchange market and achieve risk neutrality. It satisfied the needs of retail customers for major asset class allocation through wealth management products such as gold accumulation plans and over-the-counter bonds.

#### (5) Asset custody business

During the reporting period, the Company continued to see tangible results from the transformation of its asset custody business and improved its comprehensive service capabilities to help the Company further consolidate its strengths in inter-bank and financial markets businesses. As at the end of the reporting period, it recorded 59,800 online custody products, ranking first in the industry (data from the Custodian Services Committee of the China Banking Association); the scale of assets under custody was RMB17.59 trillion, an increase of 8.15% from the end of the previous year. The Company achieved RMB3.780 billion in the fee and commission income from the custody business, a year-on-year increase of 5.35%.

**Advantages in segmented sectors were consolidated.** The assets under custody for public funds were RMB2.93 trillion, an increase of 12.33%, generating custody income of RMB1.736 billion, an increase of 3.39%. The assets under custody for bank wealth management products were RMB3.30 trillion, an increase of 7.10%.



**The transformation development achieved remarkable results.** By focusing on key products and sustained operation, the Company built a diversified and competitive product matrix. The assets under custody for asset management products reached RMB11.82 trillion. Among them, the assets under custody for bank wealth management, public funds and trust products together accounted for 75.35%. Breakthrough progress was made in the development of the ETF ecosystem. By building a full-chain service model, the Company joined hands with inter-bank partners to create a new, high-quality financial cooperation ecosystem that is more resilient and dynamic. New AI technologies were introduced to empower business scenarios, facilitating the intelligent transformation of the entire custody business process.

#### 3.6.2.4 Fintech

During the reporting period, the Company adhered to the strategy of “revitalizing the Bank through technology”, centered on the vision of “building the ability to connect everything and building the best ecological empowerment bank”, and upheld the “enterprise-level and standardized” methodology. With the goal of achieving “five advancements” in architecture, data, technology, infrastructure and security, the Company made promising progress in strengthening the technology foundation, empowering business development, and reinforcing security defense, which effectively facilitated the Company’s digital transformation from the “development stage” to the “harvest stage”, and accelerated the evolution from “Digital Industrial Bank” to “Intelligent Industrial Bank”. The Company achieved excellent results in the 2024 Financial Technology Development Awards organized by the PBOC, with the enterprise-level digital archiving system and the development and application of a unified e-CNY ledger system based on “three-currency integration” winning the second prize. During the reporting period, the Company invested RMB7.614 billion in information technology, which accounted for 3.58% of its operating income. As at the end of the reporting period, the Company had 8,245 technology personnel, increasing by 5.17% from the end of the previous year, and representing 13.88% of the total number of employees.

**Strengthening overall coordination and leadership, and improving institutional mechanisms and capacity building.** The Company fully leveraged the coordinating and leading role of the Digital Transformation Committee, and optimized and improved an organizational structure for the technology line featuring “one committee, three departments, one company and one institute”, to strengthen the coordinated management and unified allocation of technology resources. The Company strengthened top-level design and formulated the “15th Five-year Plan” for digital and intelligent transformation, providing systematic guidance for medium – to long-term digital and intelligent development. It carried out the “AI+” initiative, established a leading group for the “AI+” initiative, formulated and released the “AI+” *Action Plan (2025-2027)*, comprehensively promoted the deep integration of AI with its specialized businesses, and accelerated the implementation of application scenarios such as intelligent investment advisory, dual-carbon management, and multi-asset quantitative analysis. The Company continuously strengthened the building of the technology team, improved the training and certification system for technology professionals, built a full-chain training mechanism encompassing “job map – competency model – learning map – examination certification”, and recruited high-level talent in key areas such as AI and cloud native. The Company actively fostered a distinctive engineer culture and continuously operated the “Xinghuo Technology” forum, with the total number of participants exceeding 35,000. The Company also regularly conducted innovation competitions, such as “Xinghuo • Liaoyuan” Innovation Marathon Competition, driving the

deep integration of technological innovation and business practices and continuously enhancing the technological literacy and innovation vitality of all employees.

**Improving the enterprise architecture and enhancing application collaboration and governance efficiency.** The Company strengthened enterprise-level requirements and architecture control, improved the requirements management system and post-value evaluation mechanism, promoted dynamic review and updates of the planning for corporate banking, retail banking, inter-bank business lines, as well as middle and back offices, and accelerated the development of the demand management platform and architecture asset repository. The Company steadily advanced the development of key enterprise-level architecture projects, systematically promoted the new system development and old system improvement for enterprise architecture, and provided foundational support for the smooth evolution of core systems and the continuous operation of businesses. The Company strengthened the system integration and capability sharing among branches, effectively reduced the scale of branch systems, and improved the centralized management of R&D resources. The Company also built and promoted the Head Office’s unified IT infrastructure and platform tools, facilitated the collaborative development of enterprise-level architecture projects across multiple branches, and promoted component reuse and sharing of innovation achievements, thereby continuously improving architecture governance.

**Stimulating digital momentum and expanding digital finance and application scenarios.** The Company systematically advanced the large-scale implementation of AI in areas such as customer service, marketing operations, risk management, and R&D efficiency enhancement, building over 160 AI open capabilities and launching more than 260 AI application scenarios. AI digital customer service achieved 7×24 intelligent interaction across 13 types of channels, serving customers more than 55 million times during the reporting period; AI marketing strategies reached over 21.39 million customers cumulatively; intelligent risk control capabilities were embedded across the entire credit process, including credit due diligence, approval and post-lending management; the AI coding assistant covered 90% of R&D personnel; intelligent assistants for morning and evening meetings covered over 1,500 departments and business outlets. The Company actively explored cutting-edge applications such as digital humans, the Internet of Things (IoT), blockchain, and quantum technology. The “Quantum + Fintech” project was included in the Ministry of Industry and Information Technology’s list under the open competition mechanism, continuously building up technology innovation momentum.

**Reinforcing the data foundation to support data-driven decision-making and business analysis.** Adhering to the principle of “promoting governance through application”, the Company improved its data standards, cumulatively released over 70,000 enterprise-level data dictionary items and continuously promoted their implementation, with a focus on advancing data governance in areas such as anti-money laundering and the new capital regulations, achieving a significant improvement in data quality. The Company continuously enhanced its enterprise-level data service capabilities, completed the development of the big data cluster foundation for its data middle platform, optimized branch data service systems and data stores, and cumulatively developed over 20,000 applications, including self-service inquiry templates and visualization, with the number of monthly active users reaching 23 thousand. The Company empowered frontline operations in a targeted manner, advanced the restructuring of retail and financial data markets, and basically achieved automation for 137 business indicators, effectively improving the timeliness and accuracy of frontline business analysis.

**Optimizing the computing power layout and building a cloud-based infrastructure foundation.** The Company actively responded to the “East Data, West Computing” strategy, coordinated the development of computing power layout across Gui’an, Shanghai and Fuzhou, and established a multi-active, multi-center operating architecture featuring “two primary centers and two backup centers”. It accelerated the development of active-active disaster recovery for its information system, comprehensively enhancing business continuity and system stability. It continued to strengthen its cloud-native technology system foundation, completed the deployment of the Head Office Cloud and Group Cloud foundation, and systematically promoted the migration of branch systems to the cloud. It strengthened the supply of GPU-based intelligent computing power, built a heterogeneous computing power system, and supported the large-scale application of intelligent large models. The Company steadily upgraded key systems and basic software and achieved important breakthroughs in areas such as databases, operating systems, big data and algorithm engines, continuously improving the autonomous control capability and operational resilience of its infrastructure.

**Coordinating security and development and building a solid line of defense for technology risk prevention and control.** The Company improved its comprehensive and multi-dimensional security protection system, regularly conducted special cybersecurity inspections and emergency drills, and proactively studied the risk prevention of emerging technologies such as AI. It deepened the development of active defense and combat-oriented attack and defense capabilities and organized penetration testing and attack-defense drills to enhance its security defense capabilities. It strengthened the development of a security culture, improved multi-channel communication and implementation mechanisms, and conducted various forms of security education and job skills training. The Company continuously strengthened its anti-telecom fraud protection capabilities and achieved significant results in reducing fraud-related accounts, thereby effectively safeguarding the security of customer funds and information.

### 3.6.3 Overview of major subsidiaries

#### (1) Industrial Bank Financial Leasing Co., Ltd.

Industrial Bank Financial Leasing Co., Ltd. was established in August 2010 with a registered capital of RMB9 billion. It is a wholly-owned subsidiary of the Company. Its business scope includes financial leasing, transfer and acquisition of financial leasing assets, fixed-income investment, receipt of lease deposits, and domestic establishment of project companies for conducting financial lease business. As at the end of the reporting period, Industrial Financial Leasing recorded total assets of RMB151,092 million and owners' equity of RMB28,102 million. During the reporting period, it realized operating income of RMB3,313 million and net profit of RMB2,411 million.

During the reporting period, Industrial Financial Leasing promoted professional transformation, capitalized on its licenses, and collaborated with the Group to serve the real economy. It cooperated with 31 branches on various projects, focusing on promoting business development in green leasing, sci-tech innovation leasing, vessel leasing, specialized products and other fields. **Industrial Financial Leasing consolidated its green leasing brand**, continuously promoted business in environmental protection, such as new energy, energy conservation and emission reduction, and achieved steady growth in the balance of green leasing business. Its self-developed core business system realized the digital transformation of

green project management for the first time, supporting green identification and data reporting functions. **Industrial Financial Leasing provided quality technology finance services**, adopted the “chain leader working mechanism” to lead the development of emerging sectors, and accelerated the replication of businesses such as IDC, AIDC, and semiconductors. **Industrial Financial Leasing promoted the development of its vessel leasing business**, established a professional vessel team, and carried out specialized vessel leasing operations, with a total contract value of RMB17.08 billion and a total investment of RMB7.47 billion. **Industrial Financial Leasing accelerated the promotion of specialized products.** Driven by bank-leasing collaboration, the proportion of the Company's direct leasing disbursements increased to more than 35%; the Company achieved a breakthrough in power plant operating leasing business, with business disbursements reaching RMB2.503 billion, and the balance of its operating leasing assets grew by over 30% year on year.

#### (2) China Industrial International Trust Limited

China Industrial International Trust Limited was established in March 2003 with a registered capital of RMB10 billion. It is a holding subsidiary of the Company, of which the Company holds 73% of the shares. Its business scope includes fund trust, chattel trust, real estate trust, negotiable securities trust, other property or property right trust, and other businesses stipulated by laws and regulations or approved by regulatory authorities. As at the end of the reporting period, Industrial Trust recorded total assets of RMB69,190 million and owners' equity of RMB22,017 million. During the reporting period, it realized operating income of RMB5,204 million and net profit of RMB210 million.

During the reporting period, Industrial Trust comprehensively strengthened its group-wide collaboration. **In terms of asset service trust**, the scale of salary and welfare annuity trust and family service trust achieved twofold growth. As at the end of the reporting period, the outstanding scale of asset service trust business reached RMB128,017 million, an increase of RMB42,843 million from the end of the previous year. **In terms of asset management trust**, Industrial Trust continuously expanded cooperation channels, enriched its asset management product offerings, and strengthened financial support for areas such as technological innovation and green development. As at the end of the reporting period, the outstanding scale of asset management trust business reached RMB669,004 million, an increase of RMB407,096 million from the end of the previous year. **In terms of charitable trusts**, Industrial Trust collaborated with the Group to build a customer-facing charitable service platform. During the reporting period, the Company established 10 charitable trusts with a registered scale of RMB3,395.0 thousand. The charitable scenarios covered rural revitalization, education and healthcare, respect for the elderly, support for the young, and preferential treatment for servicemen, veterans and other entitled groups.

#### (3) CIB Fund Management Co., Ltd.

CIB Fund Management Co., Ltd. was established in April 2013, with a registered capital of RMB1.2 billion. It is a holding subsidiary of the Company, of which the Company holds 90% of the shares. Its business scope includes fundraising, fund sales, asset management for specific customers, asset management, and other businesses as permitted by the CSRC. As at the end of the reporting period, CIB Fund recorded total assets of RMB6,113 million, an increase of 9.37% from the end of the previous year; owners'



equity amounted to RMB5,520 million, an increase of 9.06% from the end of the previous year. During the reporting period, it realized operating income of RMB1,523 million, a year-on-year increase of 23.15%; net profit stood at RMB512 million, a year-on-year increase of 20.33%.

During the reporting period, CIB Fund was committed to building a platform-based, integrated and distinctive investment research system, and establishing an integrated investment research communication and decision-making mechanism. Its core competitiveness in investment research continued to improve. CIB Fund made every effort to advance its equity transformation, with a focus on strengthening its engagement in sectors associated with new quality productive force, such as technological innovation and advanced manufacturing. It also expanded the investment to the overseas Hong Kong stock market, enhancing the cross-border investment capabilities. CIB Fund continued to build momentum in its index business, actively expanding into national strategic sectors such as AI and fintech. Among them, the “CIB CSI AAA Sci-tech Innovation Corporate Bond ETF Fund” ranked first among similar products in the same batch in terms of first-day scale. CIB Fund exercised strict risk control in fixed-income investments, pursued refined management and built a solid line of defense for investors’ wealth with its professional expertise. CIB Fund fully integrated itself into the Group’s sales collaboration system, reaching diverse customer groups across channels and institutions, and coordinated with the Group to build a “comprehensive asset management” ecosystem. CIB Fund carried out featured marketing of bank-affiliated public funds and launched the “Xingtongxing” investor protection and engagement program. During the reporting period, CIB Fund held nearly 100 events, reaching over 10,000 investors and fulfilling its responsibilities through sustained high-quality content output and innovative communication.

(4) Industrial Consumer Finance Co., Ltd.

Industrial Consumer Finance Co., Ltd. was established in December 2014, with a registered capital of RMB5,320 million. It is a holding subsidiary of the Company, of which the Company holds 66% of the shares. Its business scope includes the provision of personal consumption loans, issuance of financial bonds, domestic inter-bank lending and borrowing, and other businesses approved by banking regulatory authorities. As at the end of the reporting period, CIB Consumer Finance recorded total assets of RMB77,991 million and net assets of RMB12,507 million; during the reporting period, it realized operating income of RMB8,888 million and net profit of RMB1,200 million.

During the reporting period, CIB Consumer Finance continued to enhance its customer acquisition capabilities and build a diversified and sustainable customer acquisition system. In response to the characteristics of new consumption scenarios, CIB Consumer Finance enriched its service scenarios and customer structure, and actively optimized its product system to better meet customer needs. CIB Consumer Finance focused on expanding cooperation in online traffic scenarios, continuously strengthened its independent risk control and talent team development, and effectively enhanced the professionalism of its online business. CIB Consumer Finance improved its risk control mechanism, enhanced its capabilities in pre-loan risk assessment, differentiated approval and ongoing management. It stepped up efforts in special assets disposal, compliance and internal control management, and consumer protection. It also deepened the refined management, accelerated digital and intelligent transformation, and strengthened middle – and back-office support and resource allocation.

CIB Consumer Finance deepened group-wide collaborative marketing, improved the effectiveness of parent-subsidiary synergy, and enhanced its comprehensive service capabilities for the Group’s retail customer groups. As at the end of the reporting period, Industrial Consumer Finance had a loan balance of RMB75,470 million. Since its inception, it has served more than 41 million customers and issued more than RMB500 billion in consumer credit.

(5) CIB Wealth Management Co., Ltd.

CIB Wealth Management Co., Ltd. was established in December 2019, with a registered capital of RMB10 billion. It is a wholly-owned subsidiary of the Company. Its business scope includes the issuance of wealth management products, financial advisory and consulting services, and other businesses approved by the banking regulatory authorities. CIB Wealth Management recorded total assets of RMB20,081 million and owners’ equity of RMB19,560 million. During the reporting period, it realized operating income of RMB3,973 million and net profit of RMB2,586 million.

CIB Wealth Management integrated product development with customer value creation, continuously improved its full-process, full-lifecycle management for products, and provided customers with long-term and stable wealth management services. As at the end of the reporting period, CIB Wealth Management recorded RMB2,431.161 billion in AUM, with the comprehensive wealth management capabilities topping the PYStandard’s list of national wealth management institutions for 32 consecutive quarters. In terms of product offerings, CIB Wealth Management accelerated the pace of diversified transformation and standardized the management of the multi-asset, multi-strategy “Fixed Income+” product system. By clarifying product labels and enhancing product quality, it developed a series of benchmark products renowned for their performance and market reputation, providing customers with stable and incremental return enhancement solutions. In terms of customer service, the Company accelerated the development of a full-lifecycle customer service and engagement system. It disseminated financial knowledge through online platform columns such as “Wealth Management Refueling Station” and “Wealth Management Talk”. Meanwhile, it provided on-site investor education through wealth managers. Through the synergy of online and offline channels, it communicated product strategies in a customer-friendly manner and provided customer support, guiding customers toward rational investment and long-term returns.

(6) CIB Financial Asset Investment Co., Ltd.

CIB Financial Asset Investment Co., Ltd. was established in December 2025, with a registered capital of RMB10 billion. It is a wholly-owned subsidiary of the Company. The business scope includes acquiring banks’ claims against enterprises for the purpose of debt-to-equity swaps, converting claims into equity and managing the equity; and restructuring, transferring and disposing of claims that cannot be converted into equity; investing in corporate equity for the purpose of debt-to-equity swaps, with the enterprise using all of the equity investment proceeds to repay existing claims; raising funds from qualified investors in accordance with laws and regulations, and issuing private asset management products to support the implementation of debt-to-equity swaps; issuing financial bonds; raising funds through bond repurchase agreements and inter-bank lending and borrowing; conducting necessary investment management of proprietary funds and raised funds. Proprietary funds may be used for inter-bank deposits, inter-bank lending, purchases of central government bonds or other fixed-income securities, and

the use of raised funds shall comply with the agreed purposes of fundraising. The business scope also includes financial advisory and consulting services related to the debt-to-equity swap business and other businesses approved by the NFRA. As at the end of the reporting period, CIB Investment recorded total assets of RMB10,020 million and net assets of RMB10,004 million; during the reporting period, it realized operating income of RMB19 million and net profit of RMB4 million.

During the reporting period, CIB Investment efficiently completed its establishment and acceptance, becoming a joint-stock bank-affiliated AIC that is “first approved and first opened” in China. CIB Investment focused on its core business of debt-to-equity swaps to **support the upgrading of traditional industries**, facilitate the green transformation of traditional sectors, and assist enterprises that use specialized and sophisticated technologies to produce novel and unique products in their intelligent upgrading and breakthroughs in domestic substitution. **CIB Investment served the growth of emerging industries**, with a focus on areas with high technological barriers and long R&D cycles, such as semiconductors, AI, new materials and biomedicine, thereby contributing to technological self-reliance and self-strengthening. It facilitated the expansion of production capacity, with a focus on AI segments and high-end manufacturing industries, contributing to the building of new pillar industries. **CIB Investment made plans for the development of future industries**, advanced the establishment of an equity investment subsidiary, and supported hard technology enterprises to help resolve “bottleneck” problems, thereby creating a dual-wheel engine for the Group’s sci-tech innovation finance development. During the reporting period, CIB Investment cumulatively allocated RMB6,808 million. The funds were directed toward new energy and new material industries, including semiconductors, photovoltaics, lithium ore, and engineering plastics, covering sci-tech innovation enterprises and private enterprises in regions such as Fujian, Guangdong, Shanghai, Anhui and Shandong. These funds effectively helped enterprises optimize their capital structure, deepen transformation and development, and create long-term value.

Other important subsidiaries

(7) Industrial Futures Co., Ltd.

Industrial Futures Co., Ltd. was reorganized and established in 2014, with a registered capital of RMB500 million. It is an indirect holding subsidiary of the Company. Its business scope includes commodity futures brokerage, financial futures brokerage, futures dealing consulting, asset management and other businesses. As at the end of the reporting period, Industrial Futures recorded total assets of RMB13,615 million and owners’ equity of RMB763 million.

During the reporting period, CIB Futures focused on its core business, deeply engaged in the market, and steadily advanced its operations. **Deepening customer service and empowering the Group’s development.** CIB Futures continued to leverage its professional license for futures and derivatives to fully serve the Group’s customers. Among them, it served 4,814 customers of the parent bank, and supported the parent bank in expanding its customer base by 1,703 customers; it also enhanced services for 188 branch customers with assets of over RMB1 million, and 56 customers with assets of over RMB6 million. Leveraging the online channel of the Head Office’s App, CIB Futures empowered business development by digital means, and cumulatively realized RMB158 million in customer benefits.

**Strengthening the core brokerage business and expanding business presence in new areas.** CIB Futures cemented the foundation of the brokerage business, accelerated the transformation of Group resources, intensified digital operations, and actively strengthened the synergy between corporate finance and bank futures. In terms of business layout, it facilitated ferrous metal, energy and other industrial chains to empower energy finance; it advanced the development of green futures with focus on the industrial chains of industrial silicon, lithium carbonate and polycrystalline silicon, strove to keep supply and prices of basic major commodities stable, helped stabilize, extend, supplement and strengthen industrial chains, and provided professional futures services for 53 listed companies. The value of services provided to listed corporate customers amounted to RMB913 million. As at the end of the reporting period, the average daily equity of futures brokerage was RMB10,218 million. **Supporting the development of asset management and enriching product offerings.** In line with the Group’s development strategy of “comprehensive asset management and comprehensive wealth management”, CIB Futures enhanced its new product R&D and trading advisory capabilities, and positioned hedging, risk offsetting, and over-the-counter options as key levers for the parent bank to serve its customers. It provided customers with a variety of derivative strategy asset management products, including futures CTA, precious metals, MOM/FOF, and central government bond futures, effectively enriching the Group’s product offerings. As at the end of the reporting period, the scale of asset management business reached RMB10,249 million, an increase of 59% from the end of the previous year, with its industry ranking rising by two places to 11th (data from the Asset Management Association of China). **Fulfilling social responsibilities and contributing to rural revitalization.** As a bank-affiliated futures company, CIB Futures leveraged its inherent advantages to deepen the model of “bank + insurance + futures” and actively responded to the rural revitalization initiative of the country. During the reporting period, CIB Futures provided RMB350,000 in financial support to four industrial projects, helped over 4,500 rural residents achieve employment or start their own businesses, and contributed to consolidating and expanding poverty alleviation achievements for more than 5,000 households, translating its professional financial services into concrete actions of fulfilling social responsibilities.

(8) CIB FINTECH (Shanghai) Co., Ltd.

CIB FINTECH (Shanghai) Co., Ltd. was established in November 2015, with a registered capital of RMB255 million. It is an indirect holding subsidiary of the Company and the first bank-affiliated fintech subsidiary in China. Its business scope includes financial data processing, economic information consulting services, application software development and operation services, and system integration services.

During the reporting period, CIB FINTECH continued to improve its capabilities for Group services and technology output, and proactively served the Group to promote the “Five Priorities” of finance and win the “battle of agility, experience, and intelligence”, achieving continuous improvements in R&D capacity, efficiency and quality. Guided by an “enterprise-level and standardized” approach, CIB FINTECH accelerated the development of distributed core engineering, promoted the new system development and old system improvement, and advanced the cultivation of disaster recovery capabilities for the critical information system. It reconstructed and upgraded the nationwide acquiring system, consolidating the capability of acquiring services. It created a comprehensive service system for corporate settlement,



established a configurable sub-ledger engine, fully launched the domestic RMB payment and clearing project, and established an enterprise-level payment and clearing system. It developed and launched a risk management system, achieving group-wide unified credit management and full-process coverage of investment and financing. It proactively provided digital transformation solutions to industrial peers, with technology output put into operation in over 320 small and medium-sized financial institutions.

(9) China Industrial Asset Management Co., Ltd.

China Industrial Asset Management Co., Ltd. was established in February 2017 with a registered capital of RMB1.95 billion. As an indirect holding subsidiary of the Company, Industrial Asset Management was established with the approval of the People's Government of Fujian Province. Approved by the former CBRC, the subsidiary has the qualification to acquire and dispose of non-performing assets of financial institutions in bulk as a provincial asset management company. Its business scope includes participating in bulk acquisitions, transfers and disposals of non-performing assets of financial institutions in Fujian Province; acquiring, transferring and disposing of non-performing assets of non-financial institutions; debt restructuring and corporate restructuring; debt-for-equity swap, and managing, investing in and disposing of equity assets; bankruptcy management; investment and asset management; asset securitization; and entrusted management of funds. As at the end of the reporting period, the total assets of Industrial Asset Management reached RMB24,782 million, a year-over-year increase of 1.09%. During the reporting period, the Company achieved net operating income of RMB449 million, a year-on-year increase of 20.44%; net profit of RMB79 million, a year-on-year increase of 253.78%. It effectively reduced financing costs, with the average interest rate on interest-bearing liabilities at 2.6%, a decrease of 40 basis points from the previous year.

Taking the prevention and resolution of regional financial and real economy risks as the primary operational objectives, and focusing on its primary businesses and main responsibilities of special assets management, Industrial Asset Management continued to strengthen and excel in the acquisition, management, and disposal of non-performing assets. It actively explored and practiced in areas such as bankruptcy restructuring and investment, relief for distressed enterprises, entrusted management of non-performing assets, and bankruptcy administration, and advanced business model innovation and operational transformation in a compliant manner. During the reporting period, Industrial Asset Management cumulatively allocated RMB3,883 million in its special assets management business. Among them, RMB2,488 million was allocated to non-performing asset acquisitions (corresponding to a total amount of claims subject to acquisition and storage of RMB35,962 million). The cumulative funds recovered amounted to RMB5,078 million.

(10) CIIT Asset Management Co., Ltd.

CIIT Asset Management Co., Ltd. was established in April 2013 with a registered capital of RMB3.4 billion. It is an indirect holding subsidiary of the Company. Its business scope includes asset management, equity investment, industrial investment, investment management and investment consulting.

Relying on the Group's multi-investment synergy mechanism of "investment research – investment – investment management", CIIT Asset Management formed a differentiated competitive advantage, and helped the Group

achieve high-quality development in comprehensive investment banking business, such as "M&A financing + capital markets + equity investment" and enhance its comprehensive financial service capabilities. As one of the core platforms for implementing the Group's "commercial banking + investment banking" strategy, CIIT Asset Management was committed to becoming a professional private equity investment institution with brand characteristics. During the reporting period, CIIT Asset Management was honored with multiple awards by ChinaVenture and China Fund News, such as "Top 50 Private Equity Investment Institutions in China", "Top 50 Chinese-funded Private Equity Investment Institutions in China", "Top 50 Model Institutions by Comprehensive Strength", "Model Private Equity Institution for Exit Practices", and "Model Investment Institution in China's High-end Equipment Industry", which further enhanced its market brand image.

### 3.7 Risk management

The Company formulated a development strategy that lays equal emphasis on business operation and risk management, established a pre-event, in-event and post-event risk control system centering on risk asset management, and improved the risk management policies and operational procedures for various businesses and the risk accountability and punishment mechanism. The credit risk, market risk, liquidity risk, operational risk, compliance risk, country risk, interest rate risk in the banking book, reputational risk, strategic risk, IT risk, money laundering risk and climate risk exposed to various businesses and customers were included in comprehensive risk management. In addition, the Company further clarified the specific duties of the Board of Directors, the Senior Management and the executives in respect of risk management and formed a specific, clear and effective comprehensive risk management system. In daily risk management, business departments, risk management functional departments and internal audit departments formed the "three lines of defense" of risk management with clear responsibilities to achieve risk management objectives. During the reporting period, the Company improved its risk management organizational structure, strengthened the Group's comprehensive risk management, actively responded to the pressure arising from the compounding of various risks and consumption of financial resources, improved the quality and efficiency of NPL management, accelerated the digital transformation of risk management, advanced the development of risk monitoring tools and the application of artificial intelligence tools, stepped up risk empowerment, and enhanced risk monitoring and screening in key areas, thereby ensuring stable asset quality and controllable risks and promoting high-quality business development.

#### 3.7.1 Credit risk management

The Company's credit risk management objectives include establishing and continuously improving the credit risk management system, making credit risk management more professional and refined, improving credit extension and customer structure, constantly reinforcing full-process risk management and control of the credit business, balancing risks and gains, and effectively controlling risks.

The Company stepped up asset quality control in key areas. It fully leveraged the role of agile teams for risk prevention and control in key areas, and effectively mitigated risks in key sectors such as real estate, local government financing platforms, and consumer finance. It refined credit policies, focused on the "Five Priorities" of the financial sector, strengthened empowerment through research, deepened the "region + industry" strategy, implemented

a differentiated credit policy of that supports, controls and reduces credit exposure as appropriate, and empowered business transformation and development: it implemented the “technology – industry – finance” strategy, expanded the scope of application of differentiated policies for sci-tech innovation enterprises, and continuously strengthened and expanded technology finance; in accordance with the green and low-carbon transition policies, it focused on building green financial assets in areas such as energy conservation and environmental protection, clean energy, and green transportation; it redoubled innovation efforts in inclusive business, and improved its comprehensive financial service capabilities by implementing the business strategy of “building platforms, creating scenarios, promoting sandboxes, and scaling up operations”; it actively explored business models for the elderly care industry, focused on the three areas of elderly care products, elderly care infrastructure and elderly care services, and accelerated the development of its pension finance business; it seized the opportunities of digital transformation, and increased credit support for rapidly growing fields such as artificial intelligence, big data, and cloud computing; it implemented national policy orientation, strengthened risk control in industries with overcapacity, and facilitated the orderly exit of outdated production capacity. The Company strictly implemented the *Rules on Large Exposures of Commercial Banks* (former CBIRC Order [2018] No. 1), continued to establish and improve the large risk exposure management system within the Group, promoted system improvement and data governance, enhanced system automation levels, and measured and dynamically monitored risk exposure concentration. During the reporting period, all risk exposure concentration indicators of the Company were controlled within regulatory requirements.

### 3.7.2 Liquidity risk management

The Company’s liquidity risk management objectives include preventing liquidity risk and satisfying payment needs; improving the efficiency of capital use and ensuring the sustainable and sound development of various businesses; maximizing the profit and value of the Bank within the tolerable risk range and achieving the unity of safety, liquidity and profitability; and ensuring that the regulatory indicators of liquidity risk meet the regulatory requirements through asset and liability management.

During the reporting period, the Company continuously strengthened the overall management of liability business, solidified the foundation for liability development, made liquidity management more forward-looking and effective, and maintained stable liquidity. All regulatory indicators of liquidity risk met the requirements with stable performance. First, the Company deepened customer cooperation and solidified the liability base. It made solid efforts in advancing the “Network Weaving Project 3.0” for corporate banking and the systematic development of retail banking, deepened customer partnerships, improved customer experience, and drove stable growth of low-cost settlement deposits. Second, the Company prudently promoted the

issuance of financial bonds, expanding the medium – and long-term stable source of liabilities. Based on changes in interest rate trends and business development needs, the Company properly arranged the issuance of long-term bonds and effectively replenished long-term stable funds. Third, the Company strengthened market assessment and conducted forward-looking liquidity management. It strengthened the coordination of market-based fund management, flexibly utilized diversified financing instruments, and maintained reserves of high-quality liquid assets, ensuring that liquidity risk was well under control and that regulatory indicators remained at a desired level.

### 3.7.3 Market risk management

Market risk refers to interest rate risk in the trading book, stock risk, and exchange rate risk and commodity risk in all books. The Company’s market risk management objectives include establishing and continuously improving the market risk management system that is aligned with its risk management strategy and meets regulatory requirements and requirements in the New Capital Accord; refining the market risk management structure, policies, processes and methods; making market risk management more professional, realizing centralized and unified market risk management, and ensuring steady business development with risks under control; promoting the digital transformation of market risk management, and strengthening the commitment to technological empowerment, to make market risk management more digital and intelligent.

During the reporting period, all market risk indicators of the Company were maintained within the limit range, and the market risk system remained sound and stable. The Company actively responded to changes in the market environment and continued to deepen and improve the data-driven, comprehensive market risk management system in line with the digital transformation strategy. It focused on system optimization, market investment research, risk monitoring, risk early warning, limit management, and capital measurement to steadily advance various tasks: First, the Company complied with the *Rules on Market Risk Management of Commercial Banks*, continuously improved the market risk management system, strengthened risk factor identification and measurement, iteratively optimized the multi-tiered limit system, deepened the market risk exposure and profit and loss analysis, enhanced the forward-looking nature of risk monitoring and early warning, and strengthened tail risk prevention and control through stress testing; second, the Company measured the market risk capital in accordance with the requirements of the *Rules on Capital Management of Commercial Banks*; third, the Company effectively strengthened risk monitoring and control in key areas and overseas businesses, and enhanced risk screening and closed-loop management. The major market risks exposed to the Company are interest rate risk in the trading book and exchange rate risk.



(1) Interest rate risk in the trading book

The interest rate risk in the trading book of the Company mainly arises from RMB bond business and interest rate swap business. Risk management measures are mainly based on limit management, and limit indicators include the interest rate sensitivity indicator, credit spread sensitivity indicator, and stop loss indicator, which are issued and implemented through the annual business authorization letter and regular investment strategy plan. In addition, the Company carries out stress testing on a regular basis to effectively prevent tail risks.

During the reporting period, based on market dynamics, the Company regularly analyzed interest rate trends, strengthened interest rate risk prevention, actively refined basis point value management, and stepped up the monitoring and early warning of interest rate risk and credit spread risk, so as to keep the interest rate risk in the trading book at an appropriate level. The Company also verified the system measurement model to ensure accurate and effective measurement.

(2) Exchange rate risk

The exchange rate risk in the trading book of the Company mainly arises from the comprehensive position of the RMB market-making business. Risk management measures are mainly based on exposure management. As an active RMB market maker in the market, the Company proactively controls the exposure limit, manages its comprehensive market-making position to keep it close to zero, and maintains its overnight risk exposure at a low level.

The exchange rate risk in the banking book of the Company mainly arises from the exchange rate risk position of foreign exchange capital items. For the exchange rate risk exposure arising from assets and liabilities that is inevitable in normal operations, the Company maintains the stability of non-trading exchange rate risk exposure through periodic capital settlement or foreign exchange profit settlement.

During the reporting period, the Company continued to monitor the exchange rate trend and analyze the impact of exchange rate changes. The Company's overall exchange rate risk remained stable, and all core limit indicators met the limit requirements.

Unit: RMB million

Date	Market risk capital charge based on the sensitivities-based approach					Default risk	Residual risk	Total
	General interest rate risk	Stock risk	Commodity risk	Exchange rate risk	Credit spread risk			
December 31, 2025	2,939	214	39	418	12,826	2,832	62	19,330

3.7.4 Management of interest rate risk in the banking book

Interest rate risk in the banking book refers to the risk of loss in overall profit and economic value of the banking book arising from adverse movements in the interest rate, maturity structure, etc. It mainly includes gap risk, benchmark risk, and option risk. Through the management of interest rate risk in the banking book and based on analysis of interest rate movements, the Company aims to, within the tolerable level of risk, maintain stable growth in net interest income in the short term and stable growth in economic value in the long term.

During the reporting period, the Company adhered to a moderate and prudent interest rate risk appetite, kept abreast of important changes in domestic and foreign economic situations, macro policies and financial markets, strengthened the analysis and assessment of interest rate trends, flexibly adjusted the interest rate risk management strategy based on changes in the external environment and internal interest rate risk exposure structure, and continued to carry out dynamic monitoring and risk management. First, the Company continued to monitor the impact of changes in domestic and

foreign interest rate trends, improved its capabilities for the forward-looking analysis and prediction of interest rate trends, flexibly adjusted the active management strategy of interest rate risk, seized the periodic opportunities for market interest rate adjustments, and properly adjusted the structure and duration of assets and liabilities; second, the Company used management tools such as price guidance, duration management and risk limit to effectively monitor and control interest rate risk in the banking book to ensure the overall stability of risk exposure; third, the Company continued to improve the functions of the management system for interest rate risk in the banking book, enhanced data analysis and mining capabilities, and consolidated the foundation for the digital management of interest rate risk; fourth, the Company improved the consolidated group-wide management system for interest rate risk in the banking book, effectively strengthened the overall management of interest rate risk in the banking book across the Group, and enhanced interest rate risk management of its subsidiaries. As at the end of the reporting period, interest rate risk was controlled within the Company's annual interest rate risk control target. The stress testing results showed that all indicators of the Company remained within the limits and early warning values, and the interest rate risk in the banking book was controllable on the whole.

### 3.7.5 Operational risk management

Operational risk refers to the risk of loss resulting from insufficient or problematic internal procedures, employees, IT systems, and external events. Through operational risk management, the Company aims to continuously improve its operational risk management capability, reduce the occurrence of operational risk events, control the operational risk losses within an acceptable range, promote the legal and compliant business operations of institutions at all levels, and foster a sound operating environment for the Group's business development. The Company has established and improved its operational risk management system, continuously enhanced its operational risk management capability, reduced the occurrence of operational risk events, and fostered a sound operating environment for business development.

During the reporting period, the Company focused on key areas of operational risk management and operational risk changes, improved the methods of operational risk control, refined the operational risk management system, and strengthened the operational risk management capability to support the high-quality development of the Company. First, the Company improved the policy system and further refined the requirements for operational risk event management and material change assessment. Second, the Company strengthened the communication of management requirements, and solidified the foundation of operational risk management in a step-by-step manner featuring "walkthrough testing at key branches + special training across the Bank + communication of guidance manual". Third, the Company optimized the business continuity management system, and comprehensively conducted business impact analysis, risk assessment and critical information system evaluation, thereby building a solid foundation for risk prevention and control.

### 3.7.6 Compliance risk management

Compliance risk refers to the possibility that the Company or its employees may bear criminal, administrative or civil legal liabilities or suffer property losses, reputational losses and other negative impacts due to the Company's business management activities or employees' performance of duties violating laws, administrative regulations, departmental rules, normative documents, and internal standards established by the Company to implement regulatory requirements (hereinafter collectively referred to as the "compliance standards"). The Company's compliance risk management objectives include establishing and improving the compliance management system, cultivating an advanced compliance culture, upgrading long-term compliance mechanisms, enhancing the quality and efficiency of compliance management, ensuring that the Company's business management activities and employees' performance of duties conform to compliance standards and effectively preventing and controlling compliance risk, so as to support high-quality business development and facilitate the achievement of the Company's strategic objectives.

In accordance with the general requirements of "tiered management and accountability at each level", the Company continuously improves its

organizational structure for compliance management. The Company's Board of Directors is responsible for determining compliance management objectives and bears ultimate responsibility for the effectiveness of the Company's compliance management. The Board of Directors has established the Risk Compliance and Consumer Protection Committee as a special committee responsible for compliance management; the Company's Senior Management assumes leadership responsibility for the business compliance of the areas under their charge or supervision; the Company has established a compliance risk management operation mechanism with three lines of defense, namely, business functional departments of institutions at all levels and the Head Office, compliance management departments, and audit departments to ensure its legal and compliant operation and management.

During the reporting period, the Company firmly established a business philosophy of compliant operations and enhanced its lawful and compliant operation capabilities. **First, the Company cultivated a compliance culture**, vigorously promoted the *Measures for the Compliance Management of Financial Institutions*, and made orderly adjustments to various internal work in alignment with new regulatory requirements. Through a series of activities that aim to cultivate and promote financial culture with Chinese characteristics and the "Three Primary-Level Improvements" management enhancement initiative, the Company coordinated the practice of financial culture with Chinese characteristics and the development of a compliance culture, enabling the business philosophy of lawful and compliant operations to take root at the primary level. **Second, the Company strengthened compliance responsibility**, continuously improved the multi-level compliance and internal control evaluation system, conducted compliance evaluations for domestic and overseas branches, subsidiaries, and Head Office departments in an orderly manner, and enhanced the communication of compliance awareness. It also carried out root cause analysis and remediation for regulatory penalties, strengthened management in key areas, and improved its capabilities to respond to and handle regulatory penalty risk. **Third, the Company enhanced employee management**, continuously enriched monitoring tools, and improved its capability to identify issues through inspections. It also reinforced the duty performance of compliance and internal control by persons in charge at the primary level and guided them to establish a correct view on business operations, performance and risk. **Fourth, the Company reinforced strict accountability**, promoted prompt investigation, correction, and disciplinary action of issues, improved the timeliness and effectiveness of accountability, enhanced the application of accountability results, and intensified the circulation of accountability cases, thereby fully leveraging the deterrent and warning effect of accountability.

### 3.7.7 Internet and IT risk management

IT risk refers to the operational, legal and reputational risk caused by natural factors, human factors, technical loopholes and management defects during the application of information technology in commercial banks. Through IT risk management, the Company aims to identify, evaluate, monitor, control, report and conduct performance management of IT risk and strengthen the effective control of IT risk through early warning indicators and collection of risk events, so as to promote business development and innovation



and improve IT application. The Company has formed an organizational structure of the “three lines of defense” for IT risk management, which consists of departments along the technology line, the Legal and Compliance Department, the Audit Department and other relevant departments. It has established and improved IT risk management procedures and mechanisms, strengthened the effective control of IT risk, continuously promoted business development and innovation, and enhanced IT application.

During the reporting period, the Company implemented the strategy of “revitalizing the Bank through science and technology”, steadily advanced the implementation of the *IT Development Plan (2021-2025)*, continuously optimized its technology organizational structure, steadily improved the size and professional capabilities of its technology team, and significantly elevated the level of its technology service, providing strong support for the needs of high-quality business development. First, the Company carried out regular risk assessment for high-risk areas, revealed hidden risks and supervised the remediation, thereby effectively improving the quality and efficiency of IT risk management and control. Second, the Company continuously improved the top-level design of cybersecurity and data security, actively participated in national and industry cybersecurity attack and defense drills, and strengthened data security control in key areas. Third, the Company strengthened its technology operation and maintenance support system, and effectively improved the self-healing capability in operation and maintenance failure scenarios through containerization, microservice architecture and automated management.

### 3.7.8 Reputational risk management

Through reputational risk management, the Company aims to actively manage and prevent reputational risk, maintain its brand reputation, foster a favorable public opinion environment for business development, enhance its market image and investment value, and minimize the losses and negative impacts caused by risk events on the Company’s reputation.

Regarding reputational risk management, the Company follows the basic principle of “foresight, compatibility, full coverage and effectiveness” and the implementation principle of “hierarchical management, division of responsibilities, real-time monitoring, prevention first, quick response, categorized treatment, territorial responsibility, and coordinated countermeasures”. It has incorporated reputational risk management into its corporate governance and comprehensive risk management system, continuously improved its reputational risk management processes, and built a long-term mechanism for reputational risk prevention and control to enhance the effectiveness of reputational risk management. During the reporting period, the Company continuously enhanced its reputational risk awareness, improved the reputational risk management system and mechanism, strengthened its professional capabilities in handling reputational risk, and firmly safeguarded the risk bottom line. First, the Company carried out regular training and drills, continuously improved the reputational risk awareness of all employees and improved the professional competence of the reputational risk management team, further consolidating the foundation of reputational risk management. Second, the Company established a

reputational risk control system covering the pre-event, in-event and post-event stages, strengthened the enforceability and binding force of policies, consolidated the leadership responsibilities, primary responsibilities and management responsibilities for reputational risk management, built a reputational risk prevention and control mechanism that closely coordinated risk management, legal compliance, public opinions, consumer protection, complaints and proposals, and security, and proactively urged the Head Office, branches and subsidiaries to refine the reputational risk management rules, so as to strengthen coordination across the Group. Third, the Company conducted in-depth investigation, identification, assessment, monitoring and disposal of reputational risk, coordinated and strengthened the prevention and mitigation of reputational risk in key areas, for major events and at sensitive junctures, and continuously improved the quality and efficiency in handling public opinion. Fourth, the Company continuously strengthened source governance of reputational risk, improved the pre-event assessment mechanism for reputational risk, comprehensively screened trigger factors of reputational risk, promoted problem remediation and strengthened accountability, to form a positive cycle of “negative public opinion – response and disposal – improved management services”. It implemented the customer-centered business philosophy and strived to empower operations and development. Fifth, the Company accelerated digital transformation, refined the publicity and public opinion system, and continuously promoted the digital and intelligent transformation of public opinion management.

In addition, the Company also focused on building a value bank, polishing the “three business cards”, developing the “five new arenas”, accelerating digital and intelligent transformation, serving national strategies, supporting the development of new quality productive force, advancing the “Five Priorities” of finance, fulfilling social responsibilities and enhancing consumer protection, continuously stepping up positive publicity, and conducting effective public opinion guidance and expectation management, so as to steadily enhance its brand and market image and accumulate reputational capital.

### 3.7.9 Country risk management

Through country risk management, the Company aims to establish and continuously improve its country risk management system based on the progress of its international expansion and business growth, adopt proper measurement methods and assessment and rating systems for country risk, and accurately identify and assess country risk relating to business activities, thereby promoting sustainable and sound business development.

As geopolitical risk persists and international situation becomes increasingly complex, the Company continues to track changes in key countries and regions around the world, attaches great importance to country risk management, incorporates country risk management into the comprehensive risk management system, sets country risk limits based on country classification, the Company’s cross-border business development strategy and risk appetites, and implements classified management for each country risk level. It prudently conducts country risk-related businesses. Currently, its country risk exposure is mainly concentrated in countries and regions with low and relatively low country risk. During the reporting period, the Company

further improved its country risk management framework, continued to promote digital country risk management, and optimized the country risk rating model to enhance its country risk management capabilities and efficiency. The Company will continue to pay attention to financial market fluctuations and geopolitical events in the countries or regions where the counterparties are located, dynamically adjust country risk classifications and limits, prudently assess business conditions, and actively prevent country risk.

### 3.7.10 Money laundering risk management

Money laundering risk refers to the risk that the Company may incur in business and operation due to the fact that the Company may be exploited by illegal and criminal activities such as money laundering, terrorist financing, and proliferation financing. Through money laundering risk management, the Company aims to establish and improve a risk-based money laundering risk management system, properly allocate resources, and continuously identify, prudently evaluate, effectively control and manage money laundering risk throughout the process.

During the reporting period, the Board of Directors and the Senior Management of the Company conscientiously fulfilled their anti-money laundering duties, gave full play to the decision-making role of the leading group for anti-money laundering work, and adopted multiple measures to ensure the effectiveness of the Company's money laundering risk management. First, the Company refined the money laundering risk management policies and procedures, revised and issued anti-money laundering rules, including administrative measures for anti-money laundering work and detailed provisions on customer due diligence based on the latest regulatory laws and policies, and improved the anti-money laundering work mechanism. Second, the Company focused on major concerns of regulators and areas with high money laundering risk, conducted in-depth anti-money laundering self-inspection and remediation, and effectively prevented and controlled compliance and money laundering risk. Third, the Company continued to refine the money laundering risk assessment mechanism, conducted institutional money laundering risk self-assessment, and strengthened the management of money laundering risk of new products and new businesses, as well as identification and control of high-risk customers. Fourth, the Company continuously advanced the centralized monitoring of suspicious transactions, improved the standards for suspicious

case identification, and improved the quality of suspicious transaction monitoring and analysis. Fifth, the Company deeply promoted the integration of anti-money laundering and anti-telecom fraud efforts, fully leveraged the advantage of in-event control of telecom fraud, moved forward the line of defense against telecom fraud-related money laundering risk, and significantly improved the accuracy of early warnings for telecom fraud-related money laundering, with remarkable results achieved in prevention and control. Sixth, the Company accelerated digital transformation, fully launched and promoted the enhanced due diligence system, optimized the examination rules and processes of the anti-money laundering digital examination platform, and completed the establishment of the new-generation anti-money laundering system, achieving comprehensive IT application and innovation of the system and improving system processing performance.

### 3.7.11 Telecom and online fraud risk management

Telecom and online fraud risk refers to the act of defrauding public and private property through remote and non-contact means using telecommunications network technology, for the purpose of illegal possession. Through telecom and online fraud risk management, the Company aims to establish an ecological digital and intelligent anti-fraud joint risk prevention and control system featuring group-wide collaboration, active defense, multi-dimension and efficiency, and comprehensive coverage, develop industry-leading anti-telecom and online fraud technology and capability, and provide safe and convenient financial services for the people while preventing and controlling risks, thereby firmly safeguarding people's financial security.

During the reporting period, the Company earnestly implemented the decisions and plans of the CPC Central Committee and the State Council to crack down on telecom and online fraud, took the *Law on Combating Telecom and Online Fraud* as the guideline, and took various measures to advance and implement the work on combating telecom and online fraud. The Company dynamically optimized rule models, enhanced risk identification and interception capabilities, and significantly reduced fraud-related accounts, maintaining a leading position among systemically important banks. It improved the victim protection mechanism and made every effort to protect the property of potential victims; it streamlined the complaint handling channels to effectively enhance customer service experience; it deepened internal and external collaboration to comprehensively improve joint risk prevention and control capabilities; it carried out diversified anti-fraud publicity to effectively raise the anti-fraud awareness of the public.



### 3.8 Liability quality management

The Company has established and improved the management system of liability quality, and the Board of Directors and the Senior Management have effectively managed and monitored the liability quality. The Board of Directors bears the ultimate responsibility for the liability quality management, and the Senior Management undertakes the specific management of liability quality. For liability quality management, the Company adheres to the principles of comprehensiveness, initiative, compliance and coordination, and the liability quality management strategy is compatible with its own business strategy, risk appetite and overall business characteristics. The core elements of liability quality management include six aspects: the stability of liability source, the diversity of liability structure, the rationality of matching liability with assets, the initiative of liability acquisition, the appropriateness of liability cost, and the authenticity of liability items, which meet the requirements of the *Measures for Liability Quality Management of Commercial Banks*. The identification, measurement, monitoring and control system of liability quality is sound. During the reporting period, all indicators of the Company's liability quality management remained normal, meeting the requirements of the current rules and regulations.

#### 3.8.1 Liquidity coverage ratio

In accordance with the *Measures for Information Disclosure Regarding Liquidity Coverage of Commercial Banks*, information on the Company's liquidity coverage ratio is as follows:

Unit: RMB million

Item	December 31, 2025
Qualified high-quality current assets	1,142,885
Net cash outflow during the next 30 days	653,851
Liquidity coverage ratio (%)	174.79

#### 3.8.2 Net stable funding ratio

In accordance with the *Measures for Information Disclosure Regarding Net Stable Funding Ratio of Commercial Banks*, information on the Company's net stable funding ratio is as follows:

Unit: RMB million

Item	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025
Net stable funding ratio (%)	108.82	105.59	107.93	107.78
Available stable funding	6,301,175	5,984,571	6,033,203	6,028,622
Required stable funding	5,790,413	5,667,652	5,589,796	5,593,478

### 3.9 Capital management

During the reporting period, the Company strengthened intensive capital management in response to changes in regulatory policies and the operating environment, adhered to the transformation and development orientation of “light assets, light capital and high efficiency”, and improved the quality and efficiency of capital management. According to the annual capital adequacy ratio management target established by the Board of Directors, the Company properly arranged the total amount of risk-weighted assets, refined the allocation and control mechanism of risk-weighted assets, and devoted limited capital resources to green, inclusive small and micro customers, new arenas as well as businesses that meet the criteria for key products, customers and industries, thereby continuously improving the business structure. In addition, the Company improved capital assessment and evaluation, enhanced the awareness of “settling accounts and conducting business”, strengthened data governance, and continuously improved capital use efficiency. As at the end of the reporting period, the Group’s core Tier 1 capital adequacy ratio was 9.70%, unchanged from the same period of the previous year. The Company continued to follow the development path of supporting business growth with internal capital.

The Company formulated the *Capital Management Plan (2025-2030)*, which was reviewed and approved by the Board of Directors and the Shareholders’ Meeting. Pursuant to the medium- and long-term capital planning arrangements, the Company redeemed RMB56 billion of preference shares and RMB30 billion of undated capital bonds, and simultaneously issued RMB50 billion of new undated capital bonds, thereby optimizing its capital structure and effectively reducing the cost of capital instruments. The Company initiated a new round of capital bond issuance of RMB150 billion, which was approved by the NFRA during the reporting period, providing the necessary capital reserve for the healthy and sustainable development of various businesses and for enhancing risk resilience.

The Company strengthened the Group’s consolidated capital management, comprehensively considered the needs of consolidated subsidiaries for regulatory compliance, shareholder returns, business development and risk coverage, tracked and monitored the capital allocation and utilization efficiency of consolidated subsidiaries, and maintained a robust capital adequacy level and a reasonable capital structure for consolidated subsidiaries. During the reporting period, all capital regulatory indicators of consolidated subsidiaries met regulatory requirements.

During the reporting period, the Company was included in Group 3 in the list of systemically important banks in China, with required additional core Tier 1 capital of 0.75 percentage points. The Company earnestly fulfilled regulatory requirements for domestic systemically important banks, formulated the Group’s recovery and resolution management plans, and constantly

improved its risk prevention and mitigation capabilities to maintain financial security and stability.

In 2026, the Company will further optimize its capital management system, deepen the concept of capital-efficient operations, solidify the foundation of business management, and further refine capital management. Taking return on risk assets as its core guidance, the Company will strengthen the transmission of capital cost awareness through performance assessment, optimize its business structure, continuously improve the capital allocation efficiency, and further enhance its endogenous capital generation capacity. The Company will make reasonable plans on capital sources and replenishment and continue to issue capital bonds in an orderly manner, ensuring that the capital adequacy ratio meets the requirements for the annual management target.

#### 3.9.1 Capital measurement

The Company pays close attention to capital measurement infrastructure, continuously improves the foundational capabilities and practical application of risk measurement, strengthens the concept of capital-efficient management, enhances the quality and efficiency of capital allocation, and steadily improves its capabilities in refined risk and capital management. The Company has developed a relatively comprehensive framework system for Pillar 1 and Pillar 2 of the Basel Accords, and completed the establishment of the Pillar 3 information disclosure system.

During the reporting period, the Company continuously advanced capital measurement efforts, achieving significant results. In line with changes in and requirements of the *Rules on Capital Management of Commercial Banks*, the Company promoted compliance work step by step in an orderly manner. It continuously transformed the measurement of the three major risks under Pillar 1, improved and applied the internal capital adequacy assessment procedures under Pillar 2, and basically achieved automatic information disclosure under Pillar 3. The Company continuously refined the internal rating system, iterated and improved the internal rating model, enhanced the quality and efficiency of model verification and stress testing, promoted the full integration of model management and digitalization, and deepened the application of the internal rating approach in economic capital, performance assessment and risk pricing and other fields. The Company implemented the advanced capital measurement approach in accordance with the acceptance procedures, completed the assessment application, actively advanced the inspection preparation work, continuously conducted audits on capital management and advanced capital measurement approach, and carried out multi-format, multi-channel training and communication, further consolidating the foundation for the acceptance of advanced approaches.



## 3.9.2 Capital adequacy ratio

Unit: RMB million

Item	December 31, 2025		December 31, 2024	
	Group	Bank	Group	Bank
Total capital	1,148,332	1,086,305	1,121,816	1,065,080
1. Core Tier 1 capital	821,451	764,329	766,314	714,164
2. Additional Tier 1 capital	80,258	80,000	116,052	115,776
3. Tier 2 capital	246,623	241,975	239,449	235,139
Capital deductions	1,220	31,135	1,272	21,200
1. Core Tier 1 capital deductions	1,220	31,135	1,272	21,200
2. Other Tier 1 capital deductions	–	–	–	–
3. Tier 2 capital deductions	–	–	–	–
Net capital	1,147,112	1,055,170	1,120,544	1,043,880
Minimum capital requirement	676,806	644,291	627,850	599,554
Reserve capital and counter-cyclical capital requirement	211,502	201,341	196,203	187,361
Core Tier 1 capital adequacy ratio (%)	9.70	9.10	9.75	9.25
Tier 1 capital adequacy ratio (%)	10.64	10.10	11.23	10.79
Capital adequacy ratio (%)	13.56	13.10	14.28	13.93

- (1) The data in the above table was compiled in accordance with relevant requirements in the *Rules on Capital Management of Commercial Banks* of NFRA, as well as its supporting rules. For more details on the capital adequacy ratio, please refer to the Investor Relations column of the Company's website ([www.cib.com.cn](http://www.cib.com.cn)).

The calculation range for the consolidated capital adequacy ratio of the Company included the Industrial Bank Co., Ltd., and financial institutions complying with requirements on the calculation range of the consolidated capital adequacy ratio in Section I, Chapter II of the *Rules on Capital Management of Commercial Banks*. Specifically, this applied to the banking group jointly comprised of Industrial Bank Co., Ltd., Industrial Bank Financial Leasing Co., Ltd., China Industrial International Trust Limited, CIB Fund Management Co., Ltd., Industrial Consumer Finance Co., Ltd., CIB Wealth Management Co., Ltd., and CIB Financial Asset Investment Co., Ltd.

- (2) The Company adopted the weighted approach for credit risk measurement. As at the end of the reporting period, under the off-site regulation reporting system of the NFRA, the Company recorded the total credit risk exposure of RMB12,765.649 billion, and the credit risk weighted assets reached RMB7,811.133 billion, an increase of 8.48% from the end of the previous year, among which the balance of securitized assets was RMB66.501 billion, the risk exposure was RMB66.411 billion and the risk weighted assets reached RMB21.172 billion.





Chapter 4

# Corporate Governance, Environment and Society



## Chapter 4 Corporate Governance, Environment and Society

### 4.1 Sound governance, laying a new foundation for sustainable and steady development

#### 4.1.1 Overview of corporate governance

During the reporting period, the Company adhered to the centralized and unified leadership of the CPC Central Committee over financial work, thoroughly studied and implemented Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, carried forward and promoted Comrade Xi Jinping's important remarks on and practices of financial work during his tenure in Fujian, and guided high-quality development with high-quality Party building. It continued to deepen the effective integration of Party leadership and corporate governance, comprehensively strengthened corporate governance and development, and solidified the institutional foundation of corporate governance. It effectively improved the corporate governance structure and mechanism, with a clear division of responsibilities, checks and balances, and seamless coordination among all governance entities. The Company was fully recognized by external parties for its corporate governance and development, winning the "Best Practice Case of the Board of Directors of Listed Companies" award from the China Association for Public Companies.

The Board of Directors implemented national policies and financial regulatory requirements, adhered to the political and people-oriented nature of financial work, continuously optimized corporate governance operating mechanisms, and coordinated development and security, as well as science-based deliberation and decision-making. The Board of Directors strengthened top-level institutional design, advanced the systematic revision the Company's Articles of Association, the reform of the Board of Supervisors and the transition of its responsibilities, and simultaneously revised and improved the supporting policies for corporate governance, such as the *Rules of Procedure for Shareholders' Meeting* and the *Rules of Procedures for the Board of Directors*, in a coordinated manner, thereby further enhancing the rationality and effectiveness of corporate governance. It continuously improved its governance structure and completed the additional appointment of directors, members of special committees under the Board of Directors, and Senior Management members in a smooth and orderly manner. Focusing on priorities such as the "15th Five-Year Plan", the Board of Directors actively conducted thematic research on ESG, AI and data application, guiding the science-based planning and strategic decision-making for the Company.

The Board of Supervisors fully exercised its oversight responsibilities across key areas, including development strategy, duty performance, financial management, business decision-making, risk management, capital management, internal control and compliance, data governance, and related-party transactions, continuously strengthened its oversight capacity building, enhanced research-driven empowerment, and continuously improved the quality and effectiveness of its oversight. Following the dissolution of the original Board of Supervisors, the Audit and Related Party Transaction Control Committee under the Board of Directors exercised the corresponding powers and responsibilities of the Board of Supervisors as stipulated in the *Company Law of the People's Republic of China* and other laws and regulatory provisions.

The Senior Management diligently implemented the resolutions of the Board of Directors and the supervisory recommendations of the Board of

Supervisors, actively integrated itself into and served the new development paradigm, diligently advanced the "Five Priorities" of the financial sector, remained committed to building a value bank, and accelerated the development of "Intelligent Industrial Bank". The Company's various operations continued to grow steadily, with the interests of all shareholders and stakeholders effectively safeguarded.

#### 4.1.1.1 Shareholders and the Shareholders' Meeting

During the reporting period, in accordance with relevant laws and regulations, the Articles of Association, and the rules of procedure for the Shareholders' Meeting, the Company convened and held the Annual Shareholders' Meeting for 2024 and the First Extraordinary Shareholders' Meeting for 2025 through a combination of on-site attendance and online voting. 14 proposals were reviewed and approved, including the Board of Directors' report, the Board of Supervisors' report, the annual report, financial budgets and final accounts, profit distribution, the capital management plan, the issuance of capital bonds, the issuance of financial bonds, the engagement of an accounting firm, the election of directors, the amendment of the Articles of Association, and the revision of the rules of procedure for the Shareholders' Meeting and the Board of Directors. Additionally, five reports were presented, covering the evaluation of major shareholders, independent directors' work report, performance evaluation of directors, supervisors and senior management members, and related-party transactions. In the meantime, the Company continuously improved its communication channels with shareholders by listening to investors' opinions and suggestions, so as to ensure that the shareholders' right to know, the participation right and voting right for the major events in the Company could be exercised in accordance with the laws and regulations. During deliberation, where there are significant matters involving the interests of small and medium investors, the votes of small and medium investors were counted separately and disclosed.

#### 4.1.1.2 Directors and the Board of Directors

As at the end of the reporting period, the Company's Board of Directors consisted of 14 directors, including 11 non-executive directors (of whom five were independent non-executive directors) and three executive directors. There are five committees under the Board of Directors, namely the Strategy and ESG Committee, the Risk Compliance and Consumer Protection Committee, the Audit and Related Party Transaction Control Committee, the Nomination Committee and the Remuneration and Evaluation Committee. With the exception of the Strategy and ESG Committee, the other four committees are chaired by independent directors. During the reporting period, the Company held seven meetings of the Board of Directors, 23 meetings of all committees of the Board of Directors and four special meetings of independent directors, and considered or listened to 260 proposals accumulatively, giving play to the Board of Directors' decision-making role in formulating development strategies, setting up business plans, driving institutional and mechanism reforms, promoting digital and intelligent transformation, strengthening capital management, strengthening the Group's consolidated management, intensifying internal risk control, and practicing the ESG development philosophy. The Company continuously improved the decision-making and transmission mechanism of the Board of Directors, continuously improved the corporate governance mechanism and enhanced the efficiency of the operation of corporate governance. During the reporting period, the Company issued more than 40 communication letters of the Board of Directors, all of which were effectively implemented and received feedback.

Based on the principles of objectivity, independence and prudence, independent directors gave full play to their expertise and rich experience, and offered advice and suggestions from the perspective of protecting the interests of investors and stakeholders, thus playing a positive role in strengthening the rationality of decisions made by the Board of Directors and promoting the sustainable and steady development of the Company's business. Independent directors expressed their independent opinions on a number of major issues, such as periodic financial reports, annual and interim profit distribution plans, engagement of an accounting firm, nomination of directors and senior management members, remuneration plans for senior management members, and material related party transactions in an objective and fair manner. They also placed a particular focus on strategic planning, consolidated management, risk management, write-off of bad debts, audit and remediation, internal control, technology development, the implementation of advanced capital measurement approaches, and other matters. In this manner, they made contributions to promoting the normal operation of related matters under the effective supervision and management of the Board of Directors, and ensured the relevant procedures and contents were lawful and compliant. Serving as the chairman and member of the special committees under the Board of Directors, respectively, each independent director paid close attention to the operational standardization and procedural legality of the Board of Directors and the special committees under the Board of Directors, and assisted the Board of Directors in making rational decisions to effectively improve the quality and efficiency of decisions made by the Board of Directors.

The Company established a science-based process for director selection, nomination and election, continuously strengthened the diversity and independence of the Board of Directors, enhanced the rationality and professionalism of the composition of special committees under the Board of Directors, valued the professional knowledge and skills of its directors, and was committed to building a membership structure that is increasingly diverse in terms of discipline, region, gender and occupation, thereby making the Board of Directors' decisions more rational and well-informed. Executive directors had long been engaged in banking operations and management. They possessed extensive banking expertise and rich experience in operations and management, and were familiar with the Bank's internal operations and management. Non-executive directors included both seasoned professionals with extensive experience in economics and finance, as well as authoritative experts in accounting, ESG, audit, risk control, and technology. Among them, all the independent non-executive directors were well-known experts in fields such as finance, technology and ESG, familiar with relevant policies, laws and regulatory rules, and possessed a deep understanding of the development of the banking industry. The Board of Directors had three female directors, accounting for 21.43% of all directors.

Name	Title	Gender	Committee	Professional Background
Lyu Jiabin	Chairman, Executive Director	Male	Strategy and ESG Committee	Finance (Banking)
Chen Xinjian	Vice Chairman, Executive Director, President	Male	Strategy and ESG Committee	Finance (Banking)
Huang Hanchun	Non-executive Director	Male	Risk Compliance and Consumer Protection Committee, Remuneration and Evaluation Committee	Finance, Accounting
Qiao Lijian	Non-executive Director	Female	Audit and Related Party Transaction Control Committee	Finance, Financial Management
Zhang Wei	Non-executive Director	Male	Audit and Related Party Transaction Control Committee	Financial Management, Auditing
Zhu Kun	Non-executive Director	Male	Risk Compliance and Consumer Protection Committee	Finance, Risk Control
Yu Hua	Non-executive Director	Male	Nomination Committee	Finance (Insurance)
Chen Gongxian	Non-executive Director	Male	Risk Compliance and Consumer Protection Committee	Economics, Auditing
Sun Xiongpeng	Executive Director, Vice President	Male	Strategy and ESG Committee	Finance (Banking)



Name	Title	Gender	Committee	Professional Background
Ben Shenglin	Independent Non-executive Director	Male	Risk Compliance and Consumer Protection Committee, Nomination Committee	Finance (Banking)
Xu Lin	Independent Non-executive Director	Male	Strategy and ESG Committee, Audit and Related Party Transaction Control Committee, Remuneration and Evaluation Committee	Finance, ESG
Wang Hongmei	Independent Non-executive Director	Female	Strategy and ESG Committee, Audit and Related Party Transaction Control Committee, Nomination Committee	Technology, ESG
Zhang Xuewen	Independent Non-executive Director	Male	Audit and Related Party Transaction Control Committee, Remuneration and Evaluation Committee	Finance (Banking)
Zhu Yuhong	Independent Non-executive Director	Female	Risk Compliance and Consumer Protection Committee, Nomination Committee	Finance, Technology

#### 4.1.1.3 Supervisors and the Board of Supervisors

During the reporting period, the former Board of Supervisors of the Company had five supervisors, including one shareholder supervisor, two employee supervisors and two external supervisors. Under the Board of Supervisors, two special committees were established, namely, the Supervision Committee and the Nomination, Remuneration and Evaluation Committee. The Board of Supervisors, which placed the interests of shareholders and the Company as the top priority, fulfilled its supervisory duties and was actively engaged in the special research and the audit investigation, guided internal audit work and regularly communicated with external auditors. The Board of Supervisors oversaw the Company's development strategies, financial activities, business decision-making, risk management, capital management, internal control, corporate governance, related party transactions and the duty fulfillment of the Board of Directors and the Senior Management according to the law. During the reporting period, the Company held six meetings of the Board of Supervisors and two meetings of the special committees under the Board of Supervisors to consider or listen to 41 proposals to have an in-depth understanding of the Company's operation and management status and effectively perform various supervisory duties. In addition, the members of the Board of Supervisors supervised the decision-making process of the Company's major matters by attending shareholders' meetings, meetings of the Board of Directors and its committees and meetings of the Senior Management.

Following the principles of fairness, objectivity and prudence, the external supervisors performed their supervisory duties in a diligent, faithful, professional and compliant manner, and comprehensively supervised issues such as development strategies, business performance, financial reports, profit distribution, internal control, risk management, consolidated management, remuneration management and the implementation of the resolutions of the Shareholders' General Meeting. They also supervised the Board of Directors in establishing a sound development strategy and prudent business philosophy, and supervised the Company's risk management and internal control and urged remediation, and promoted the lawful and

compliant operations of the Company, thereby boosting the sustainable and sound development of the Company. External supervisors held positions such as the chairman and members of the committees under the Board of Supervisors, expressed opinions and made suggestions in an independent, professional and objective manner, and promoted the fair treatment of all shareholders by the Company so as to safeguard the legitimate rights and interests of stakeholders.

Approved by the NFRA, the revised Articles of Association of the Company took effect on December 26, 2025. The Board of Supervisors was subsequently dissolved, and the five supervisors stepped down accordingly. The powers of the Board of Supervisors, as stipulated in the *Company Law of the People's Republic of China* and regulatory requirements, were assumed by the Audit and Related Party Transaction Control Committee under the Board of Directors.

#### 4.1.1.4 Senior Management

As at the end of the reporting period, the Company had six senior management members, including one president and five vice presidents. With the authorization by laws and regulations, the Articles of Association and the Board of Directors, the president took responsibilities for organizing operations and management activities, implementing the resolutions of the Shareholders' Meeting and the Board of Directors, and formulating the annual business plans and investment plans, financial budgets and final accounts plans, basic management rules and specific regulations.

13 committees were established under the Company's Senior Management, namely, the Strategy Promotion Committee, the Digital Transformation Committee, the Assets and Liabilities Management Committee, the Investment Decision Committee, the Risk Management Committee, the Internal Control Committee, the Special Assets Operation and Management Committee, the Business Continuity Management Committee, the Commodity Purchase Committee, the Internal Accountability Committee, the Credit Approval Committee, the Investment Review Committee, and the Group Consolidated Management Committee.

#### 4.1.1.5 Related party transactions

During the reporting period, the Company continued to strengthen the management of related party transactions, strictly complied with the regulatory provisions of the NFRA, the CSRC and the Shanghai Stock Exchange, as well as the Articles of Association of the Company. By strengthening the review of fairness and compliance in related party transactions, enhancing pre-approval procedures, and tightening control over transaction limits, the Company earnestly fulfilled the obligations of approval, reporting and disclosure of related party transactions, thereby ensuring the effective operation of its related party transaction management mechanism. The Company identified related parties based on the principles of “substance over form” and “penetration”. Equity directors consciously fulfilled their avoidance obligations when the Board of Directors considered proposals on related party transactions of shareholders. According to the latest regulatory regulations, related party transactions that should be disclosed were submitted to the Board of Directors for consideration after being submitted to a special meeting of independent directors for consideration and approval in strict accordance with the requirements of the *Measures for the Administration of Independent Directors of Listed Companies* and other rules. Meanwhile, the related party transactions between the Company and each related party strictly followed the principles of fairness, openness and equivalence, with fair and reasonable transaction terms no more favorable than those offered to non-related parties for similar transactions. The pricing of the transactions was fair, which effectively protected the overall interests of the Company and all shareholders and promoted the standardized and sustainable development of the relevant business of the Company.

#### 4.1.1.6 Information disclosure and investor relations

The Company thoroughly implemented the *Securities Law of the People's Republic of China* and various regulatory requirements, strictly fulfilled statutory obligations of information disclosure, and carried out information disclosure in accordance with the law. During the reporting period, the Company conscientiously prepared and disclosed regular reports to highlight the Company's strategic initiatives and transformation outcomes, fully demonstrate the internal logic from strategic planning to execution of business strategies, and ultimately to value creation and realization in the form of “Data + Cases”, and present, from multiple perspectives, the pathway through which business value is transformed into investment value. The Company promptly disclosed material information to ensure investors' equal right to be informed. It formulated and released the *Evaluation Report on the 2024 Action Plan and the 2025 Action Plan for “Corporate Value and Return Enhancement”* along with its semi-annual evaluation report, set targeted improvement goals and measures in areas such as business operations, corporate governance, and investor returns in response to investor needs, and conducted regular assessments. The Company advanced the work related to Basel III Pillar 3 disclosures, and standardized its work on insider information confidentiality and the registration and filing of insiders to effectively prevent the risks of insider information leakage and insider trading.

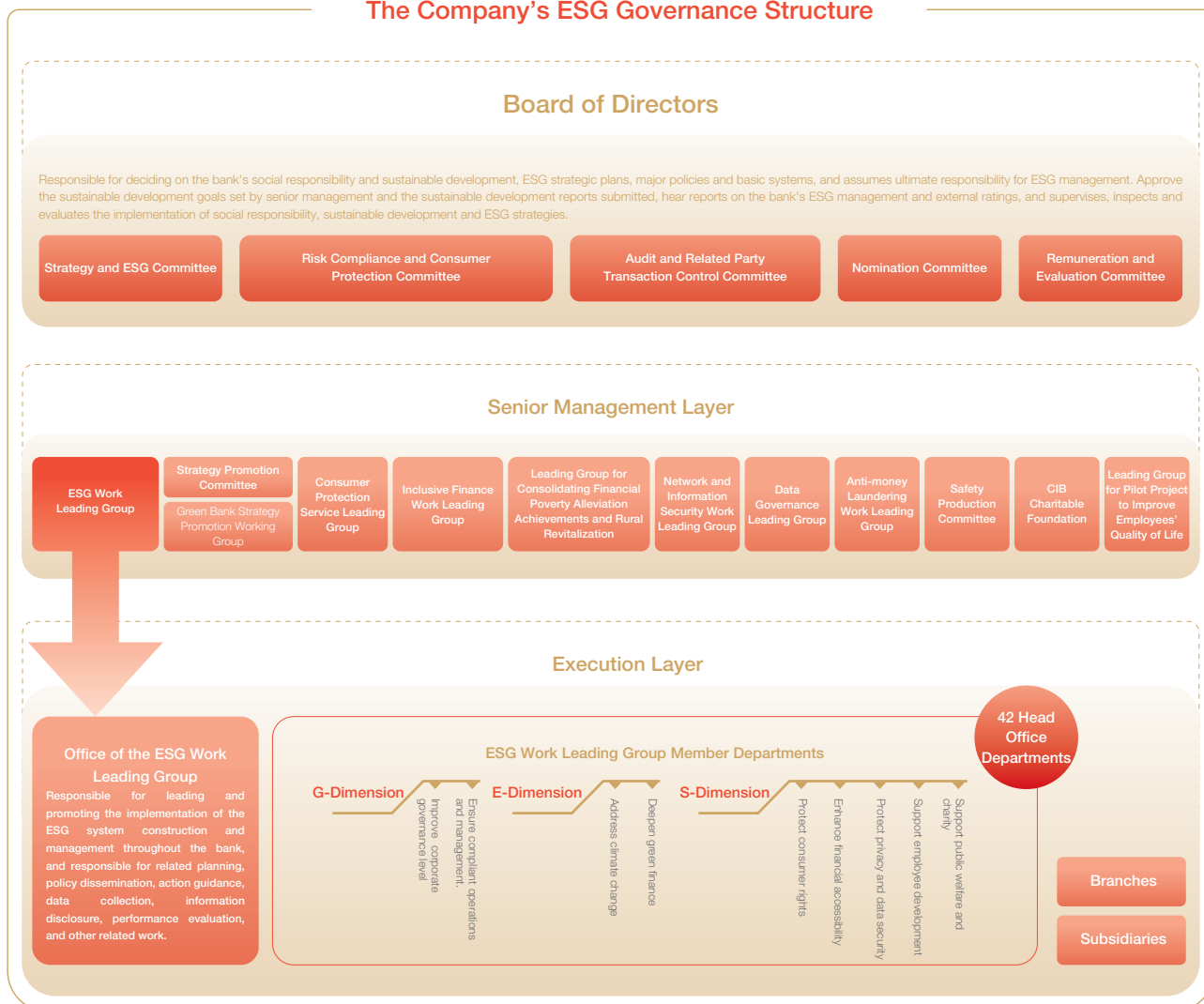
During the reporting period, the Company strengthened top-level design, formulated the *Market Value Management Policy* and the *Valuation Enhancement Plan*, organized the bank-wide training, and consolidated synergies for market value management. Through four results briefings, two shareholders' meetings and multiple domestic and international roadshows, the Company's Senior Management systematically presented the CIB story of building a value bank, enhancing the “five core capabilities,” and leveraging differentiated strengths to advance the “Five Priorities”, conveying business highlights and enhancing market recognition. During the reporting period, the Company conducted over 100 investor exchange activities, including institutional roadshows, research meetings with securities firms, strategy conferences, and one online collective investor reception day. Centered on the themes of technology finance, green finance, and “commercial banking + investment banking”, the Company carried out three events of “key regions + featured branches” for targeted communication, continuously deepening market recognition of the Company's value. At the same time, the Company continuously addressed the concerns of small and medium-sized investors on a regular basis through channels such as the investor relations hotline, email, and the SSE E-interactive Platform. All investor reception and exchange activities were documented in accordance with regulatory requirements, and relevant records were properly preserved. The Company adopted innovative external communication methods by integrating the Group's retail IP “Xingfulong” into the annual performance briefing and using short videos featuring quotes from the management for the first time, to enhance the interactivity and influence of its external communication. In addition, the Company strengthened capital communication with multiple entities, and received increased holdings from major shareholders, index funds and insurance funds, thereby continuously optimizing its equity structure. In response to regulatory calls, the Company promoted the implementation of interim dividends to enhance investor returns and communicate the Company's value.

#### 4.1.1.7 Sustainable development and ESG management

As a pioneer in the field of ESG, Industrial Bank upholds the philosophy of “integrating righteousness with profit”, thoroughly implements the new development philosophy, and proactively responds to the national strategies of carbon peaking and carbon neutrality, common prosperity, and technological innovation. It positions ESG as an effective connector to advance the coordinated development of the “Five Priorities” of the financial sector, and as a defining feature for high-quality development. With a focus on strengthening management mechanism, the Bank has proactively refined its ESG organizational structure and institutional framework, continuously promoting its sustainable development to reach new heights.

**Optimizing the ESG governance structure.** The Company upholds the concept of sustainable development and has established a group-wide ESG management framework featuring top-down coordination across the decision-making, management, and execution levels of the Head Office, branches and subsidiaries. This integrated structure ensures that each ESG

## The Company's ESG Governance Structure



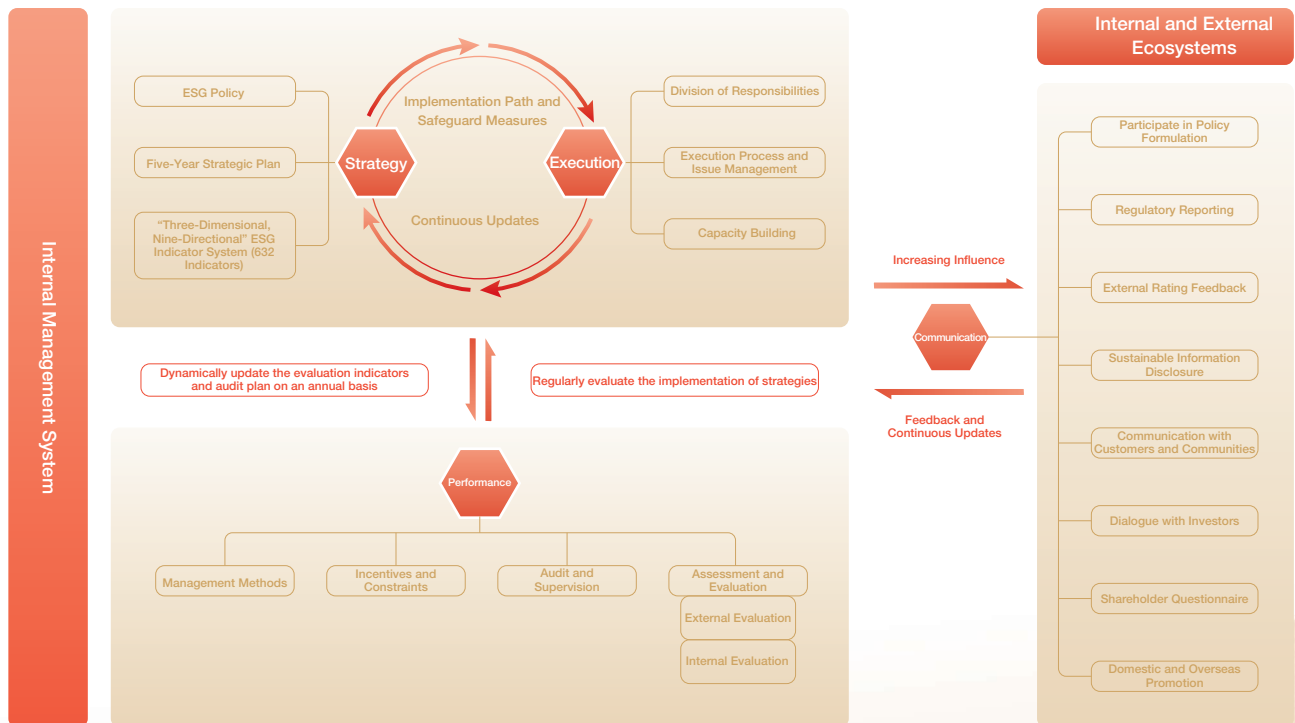
topic is decided by the Board of Directors, deployed by the management, and carried out by the executives, thereby advancing the integration of ESG into operations and management. **Strengthening the decision-making mechanism.** The Board of Directors bears ultimate responsibility for ESG and sustainable development management of the Company. It is responsible for determining ESG and sustainable development strategic planning, major policies and fundamental systems, approving sustainability reports, and supervising, inspecting, and evaluating the implementation of ESG and sustainable development strategies. The Strategy and ESG Committee has been established under the Board of Directors, which is chaired by the Chairman, with directors possessing ESG expertise included in the Board of Directors to build an industry-leading ESG decision-making mechanism. Other special committees under the Board of Directors are respectively responsible for evaluating, deciding on, and supervising ESG topics within their respective scopes of responsibility, effectively integrating ESG into overall corporate governance and management and making coordinated efforts to ensure the orderly management of various ESG topics. In 2025, the Board of Directors and its special committees reviewed a total of 30 ESG-related proposals. Based on the review outcomes, the Board of Directors issued formal communication letters to convey relevant opinions, thereby promoting improvement in ESG management. **Establishing a**

**policy system.** In 2023, the Board of Directors formulated and issued the *ESG Policy*, which serves as the guiding document for the Company's ESG management. From 2024 to 2025, the Board of Directors reviewed and promoted the issuance of the *Sustainable Development Management Measures* on two occasions, establishing a closed-loop management system and a "three-dimensional, nine-directional" governance framework (The "three-dimensional, nine-directional" governance framework refers to the Company's ESG topic framework. The "three dimensions" refer to the three core dimensions of Environmental, Social, and Governance. The "nine directions" refer to nine sustainable development directions under these three core dimensions, including deepening green finance, addressing climate change, protecting consumer rights and interests, enhancing financial service availability, safeguarding privacy and data security, supporting employee development, promoting charitable initiatives and public welfare, improving corporate governance, and ensuring compliant operations and management). From 2023 to 2025, the Company issued the *Annual Key Work Priorities for the Development of the ESG Management System* for three consecutive years, clarifying work requirements and division of responsibilities. Head Office departments developed supporting policies for key areas such as green finance, green operations, climate risk, inclusive finance, rural revitalization, consumer protection, privacy and data security, and human resource management.

**Improving ESG implementation and management.** The Company is committed to building a “closed-loop” ESG management system consisting of four key modules: Strategy, Execution, Communication, and Performance. This system integrates the internal management framework with the broader internal and external ecosystem, ensuring the effective alignment of goal decomposition, responsibility implementation, two-way communication, as well as evaluation and incentives. **At the strategic level,** sustainable development goals are decomposed into a series of policies, plans, and indicators. **At the execution level,** ESG responsibilities and implementation procedures are clearly defined for institutions at all levels to promote the effective execution of ESG strategies. **At the communication level,** communication and coordination are strengthened through participation in policy formulation, regulatory reporting, external rating assessments and feedback, investor engagement, customer and community communication, sustainable information disclosure, stakeholder surveys, and domestic and international promotional activities. **At the performance level,** relying on the internal evaluation system and audit supervision mechanism, the Company regularly conducts assessments and provides feedback based on external evaluations and the annual progress of the development of the

ESG management system. This helps ensure effective implementation of strategies and continuously improves the overall quality and effectiveness of ESG management across the Bank. In 2025, the Company strengthened internal audit supervision, as well as external assurance and supervision. In terms of internal audit, the Company adheres to a combination of full coverage and a focus on key areas, and continuously expands both the depth and breadth of supervision. It applies strict and pragmatic standards, strengthens rectification and follow-up inspection, and effectively promotes the transformation of audit outcomes into governance effectiveness and development momentum. Through robust audit and supervision, the Company ensures the standardized and orderly implementation of strategies, as well as operations and management. In terms of external assurance, since 2019, the Company has engaged independent third-party institutions for seven consecutive years to conduct assurance on key indicators in its annual sustainability reports. The scope covers critical areas such as green finance, operational carbon emissions, consumer protection, inclusive finance, charitable initiatives and public welfare, business ethics, and human resource management, thereby enhancing data transparency and credibility.

### The Company’s ESG “Closed-Loop” Management System





## 4.1.2 Special committees under the Board of Directors

### 4.1.2.1 Strategy and ESG Committee

As at the end of the reporting period, the Strategy and ESG Committee consisted of five members, namely Lyu Jiajin, Chen Xinjian, Sun Xiongpeng, Xu Lin and Wang Hongmei, and Lyu Jiajin served as the Chairman.

#### Meeting dates and contents

In 2025, the Company's Strategy and ESG Committee held a total of six meetings on February 20, March 26, June 26, August 27, October 30, and December 18, respectively, reviewing a total of 33 proposals and listening to three reports. Key proposals included the work report of the Board of Directors, President's work report, sustainable development report, profit distribution plan, capital management plan, formulation of the *Market Value Management System*, the *2025 Valuation Enhancement Plan* and the Action Plan on Corporate Value and Return Enhancement, amendment of the Articles of Association, revision of the rules of procedure for the Shareholders' Meeting and the Board of Directors, the 2025 recovery plan, write-off of large bad debts, and the Group's consolidated management report.

The Strategy and ESG Committee under the Board of Directors actively fulfilled its duties, reviewed and deliberated on major matters, supervised the implementation of resolutions approved by the Shareholders' Meeting and the Board of Directors, and continuously promoted the sound and steady development of the Company's various businesses. The Committee demonstrated keen insight into and a firm grasp of changes in the external environment, diligently studied key matters related to operations and management, and focused on enhancing five core capabilities in strategic execution, customer service, investment and trading, comprehensive risk management, and management efficiency to support the development of a value bank and safeguard the Group's high-quality development. The Committee reviewed and approved proposals including the amendment of the Articles of Association, the revision of the rules of procedures for the Shareholders' Meeting and the Board of Directors, and the decision to no longer establish the Board of Supervisors, thereby further implementing the guiding principles of the Central Financial Work Conference, as well as relevant laws, regulations and regulatory requirements, improving the Company's corporate governance operating mechanisms, and solidifying the institutional foundation of its corporate governance. The Committee reviewed and approved proposals regarding the formulation of the market

value management policy, the formulation of the valuation enhancement plan, and the action plan on corporate value and return enhancement. It focused on routine operations and management as its fundamental task, and steadily enhanced investor returns by maintaining the predictability of dividends, attracting stable medium and long-term capital, and ensuring share price stability. The Committee reviewed or listened to proposals regarding the *Group Consolidated Management Report*, and called for continued enhancement of corporate governance of subsidiaries, further enabling subsidiaries to leverage their respective licenses, while also enhancing the management of overseas branches. The Committee listened to proposals regarding the report on ESG performance, established a closed-loop management system comprising four modules of "Strategy, Execution, Communication and Performance", maintained a leading position in ESG rating, and achieved comprehensive improvement in ESG management capabilities and performance.

### 4.1.2.2 Risk Compliance and Consumer Protection Committee

On December 26, 2025, the NFRA approved the latest Articles of Association, and the former Risk Management and Consumer Protection Committee under the Board of Directors was renamed the Risk Compliance and Consumer Protection Committee. As at the end of the reporting period, the Risk Compliance and Consumer Protection Committee consisted of five members, namely Ben Shenglin, Huang Hanchun, Zhu Kun, Chen Gongxian and Zhu Yuhong, and Ben Shenglin served as the Chairman.

#### Meeting dates and contents

In 2025, the Risk Compliance and Consumer Protection Committee of the Company held a total of five meetings on March 26, June 26, August 27, October 29 and December 18, respectively, reviewing a total of 41 proposals and listening to 10 reports. Key proposals included the report on liability quality management, group risk appetite implementation plan, revision of management measures for AML work, AML compliance management report, revision of measures for the management of interest rate risk in the banking book, revision of measures for business continuity management, revision of measures for the management of market risks, write-off of large bad debts, comprehensive risk management report, report on model update and verification of the expected credit loss methodology, liquidity management report, stress testing progress report, data governance report, personal information protection report, consumer protection report, revision of management measures for consumer protection review, 2025-2026 recovery plan of Hong Kong Branch, etc.

The Risk Compliance and Consumer Protection Committee under the Board of Directors made sound assessments of internal and external conditions, guided the Company in orderly advancing the reform of its risk management systems and mechanisms, and continuously improved its comprehensive risk management capabilities. The Committee implemented the *Measures for the Compliance Management of Financial Institutions*, facilitated the renaming of the committee, and performed the relevant compliance management duties. The Committee carefully evaluated various risks faced by the Company's operations, thoroughly understood the Company's risk compliance and consumer protection status, and regularly summarized and evaluated various risk control measures. It strengthened the forward-looking nature of risk prevention and control, urged the Company to place greater emphasis on interest rate risk and liquidity risk, implemented the principle of comprehensive risk management, and promoted the integration of business development and risk management. The Committee remained committed to technology empowerment, strengthened data governance, urged the Company to enhance the establishment of an intelligent risk control system, and promoted the AI-empowered comprehensive risk management. Focusing on the management and control of risks in key areas, the Committee continuously and effectively guided the Company in preventing and mitigating risks in credit cards, real estate, and government financing platforms. The Committee conducted an in-depth analysis of the root causes of non-performing project risks and strengthened the management of written-off assets with records maintained to consolidate the asset quality of the Group. The Committee adhered to the people-centered development philosophy and the customer-centered business philosophy, deepened the development of the consumer protection system and mechanism and expanded the scope of consumer protection matters discussed at meetings, so as to continuously improve the quality and effectiveness of consumer protection performance.

#### 4.1.2.3 Audit and Related Party Transaction Control Committee

As at the end of the reporting period, the Audit and Related Party Transaction Control Committee consisted of five members, namely Zhang Xuewen, Qiao Lijian, Zhang Wei, Xu Lin and Wang Hongmei, and Zhang Xuewen served as the Chairman.

##### Meeting dates and contents

In 2025, the Company's Audit and Related Party Transaction Control Committee held a total of seven meetings on February 20, March 26, April 22-27, June 26, August 27, October 29 and December 18, respectively, reviewing a total of 22 proposals and listening to 17 reports. Key proposals included annual financial report, financial budget and final accounts report, engagement of an accounting firm, report on related party transactions, internal audit work report, internal control evaluation report, and report on remediation of internal control audit deficiencies.

The Audit and Related Party Transaction Control Committee under the Board of Directors continuously supervised and verified the authenticity, accuracy, completeness and timeliness of financial report information, and reviewed and approved the 2024 Annual Financial Report, 2025 Interim Financial Report, 2024 Financial Final Accounts Report, and 2025 Annual Budget Plan. The

Committee proactively strengthened its guidance for and communication with external auditors, and provided guidance on the audit and review of financial reports. The Committee held meetings to listen to reports on the 2024 annual audit and the review of the 2025 interim financial statements. The Committee continuously supervised and guided internal audit and internal control work, reviewed and approved reports regarding the audit project plan, internal audit work status, internal control evaluation and annual regulatory circulations, and listened to reports on the rectification of internal control audit deficiencies, the special audit of the development and implementation of performance evaluation and remuneration mechanism, etc. Meanwhile, the Committee effectively fulfilled its role of auditing and supervising in business operations and management, risk and issue identification, and management improvement. It conducted discussions with the internal audit department and research on subsidiary audits to learn about audit findings and remediation progress in a timely manner, so as to promote effective audit remediation. The Committee required the internal audit department to continuously strengthen team building to enhance audit quality. It ensured the proper review of related party transactions by reviewing material related party transaction limits and the general related party transactions. These efforts aimed to ensure compliance and fairness in transactions with related parties, thereby safeguarding the interests of the Company and all shareholders. For detailed information on the Committee's performance, please refer to the *2025 Work Report of the Audit and Related Party Transaction Control Committee under the Board of Directors of Industrial Bank Co., Ltd.*, as disclosed on the website of the Shanghai Stock Exchange.

#### 4.1.2.4 Nomination Committee

As at the end of the reporting period, the Nomination Committee consisted of four members, namely Wang Hongmei, Yu Hua, Ben Shenglin and Zhu Yuhong, and Wang Hongmei served as the Chairwoman.

##### Meeting dates and contents

In 2025, the Company's Nomination Committee held a total of four meetings on February 20, March 26, April 29 and December 18, respectively, reviewing five proposals in total. Key proposals included nomination of directors, additional appointment of committee members, appointment of Vice Presidents, and appointment of senior management members.

The Nomination Committee under the Board of Directors, taking into full consideration the requirements of corporate governance, actual business operations, and members' professional backgrounds, reviewed the qualifications and conditions for the appointment of directors, Vice Presidents and Chief Compliance Officer, and submitted its opinions to the Board of Directors for review. In light of changes to the Board's composition, and based on the functions of each committee as well as directors' expertise, experience, and representativeness, the Committee assisted the Board of Directors in optimizing and adjusting the composition of its subordinate committees, timely filling vacancies, and continuously strengthening the organizational structure of the Board of Directors, effectively ensuring the orderly coordination and compliant operation of all committees.



#### 4.1.2.5 Remuneration and Evaluation Committee

As at the end of the reporting period, the Remuneration and Evaluation Committee consisted of three members, namely Xu Lin, Huang Hanchun and Zhang Xuewen, and Xu Lin served as the Chairman.

##### Meeting date and contents

The Company's Remuneration and Evaluation Committee held a meeting on March 26, 2025, during which four proposals were reviewed. Key proposals included the evaluation report on directors' performance, remuneration allocation plan for senior management members, report on the clawback of performance-based compensation, etc.

The Remuneration and Evaluation Committee under the Board of Directors, focusing on the Company's development strategy and annual business objectives, conducted evaluations on the performance of senior management members in 2024 based on performance assessment standards and procedures, proposed the 2024 remuneration plan for senior management members, and submitted it to the Board of Directors for review. The Committee performed a comprehensive review of each director's performance over the past year and compiled a duty-performance evaluation report, concluding that all directors diligently implemented the national economic and financial policies and regulatory requirements, actively participated in meetings of the Board of Directors and relevant committees, and fulfilled their duties with integrity and diligence, and that independent directors effectively leveraged their professional expertise and extensive industry experience to provide valuable insights and suggestions, playing a positive role in strengthening the rationality of decisions made by the Board of Directors and promoting the sustainable and steady development of the banking business. The Committee reviewed and approved the 2024 report on the clawback of performance-based compensation, further improving the incentive and constraint mechanisms of performance-based compensation.

#### 4.1.3 Special committees under the Board of Supervisors

##### 4.1.3.1 Supervision Committee

During the reporting period, the Supervision Committee consisted of three members, namely Sun Zheng, Yu Zusheng, and Zhu Qing, and Sun Zheng served as the Chairman.

##### Meeting date and contents

The Company's Supervision Committee held a meeting on March 26, 2025, during which three proposals were reviewed and two reports were listened to. Proposals included the Committee's work report, annual financial report, business performance and financial final accounts report, internal control evaluation report, and risk management report.

The Supervision Committee assisted the Board of Supervisors in continuously improving the oversight system and reinforcing the institutional foundation of corporate governance. Meetings were convened in accordance with laws and regulations, and statutory supervisory duties were duly performed. The Committee oversaw the Company's business decisions, financial activities, risk management, and internal control. By accurately assessing external macroeconomic conditions and potential risks, and aligning with the Company's actual operation and management, the Committee deepened supervision of key areas, made constructive suggestions, effectively fulfilled its oversight role, and contributed professional value.

##### 4.1.3.2 Nomination, Remuneration and Evaluation Committee

During the reporting period, the Nomination, Remuneration and Evaluation Committee consisted of three members, namely Zhu Qing, Yu Zusheng and Zhang Guoming, and Zhu Qing served as the Chairman.

##### Meeting date and contents

The Company's Nomination, Remuneration and Evaluation Committee held a meeting on March 26, 2025, during which three proposals were reviewed and one report was listened to. Proposals included the Committee's work report, duty-performance evaluation report of directors, supervisors, and senior management members, special audit report on the development and implementation of the performance evaluation and remuneration mechanism, etc.

The Nomination, Remuneration and Evaluation Committee assisted the Board of Supervisors in improving the corporate governance operating system and enhancing the effectiveness of corporate governance. It provided guidance to the internal audit, followed the development and implementation of the performance evaluation and remuneration mechanism, and oversaw the standardized operation of relevant mechanisms. The Committee conducted a duty-performance evaluation of directors, supervisors, and senior management members, thereby enhancing the quality and efficiency of corporate governance bodies.

#### 4.1.4 Explanation by the Board of Supervisors on identified risks

During the reporting period, the Board of Supervisors raised no objections regarding the matters under supervision.

#### 4.1.5 Remediation of issues identified in the special self-inspection on corporate governance of listed companies

The Company conducted a thorough review based on the special self-inspection checklist for corporate governance. Issues identified in previous years' self-inspections have been fully remediated. During the reporting period, no significant discrepancies were found between the Company's actual corporate governance practices and the requirements of laws, administrative regulations, and relevant regulatory documents issued by the China Securities Regulatory Commission concerning the governance of listed companies.

#### 4.1.6 Changes of directors, supervisors and senior management members

##### 4.1.6.1 Changes of shareholdings and remuneration of existing and outgoing directors, supervisors and senior management members during the reporting period

Name	Position	Gender	Date of birth	Term	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Total remuneration/ allowances from the Company during the reporting period (before tax) (RMB10,000)	Whether received remuneration from the Company's related party
Lyu Jiabin	Chairman	Male	1968.09	2021.07.26-2027.06.19	-	-	160.58	No
Chen Xinjian	Vice Chairman	Male	1967.10	2023.10.11-2027.06.19	150,000	150,000	160.58	No
	President			2023.10.11-2027.06.19				
Huang Hanchun	Director	Male	1960.04	2025.02.25-2027.06.19	-	-	-	Yes
Qiao Lijian	Director	Female	1973.02	2023.08.30-2027.06.19	-	-	-	Yes
Zhang Wei	Director	Male	1980.02	2025.09.02-2027.06.19	-	-	-	Yes
Zhu Kun	Director	Male	1978.08	2024.06.25-2027.06.19	-	-	-	Yes
Yu Hua	Director	Male	1970.04	2025.07.02-2027.06.19	-	-	-	Yes
Chen Gongxian	Director	Male	1968.12	2024.01.31-2027.06.19	-	-	-	Yes
Sun Xiongpeng	Director	Male	1967.04	2021.07.30-2027.06.19	100,000	100,000	146.26	No
	Vice President			2016.08.25-2027.06.19				
Ben Shenglin	Independent director	Male	1966.01	2021.07.30-2027.06.19	-	-	30	No
Xu Lin	Independent director	Male	1962.06	2021.07.30-2027.06.19	-	-	30	Yes

Name	Position	Gender	Date of birth	Term	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Total remuneration/ allowances from the Company during the reporting period (before tax) (RMB10,000)	Whether received remuneration from the Company's related party
Wang Hongmei	Independent director	Female	1961.06	2022.01.25-2027.06.19	-	-	30	No
Zhang Xuewen	Independent director	Male	1962.11	2023.09.25-2027.06.19	-	-	30	No
Zhu Yuhong	Independent director	Female	1963.08	2025.07.14-2027.06.19	-	-	-	No
Yang Liu	Vice President	Female	1969.07	2025.04.28-2027.06.19	-	-	141.57	No
Zhang Min	Vice President	Male	1972.10	2023.02.14-2027.06.19	140,000	140,000	152.49	No
Zhang Ting	Vice President	Male	1969.05	2023.02.14-2027.06.19	-	-	149.42	No
Zeng Xiaoyang	Vice President	Male	1970.09	2023.10.19-2027.06.19	-	-	149.42	No
Lai Furong	Chief Risk Officer	Male	1968.10	2024.12.06-2027.06.19	100,000	100,000	160.43	No
Zhao Chaoqing	Chief Auditor	Male	1966.08	2024.12.06-2027.06.19	-	-	143.44	No
Xia Weichun	Secretary to the Board of Directors	Male	1973.11	2024.12.03-2027.06.19	-	-	159.85	No
Tang Jiakai	Chief Information Officer	Male	1975.10	2024.12.17-2027.06.19	-	-	139.44	No
Zhang Guoming	Former acting convener of the Board of Supervisors	Male	1966.02	2018.08.24-2025.12.26	-	-	142.47	No
Yu Zusheng	Former supervisor	Male	1971.01	2023.05.26-2025.12.26	-	-	-	Yes
Lin Shu	Former supervisor	Male	1972.11	2024.06.20-2025.12.26	-	-	130.99	No
Zhu Qing	Former external supervisor	Male	1957.05	2021.06.11-2025.12.26	-	-	23.675	No
Sun Zheng	Former external supervisor	Male	1957.12	2023.05.26-2025.12.26	-	-	23.675	No

- Note: 1. During the reporting period, the total actual remuneration paid for all directors, supervisors and senior management members amounted to RMB21,042.9 thousand. The remuneration for some of the directors, supervisors and senior management members who served full-time positions in the Company has not been finalized yet. Any changes upon final confirmation will be disclosed separately.
2. The decision-making procedures and criteria for determining remuneration for directors, supervisors and senior management members were as follows: the remuneration for directors, supervisors and senior management were confirmed and paid in accordance with *Regulations of Industrial Bank on Independent Directors' Allowances*, *Regulations of Industrial Bank on External Directors' Allowances*, and relevant policies of Fujian Province on remuneration management for persons in charge of provincial financial institutions. The specific criteria were as follows: directors and supervisors who held full-time positions in the Company should receive remuneration for the positions they held; equity directors and shareholder supervisors who did not hold full-time positions in the Company should receive remuneration from the companies they served. The allowances for independent directors and external supervisors were composed of basic allowance, committee allowance and work subsidy, which should be disbursed in accordance with the provisions stated in *Regulations of Industrial Bank on Independent Directors' Allowances and Regulations of Industrial Bank on External Supervisors' Allowances*, respectively. As for senior management members, the remuneration plan should be prepared by the Remuneration and Evaluation Committee under the Board of Directors and then submitted to the Board of Directors for approval. Meanwhile, the Company has established a deferred payment and clawback mechanism for performance-based compensation, ensuring that remuneration levels are aligned with risk-adjusted performance.
3. None of the directors, supervisors and senior management members of the Company received any punishment from the securities regulatory authority in the past three years.

#### 4.1.6.2 Positions held by directors at shareholder entities as at the end of the reporting period

Name	Shareholder entity	Position	Term Start Date	Term End Date
Qiao Lijian	PICC Life Insurance Company Limited	Vice President	November 2023	Present
		Party Committee member and Chief Financial Officer	September 2023	
		Chief Actuary	December 2021	
Zhang Wei	State Tobacco Monopoly Administration	Deputy Director of the Agency Finance Division of the Finance Department	September 2024	June 2025
		Director of the Agency Finance Division of the Finance Department	June 2025	Present
Zhu Kun	China Everwin Asset Management Co., Ltd. (Related party of Rui Life Insurance Co., Ltd.)	Party Committee member, Assistant to the General Manager, Head of Compliance, Chief Risk Management Officer, Secretary to the Board of Directors	July 2022	Present
Yu Hua	Dajia Life Insurance Co., Ltd.	General Manager	May 2022	Present
		Executive Director	April 2023	
Chen Gongxian	Fujian Investment and Development Group Co., Ltd.	Secretary of the Party Committee	July 2023	Present
		Deputy Secretary of the Party Committee, Vice Chairman of the Board of Directors, General Manager	September 2022	

#### 4.1.6.3 Main work experience and positions or concurrent positions held by directors and senior management members

Lyu Jiajin: Doctoral degree, senior economist, enjoying special government allowance of the State Council. He successively served as the deputy director and the director of Henan Postal Savings and Remittance Bureau, the director of Xinxiang Post Bureau of Henan Province, the deputy director of Henan Post Bureau, the deputy director of Liaoning Post Bureau, the deputy director of the Postal Savings and Remittance Bureau of the State Post Bureau, the executive director, the vice president and the president of Postal Savings Bank of China, the deputy general manager of China Post Group Corporation Limited and the executive director and the president of Postal Savings Bank of China, the executive vice president of Bank of Communications, the executive director and the executive vice president of China Construction Bank; he currently serves as the Secretary of the Party Committee and Chairman of Industrial Bank.

Appointments or concurrent appointments in organizations other than the Company or shareholder entities: none.

Chen Xinjian: Undergraduate academic background, master's degree. He successively served as the director of the Financial Division and director of External Debt Division at Fujian Provincial Department of Finance, vice president of Shanghai Branch of Industrial Bank, vice president (in charge of overall management) and president of Xiamen Branch of Industrial Bank, president of Nanjing Branch of Industrial Bank, president of Beijing Branch of Industrial Bank, and a member of the Party Committee, director, vice president, secretary to the Board of Directors and chief supervisor of Industrial Bank. He currently serves as a Deputy Secretary of the Party Committee, Vice Chairman and President of Industrial Bank.

Appointments or concurrent appointments in organizations other than the Company or shareholder entities: Council member of Fujian Provincial Party Building Research Association (affiliated with the Organization Department of the CPC Fujian Provincial Committee).

Huang Hanchun: University-level degree from the Party School of the CPC Central Committee. He successively served as the deputy director of the Budget Division, director of the State Treasury Division, director of the General Affairs Division, Level I Division Rank Official, and Level II Bureau Rank Official at the Fujian Provincial Department of Finance. Currently, he has retired.

Appointments or concurrent appointments in organizations other than the Company or shareholder entities: none.

Qiao Lijian: Master's degree, senior economist. She successively served as the deputy director and director of the Product Development Division of the Product Development Department of PICC Health Insurance Company Limited, deputy general manager of the Product Development Department/Actuarial Department and director of the Product Development Division of PICC Health Insurance Company Limited, deputy general manager of the Business Development Department, deputy general manager of the Business Management Department/Actuarial Department, and deputy general manager of the Business Management Department of the People's Insurance Company (Group) of China Limited. She currently serves as a member of the Party Committee, the vice president, chief actuary and chief financial officer of PICC Life Insurance Company Limited.

Appointments or concurrent appointments in organizations other than the Company or shareholder entities: executive council member of China Association of Actuaries, member of the Rural Revitalization Special Committee of Insurance Association of China, member of the Financial Accounting Special Committee of Insurance Association of China, representative of member institution of the Insurance Asset Management Association of China, council member of the PICC Charity Foundation, and external postgraduate supervisor at the School of Insurance, Central University of Finance and Economics.

Zhang Wei: Undergraduate academic background and intermediate economist. He successively served as a staff member of Financial Audit Department of China Tobacco Industry Development Center, a staff member of Agency Finance Division of Agency Service Center (Bureau) of State Tobacco Monopoly Administration, a staff member and deputy principal staff member of Agency Finance Division of Finance Management and Supervision Department (Audit Department) of State Tobacco Monopoly Administration, a deputy principal staff member, principal staff member and associate consultant of Finance Division of Finance Management and Supervision Department (Audit Department) of State Tobacco Monopoly Administration, an associate consultant of First Audit Division of Finance Management and Supervision Department (Audit Department) of State Tobacco Monopoly Administration, the Deputy County Mayor of Zhushan County, Shiyan City, Hubei Province (secondment for poverty alleviation), and an associate consultant and Deputy Director of Agency Finance Division of Finance Management and Supervision Department (Audit Department) of State Tobacco Monopoly Administration. He currently serves as the Director of Agency Finance Division of Finance Department of State Tobacco Monopoly Administration.

Appointments or concurrent appointments in organizations other than the Company or shareholder entities: Director of China Tobacco Mauduit (Jiangmen) Paper Industry Co., Ltd.

Zhu Kun: Master's degree. He successively served as the senior manager of the Risk Management and Compliance Department, senior researcher of the Investment Management Department, and assistant to general manager of the Investment Management Department at China Life Asset Management Company Limited. He currently serves as a member of the Party Committee, assistant to general manager, head of compliance, chief risk management officer, and secretary to the Board of Directors at China Everwin Asset Management Co., Ltd.

Appointments or concurrent appointments in organizations other than the Company or shareholder entities: none.

Yu Hua: Undergraduate academic background. He successively served as a Party Committee member and Deputy General Manager of Shanghai Branch of China Pacific Life Insurance Co., Ltd. (hereinafter referred to as "CPIC Life"), General Manager of Individual Business Department of CPIC Life, General Manager of Administration and Human Resources Department of China Pacific Insurance (Group) Co., Ltd., a Party Committee member and Deputy General Manager of CPIC Life, as well as Human Resources Director and General Manager of Human Resources Department, Director of Changjiang Pension Insurance Co., Ltd., and Deputy General Manager and interim person in charge of Dajia Life Insurance Co., Ltd. He currently serves as the Secretary of the Party Committee, Executive Director and General Manager of Dajia Life Insurance Co., Ltd.

Appointments or concurrent appointments in organizations other than the Company or shareholder entities: Adjunct Professor at the School of Continuing Education, Wuhan University.

Chen Gongxian: Undergraduate academic background. He successively served as a deputy principal staff member of the Party Committee of the Fujian Provincial Department of Machinery, deputy principal staff member of the Party Committee, principal staff member of the Party Committee, principal staff member of the Enterprise Division, deputy director of the Enterprise Division, and deputy secretary of the Party Committee and the director of the Investment and Planning Division of the Fujian Provincial Economic and Trade Commission, the director of Investment and Planning Division of Fujian Provincial Commission of Economy and Information Technology, deputy bureau-level inspector of the State-owned Assets Supervision and Administration Commission of Fujian Provincial People's Government and deputy bureau-level inspector of Fujian Provincial Department of Audit; he currently serves as the deputy secretary of the Party Committee, vice chairman and general manager of Fujian Investment and Development Group Co., Ltd.

Appointments or concurrent appointments in organizations other than the Company or shareholder entities: director of Xiamen International Bank Co., Ltd., chairman and general manager of Fujian Industrial Investment Co., Ltd., Secretary of the Party Committee and Chairman (Legal Representative) of Fujian Xiamen-Zhangzhou-Quanzhou Intercity Railway Co., Ltd.

Sun Xiongpeng: Undergraduate academic background, master's degree, senior economist. He successively served as the deputy manager of the International Business Department, and manager of Business Department and Domestic Business Department of Quanzhou Branch of Industrial Bank, assistant to President and Vice President of Quanzhou Branch of Industrial Bank, President of Zhangzhou Branch of Industrial Bank, President of Quanzhou Branch of Industrial Bank, President of Xiamen Branch of Industrial Bank, and President of Fuzhou Branch of Industrial Bank; he currently serves as a member of the Party Committee, Director and Vice President of Industrial Bank.

Appointments or concurrent appointments in organizations other than the Company or shareholder entities: none.

Ben Shenglin: PhD, professor, PhD supervisor. He successively served as senior vice president of ABN AMRO Bank, managing director of HSBC, president of JPMorgan Chase Bank (China) Company Limited, a member of the global leadership team of Global Corporate Bank, Dean of International Business School, Zhejiang University, etc.; he currently serves as a professor and dean of the Academy of Internet Finance of Zhejiang University.

Appointments or concurrent appointments in organizations other than the Company or shareholder entities: professor and dean of Academy of Internet Finance of Zhejiang University, co-director of International Monetary Institute of Renmin University of China, the founder and dean of Beijing Frontier Institute of Regulation & Supervision Technology, member of the International Committee of the All-China Federation of Industry and Commerce, member of the Advisory Expert Group on Non-CPC Intellectuals under the United Front Work Department of the CPC Central Committee, member of the Standing Committee of and Deputy Secretary-General (concurrent) of Zhengjiang Provincial Committee of the Chinese People's Political Consultative Conference and deputy director of the Economic Committee of Zhejiang Province, counsellor of the People's Government of Zhejiang Province, co-chairman of Zhejiang Association of Fintech, the independent director of Zhejiang Orient Financial Holdings Group Co., Ltd., and the independent director of Caitong Securities Co., Ltd.

Xu Lin: Master's degree. He successively served as the Deputy Director General of the Department of Development Planning of the former State Planning Commission, Director General of the Department of Fiscal and Financial Affairs, Director General of the Department of Development Planning, Director of the China Center for Urban Development of the National Development and Reform Commission, chairman of China-US Green Investment Management Co., Ltd. He currently serves as the chairman of China-U.S. Green Fund Management Co., Ltd. and China-U.S. Green Yangtze River Delta (Shanghai) Private Fund Management Co., Ltd.

Appointments or concurrent appointments in organizations other than the Company or shareholder entities: secretary of the CPC Committee and executive president of China Mergers & Acquisition Association, chairman of China-U.S. Green Yangtze River Delta (Shanghai) Private Fund Management Co., Ltd., director of Farsoon Technologies Co., Ltd., chairman of China-U.S. Green Fund Management Co., Ltd., executive partner of Beijing Tonghui Green and Intelligent Enterprise Management Center LLP, executive director of Nanjing Longying Green Management Services Co., Ltd., chairman of China-U.S. Green Juyuan (Nanjing) Investment Management Co., Ltd., executive director of Beijing Duomulin Green Technology Development Co., Ltd., director of Zhejiang Zhenshen Thermal Insulation Technology Co. Ltd., director of Shanghai Geopoly New Materials Co., Ltd., independent director of China Petroleum & Chemical Corporation, director of Shanghai Meihe'an New Energy Technology Co., Ltd., chief supervisor of Chinese Society for Urban Studies, chairman of Beijing Green Finance Association, chairman of the Academic Committee of Pangoal Institution, and senior researcher of China Institute for Development Planning, Tsinghua University.

Wang Hongmei: PhD and professor-level senior engineer. She previously served as the deputy director of the Research Center for Economic and Technological Development of the Ministry of Posts and Telecommunications, general manager of Development Strategy Department of China Mobile Communications Group Co., Ltd., secretary general of the executive organization of China Mobile Charity Foundation, the director of the Reform Office of the Group Corporation, and director of China Mobile's Office in Xiong'an New Area, director of Shanghai Pudong Development Bank Co., Ltd. and director of China Mobile Equity Fund Management Co., Ltd. Currently, she has retired.

Appointments or concurrent appointments in organizations other than the Company or shareholder entities: Director of China Southern Airlines Digital Technology Co., Ltd. and specially appointed expert of China Enterprise Reform and Development Society.



Zhang Xuewen: PhD in economics, senior economist. He previously served as deputy director of the Internal Trade Division II of the Trade Finance Department, deputy director of the Grain Division of the Economy and Trade Department, deputy director and director of the Grain Division of the Economic Development Department, and deputy director general of the Economic Development Department of the Ministry of Finance, assistant to general manager of China Post Group Co., Ltd., executive director and vice president of the Postal Savings Bank of China. Currently, he has retired.

Appointments or concurrent appointments in organizations other than the Company or shareholder entities: deputy chairman of the Financial Accounting Society of China and deputy chairman of the Rural Social Insurance Commission of China Social Insurance Association.

Zhu Yuhong: Undergraduate academic background, master's degree, senior engineer. She successively served as deputy director of the Operation Division of the Computing Center, director of the Operation Management Division of the Technology Department, manager of the Development Division IV of Beijing Development Center of the Information Technology Management Department, manager of the General Business Division of the Information Technology Management Department, assistant to general manager of the Information Technology Management Department, assistant to general manager of the Information Technology Management Department and deputy director of the Beijing Development Center, deputy general manager of the Information Technology Management Department and director of the Beijing Development Center, deputy general manager of the Information Technology Management Department and director of the Beijing Data Center, deputy general manager of the Information Technology Management Department and executive deputy head of the "New Generation Core System" Development Promotion Task Force, general manager of the Financial Technology Department, general manager of the Financial Technology Department (Financial Technology Innovation Committee Office) and director of the Office of China Construction Bank, as well as chairman, executive director, and senior expert of CCB Fintech Co., Ltd. Currently, she has retired.

Appointments or concurrent appointments in organizations other than the Company or shareholder entities: none.

Yang Liu: Doctoral degree with a doctoral postgraduate academic background. She successively served as a cadre at the Department of Western European Affairs of the Ministry of Foreign Affairs, senior executive for China operations at foreign-funded financial institutions such as AXA and HSBC, deputy general manager of ABC Life Insurance Co., Ltd., deputy general manager of the Asset Management Department at Agricultural Bank of China, chairwoman of the Board of Supervisors at ABC Wealth Management Co., Ltd., vice mayor of Ningde Municipal People's Government in Fujian Province (on secondment); she currently serves as Vice President of Industrial Bank.

Appointments or concurrent appointments in organizations other than the Company or shareholder entities: none.

Zhang Min: Undergraduate academic background, master's degree. He successively served as Vice President and General Manager of the Inter-bank Business Department of Yiwu Sub-branch, Hangzhou Branch of Industrial Bank, assistant to President of Hangzhou Branch of Industrial Bank, President of Yiwu Branch of Industrial Bank, Vice President of Ningbo Branch of Industrial Bank, President of Ningde Branch of Industrial Bank, President of Chongqing Branch of Industrial Bank and President of Hangzhou Branch of Industrial Bank; he currently serves as a member of the Party Committee and Vice President of Industrial Bank.

Appointments or concurrent appointments in organizations other than the Company or shareholder entities: member of the Eighth Board of Supervisors of China UnionPay and executive council member of the Eighth Council of Fujian Numismatic Society.

Zhang Ting: Undergraduate academic background, master's degree, senior economist. He successively served as person in charge of Yangqiao office of Industrial Bank, Vice President and President of Gulou Sub-branch, Fuzhou Branch of Industrial Bank, Vice President (person in charge) of Longyan Branch of Industrial Bank, President of Longyan Branch of Industrial Bank, President of Quanzhou Branch of Industrial Bank, President of Ji'nan Branch of Industrial Bank, and President of Beijing Branch of Industrial Bank; he currently serves as a member of the Party Committee and Vice President of Industrial Bank.

Appointments or concurrent appointments in organizations other than the Company or shareholder entities: none.

Zeng Xiaoyang: Master's degree in economics, senior economist. He successively served as Vice President of Quanzhou Branch of Industrial Bank, President of Longyan Branch of Industrial Bank, President of Wuhan Branch of Industrial Bank, General Manager of Corporate Financial Risk Management Department and Chief Approval Officer of Corporate Financial Credit Business of the Head Office of Industrial Bank. He currently serves as a member of the Party Committee and Vice President of Industrial Bank.

Appointments or concurrent appointments in organizations other than the Company or shareholder entities: member of the Risk Management Committee of the Board of Directors of CIPS Co., Ltd.



Lai Furong: Undergraduate academic background, bachelor's degree, senior accountant. He successively served as Vice President and President of Jin'an Sub-branch, Fuzhou Branch of Industrial Bank, Deputy General Manager of the Finance & Accounting Department of Industrial Bank, Vice President of Guangzhou Branch of Industrial Bank, Deputy General Manager of the Planning & Finance Department of Industrial Bank, General Manager of the Audit Department of Industrial Bank and General Manager of the Planning & Finance Department of Industrial Bank. He currently serves as the Chief Risk Officer and General Manager of the Risk Management Department/Credit Management Department of Industrial Bank.

Appointments or concurrent appointments in organizations other than the Company or shareholder entities: none.

Zhao Chaoqing: Master's degree with a postgraduate academic background, principal auditor and senior economist. He successively served as the assistant to manager and deputy manager of the Planning & Finance Department at Fujian Investment and Development Group Co., Ltd. (Zhongmin Company), deputy general manager of Fujian Hongfa Economic Development Corporation (a subsidiary of Zhongmin Company), deputy director of the Supervision and Audit Department at Fujian Construction Engineering Group Co. Ltd., deputy manager and manager of the Finance Department at China Wuyi Co., Ltd., manager of the Planning & Finance Department at Fujian Construction Engineering Group Co., Ltd., assistant to General Manager and Deputy General Manager of the Planning & Finance Department and General Manager of the Operations Management Department at the Head Office of Industrial Bank, and President of Kunming Branch of Industrial Bank; he currently serves as the chief Auditor of Industrial Bank and General Manager of the Audit Department at the Head Office of Industrial Bank.

Appointments or concurrent appointments in organizations other than the Company or shareholder entities: member of the Eighth Council of China Institute of Internal Audit, and council member, executive council member and vice president of the Sixth Council of Fujian Institute of Internal Audit.

Xia Weichun: Master's degree with a postgraduate academic background. He successively served as the secretary (deputy division-level) at the General Office of Fujian Provincial People's Government, assistant to General Manager and Deputy General Manager of the Executive Office at the Head Office of Industrial Bank, President of Ningde Branch, Shijiazhuang Branch, Hong Kong Branch and Shanghai Branch of Industrial Bank; he currently serves as the secretary to the Board of Directors of Industrial Bank and General Manager of the Board of Directors Office at the Head Office.

Appointments or concurrent appointments in organizations other than the Company or shareholder entities: member of the Sustainable Development Committee of the China Association for Public Companies.

Tang Jiakai: Master's degree with a postgraduate academic background, senior engineer. He served as the director at the Software Development Center of the Agricultural Bank of China, technical director of the Microfinance Division at Ant Financial, vice president and chief information officer of Zhejiang E-commerce Bank, senior director of the Scenario-based Finance Division at Alibaba Group, assistant to president and chief information officer at Ping An Bank, and General Manager of Science & Technology Management Department at the Head Office of Industrial Bank; he currently serves as the Chief Information Officer of Industrial Bank.

Appointments or concurrent appointments in organizations other than the Company or shareholder entities: none.

#### 4.1.6.4 Changes in directors, supervisors and senior management members

##### Changes in directors

Mr. Huang Hanchun has served as a director of the Company starting from February 25, 2025 (upon the NFRA's approval of his qualifications).

Mr. Yu Hua has served as a director of the Company starting from July 2, 2025 (upon the NFRA's approval of his qualifications).

Ms. Zhu Yuhong has served as a director of the Company starting from July 14, 2025 (upon the NFRA's approval of her qualifications).

Mr. Zhang Wei has served as a director of the Company starting from September 2, 2025 (upon the NFRA's approval of his qualifications).

##### Changes in supervisors

Since December 26, 2025 (upon the NFRA's approval of the Company's Articles of Association), the Company has no longer established the Board of Supervisors. All special committees under the Board of Supervisors have been dissolved accordingly, and Mr. Zhang Guoming, Mr. Yu Zusheng, Mr. Lin Shu, Mr. Zhu Qing and Mr. Sun Zheng have ceased to serve as supervisors of the Company and in relevant positions on the Board of Supervisors.



### Changes in senior management members

(1) On February 20, 2025, at the 6th meeting of the 11th session of the Board of Directors of the Company, Ms. Yang Liu was appointed as Vice President. Ms. Yang Liu has held office since April 28, 2025 (upon the NFRA's approval of her qualifications).

(2) On December 19, 2025, at the 12th meeting of the 11th session of the Board of Directors of the Company, Mr. Sun Xiongpeng was appointed as the Chief Compliance Officer. Mr. Sun Xiongpeng will assume office once the NFRA approves his qualifications.

### 4.1.7 Directors' performance of duties

#### 4.1.7.1 Directors' attendance at meetings of the Board of Directors and shareholders' meetings

During the reporting period, the Company held seven meetings of the Board of Directors, all of which were on-site meetings. The attendance of directors at meetings of the Board of Directors and shareholders' meetings is as follows:

Name of director	Whether an independent director	Attendance at meetings of the Board of Directors						Attendance at shareholders' meetings
		Expected attendance during the year	Attendance in person	Attendance through teleconference	Attendance by proxy	Absence	Failure to attend in person for two consecutive times	Number of shareholders' meetings attended
Lyu Jiabin	No	7	6	0	1	0	No	2
Chen Xinjian	No	7	7	0	0	0	No	2
Huang Hanchun	No	6	6	0	0	0	No	2
Qiao Lijian	No	7	7	0	0	0	No	2
Zhang Wei	No	2	2	0	0	0	No	0
Zhu Kun	No	7	7	0	0	0	No	2
Yu Hua	No	3	3	0	0	0	No	1
Chen Gongxian	No	7	7	0	0	0	No	2
Sun Xiongpeng	No	7	7	0	0	0	No	1
Ben Shenglin	Yes	7	7	0	0	0	No	2
Xu Lin	Yes	7	7	0	0	0	No	2
Wang Hongmei	Yes	7	7	0	0	0	No	2
Zhang Xuewen	Yes	7	7	0	0	0	No	2
Zhu Yuhong	Yes	3	3	0	0	0	No	1

#### 4.1.7.2 Research visits and training activities of directors and supervisors

During the reporting period, the Company organized six research visits for directors and supervisors, including: ESG research at the Ministry of Ecology and Environment, the National Development and Reform Commission, the Asian Infrastructure Investment Bank, and Sinopec; thematic research on AI and data application at four major state-owned banks; thematic research on digital transformation, reform of risk management systems and mechanisms, and green finance; and research on branches. All directors and supervisors put forward targeted opinions and recommendations, effectively empowering the Company's business development.

During the reporting period, all directors and supervisors of the Company participated in the training on the *Rules on the Capital Management of Commercial Banks* as required for the performance of duties, systematically studied the Rules, and continuously enhanced the capabilities of the Board of Directors and the Board of Supervisors in fulfilling their duties related to the implementation of advanced approaches for capital measurement. Mr. Huang Hanchun, Mr. Zhang Wei, Mr. Zhu Kun, and Mr. Yu Hua participated

in the initial training for directors, supervisors, and senior management members of listed companies organized by the Shanghai Stock Exchange, where they gained an in-depth understanding of regulatory concepts and practices of listed companies, as well as practical compliance experience shared by listed companies. Mr. Ben Shenglin, Mr. Xu Lin, and Ms. Wang Hongmei participated in the follow-up training for independent directors of listed companies organized by the Shanghai Stock Exchange, where they systematically studied regulatory policies and key regulatory points for listed companies, changes in legal responsibilities of independent directors under new circumstances, information disclosure supervision, and standardized performance of duties by independent directors.

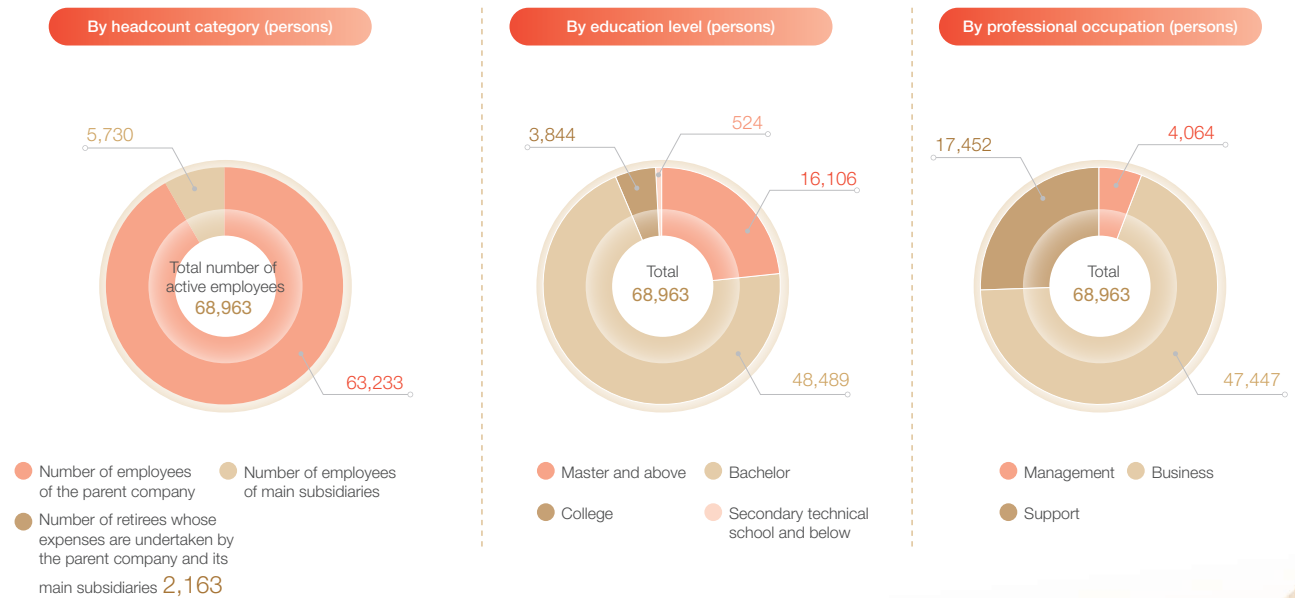
The above research and training helped improve the performance level of the Company's directors and supervisors, and ensured that they fully possessed the information necessary for fulfilling their duties.

#### 4.1.7.3 Directors' objections to relevant matters of the Company

During the reporting period, no director raised any objections to relevant matters of the Company.

### 4.1.8 Employees

#### 4.1.8.1 General information about employees



Note: The above number of employees includes those under labor dispatch arrangements.



#### 4.1.8.2 Employee remuneration policy

For its remuneration management, the Company adheres to the principles of alignment with corporate governance requirements, compatibility with the Bank's competitiveness and sustainable development, and consistency with business performance, supplemented with a balanced approach to short- and long-term incentives. The policy ensures internal fairness and external competitiveness, supports the implementation of strategic goals, and meets the business development needs at various stages of the Company. It is designed to attract and retain talent, especially key personnel.

##### Remuneration structure

In accordance with the Company's internal control mechanisms, employees in different positions bear varying degrees of responsibility and risk, resulting in differentiated remuneration structures. The higher the correlation between an employee's performance and the Bank's overall performance, the greater the proportion of variable bonuses.

##### Remuneration policy

The remuneration of the Company's senior management members is strictly paid in accordance with plans reviewed and approved by the competent authorities and through the Company's corporate governance procedures, and is directly linked to the results of business performance evaluations. The Company has established a comprehensive evaluation system that combines quantitative indicators, such as profitability, asset quality, solvency, and business growth, with qualitative indicators, including contributions to high-quality development (e.g., support for economic and social development, major project development, targeted poverty alleviation, and rural revitalization) and the development of green finance (e.g., development of the green finance system, brand development, and business growth). By doing so, the Company integrates short-term and long-term incentives to strengthen the accountability of senior management members, level up its operations and management, and promote its sustainable and sound development.

The Company's employee performance-based remuneration is closely tied to the overall performance of the Bank, institutions (departments), and individual performance outcomes. Performance evaluation indicators are designed around multiple dimensions, including financial efficiency, development and transformation, customer development, risk compliance, and social responsibility. Evaluation results are linked to recognition and reward for management teams and are directly tied to performance distribution. Individual employee performance-based remuneration is aligned with team performance, while the individual's contribution to the team is also fully considered. Overall, remuneration levels are matched with overall performance outcomes so as to motivate employees to continuously improve their performance and enhance value creation.

To improve the incentive and constraint mechanism of performance-based remuneration and to ensure its guiding role in the Company's operations and management, the Company has established a deferred payment and clawback mechanism for performance-based remuneration. Heads of various institutions and personnel in positions that have a direct or significant impact on risks, no less than 40% of their performance-based remuneration is subject to deferred payment, with a deferral period of no less than three years. In cases of violations of laws, regulations, or disciplinary rules, or where there is abnormal risk exposure within the scope of responsibilities, the Bank may, in accordance with regulatory policies and internal rules, claw back or withhold the corresponding portion of performance-based remuneration based on the severity of the situation to ensure that the remuneration is consistent with the risk-adjusted performance.

##### Specific remuneration information on employees in risk-sensitive positions

The Company follows the fundamental principle of "compensation distribution based on position value and individual contribution". The value of a position is assessed by factors such as the level of technical or managerial complexity, degree of risk, and its contribution within the banking system. Employee remuneration is aligned with the value of their position and the responsibilities they undertake. Remuneration distribution aims to balance efficiency and fairness while maintaining reasonable pay differentials among positions. It fully motivates frontline and community-level employees while maintaining a well-balanced income structure among senior management members, middle management, and primary-level employees. Remuneration distribution is tilted toward talent who have made outstanding contributions and frontline positions. For employees engaged in risk and compliance management, their remuneration is determined by individual capabilities, duty performance, as well as team and personal performance evaluations, and is not directly linked to the performance of other business lines. This ensures that remuneration for risk and compliance personnel remains independent of the performance of the business lines they supervise, supporting prudent operations and sustainable development.

#### 4.1.8.3 Staff training schemes

With the goal of developing modern, high-quality vocational education, the Company has established and improved a "5+N" training system and implemented a "1+N" responsibility mechanism. It remains committed to the guidance of Party building, focuses on talent development, and strives to build a first-class corporate university to support strategic implementation and talent growth.

During the reporting period, **the Company advanced tiered and categorized employee training and promoted the development of a full-cycle training system.** For all employees, the Company strengthened online general competency development and innovatively carried out offline management capability training to enhance employees' overall capabilities. For new employees, the Company carried out onboarding education and advanced development programs tailored to their needs at different stages of development, building a "companionship-style" empowerment ecosystem. For cadres at all levels, the Company carried out training programs for senior, middle and primary-level cadres, covering approximately 2,700 participants. It upgraded the mechanism of temporary Party branches in training programs, implemented a closed-loop learning mechanism requiring trainees to "bring three things to training and take three things back", and introduced action learning practices for Party member pioneer teams, deeply integrating the organizational strengths of the Party into the entire training process. The Company also established multiple talent pools named "Honghu", "Kunpeng" and "Hongyan" to facilitate talent exchange channels, continuously forging a team of cadres with strong political integrity and outstanding capabilities. For professional talent, centering on strategic directions such as the "Five Priorities" of the financial sector, the development of "five capabilities" for a value bank, and "four business cards", the Company strengthened the development of key talent teams, including international talent, corporate banking and investment banking talent, retail finance talent, inter-bank and financial markets talent, and sales talent, providing core support for business development. During the reporting period, a total of 4,460 training programs were launched, with a training coverage rate of 99.17%. **The Company continuously improved its examination and certification system to support the sustainable development of employees.** The Company revised the *Management Measures for Examination and Certification of Industrial Bank* and improved the bank-wide assessment and certification mechanism. During the reporting period, the Company organized 15 bank-wide certification examinations in three categories, with a total of 136.6 thousand attendances in total. Among them, 44.7 thousand employees held job-related certifications, accounting for 75% of the total number of employees. The Company encouraged employees to actively participate in external examinations and certifications, and established a special incentive mechanism for external certificates. Employees of the Group held a total of 52.7 thousand external professional certificates in 100 categories, effectively broadening the professional dimensions of the Group's talent pool. The Company selected over 100 "seed trainees" from within the Bank to participate in the CFA ESG certification program, providing solid talent support for the implementation of the Company's ESG strategy. **The Company strengthened the development of trainers and course resources to solidify the foundation of talent cultivation.** The Company reviewed and optimized 6,849 Head Office-level courses, and appointed 1,526 Head Office-level trainers and nearly 2,000 branch-level trainers, with the quality of trainers and courses steadily improving. **The Company deepened partnerships for open and collaborative education to expand the boundaries of talent cultivation.** The Company strengthened cooperation with government, enterprises, universities and research institutions, and jointly conducted 54 training sessions with 22 universities and Party schools, effectively integrating high-quality external resources and expanding the value and reach of talent cultivation.

During the reporting period, the Company received a number of honors in talent development and education and training work. The Company ranked third in employee awareness and capability among national commercial banks under the "GYROSCOPE" Evaluation System. It was recognized as a China Enterprise Talent Development Benchmark Organization at the 21st China Enterprise Education Evaluation Campaign. CIB Party School/Advanced Training Academy was named one of the Top 100 Advanced Units for Corporate Education in China and recognized as a 2025 benchmark corporate learning platform. A number of the Company's training programs were recognized as China Enterprise Training Demonstration Learning Project, SJTU Group Enterprise Innovation Learning Benchmark Practice, the Excellent Case of Enterprise Human Resource Management from the Chinese Association of Human Resource Development, and the "Digital Empowerment Education Development Case" from Xinhua Education Forum, and received the Boao Award – Excellence Award for Business Scenario-based Learning Application.

#### 4.1.8.4 Anti-bribery and anti-corruption policy of the Company

Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Company fully implemented the guiding principles from the 20th CPC National Congress and successive plenary sessions of the 20th CPC Central Committee, and advanced comprehensive and strict self-governance of the Party and the Bank, providing strong safeguards for high-quality development. Focusing on the "Two Upholds", the Company dynamically updated its political supervision ledger, strengthened the oversight of inspection and remediation efforts, continuously conducted political ecology analysis and assessment, and advanced political oversight in a more concrete, precise and normalized manner, ensuring that the Party's leadership ran through all aspects and the entire process of corporate governance. The Company launched an educational campaign to thoroughly implement the spirit of the Eight Rules set by the CPC Central Committee for improving Party and government conduct, seriously investigated and dealt with the "four forms of decadence", strengthened education on discipline and law, and promoted regular and sustained conduct improvement. The Company resolutely and prudently handled cases, substantively carried out the follow-up inspection of remediation efforts, and continuously improved the effectiveness of supervision and governance. The Company integrated various supervisory forces, strengthened coordination between disciplinary inspection and other supervisory functions such as audit, finance, accounting, and risk compliance, and continuously carried out joint "audit-inspection-discipline" supervision, further tightening the supervision network. The Company strengthened the development of a clean financial culture, organized and carried out the "CIB Clean Culture Promotion Month" campaign, conducted integrity education using positive and negative examples, and stimulated employees' intrinsic motivation for clean practices.

#### 4.1.9 Proposal of profit distribution of ordinary shares or transfer of capital reserve

##### 4.1.9.1 Formulation, implementation or adjustment of the cash dividend policy

The Company's Articles of Association stipulate that the Company's profit distribution policy includes the following: First, the profit distribution policy and its adjustments shall be formulated by the Board of Directors with the approval of more than two-thirds of the directors, and shall then be submitted to the Shareholders' Meeting for approval by more than two-thirds of the voting rights held by the shareholders present at the meeting. Second, the principles of continuity and stability of profit distribution. Third, profit distribution form (in cash or equity or both of them) and interval (annually or semi-annually where conditions permit). Fourth, subject to meeting the capital adequacy ratio requirements, the profit distributed in cash each year shall be no less than 10% of the distributable profit realized for the year. Stock dividends may also be distributed when necessary. Fifth, explanations for the non-distribution of dividends and the usage of the profit retained if cash dividends are not distributed for the year. Sixth, deduction of the cash dividends distributable to any shareholder who appropriates the Company's funds in violation of regulations to repay the funds appropriated.

The formulation and implementation procedure of the Company's profit distribution plan was compliant and transparent with clear and explicit dividend criteria and proportion, conforming to stipulations in the Articles of Association and requirements in the resolution of the Shareholders' Meeting. The Board of Directors studied and deliberated on matters related to profit distribution, and fully listened to the opinions of shareholders (especially medium and small shareholders) and independent directors. The relevant decision-making process and mechanism were complete, and independent directors fulfilled their duties with due diligence, thereby safeguarding the lawful rights and interests of medium and small shareholders.

The Company duly implemented the above profit distribution policy and cash dividend commitments. The Company implemented the 2024 annual profit distribution plan in June 2025. Based on the total share capital of 21,162,832,162 shares, the Company distributed a cash dividend of RMB10.60 (tax inclusive) for every 10 shares and issued cash dividends of RMB22,433 million in total. The balance of the undistributed profit would be used for supplementing capital and carried forward to the next year.

#### 4.1.9.2 2025 profit distribution proposal

In light of relevant provisions in the Company Law of the People's Republic of China and the Articles of Association of the Company, by taking into consideration the requirements on capital adequacy ratio by the regulatory departments and factors including sustainable business development, the Company set aside RMB194 million as a statutory surplus reserve to make up the shortfall from 50% of its registered capital. It appropriated general reserves of RMB8,460 million and distributed ordinary share dividends, with a total cash dividend of RMB10.66 (tax inclusive) for every 10 shares for the full year. Among them, a cash dividend of RMB5.65 (tax inclusive) was distributed for every 10 ordinary shares in the middle of 2025, and a cash dividend of RMB5.01 (tax inclusive) was distributed for every 10 ordinary shares at the end of 2025. Based on the Company's total ordinary share capital of 21,162,855,196 shares as at December 31, 2025, the proposed total cash dividend to be distributed was RMB10,603 million, and the total cash dividend distributed for the full year was RMB22,560 million. As the convertible corporate bonds issued by the Company are in the conversion period, if the total ordinary share capital of the Company changes before the record date for implementation of interest distribution, the Company will propose to maintain the dividend per share unchanged and adjust the total amount of dividend accordingly, and will make disclosure in the announcement on implementation of interest distribution.

#### 4.1.9.3 Plan or proposal on profit distribution for ordinary shares of the recent three years (including the reporting period)

Unit: RMB million

Year of dividend distribution	Amount of declared dividend for every 10 shares (RMB Yuan) (tax inclusive)	Amount of cash dividends (tax inclusive)	Net profit attributable to the ordinary shareholders of the listed company in the consolidated financial statements for the cash dividend year	Percentage of cash dividends to net profit attributable to the ordinary shareholders of the listed company in the consolidated financial statements (%)	Net profit attributable to the shareholders of the listed company in the consolidated financial statements for the cash dividend year	Cash dividends to net profit attributable to the shareholders of the listed company in the consolidated financial statements (%)
2025	10.66	22,560	72,736	31.02	77,469	29.12
2024	10.60	22,433	72,993	30.73	77,205	29.06
2023	10.40	21,605	72,904	29.64	77,116	28.02

Notes: 1. Amount of cash dividends for 2025 was calculated on the basis of the total ordinary share capital of 21,162,855,196 shares of the Company as at December 31, 2025. As the convertible corporate bonds issued by the Company are in the conversion period, if the total ordinary share capital of the Company changes before the record date for implementation of interest distribution, the Company will propose to maintain the dividend per share unchanged and adjust the total amount of dividend accordingly, and will make disclosure in the announcement on implementation of interest distribution.

The main considerations for this year's profit distribution are as follows:

1. Impact of the external environment on endogenous capital accumulation. Given the current complex and volatile macroeconomic situation, commercial banks face increased market risks and operational pressures. Therefore, maintaining profit retention to strengthen internal capital accumulation is critical to improving capital adequacy and enhancing risk resilience.
2. Stricter capital regulatory requirements. The *Measures for the Evaluation of Systemically Important Banks* and the *Provisions on the Additional Regulation of Systemically Important Banks (Trial)* issued by the PBOC and the former CBIRC, as well as the *Rules on Capital Management of Commercial Banks* issued by the NFRA in 2023, imposed stricter requirements on the capital adequacy and risk management for commercial banks.
3. Needs for business development. To better serve the real economy, implement national financial policies, optimize business structure, and enhance core competitiveness, the Company must maintain sufficient capital reserves to support sustainable business development. In view of the above internal and external factors, the Company has maintained the continuity and stability of its dividend policy on the whole and raised the cash dividend rate year by year, striking a balance between the interests of the Company's shareholders and the sustainable development of the Company.

This profit distribution proposal shall be executed within two months after approval by the 2025 Annual Shareholders' Meeting.

#### 4.1.10 Description of independence of the Company from its largest shareholder

As at the end of the reporting period, the Finance Bureau of Fujian Province and Fujian Financial Investment Co., Ltd., a company established and fully contributed by the Finance Bureau of Fujian Province, which held 4,353,660,826 ordinary shares of the Company in aggregate, representing 20.57% of the total share capital of the Company, is the largest shareholder of the Company with its shareholding in aggregate. The Company is fully independent from its largest shareholder with its shareholding in aggregate in all aspects, including assets, personnel, finance, institutions and businesses. The major decisions of the Company are made and executed by the Company at its absolute discretion. The Company's major shareholders have neither appropriated any capital of the Company nor requested that the Company act as a guarantor for a third party.

#### 4.1.11 The examination and evaluation mechanism, and the establishment and implementation of the incentive system for senior management members during the reporting period

During the reporting period, in accordance with the relevant policies of Fujian Province on the remuneration reform of the heads of the provincial financial enterprises, the Company's Board of Directors assessed and evaluated senior management members of the Company, and linked the remuneration of senior management members with responsibilities, risks and business performance. The Board of Directors of the Company provided incentives and constraints for senior management members, so as to ensure consistency between the direction of their efforts and the interests of the Company.

#### 4.1.12 Establishment and implementation of the internal control system during the reporting period

During the reporting period, the Company continued to enhance policy management, advanced the development of review standards for policy formulation, consistently streamlined policies, improved mechanisms for feedback and remediation of issues related to policies, strengthened the Group's policy management framework, enhanced technology empowerment, accelerated the development of a policy management system, and enhanced the digitalization of policy management.

#### 4.1.13 Management and control of subsidiaries during the reporting period

During the reporting period, according to the *Guidelines for Consolidated Management and Supervision of Commercial Banks*, provisions on management of state-owned financial capital and other relevant policies and regulations, the Company implemented effective and penetration management for subsidiaries at all levels in accordance with the principles of tier-by-tier consolidation and hierarchical management, continued to establish and improve the corporate governance structure of the banking group covering all subsidiaries, conducted comprehensive and continuous control on the corporate governance, capital and finance of each subsidiary, and effectively identified, measured, monitored and controlled the overall risk status of the banking group. During the reporting period, the Company newly established CIB Financial Asset Investment Co., Ltd.

#### 4.1.14 Assessment report on internal control

During the reporting period, no material deficiencies were identified in the internal control mechanisms or systems of the Company in terms of completeness and reasonableness. The Board of the Company has issued the 2025 assessment report on internal control. Please see the announcement published on the Shanghai Stock Exchange for details.

#### 4.1.15 Description of the internal control audit report

The Company has disclosed the 2025 internal control audit report. The Company engaged KPMG Huazhen in auditing the effectiveness of its internal control with regard to the Company's financial reporting, which considered that the Company had maintained effective internal control regarding financial reporting in all material aspects in accordance with the *Basic Norms of Internal Control for Enterprises*, as well as relevant provisions as at December 31, 2025.



## 4.2 Green innovation, co-creating an eco-friendly future

Green development is a defining feature of Chinese modernization. 2025 marks the 20th anniversary of the concept of “lucid waters and lush mountains are invaluable assets”. Guided by this philosophy, China has made significant achievements in ecological conservation that have attracted worldwide attention. The concept has become a consensus across the entire Party and society, serving as a powerful driving force for advancing ecological conservation. In January 2025, the NFRA and the PBOC jointly issued the *Implementation Plan for the High-Quality Development of Green Finance in the Banking and Insurance Industries*, which sets out green finance development goals for the next five years, including strengthening financial support for key sectors, improving the green finance service system, promoting low-carbon transformation of asset portfolios and institutions’ own operations, enhancing financial risk prevention and control capabilities, and deepening the development of green finance mechanisms. This marks a new stage of more systematic and standardized development of green finance in China, paving the way for building a multi-tiered, differentiated, and high-quality green finance market.

### 4.2.1 Deepening the development of the green banking group

#### 4.2.1.1 Strengthening institutional mechanisms and enhancing systemic support for a green banking group

**The Company has established a strategic working group coordination mechanism to enhance systematic implementation.** A Green Bank Strategy Promotion Working Group has been established, headed by the responsible bank leader. The Green Finance Department of the Head Office serves as the office of the working group. Its member units include 15 Head Office departments and 6 subsidiaries, covering all Head Office departments and subsidiaries engaging in the entire operational and management processes, including business development, assessment and evaluation, resource allocation, risk management, audit and supervision, information disclosure, data governance, green operation, and team development. Through regular meetings, the working group studies and analyzes green finance policies, market conditions, and development trends, implements the Company’s green banking strategy, formulates development plans for green finance business, sets annual tasks and targets, monitors progress, and makes mid-year adjustments to the tasks and targets based on changes in regulatory policies and task performance in a timely manner. Meanwhile, to ensure the efficient implementation of key tasks, the working group has established flexible and agile cross-business-line and cross-institution teams focused on priority areas and targets to strengthen coordination, make group-wide progress, and continuously enhance the Company’s comprehensive customer service capabilities.

**The Company has improved the group-wide green finance evaluation system and reinforced value orientation.** On the basis of setting dedicated green finance performance assessment guidance for operating institutions, the Company has established a group-level green banking indicator system. Through a combination of quantitative and qualitative approaches, green finance requirements have been fully extended from the corporate finance business line to the retail finance, investment banking and financial markets business lines, as well as to all subsidiaries. In the meantime, green finance

principles have been further embedded into the entire operational and management processes, including performance assessment, resource allocation, credit authorization, green operation, information disclosure, and talent teams, achieving nearly full coverage of the evaluation system across all Head Office departments and subsidiaries.

#### 4.2.1.2 Deeply rooted in industrial finance to promote deep integration of “green + industry”

During the reporting period, the Company integrated the “green + industry” concept into its business operation, and stabilized the foundation in key sectors while cultivating new growth drivers in emerging industries. It continued to innovatively refine its green finance products and service system, enhanced service quality and effectiveness, and promoted steady growth in its green finance business. As at the end of the reporting period, the Company’s financing balance of the on – and off-balance-sheet green finance reached RMB2.46 trillion, an increase of 12.37% compared with the end of the previous year. Specifically, the green financing balance in carbon reduction-related sectors accounted for 59.81% of the total.

#### 4.2.1.3 Deepening group-wide synergy to build a green finance service matrix covering diverse business forms

**Green commercial banking.** As at the end of the reporting period, the Company’s balance of green loans in accordance with the PBOC’s statistical standards reached RMB1,107.554 billion, up by RMB177.196 billion from the end of the previous year, with a growth rate of 19.05%. The 2025 plan completion rate was 118.13%. The green projects supported by green loans were expected to achieve annual savings of 17,258.5 thousand tons of standard coal, annual carbon dioxide emission reduction of 26,762.1 thousand tons, and annual water savings of 18,323.5 thousand tons.

**Green investment banking.** The Company promoted the deep integration of its dual business cards of “green banking” and “investment banking”, and continued to enrich the green investment banking product portfolio covering green bonds, green private debt, and green M&A and syndicated financing, driving steady growth in the scale of green investment banking financing. In 2025, the financing scale of the green investment banking business reached RMB190.204 billion, a year-on-year increase of 21.72%. In 2026, the Company aims to increase the proportions of both green bond underwriting and investment compared with the end of 2025.

**Green retail.** As at the end of the reporting period, the Company’s retail green loans totaled RMB62.793 billion, representing an increase of RMB13.930 billion compared with the end of the previous year. Specifically, green personal business loans, green mortgage loans, and new energy vehicle (NEV) credit card consumption financing amounted to RMB3.336 billion, RMB44.435 billion, and RMB15.022 billion, respectively. The 2025 plan completion rate was 121.53% (the Company’s green retail assessment scope does not include the NEV credit card consumption financing).

**Green leasing.** As at the end of the reporting period, the balance of green leasing reached RMB88.830 billion, up by RMB9.030 billion from the end of the previous year. The 2025 plan completion rate was 112.88%. During the year, the green leasing business disbursements accounted for more than 50% of the total leasing business disbursements.

**Green trust.** The Company focused on investments in areas such as green finance through institutional non-standard asset management trusts and innovative models such as “trust-leasing linkage”. As at the end of the reporting period, the balance of green trust based on the Group’s statistical standards was RMB37.446 billion, an increase of RMB20.328 billion from the end of the previous year.

**Green funds.** As at the end of the reporting period, the balance of green funds reached RMB23.555 billion, up by RMB2.792 billion from the end of the previous year. The 2025 plan completion rate was 111.68%.

**Green wealth management.** During the reporting period, CIB Wealth Management issued ESG and green wealth management products totaling RMB393.904 billion. Specifically, the issuance of green wealth management products amounted to RMB113.152 billion, and the 2025 plan completion rate was 141.44%.

#### 4.2.1.4 Improving the green finance product system and strengthening leadership through innovation

During the reporting period, supported by the assessment mechanism, the Company focused on carbon finance, ecological product value, and diversified risk sharing and strengthened innovation-driven leadership of green finance products. Throughout the year, 1,228 innovative products were launched, exceeding the annual target of 600, with a total amount of RMB101.387 billion. **Focusing on innovation in carbon finance products,** the Company accelerated the rollout of innovative products such as carbon emission reduction-linked loans, carbon footprint loans, carbon asset pledge loans, carbon neutrality bonds, and supply chain collaborative carbon reduction loans. In 2025, based on corporate carbon accounts, 367 carbon finance innovation products were launched with a total amount of RMB28.345 billion. **Promoting the realization of ecological product value,** the Company developed innovative pledge financing products based on environmental rights such as water rights and emission rights, revitalized corporate environmental assets, addressed collateral challenges, and strengthened credit risk management and control. **Building a diversified risk-sharing mechanism,** the Company promoted innovative green finance products such as environmental protection loans and environmental protection guarantees to alleviate financing difficulties faced by environmental protection enterprises. The insurance mechanism was introduced into the innovation of products such as green building loans, biodiversity conservation loans, and climate loans. **Optimizing the assessment mechanism to drive business expansion.** The Company incorporated the “replication and promotion of green finance innovation business” into assessment indicators, and granted additional credit to distinctive businesses. This has led to a virtuous cycle of “innovation-promotion-implementation-optimization,” fully leveraging the guiding role of the assessment mechanism in expanding the scale and scope of green finance business.

#### 4.2.1.5 Strengthening the professional talent team building to consolidate the foundation for green development

Since 2022, the Company has established a dedicated task force to optimize green finance professional training courses, tiered and categorized training, and professional certification examinations on an annual basis. Through chain-based training programs and hands-on practice, the Company has promoted the deep integration of professional knowledge and business practice within its talent teams. In 2025, the Company continued to implement the “Tens of Thousands of Green Finance Talent Program” to advance the development of professional talent teams, build a multi-tiered talent system, and establish teams of industry experts in green finance and specialists in carbon finance. This laid a solid foundation for the development

of a green banking group. As at the end of the reporting period, the Company cultivated 505 professional talent, 6,883 application-oriented talent, and 1,740 reserve talent in this regard.

## 4.2.2 Expanding transition finance services

### 4.2.2.1 Formulating a transition finance plan

During the reporting period, the Company, guided by the carbon peaking and carbon neutrality goals, aligned with the *G20 Transition Finance Framework*, and drawing on domestic and international low-carbon transition pathways for key industries, the Company formulated the *Industrial Bank Transition Finance Plan* with a focus on reducing its carbon emission intensity. The Plan identifies carbon-intensive sectors as priority areas for promoting transition and will gradually shift the focus to other industries, continuously optimize asset structure, and progressively reduce the carbon intensity of the Company’s asset portfolio in an orderly manner. **The Company identified transition targets for key industries.** Taking key carbon-intensive industries as pilots, it adopted a gradual approach to promote the steady decline in the carbon emission intensity of investment and financing activities in these industries. **The Company advanced transition strategies for key industries.** It prioritized support for advanced production capacity and encouraged customers in key industries to continuously reduce energy consumption per unit of product, thereby facilitating the gradual transition from benchmark levels toward best-practice levels. The Company accelerated the elimination of outdated capacity, strictly implemented the *Catalogue for Guiding Industry Restructuring* and other relevant regulations, and strictly restricted engagement with customers lacking resource advantages, with low technological levels, poor operating performance, or high environmental risk. **The Company strengthened the capacity building for serving customer groups in transition finance.** It strengthened the integration of business and research, leveraged coordinated efforts between the Head Office and branches, enhanced research on transition pathways, conducted on-site surveys of transition finance in key industries, deepened business-research integration in segmented sectors, and explored important opportunities for consolidation and restructuring in carbon-intensive industries. It strengthened business promotion by adopting a “region + industry” strategy, launching dedicated transition finance service solutions for key industries, formulating differentiated service measures, and providing end-to-end, integrated financial support for enterprises’ green and low-carbon transition.

### 4.2.2.2 Building a transition finance standard system

During the reporting period, in response to evolving policies and to keep pace with the development of transition finance standards at both national and local levels, the Company formulated the *Catalogue of Transition Finance-Supported Projects (Second Edition)*. The applicable projects are divided into two categories. The first category includes projects at the national level, covering four sectors of coal power, steel, building materials, and agriculture, and applies to pilot regions designated by the PBOC. The second category includes projects at the local level, covering multiple sectors including petroleum, chemicals, non-ferrous metals, papermaking, textiles, and aviation, and applies to regions where relevant standards have been issued. Meanwhile, the Company encouraged branches in other regions to advance transition finance with reference to the above catalogue.

### 4.2.2.3 Standardizing full-process management of unified credit extension for transition finance business

**The Company clarified cooperation strategies for the transition finance business.** A differentiated cooperation strategy was adopted based on tiered evaluation and categorized measures. Priority support was given to customers with defined transition goals, science-based and clear transition



plans, horizontally advanced energy consumption indicators, vertically transparent carbon reduction trajectories, leading industry positions, and strong competitive advantages. **During the pre-credit due diligence stage**, the Company finished due diligence reports incorporating transition finance evaluation elements, with a focus on the feasibility of enterprises' technical pathways, expected energy-saving and carbon reduction outcomes, and compliance with just transition requirements. **During the credit review stage**, the Company focused on analyzing and evaluating the feasibility of transition plans, alignment with policies, and the rationality of transition investments, as well as identifying core risks in the transition finance business and proposing corresponding risk control measures. **During the post-lending management stage**, enterprises that had obtained transition financing were required to disclose information to the Company at least annually. Disclosure contents include, but are not limited to, any major environmental violations, progress in implementing low-carbon transition plans, use of transition financing, transition outcomes, and the completion of key performance indicators.

#### 4.2.2.4 Promoting the implementation of transition finance practices in key industries

With green transition as its core focus, the Company targeted technological upgrades, global expansion, and the green transition of traditional energy of leading enterprises in sectors such as new energy, traditional energy, and chemicals. Through business structure optimization and ecosystem-oriented layout, the Company promoted high-quality development of transition finance in key sectors. During the reporting period, focusing on industries such as steel, thermal power and chemicals, the Company issued the *Guidelines on Transition Finance Marketing for the Steel Industry of Industrial Bank*, the *Catalogue of Supporting Technologies in the Guidelines on Transition Finance Marketing for the Steel Industry of Industrial Bank (2025 Edition)*, *Deepening Green Financial Services to Drive High-quality Development of the Thermal Power Industry – Guidelines on Marketing for Thermal Power Business of Industrial Bank*, the *Guidelines on Marketing for the High-end Chemical Industry of Industrial Bank*, etc. to support the low-carbon transition of the aforementioned key industries.

### 4.2.3 Strengthening the ESG risk management system

#### 4.2.3.1 Continuously improving ESG credit extension policies

During the reporting period, the Company actively integrated into and served the new development pattern, and implemented a differentiated credit extension policy that supports, controls and reduces credit exposures as appropriate. It refined risk management and control for traditional energy-intensive industries, balanced business development with risk prevention, and directed credit resources toward high-quality entities in key areas such as energy-saving and carbon-reduction transformation, new energy system development, expansion of green electricity usage, comprehensive solid waste treatment, and energy security, thereby supporting the overall green transition of the economy and society.

**The Company optimized credit extension strategies and credit structure. All industries were required to comply with relevant national environmental protection standards.** Polluting enterprises must hold a *Pollutant Discharge Permit* or proof of environmental compliance. Emissions of all pollutants must meet relevant national and local standards, with no major environmental pollution incidents or ecological damage events

in recent years. Enterprises must maintain sound workplace safety and occupational health management systems in compliance with national or industry standards, with no major safety accidents involving liability in recent years. Projects must align with national industrial policies, and all approval procedures must be lawful, complete, and valid. Core production equipment, primary products, capacity, and processes must not fall under the "eliminated" category in the *Catalogue for Guiding Industry Restructuring*. Energy efficiency indicators for major products of energy-intensive industries must meet mandatory national standards, such as the *Benchmark and Baseline Levels of Energy Efficiency in Key Industrial Sectors*, and benchmark or advanced levels as defined by local standards. **The Company strengthened credit risk management for energy-intensive and high-emission industries.** It applied strict control over new credit extension in industries with severe overcapacity. In addition to general credit extension requirements, enterprises in such industries must meet green credit standards in production processes, energy consumption, pollutant emissions, and workplace safety. The Company applied differentiated incentive policies for energy-saving and emission-reduction loans for customers in overcapacity industries that do not expand production. The Company granted no loans to projects or enterprises explicitly prohibited by the state or non-compliant with environmental protection regulations, and withdrew all such loans disbursed.

**The Company improved credit policies for key industries.** It formulated specific ESG credit requirements for industries such as agriculture, biodiversity, power utilities, mining, and urban gas, clearly defining supported areas and prohibited entry scenarios. For example, priority was given to agricultural entities applying energy-saving technologies; an "environmental veto" policy was implemented in the thermal power industry; and engagement with mining enterprises facing significant environmental or climate risks was prohibited.

**The Company introduced differentiated authorization and credit extension policies for green finance.** The Company formulated 23 differentiated authorization and credit extension policies for green finance, covering 20 branches. As at the end of the reporting period, the total outstanding exposure of businesses under these policies reached RMB22.3 billion, guiding business resources toward green and low-carbon sectors.

#### 4.2.3.2 Embedding ESG risk assessment into the full risk management process

The Company continued to improve its ESG credit extension policies and fully integrated ESG-related risk assessment systems into the credit extension processes across its three major business lines, including corporate banking, retail banking, and inter-bank finance. It classified customers into four categories, namely, A, B, C, and D, based on relevant risk assessment criteria. For the Company's investment and financing credit businesses, it adopted differentiated management strategies that were embedded across all stages, including due diligence, risk assessment, contract signing, fund disbursement, and post-lending management.

Since 2025, the Company has developed ESG and climate risk rating models for customers, with an indicator system covering dimensions such as environment, climate risk, social responsibility, corporate governance, financial indicators, and operating environment. Based on scores, customers are classified into four categories from high to low (A to D). The rating models have been embedded into the risk management system for use, integrating data sources such as litigation records, electricity consumption data,

regulatory penalties, and environmental ratings. Approximately 75% of the indicators are automatically collected by the system, significantly improving data collection efficiency. As at the end of the reporting period, ESG and climate risk ratings for 9,565 customers were completed online through the system. The Company will continue to enhance ESG and climate risk rating and its application by promoting online due diligence, improving institutional standards, and providing supporting evaluation.

#### 4.2.4 Enhancing climate-related risk and opportunity management

##### 4.2.4.1 Strengthening the governance framework and consolidating the foundation of climate governance

**At the level of the Board of Directors**, the Board of Directors is responsible for overseeing climate-related risks and opportunities, reviewing and listening to climate-related topics, and supervising, inspecting, and evaluating the implementation of the climate strategy. The Risk Compliance and Consumer Protection Committee and the Strategy and ESG Committee jointly perform top-level governance responsibilities for climate risk management. The Risk Compliance and Consumer Protection Committee takes the lead in formulating fundamental risk strategies and risk management policies that cover climate risk. The Strategy and ESG Committee integrates ESG and climate risk management into the Company's five-year development strategic plan, clarifies its core position within the Bank's overall strategy, and makes overall decisions on sustainable development and various ESG strategic plans.

**At the senior management level**, the Risk Management Committee of the Head Office regularly reviews ESG and climate risk management activities and dynamically adjusts and improves core business policies, including credit and investment policies. In accordance with relevant requirements, material ESG and climate-related risk matters are regularly reported to the Board of Directors. Through communication letters of the Board of Directors, guidance and recommendations are accurately communicated to relevant management departments at the Head Office, promoting the effective implementation of climate risk management requirements across all business lines.

**At the execution level**, the Risk Management Department at the Head Office, as the leading department for climate risk management of the Company, conducts climate-related risk assessments, deeply integrates climate risk management requirements into the existing risk management framework, regularly analyzes the status of climate risk control, and formulates targeted response strategies. It actively conducts research and practice on climate risk stress testing and strengthens the application of test results. In 2025, the Company conducted a dedicated internal audit on climate risk and continuously promoted issue rectification, achieving closed-loop supervision and management.

##### 4.2.4.2 Deepening climate scenario analysis and stress testing to support climate risk control

**The Company advanced transition risk stress testing. For independently conducted stress testing**, based on the eight major carbon-intensive industries explicitly defined by regulators, including power, steel, building materials, petrochemicals, chemicals, papermaking, aviation, and non-ferrous metal smelting, the Company added the railway transport industry and the upstream carbon-intensive coal industry, expanding coverage to ten

carbon-related sectors. **For regulatory stress testing**, the focus was placed on the thermal power and steel industries. The results show that if customers do not undertake a low-carbon transition, their repayment capabilities will decline under stress scenarios, whereas the asset quality of power sector customers adopting emission-reduction technologies will improve. As the proportion of related loans is relatively low, transition risk has a limited impact on the Company's overall asset quality and capital adequacy, and the overall risk remains controllable.

**The Company explored physical risk stress testing.** The Company participated for the first time in a regulatory pilot stress testing for climate physical risks. For typhoon disasters in coastal areas, it developed multiple stress scenarios ranging from a once-in-10-year to a once-in-500-year event. The testing covered five major sectors, namely, agriculture, infrastructure, industry, public utilities, and real estate, and assessed the impact of typhoons on the credit asset quality and the value of real estate collateral.

**The Company strengthened the application and validation of stress testing results.** Climate risk stress testing results were applied, for the first time, to the internal capital adequacy assessment procedures (ICAAP), providing a basis for capital planning. At the same time, the transition risk stress testing itself was included in the validation system for the first time, with a comprehensive assessment of governance, methodology, and processes. A self-correction mechanism was established to enhance the rigor and effectiveness of stress testing activities.

##### 4.2.4.3 Strengthening carbon accounting for financing and investment activities and consolidating the data foundation for transition finance

Since 2024, based on the *Global GHG Accounting and Reporting Standard for the Financial Industry* developed by the Partnership for Carbon Accounting Financials (PCAF), as well as the *Technical Guidelines for Carbon Accounting of Financial Institutions (Trial)* and the *Operational Guidelines for Carbon Accounting of Carbon-intensive Investments and Financing of Financial Institutions in the Banking Industry (Draft for Comments)* issued by the PBOC, the Company has continuously improved its carbon accounting methodology. For two consecutive years, it has conducted carbon emissions accounting for investments and financing across more than 80 industries, including the eight major carbon-intensive sectors. The accounting covered 14,105 enterprises, whose loans accounted for 57% of corporate banking loans. The 2024 accounting results show that the average carbon emission intensity of the Company's investments and financing is approximately 89.63 tons per RMB1 million. On the basis of accounting, the Company formulated the *Industrial Bank Transition Finance Plan*, which sets out work requirements for promoting the transition of major carbon-intensive industries, diversifying transition finance products and services, and strengthening transition risk management.

#### 4.2.5 Practicing green and low-carbon operations

##### 4.2.5.1 Successfully accomplishing the first-stage target for carbon neutrality in its own operations

As one of the earliest banks in the Chinese mainland to adopt the United Nations' Climate Neutral Now Initiative, the Company carried out carbon inventory and carbon verification work in 2022. Based on a comprehensive understanding of its carbon emissions profile, it established carbon neutrality



targets and a phased schedule, that is, reducing its carbon emission intensity by 20% compared with 2020 by 2025; achieving carbon neutrality in its own operations (Scope 1 and Scope 2 emissions) by 2030; and achieving carbon neutrality across upstream and downstream activities of the entire Bank (covering Scope 1, Scope 2, and part of Scope 3 emissions) by 2035. Here, Scope 3 emissions include categories such as business travel, employee commuting, waste disposal, and transportation and distribution (both upstream and downstream), excluding Scope 3 emissions from investment and financing activities.

During the reporting period, the per capita carbon emission intensity of the Company was 3.35 tons per person, down 22.56% from 2020, and the carbon emission intensity per unit of assets was 2.08 tons per RMB100 million, down 36.31% from 2020. The Company successfully achieved its first-stage target, laying a solid foundation for achieving carbon neutrality of its own operations by 2030 and full value-chain carbon neutrality by 2035.

#### 4.2.5.2 Improving the top-level design

During the reporting period, the Company established a leading group for green operation work of the Group and built an organizational framework featuring diversified collaboration and integrated vertical-horizontal coordination. It formulated the "Three Ones" green operation plan, namely, establishing a diversified collaborative green operation mechanism, developing a multi-dimensional quantitative green operation evaluation system, and achieving the goal of building a leading green operation brand, thereby forming a systematic framework to advance green operations. A bank-wide self-assessment indicator system and branch-specific evaluation schemes were developed, supplemented by internal and external audit supervision to ensure effective implementation of management requirements. At the same time, the Company launched and optimized the green operations management system, and opened "carbon accounts" for 45 branches and 11 subsidiaries, with a focus on realizing standard, digital, and intelligent management of energy consumption and carbon emission data.

#### 4.2.5.3 Promoting green operations through various measures

**Optimizing the energy consumption structure.** The Company established a carbon neutrality mechanism prioritizing emission reduction supplemented by carbon offsetting. Photovoltaic systems were deployed at Changle FinTech Industrial Park, Gui'an Data Center, and Zhangjiang Data Center Park, with expected annual electricity generation exceeding 1.35 million kWh and annual carbon emission reduction exceeding 1,000 tons. In 2025, the Company purchased 10 million kWh of green electricity.

**Deepening energy-saving transformation.** At Gui'an Data Center, multiple advanced technologies such as liquid cooling and natural cooling were applied, achieving an industry-leading designed Power Usage Effectiveness (PUE) value of 1.19. Through strategies such as equipment reuse and life-cycle extension, the Company extended the service life of over 1,000 units of equipment throughout the year. These resource-intensive optimization measures reduced costs by approximately RMB440 million, effectively promoting resource conservation, cost reduction and efficiency enhancement.

**Constructing green space.** Green concepts were integrated into the entire lifecycle of infrastructure construction. Fuzhou Operation Center and Gui'an Data Center were constructed in accordance with two-star green building standards, while the FinTech Industrial Park was built in alignment with three-star standards. In outlet construction, the Company used building materials that strictly complied with certifications such as ISO 14001, GREENGUARD, and China Green Product. The Bank built 28 carbon-neutral outlets and eight green branches in total.

**Promoting green office practices and travel.** The Company implemented energy-saving control measures for office terminals across the Bank, achieving a paperless substitution rate of 98.82% in counter services, saving approximately 43.20 million A4 sheets and reducing resource consumption at the source. The proportion of newly purchased official vehicles that are new energy vehicles reached 86%, while the share of employees' private vehicles used for commuting at Fuzhou Jiangbin Building that are new energy vehicles has been rising year by year. A total of 197 thousand video conferences were held throughout the year, serving participants 2.26 million times and significantly reducing travel frequency. All these measures embody the concept of green and low-carbon production and lifestyle through digital operations.

**Strengthening resource recycling.** Following the principles of "standardized classification, improved recycling efficiency, and reduction at the source," 100% of discarded electronic products at the Head Office were harmlessly disposed of by compliant suppliers, forming closed-loop waste management. Water-saving technologies were promoted. For example, the rainwater harvesting system at Fuzhou Jiangbin Building enabled the annual reuse of approximately 430 tons of water resources, improving resource efficiency.

**Building a green supply chain.** ESG evaluation criteria were fully integrated into procurement processes, with priority given to energy-efficient and low-carbon products and services. The Company established and implemented an environmental performance assessment mechanism for suppliers, extending its green standards upstream in the supply chain to address environmental management challenges.

**Cultivating a green culture.** The Company issued the *Ten-Point Green Civilization Convention of Industrial Bank* and has participated in initiatives such as "Earth Hour" lights-out event for fourteen consecutive years. Green principles have been embedded into corporate culture to ensure that green operations and lifestyles have been widely embraced by employees, to develop cultural awareness, and to encourage everyone to become practitioners of green production and green living.

## 4.3 Finance for the people, painting a new vision for a better life

### 4.3.1 Fully protecting customers' rights and interests

The Company remained committed to upholding the political and people-oriented nature of financial work and placed high importance on consumer protection. It fully recognized that consumer protection was an inherent requirement for high-quality development of the Company. Centered on the eight fundamental rights of financial consumers, the Company continuously improved its top-level design, strengthened end-to-end review of products and services, and reinforced the compliance defense line for marketing. At the same time, the Company smoothed complaint handling channels, optimized processing procedures, and continuously enhanced customer service experience. It strengthened internal compliance training and consumer education, reinforced audits on consumer protection, and ensured that consumer protection was effectively implemented, forming a full-process management closed loop across the whole chain.

#### 4.3.1.1 Improving the top-level design of financial consumer protection and strengthening the institutional framework for consumer protection

The Board of Directors bears ultimate responsibility for consumer protection work. It is responsible for formulating strategies, policies, and objectives for consumer protection, incorporating implementation progress into corporate governance evaluation, and supervising the Senior Management in fulfilling their responsibilities. Under the Board of Directors, the Risk Compliance and Consumer Protection Committee assists the Board of Directors in guiding, supervising, and evaluating consumer protection work, and promotes rectification of identified issues. The Committee also studies major consumer protection issues and key policies, including consumer protection review, guides and pushes forward the establishment and improvement of management systems, and provides recommendations for the Board of Directors. The Senior Management has established a consumer protection work leading group as the direct leadership body for the Company's consumer protection work. The group is chaired by the bank leader in charge of consumer protection and composed of heads of 32 departments, covering all business lines and management departments, including front-, middle-, and back-offices, of the Company. At the execution level, the Retail Banking Department/Consumer Protection Office/Pension Finance Department at the Head Office serves as the leading department for the Bank's consumer protection work. They are responsible for organizing, coordinating, supervising, and guiding all functional departments at the Head Office and branches in carrying out consumer protection work.

#### 4.3.1.2 Strengthening control at the source and reinforcing product and service review

The Company established and improved the consumer protection review mechanism for products and services, and conducted risk assessment and review of products and services for consumer protection. It strictly standardized requirements for pre-launch consumer protection review,

implemented risk management and internal control measures for such reviews, and carried out supervision and post-evaluation of consumer protection review practices across all levels of the Bank. The Company monitored whether all items subject to review had been duly reviewed, as well as the quality and effectiveness of consumer protection review across the Bank, thereby safeguarding consumer rights and interests. In 2025, the Company issued the *Industrial Bank Comprehensive Risk Management Policy (Revised in April 2025)*, explicitly incorporating consumer protection review into the comprehensive risk management system. It issued seven notices, including the *Management Standards for Consumer Protection Work of the Wealth Management Department (Revised in September 2025)*, to further refine the review mechanism. The Company enabled consumer protection review by introducing AI technologies, and completed 35,982 reviews, a year-on-year increase of 65.4%. The annual growth rate over the past three years has consistently exceeded 55%.

#### 4.3.1.3 Enhancing information disclosure and strengthening the compliance defense line for marketing

The Company ensured that customers were served in a fair and transparent manner, strictly prohibited the sale or provision of controversial products and services, disclosed key product and service information throughout the pre-sale, in-sale, and post-sale processes, and strictly forbade fraudulent, deceptive, or misleading marketing practices. The Company issued the *Fair Advertising and Marketing Policy*, and conducted daily monitoring and inspection of financial marketing and promotional activities. It strictly prohibited content that violates public order and good customs, eliminated any form of coercion or disguised coercion for consumers to accept products or services, fully embedded consumer protection review processes, and ensured that all advertising content and channels fully respect consumers' right to know, the right to make independent choices, and the right to fair trade. The Company strictly implemented the suitability principle by assessing risks of financial products and services and applying tiered and dynamic risk management. It conducted assessments of consumers' risk awareness, risk appetite, and risk tolerance, reasonably classified risk levels of financial products and services, as well as the risk tolerance levels of consumers, and ensured that appropriate products and services are offered to suitable customers. It did not proactively provide products and services that do not match consumers' risk tolerance.

#### 4.3.1.4 Strengthening complaint management and ensuring smooth complaint handling channels and processes

The Company continuously maintained smooth consumer complaint channels, such as outlets, official websites, mobile banking and WeChat official account, constantly improved its digital complaint management system, and strengthened root-cause analysis and rectification, as well as emergency drills for complaints. It enhanced the diversified dispute resolution mechanism and comprehensively optimized the consumer complaint service system. The Company focused on transforming complaint management from traditional "problem handling" to identifying "service improvement opportunities", and from passive response to proactive service upgrading, thereby effectively improving customer experience.



During the reporting period, through multiple channels, including the national customer service hotline 95561, public opinion management, letters and visits, on-site complaints, and regulatory referrals, the Company accepted a total of 196,377 customer complaints, a decrease of 28,627 compared with the same period last year, a decline of 12.72%. The average daily complaint volume per outlet was 0.26, with a complaint rate of 0.17%. The average number of complaints per 1,000 individual customers was 1.71, a year-on-year decrease of 16.09%. The average complaint volume per outlet was 93.87, a year-on-year decrease of 12.60%, and the annual complaint resolution rate reached 99.99%. The details of consumer complaints are as follows:

– In terms of the regional distribution of consumer complaints, East China received 71,283 complaints, accounting for 36.30%; North China received 35,856 complaints, accounting for 18.26%; Central China received 23,245 complaints, accounting for 11.84%; Northeast China received 22,005 complaints, accounting for 11.21%; South China received 18,816 complaints, accounting for 9.58%; Southwest China received 15,330 complaints, accounting for 7.81%; and Northwest China received 9,842 complaints, accounting for 5.01%.

– In terms of complaint handling channels, the front-end channels received a total of 93,820 complaints, accounting for 47.78% of the total, including 61,653 from electronic channels, 25,113 on-site complaints, 7,054 from self-service machines, third-party platforms, and other channels. The middle – and back-office channels received 102,557 complaints, accounting for 52.22%.

– In terms of business areas, there were 153,819 complaints for credit card services, accounting for 78.33%; 14,272 for debit card-related services, 7.27%; 10,765 for loan services, 5.48%; 3,385 for proprietary and agency wealth management products, 1.72%; 1,399 for payment and settlement services, 0.71%; 1,166 for RMB savings and RMB management services, 0.59%; and 11,571 for other services, including foreign exchange, precious metals, and personal financial information, 5.89%.

– In terms of causes of complaints, 109,128 complaints were raised for financial institutions' management systems, business rules and processes, accounting for 55.57%; 37,668 for marketing methods and means, 19.18%; 34,073 for debt collection methods and practices, 17.35%; 6,330 for service attitude and service quality, 3.22%; 4,607 for infrastructure, equipment, and business systems of financial institutions, 2.35%; 2,703 for concerns over customer fund security, 1.38%; 779 for pricing and service charges, 0.40%; 446 for product returns, 0.23%; and 643 for other reasons including contract

terms, customer information security, information disclosure, and the right to make independent choices, 0.33%.

#### 4.3.1.5 Improving debt collection and loan modification processes to enhance customer service experience

In terms of organizational structure and full-process management, the Risk Management Department at the Head Office was responsible for the whole-process management of debt collection. A dedicated early warning and collection division was established under the Retail Credit Department to standardize the collection operation and management. In addition, collection systems were established within both the Retail Credit Department and the Credit Card Center to enable full-process management of debt collection. The Company strictly complied with relevant laws and regulations governing debt collection management, standardized the entire collection process, and continuously promoted compliance and quality management through pre-event prevention, in-event management, and post-event supervision enhancement. Using digital technologies, the Company enhanced customer experience through a combination of "human-like + intelligent interactions". It actively restored customers' willingness to repay by providing repayment relief for individual loan customers who demonstrated repayment intent and capability. Measures included loan extension, refinancing, grace periods for principal and interest repayment, as well as the introduction and extension of repayment grace periods. The Company also provided diverse channels for customers to access their rights and interests and apply for modifications. The Company strengthened the management of collection partners by establishing an entry mechanism with clearly defined entry standards and procedures. Information such as the names and contact details of partner institutions was promptly disclosed through official channels, fully safeguarding consumers' right to know.

#### 4.3.1.6 Deepening the consumer protection philosophy and strengthening internal compliance training

The Company attached great importance to enhancing employees' awareness of consumer protection. At the beginning of 2025, it formulated and issued the "2025 Consumer Protection Training Plan" across the Bank to establish a long-term training mechanism combining "external outreach and internal reinforcement, online and offline learning, as well as traditional training and live-streaming sessions". This move strengthened the effectiveness of consumer protection in business processes.

The Company strengthened compliance management training and organized a themed training program on "Management of and Response to Public Opinions in the All-Media Era", providing a comprehensive overview of compliance management from multiple dimensions, including enhanced understanding of public opinion management, pre-event screening, public opinion handling, media response, and institutional support. The Company strengthened financial marketing training by closely aligning with the eight core consumer rights and key regulatory requirements and explaining the standardized wording guidelines, key risk reminders, and typical cases closely related to marketing and promotional activities. The Company enhanced training in areas with frequent complaints, including credit card services, wealth management, and personal loan businesses, delivering a total of 30 consumer protection-related training sessions throughout the year. The Bank reinforced training for high-risk business areas by conducting a series of consumer protection and compliance training sessions focused on new management regulations on suitability and agency distribution. In particular, the Company increased the frequency of training for specific high-risk agency distribution products, such as non-standard debt assets and private investment funds.

During the reporting period, the Company conducted a total of 880 consumer protection-related training sessions both online and offline, with an attendance of approximately 196.4 thousand. The training covered all levels of the Head Office and branch personnel, including senior management members, consumer protection specialists, frontline business staff, and new employees. Both training coverage and employee participation rates reached 100%, indicating that the Company had comprehensively strengthened consumer protection training and effectively consolidated the foundation of the Bank's consumer protection.

#### 4.3.1.7 Fulfilling social responsibilities by conducting consumer education campaigns

The Company continuously enriched the forms and content of financial education, actively conducted diversified financial education campaigns, and built an open and shared financial education channel network, making financial knowledge easily accessible.

The Company strengthened strategic planning and implemented a year-round financial education plan. The Company issued the *Notice on the 2025 Financial Literacy and Consumer Education Plan*, providing strategic planning for year-round financial consumer education campaigns and ensuring regular financial education through concrete actions. It focused on rural areas, remote areas, and ethnic minority communities, as well as key groups such as the elderly, young people, and new urban residents. It conducted tiered financial education activities with the goal of achieving "no gaps in regions, no omissions among the public". It integrated multi-party resources to deliver more diverse and practical services to consumers. For example, through the WeChat official account and the *Industrial Bank Co., Ltd.* magazine, the Company collaborated with insurance companies, legal counsels, and other external institutions to provide elderly care-oriented services such as legal consultation, retirement planning advice, and the "Anyu" classes.

In 2025, the Bank's financial education campaign reached 7.08 million elderly people, 2.29 million young people, 4.781 million new urban residents, and 309 thousand people living in rural and remote areas.

#### 4.3.1.8 Strengthening consumer protection audit and inspection

The Company strictly implemented the *Management Measures for Consumer Protection Audit of Industrial Bank*, continuously strengthened the supervision mechanism for consumer protection work, and improved the regularized and standardized mechanism for special audit and accountability in consumer protection. Operating on a five-year cycle, the audit coverage extended across relevant Head Office departments and tier 1 branches. The Company continuously tracked the rectification of identified issues and strengthened accountability for inadequate performance of consumer protection duties.

During the reporting period, the Company conducted a dedicated consumer protection audit focusing on the development of institutional mechanism and the implementation of consumer protection practices across the Bank. The audit covered the Head Office and selected tier 1 branches, covering marketing and promotion management, consumer protection review, product and service process control, and service fee management. In addition, audits of consumer protection were strengthened in key areas such as early repayment of mortgage loans and online lending management. The

Company also continuously followed up on the rectification of previously identified issues, thereby improving the quality and effectiveness of consumer protection work.

The Company conducted inspections in key business areas, accelerated the development of an intelligent complaint management system, and enhanced the efficiency of centralized customer service operations. It sped up the application of "Consumer Protection Monitoring Statement", starting with pilot programs in key businesses such as credit cards and personal loans to accumulate experience. It also strengthened off-site inspection and supervision capabilities.

### 4.3.2 Enhancing customer service experience

#### 4.3.2.1 Launching the "Experience Campaign"

Improving user experience and enhancing service quality and effectiveness, so that financial resources can benefit all people in a more equitable and efficient manner, is an embodiment of the people-centered development philosophy and the principle of "finance for the people". In 2025, the Company officially launched the "Experience Campaign", focusing on optimizing the whole-process customer experience, defining clear objectives and plans, coordinating management, and striving to enhance service quality and effectiveness by providing exceptional customer experience.

**The "Experience Campaign" was a key measure to enhance customer service.** The Company established the "Experience Campaign" as a strategic initiative spanning both online and offline channels and covering the three major business lines. With the core objectives of achieving breakthrough progress in key areas, establishing a solid foundation, and aligning the awareness and methods of all employees, the Company focused on the "1+5" ("1" refers to the mobile banking, and "5" refers to five online platforms, namely, Industrial Inclusion, Industrial Steward, Industrial Living, Qianda Money Manager and Bank-to-Bank Platform) online channels and offline outlets. It systematically advanced experience upgrading from multiple dimensions, including top-level design, institutional development, and technology empowerment. Centered on the goal of "six unifications" (unified strategy arrangement, unified customer management, unified channel management, unified resource allocation, unified performance evaluation, and unified user experience optimization), the Company gradually established an operation mechanism covering strategy deployment, customer management, channel collaboration, resource allocation, performance evaluation and experience optimization, promoting the Bank's digital operations toward standardization, centralization and refinement.

**The Company advanced the special initiative of "Everyone is an Experience Officer".** The Company established a bank-wide user experience task force and issued the *Management Measures for User Experience of Industrial Bank* to foster a bank-wide culture of full participation. User experience enhancement was integrated into the responsibilities of every position, making "everyone is an experience officer" a shared practice among all employees. A closed-loop management mechanism was established, spanning from front-end customer insight to back-end process improvement and continuously driving enhancement in customer experience.

**The Company realized digital empowerment for customer experience upgrading.** Data serves as the core enabler of experience enhancement. The Company leveraged digital and technological tools to precisely meet diverse customer needs, address public concerns, improve livelihoods,



and enhance customer satisfaction, thereby making basic financial services more convenient and efficient. The Company promoted departments to improve their data utilization capabilities, and enhanced the full data lifecycle from collection and processing to application, so as to optimize customer experience in a targeted manner.

**The Company accelerated the transformation and upgrade of mobile banking to precisely meet customer needs.** The Company established an integrated agile task force combining “operation-experience-development” to systematically advance intelligent upgrades and ecosystem-based scenario development. Intelligent agents have covered core scenarios such as fund transfers and inquiries. At the same time, the Company built a data-driven full lifecycle user management system, forming a closed loop of “component-based development + A/B testing + data feedback,” and effectively supporting precise and personalized services. As at the end of the reporting period, the number of active mobile banking customers increased by 11.83% from the end of the previous year.

**The Company enhanced barrier-free access to online services.** For vulnerable groups such as the elderly, the blind, and the visually impaired, the Company enhanced the accessibility of its official website by providing assistive browsing tools, including intelligent voice narration, plain-text reading mode, page zoom-in, large fonts, high-contrast color options, and visual guides, enabling equal and convenient access to information and services on the website. For mobile banking, the Company provided a voice-enabled mode for visually impaired users and upgraded its voice service system with enhanced listening, speaking and search capabilities. This supports voice broadcasting of asset information and account activity notifications, helping customers stay informed of account changes in a timely manner. Users can also customize speech rate, volume, and voice type to meet their diverse needs.

During the reporting period, the Company conducted quarterly scenario-based surveys, long-form questionnaire surveys, and outlet service surveys through both online and offline channels to obtain customer feedback in a timely manner. As at the end of the reporting period, through random sampling of 437 thousand customers, the net promoter score (NPS) of the Bank’s “1+5” digital Industrial Bank channel increased to 64 points, a year-on-year growth of 30%, further enhancing customers’ experience and satisfaction. The service satisfaction rate of the customer hotline 95561 reached 99.92%.

#### 4.3.2.2 Optimizing outlet service

The Company continued to optimize its outlet service layout, steadily advanced “information accessibility and service availability” across outlets, and adjusted existing outlet types and characteristic services.

**Optimizing outlet service layout.** During the reporting period, guided by the core principles of “technology empowerment, intelligence and efficiency, integration and connectivity, green development and environmental protection, and a bright and welcoming environment”, the Company advanced the V3.0 standardization of its outlets. **Emphasizing digital empowerment.** By optimizing service processes through the separation of counter services and processing operations, the Company strengthened coordination between intelligent systems and offline services. **Enhancing customer convenience.** The Company established comprehensive service zones where diverse functions such as personal banking, consultation, guidance and convenience services are integrated, and promoted a “single-window acceptance and integrated processing” model. **Highlighting human-centered design.** The Company fostered a bright and welcoming service environment, comprehensively strengthened age-friendly upgrades, optimized barrier-free access and clear guidance signage and incorporated green and energy-efficient principles into materials selection and equipment configuration, thereby reducing daily energy consumption and operating costs and achieving coordinated progress in environmental protection and cost efficiency. **Expanding customer business and integrated service scenarios.** The Company added functional spaces for financial training and multifunctional activities to support diverse activities such as business exchanges, small salons, and financial education, transforming traditional outlets into shared ecosystem spaces that integrate financial services, business networking, and value sharing. In 2025, a total of 100 outlets were under design and construction, with 5 of them being developed as model outlets in Shanghai, Shenzhen, and Fuzhou.

**Advancing “information accessibility and service availability” at outlets.** The Company took measures such as barrier-free environment upgrades, the establishment of CIB public welfare stations at outlets, and priority services for key customers to effectively meet the needs of elderly customers at outlets. As at the end of the reporting period, the Company established 1,665 outlets with barrier-free access, an increase of 69 from the end of the previous year. All outlets set up CIB public welfare stations in waiting areas, providing convenience supplies commonly used by elderly customers, such as priority seating, reading glasses, magnifiers, electronic blood pressure monitors, first-aid kits, and emergency call buttons. Dedicated priority service windows for elderly customers were set up, supported by staff proficient in local dialects.

**Enhancing age-friendly renovation of self-service channels.** In response to the demand for small-denomination cash in locations with a high proportion of elderly customers, the Company introduced small-denomination withdrawal functions on ATMs. It optimized large-font display modes with pop-up prompts to facilitate easy reading and selection for elderly customers. The Company increased the number of devices for handling reconciliation book services and equipped self-service machines with bankbook modules, enabling common services such as bankbook and reconciliation book updating and making self-service machines more aligned with the usage habits of elderly customers. As at the end of the reporting period, the Bank processed a total of 56,037 reconciliation book and bankbook transactions through self-service channels, with a cumulative transaction volume of RMB157.2 million.

#### 4.3.2.3 Expanding the service coverage

During the reporting period, the Company expanded its service coverage with community banking as the core hub. A total of 802 community sub-branches covered 28 provincial-level administrative regions nationwide. Guided by the principle of “deepening inclusive finance and empowering characteristic services”, the Company focused on two key directions: wealth management and elderly care. Wealth management-oriented community sub-branches are staffed with certified wealth managers to provide customized asset allocation solutions, while elderly care-oriented sub-branches enhance age-friendly facilities and services, and collaborate with communities to offer free health consultations and financial anti-fraud lectures.

The Company established special platforms such as “Anyu Life” and “CIB Children Club” to serve both the elderly and children, offering age-friendly services, parent-child financial literacy education, and comprehensive family financial solutions covering the entire life cycle. By leveraging lifestyle scenarios through initiatives such as “Industrial Living” and “Group Purchase Festival”, the Company strengthened emotional connections with customers via financial literacy campaigns and convenient service stations. Supported by a customer relationship management (CRM) system, the Company delivered refined services and improved customer coverage. Centering on private business owners in business districts, the Company provided small and micro enterprise loans along with family wealth planning services. It also developed community sub-branches tailored to the needs of specialized markets and business districts to offer one-stop financial services.

Through a series of service extension measures, the Company bridged the “last mile” of financial services, enabling residents to enjoy a convenient, scenario-based experience, providing comprehensive financial support for private business owners, and strengthening customer engagement through high-frequency interactions to enhance customer experience.

### 4.3.3 Expanding the financial service availability

#### 4.3.3.1 Deepening inclusive finance

The Company focused on key customer groups to promote targeted and scalable services. It actively developed the “Industrial Inclusion” online service channel, strengthened its digital service foundation, implemented financing coordination mechanisms for small and micro enterprises, streamlined loan processes, continuously improved the quality and efficiency of inclusive finance services, and continued to reduce the overall service costs for small and micro enterprises, thereby supporting the development of the real economy. As at the end of the reporting period, the interest rate of newly issued inclusive loans to small and micro enterprises decreased by 47 basis points from the end of the previous year. The Company served 257.6 thousand small and micro enterprise loan customers, with a loan balance of RMB2,119.109 billion, an increase of 13.26% from the end of the previous year. The number of inclusive small and micro enterprise loan customers reached 240.3 thousand, with a balance of RMB596.067 billion, an increase of RMB40.135 billion from the end of the previous year, representing a growth rate of 7.22%. In 2025, in accordance with the *Notice of the National Financial Regulatory Administration on Providing Loan Renewal Services and Improving Financial Services for Small and Micro Enterprises*, the Company optimized support policies for existing customers and expanded the scope of customers eligible for loan renewals without principal repayment and self-service credit line drawdowns. As at the end of the reporting period, the Company provided RMB77.4 billion for loan renewals without principal repayment.

**Deepening engagement with key customer groups.** The Company focused on the challenges and pain points of different customer groups. Through targeted service upgrades, it achieved precise coverage and value empowerment of financial services for diverse groups. In 2025, the Company’s loan balance in the eco-cultural tourism sector increased by RMB6.224 billion, representing a growth rate of 629.32%. The Company cumulatively disbursed over RMB13 billion for the “Xingsu Loan (exclusive for high-quality technology innovation enterprises)”, serving more than 800 technology enterprises. The cumulative disbursement of high-tech talent entrepreneurship loans reached RMB2.003 billion.

**Building the “Industrial Inclusion” online service channel.** The Company promoted the integrated application of digital technologies and inclusive finance, striving to address the challenges faced by small and micro enterprises, including difficulty in financing, high financing costs, and slow financing processes. As at the end of the reporting period, the number of certified enterprises on the “Industrial Inclusion” platform reached 115.7 thousand, an increase of 41.8 thousand compared with the end of the previous year. The platform cumulatively addressed over 120,000 financing requests, with a total amount exceeding RMB500 billion, an increase of 17.7 thousand transactions and RMB120.417 billion, respectively.

**Strengthening the financing coordination mechanism for small and micro enterprises.** The Company convened bank-wide meetings to make work arrangements, established dedicated task forces for small and micro foreign trade enterprises and the private sector, and issued specialized implementation guidelines. Through systematic measures, including assessment and evaluation, streamlined loan renewal processes, enhanced product supply and the development of digital tools, it achieved early planning, rapid execution, and effective outcomes. Under this coordination mechanism, the Company cumulatively extended RMB718.09 billion in loans to 103 thousand small and micro enterprises.

During the reporting period, the Company received a Grade I rating for its “2024 Financial Services for Small and Micro Enterprises” from the NFRA. The Company was the only one among the 12 joint-stock banks in the year to receive this rating, and this was the Company’s first Grade I rating since the introduction of the evaluation system.

#### 4.3.3.2 Supporting rural revitalization

Focusing on serving the foundation of agriculture, rural areas, and farmers, the Company continued to promote the effective transition from poverty alleviation to rural revitalization. The Company deployed financial service commissioner teams to the front line, deepened the empowerment of digital technologies such as the “Internet of Things (IoT) + satellite remote sensing”, implemented a “region + industry” targeted support strategy, developed smart market scenario-based ecosystems, and improved the “non-financial + financial” integrated service system. In this manner, the Company built a distinctive, practical and effective new path for rural financial services, contributing financial support in building up China’s strength in agriculture.

**Deploying professional service providers to the primary level and empowering rural development through digitalization.** The Company established a team of financial service commissioners to build new cooperation mechanisms with county-level and township governments, agricultural enterprises, farmers, new agricultural business entities, and other organizations, effectively playing the role of liaisons, advocates, and advisors. Focusing on the “financial service commissioners+” business model, the



Company explored new pathways for rural financial services, featuring financial service commissioners as “friends”, the IoT as “hands”, and satellites as “eyes”, to bridge the “last mile” of financial services reaching rural areas. As at the end of the reporting period, the Company recruited over 2,200 financial service commissioners and developed a series of typical “financial service commissioners+” business models. The balance of agriculture-related loans reached RMB543.935 billion, an increase of RMB50.583 billion or 10.25% from the beginning of the year.

**Deepening the “region + industry” strategy to support industries in county areas in a targeted manner.** Focused on specialty industries and leading enterprises in key counties receiving paired assistance and areas lifted out of poverty, and guided by a “region + industry” dual-engine approach, the Company established a comprehensive financial service system targeting key sectors such as manufacturing and processing, seed R&D, the full grain industrial chain, environmental improvement, ecological governance, and green agriculture, based on regional industrial endowments and industry development needs. As at the end of the reporting period, the Bank operated 267 outlets in rural and county-level areas, with financing services covering 1,394 counties. It issued 118 specialized plans for county-level industries covering 28 branches. The loan balance in areas lifted out of poverty reached RMB100.373 billion, an increase of RMB18.288 billion from the end of the previous year, while the loan balance in key counties receiving paired assistance totaled RMB7.783 billion.

**Building a smart market scenario-based ecosystem and enhancing the “non-financial + financial” integrated service system.** The Company focused on agricultural wholesale markets and farmers’ markets as key livelihood scenarios, aiming to address their pain points of weak management and low-level digitalization. It independently developed and promoted the “Smart Market System” free of charge, built a smart market scenario-based ecosystem, and provided a “non-financial + financial” integrated service system for various customer groups within the markets. As at the end of the reporting period, the service network of the Smart Market System covered 25 provinces and 4 municipalities directly under the central government across China, reaching 97 prefecture-level cities and 125 counties (cities/districts). The Company signed service agreements with 334 markets in total and provided over RMB45 billion in loans, including 170 agricultural wholesale markets, serving more than 28,000 merchants of various types.

#### 4.3.4 Safeguarding privacy and data security

The Company regarded risk prevention as a perpetual priority. It coordinated development and security, adhered to bottom-line thinking, respected and protected customer rights, strengthened personal data and privacy protection, and enhanced proactive information security defense. It strengthened governance of AI ethical risk, established information security risk screening and emergency response mechanisms, conducted the company-wide training on information security, and comprehensively strengthened technology risk and cybersecurity management, making every effort to safeguard customer privacy and data security and build a robust line of defense for security. During the reporting period, the Company’s investment in information technology amounted to RMB7.614 billion, and that in information security reached RMB104 million. Over the past three years,

the investment in information security totaled RMB358 million, fully ensuring the financial resources required for data security and privacy protection of the Company.

**Respecting and protecting customer rights, and strengthening personal data and privacy protection.** The Company strictly adhered to relevant laws, regulations, and regulatory requirements, and was committed to fully respecting and protecting customers’ rights to control their personal information, including the right to be informed, the right to choose, and the rights to access, copy, correct, and update their personal information, as well as the right to request account cancellation and deletion of personal information. These rights are clearly stated in the privacy policy, along with detailed procedures for exercising such rights. The Company followed the principle of “Privacy by Design”, established the Privacy Impact Assessment (PIA) mechanism, and continuously conducted privacy compliance detection of mobile Internet applications to reduce the collection and retention of customer information. In 2025, the Company received no regulatory penalties due to customer information leakage or failure to comply with protection requirements. A total of 46 privacy compliance inspections were conducted on customer-facing or key Internet applications and mini-programs, ensuring the legality of privacy agreements, standardization of authorization mechanisms, and compliance of permission access.

**Enhancing proactive information security defenses.** The Company issued the *Cybersecurity and Information Security Policy of Industrial Bank*, and continuously improved its information security systems to ensure data integrity and protection, monitor and respond to cybersecurity threats, clarify employees’ cybersecurity responsibilities, and strengthen information security requirements for third parties. The Company fully adopted and implemented the ISO27001 information security management system, and engaged external third-party institutions to validate and reassess its ISO27001 certification on a yearly basis. It also conducted targeted audits on 14 tier-one branches, ensuring full coverage of all tier-one institutions on a three-year cycle.

**Strengthening governance of AI ethical risk.** The Company plans to establish an “AI+” coordination and planning office to coordinate the development of the Company’s governance system for AI model algorithm security, ethics and morality. A security assurance task force will be set up under the Office, composed of relevant leaders and core staff from the Science & Technology Management Department, CIB Fintech Research Academy, and Data Management Department of the Head Office. The task force will build an AI model algorithm security management and ethical governance system, with model security at its core, data security as the foundation, content security as a safeguard, and network and infrastructure security as the base.

**Establishing and improving mechanisms for information security risk screening and emergency response.** The Company built and launched a cybersecurity monitoring and command center to further enhance capabilities in vulnerability detection and remediation. Relying on dedicated security operation facilities, the Company strictly followed standardized procedures, clearly defined responsibilities of first-, second-, and third-line positions, and promoted coordinated and efficient collaboration across all functions. It conducted 24/7 security monitoring and analysis, alert handling, and

closed-loop management on a regular basis to comprehensively strengthen the line of defense for information security. The Company enhanced data backup and conducted annual emergency drills covering various scenarios (including failures of management nodes, data nodes, and cluster nodes). It established a cybersecurity emergency command group and dedicated task forces led by the directly responsible person for cybersecurity, with coordinated participation from all departments and institutions. This move aims to strengthen collaboration with external professional institutions and establish monitoring and early warning mechanisms for cybersecurity threats and data leakage incidents.

**Conducting company-wide training on information security.** The Company is committed to building a comprehensive and regular long-term training mechanism covering all employees, focusing on daily operational risk points and areas of weak awareness, and actively fostering a culture of information security where “everyone is responsible and accountable”. In 2025, the Company conducted 116 sessions of training on general information security, with 149,473 attendances by internal employees and outsourced personnel, and 1,866 attendances by new employees. It organized 87 sessions of training on professional security skills, with 3,147 attendances by security personnel. It launched 52 sessions of training on secure R&D, with 11,205 attendances by R&D professionals.

In 2025, the Company actively joined organizations such as the Critical Information Infrastructure Security Protection Committee of the Cyber Security Association of China, deepened cross-institutional security information sharing and collaboration, and contributed to building a secure digital ecosystem for the industry. The Company obtained multiple certificates, including the dual certificate of ISO27001 information security management standard and management system CNAS/UKAS, financial technology product certificate, and the Information Technology Service Standards (ITSS) compliance certificate.

#### 4.3.5 Growing together with talent

The Company built a science-based human resources management system, continuously optimized the talent supply structure, and established a remuneration system that ensures internal equity, market competitiveness, and alignment with the Company’s corporate culture and management philosophy. It improved its job position system and promotion and selection mechanism, strengthened the talent pipeline, enhanced the employee training system, and continuously optimized the working environment, striving to integrate individual development with corporate value creation.

**Building a science-based human resources management system.** Focusing on the Bank’s overall strategic development plan and key business development requirements and taking into account the current status of the workforce, the Company formulated a comprehensive human resources plan that aligns with development strategies and matches the operating environment. Through management practice, it gradually established a

closed-loop management model featuring early planning, goal-oriented guidance, implementation and following up, periodic assessment, and dynamic optimization. In implementing human resources planning, the Company adhered to a combination of long-term and short-term approaches. It followed the *14th Five-Year Talent Development Plan of Industrial Bank* as its long-term guide and used the annual workforce plan as the key lever in the short term, thereby ensuring consistency with long-term strategy while maintaining flexibility in short-term actions.

**Continuously optimizing the talent supply structure.** The Company adhered to the philosophy that “talent is the primary resource”, implemented open and diverse talent introduction strategies, continuously improved the multi-dimensional talent introduction system, and fostered a fair and inclusive environment. These efforts optimized workforce structure and stimulated organizational vitality. In 2025, the Company revised the *Employee Recruitment Management Measures of Industrial Bank*, which explicitly prohibited any discriminatory clauses in recruitment, with the workforce becoming more diverse, balanced and dynamic. The Company built a talent recruitment framework that places equal emphasis on campus recruitment and social recruitment, comprehensively expanding the talent pipeline. In 2025, the Company was included in the “Top 100 Best Employers” in 2025 China Best Employer Selection organized by zhaopin.com for the fourth consecutive year. It received multiple honors, including the “2025 Most Socially Responsible Campus Recruitment Employer” by nowcoder.com, the “2026 Distinguished Award for Human Resources Management” by 51job, and the “2025 China Talent Management Model Enterprise” by Beisen.

**Establishing a remuneration system that ensures internal equity, market competitiveness, and alignment with the Company’s corporate culture and management philosophy.** The Company formulated the *Remuneration Management System of Industrial Bank* to safeguard the remuneration of employees at the primary level, broaden the room for employees’ career advancement, and clarify professional and technical career tracks, cadre grading mechanisms, and promotion pathways, thereby enhancing the attraction, motivation, and retention of talent, especially key personnel. The Company improved the incentive and restraint mechanisms for performance-based remuneration, and strictly implemented deferred payment of performance-based remuneration. For heads of institutions and personnel in positions with direct or significant impact on risks, at least 40% of their performance-based remuneration is subject to deferral, with a deferral period of no less than 3 years. The Company established and rigorously implemented clawback, withholding, and suspension mechanisms for performance-based remuneration to guide senior management members and key personnel to strengthen accountability and risk awareness, avoid short-termism, prevent aggressive or non-compliant practices, and ensure that remuneration incentives are aligned with risk-taking. The Company adhered to a 1:1 starting salary ratio between male and female employees to ensure equal pay for equal work.



**Establishing a well-structured job position system and promotion and selection mechanisms to smooth career development channels for employees.**

The Company continuously improved the dual career development model of “management + professional technical” tracks. For the management track, differentiated development plans were implemented, with job rotations and targeted training programs in place to enhance the comprehensive capabilities of management professionals. For the professional technical track, the *Management Measures for Professional Technical Career Path of Industrial Bank* was formulated, setting up a clear five-tier promotion pathway across six key domains: technology, risk, fund, products, marketing, and operational support. The Company strengthened promotion and selection mechanisms and strictly adhered to the standards for capable officials in the new era. It upheld the principles of Party leadership over cadres, integrity and competence, performance orientation, and public recognition, while ensuring people-position fit and merit-based appointments to maintain the vitality of the leadership team. The Company also enhanced support for career development and implemented multi-tiered, systematic talent development and training programs.

**Strengthening the talent pipeline.** Focusing on strategic transformation and organizational capability enhancement, the Company systematically advanced the development of talent pools, talent reserves, and job rotation programs, continuously strengthening the foundation of future leaders. It organized and implemented a series of key talent initiatives to cultivate seven key types of talent, including digital, interdisciplinary, specialized, high-end, versatile, international, and craftsmanship-oriented professionals. Programs such as the “Tens of Thousands of Technology Talent Program”, “Tens of Thousands of Green Finance Talent Program”, “Model Talent Development Program”, “International Talent Cultivation Program”, and “Tens of Thousands of Wealth Management Talent Program” were launched to continuously strengthen the Company’s key talent reserves. In 2025, the Bank had more than 8,000 technology professionals, an increase of approximately 5% compared with the end of the previous year; it had more than 9,100 green finance professionals and newly added approximately 3,200 employees fully qualified to sell wealth management products.

**Improving the employee training system.** The Company continued to refine its “5+N” training system (“5” refers to five mandatory training modules, i.e. Party building, digital technology, risk management, business operation, and leadership, while “N” represents numerous individual and customized professional capability training modules tailored to various job requirements), strengthened the “1+N” responsibility system (“1” refers to the Communist Party of China Industrial Bank Party School at the Head Office, which serves as the central coordinating body for training, while “N” refers to numerous entities responsible for jointly implementing training sessions, including branches, Head Office departments, and relevant business units), and improved the training operation system. It made ongoing efforts to advance the development of the training curriculum, instructor teams, leadership development system, online learning platforms, certification system, and external partnership-based training mechanism. In 2025, the employee training coverage rate of the Company reached 99.17%, with an average of 210.24 training hours per employee per year; the “Xingzhi” platform launched more than 15,000 courses; the Bank had 4,776 instructors who

delivered a total of 7,846 training sessions, amounting to 12,532 training hours; a three-tiered leadership development system at the senior, middle, and primary levels was established, covering the Head Office, branches, and subsidiaries, and including full-time employees as well as dispatched and outsourced personnel; the “Xingzhi” online platform recorded nearly 53,000 monthly active users, with an average annual online learning time of 49 hours per employee; the “Xingzhi” platform recorded 52.7 thousand external certificates, a year-on-year increase of 36%; in collaboration with external institutions, the Company organized 54 training sessions covering all levels of personnel, including senior management members, mid-level backbone staff, frontline employees, and specialized roles.

**Continuously optimizing the working environment.** The Company ensured smooth employee communication channels and standardized the handling procedures for human resources-related letters and visits. It leveraged the “Xing Voice” platform to provide employees with a channel for anonymous suggestions and feedback and conduct online surveys on the human resources ecosystem. The Company provided comprehensive welfare protection by establishing a benefits system with a certain level of market competitiveness. The benefit package includes statutory benefits, company-wide benefits, special corporate benefits, and logistical support benefits. The Company cared for employees’ health and safety by offering free health check-ups and improving health-related infrastructure. The Company thoroughly implemented the “Three-year Action Plan for Strengthening Security Management” and conducted comprehensive inspections and rectifications of fire safety risk in workplaces. It completed two rounds of exhaustive fire hazard inspections, strengthened emergency response drills for unexpected incidents, and continuously carried out both on-site and off-site inspections. In 2025, human resources-related feedback was received through multiple channels, including telephone, email, and written correspondence, and was handled properly in accordance with established procedures. The “Xing Voice” platform recorded 34,118 posts and over 210,000 comments, with average daily views of 64,000 and total views exceeding 110.85 million. The overall employee satisfaction rate exceeded 98%. The Company conducted Spring Festival visits, benefiting 22,000 person-times, and provided targeted assistance to 224 employees in need.

#### 4.3.6 Actively engaging in public welfare and charity

The Company upheld the principle of promoting goodness through finance and adhered to the principle of “focusing on the central task and serving the overall national interests”. It proactively aligned with major national strategies and key tasks, focusing on four priority areas: rural revitalization, educational support, assistance to vulnerable groups, and disaster relief. Guided by the mission of the Company’s foundation, “promoting common prosperity and building a harmonious society”, the Company directed charitable resources toward public welfare sectors and areas of weakness. At the same time, the Company encouraged employees to participate in public welfare and volunteer programs, demonstrating a positive and responsible corporate image through concrete actions. In 2025, the Company donated RMB43.93 million and carried out 100 charitable projects.

**The Company focused on key assistance areas. For rural revitalization,** the Company's total charitable expenditure amounted to RMB4.71 million, with 37 projects implemented. Efforts were made to upgrade rural infrastructure, cultivate rural talent, and support the development of specialty industries to increase farmers' income. Charitable campaigns were conducted in 65 villages across 16 provinces nationwide. **For educational support,** the Company's total charitable expenditure amounted to RMB18.19 million, covering 34 projects. Funds were primarily used to support students from disadvantaged backgrounds and reward outstanding students, while promoting quality-oriented education and fostering students' innovation capabilities. **For assistance to vulnerable groups,** the Company's total charitable expenditure amounted to RMB8.58 million, covering 22 projects, which primarily helped low-income groups address basic livelihood needs, including healthcare and employment. **For disaster relief,** the Company focused on supporting major disaster relief efforts and post-disaster recovery in areas for paired assistance. It implemented three projects, with total donations of RMB10.30 million.

**The Company was committed to employees' volunteer services.** The Company continued to improve its volunteer service system by building a dedicated volunteer service platform and formulating the *Volunteer Service Management Measures of Industrial Bank*. These efforts standardized volunteer service management, safeguarded the legitimate rights and interests of volunteers and related parties, strengthened volunteer training, enhanced professional capabilities, and promoted the regularized and professional development of volunteer services. The Company organized

and carried out the "CIB Caring for the Elderly" public welfare initiative. It encouraged branches to establish volunteer teams dedicated to elderly care to deliver services in nursing homes and senior universities. Centered on five key themes, including "daily life services, health support, cultural and recreational activities, educational campaign, and companionship", these teams provided warm and effective public welfare services for the elderly on a regular basis. Online training programs were also conducted for volunteers, covering service priorities and emergency response for elderly care, thereby strengthening the professional elderly care workforce and improving service quality and effectiveness. The Company organized dedicated public welfare activities to support those with hearing impairment, organized themed activities, and provided sign language training featuring employees' volunteer services. As at the end of the reporting period, two activities were successfully held, benefiting nearly 60 hearing-impaired people. A total of 20 employee volunteers of the Company were recruited, contributing more than 70 hours of volunteer service. The Company also invited professional sign language instructors to provide training for 116 outlet lobby staff, enhancing their ability to serve customers with special needs and supporting the development of the Company's accessible financial service system.

#### 4.4 More ESG information

For more specific ESG information of the Company, please refer to the Company's 2025 *Annual Sustainability Report* disclosed on the website of the Shanghai Stock Exchange and the ESG column of the official website of the Company.



Chapter 5  
**Significant  
Events**



## Chapter 5 Significant Events

### 5.1 Commitment of the Company and its shareholders holding more than 5% of shares of the Company during the reporting period or remaining in effect in the reporting period

According to relevant rules of the CSRC, the *Proposal on the Dilution of Immediate Returns by the Public Issuance of A-share Convertible Corporate Bonds and Remedial Measures* was considered and approved at the twenty-ninth meeting of the Ninth Session of the Board of Directors and the 2020 Annual General Meeting. The proposal specified remedial measures in respect of the potential dilutive effect that the public issuance of A-share convertible corporate bonds may have on immediate returns of investors, which included strengthening capital planning and management, maintaining stable and adequate capital, enhancing capital use efficiency, reasonably allocating resources, continuing to reform business lines, expanding diversified profit channels, and further improving the sustained, stable and science-based shareholder return mechanism. In addition, the directors and senior management members of the Company made undertakings in respect of effectively implementing such remedial measures. For details, please refer to the announcements of the Company dated May 22, 2021 and June 12, 2021.

The Company and its shareholders holding more than 5% of the shares of the Company made no other undertakings during the reporting period or undertakings that remained in effect in the reporting period.

### 5.2 Appropriation of funds during the reporting period

During the reporting period, no controlling shareholder or other related parties used the capital for a non-operating purpose.

### 5.3 Appointment of the accounting firm

Upon approval of the 2024 Annual General Meeting, KPMG Huazhen LLP was appointed to audit the 2025 annual report, review the semi-annual report and provide internal control audit services with the total audit fee amounting to RMB9.58 million, which included various advancements, as well as related taxes. KPMG Huazhen LLP has provided audit services for the Company for seven consecutive years. Wu Zhongming, the signing certified public accountant, has provided audit services for the Company for five consecutive years, and Pan Sheng, the signing certified public accountant, has provided audit services for two consecutive years.

### 5.4 Material lawsuits and arbitrations

During the reporting period, there was no lawsuit or arbitration with material effects on the Company that was required to be disclosed.

The Company may be subject to lawsuits or arbitration arising from the recovery of loans or disputes with customers in the daily business process. As at the end of the reporting period, there were 246 outstanding lawsuits and arbitrations in which the Company was the defendant or respondent, involving an aggregate amount of RMB2.306 billion. Certain lawsuits involved events after the balance sheet date. See Note XIV.1 to the financial statements of this report.

### 5.5 Punitive actions against the Company and its directors, supervisors and senior management members

During the reporting period, the Company, its directors, supervisors and senior management members were not subject to any inspection by authoritative agencies, any compulsory measures by judicial authorities or discipline inspection departments, any referral to judicial authorities, criminal prosecution, inspection or administrative punishment by the CSRC, deprivation of market access, identity as inappropriate candidates and open condemnation of security exchanges, or any other punishment by regulators that may have significant impact upon the Company's operation.

### 5.6 Integrity of the Company

During the reporting period, there were no material lawsuits, failure to implement effective judgments of a court or failure to repay substantial debts when due by the Company.

### 5.7 Related party transactions

The Company strictly adhered to the regulatory requirements of the NFRA, the CSRC and the Shanghai Stock Exchange, adhered to the principles of "substance over form" and "penetration", strengthened the identification and management of related parties and related party transactions, ensured the compliance and fairness of related party transactions by strictly enforcing review and approval controls, rigorously fulfilled the approval, reporting and disclosure procedures for material related party transactions, strengthened the conduct regulation of major shareholders, established a normalized inspection and supervision mechanism for related party transactions, and continuously promoted information-based and intelligent management of related party transactions, so as to ensure effective operation of the related party transaction management mechanism. During the reporting period, the Company adhered to general business principles for related party transactions, and the conditions and interest rates were subject to the relevant provisions of the business management of the Company, which were determined under conditions no more favorable than those of similar transactions with non-related parties. Its pricing was fair, and such transactions were entered into based on the need of normal operations, which was in the interests of the Company and its shareholders as a whole.

According to the *Administrative Measures for Related Party Transactions of Banking and Insurance Institutions* of the former CBIRC, as at the end of the reporting period, the balance of credit granted by the Company for all related

parties (after deducting bank deposits, margin and central government bonds, the same applies below) was RMB78.772 billion under the statistical standards of the NFRA, accounting for 6.87% of net capital of the Company (the net capital under the statistical standards of the Group as at the end of the reporting period, the same applies below); the balance of credit granted by the Company for the largest single related party was RMB17.790 billion, accounting for 1.55% of net capital of the Company; the balance of credit granted by the Company for the largest related party legal person's group was RMB19.283 billion, accounting for 1.68% of net capital of the Company; and the above were all in line with the regulatory ratio requirements of the NFRA. As at the end of the reporting period, the balance of credit granted by the Company for related legal persons or unincorporated organizations was RMB77.485 billion under the statistical standards of the NFRA, and the balance of credit granted by the Company for related natural persons was RMB1.287 billion under the statistical standards of the NFRA. During the reporting period, the total amount of asset transfer transactions, service transactions and deposit and other transactions between the Company and related parties under the statistical standards of the NFRA was RMB19.117 billion, RMB9.588 billion and RMB254.020 billion, respectively.

According to the definition of related party and scope of related party transactions as defined by the CSRC, the Shanghai Stock Exchange and the accounting standards, as at the end of the reporting period, the credit balance of the Company's related party transactions with related natural persons was RMB7,516.1 thousand. Please refer to the "Notes IX. Related Party" under the financial statements for further details on specific data on related party transactions.

### 5.7.1 Material related party transactions

As at the end of the reporting period, the material related party transactions of the Company that were reviewed by the Shareholders' Meeting or the Board of Directors and are still valid include:

On June 30, 2023, the seventeenth meeting of the Tenth Session of the Board of Directors of the Company considered and approved the *Proposal on the Granting of Related Party Transaction Quota to Fujian Provincial Port Group Co., Ltd. and its Affiliated Companies*, and agreed to grant a quota of related party transactions of RMB44.1 billion to Fujian Provincial Port Group Co., Ltd., including credit-type related party transaction quota of RMB29.1 billion and non-credit type related party transaction quota of RMB15 billion, with the term of validity of three years. The related party transactions within the above limit were generated from the needs of normal business activities and conducted on terms no better than those for similar transactions with non-related parties, with fair pricing and in compliance with relevant laws, rules, regulations and regulatory provisions, and the payment methods and timing of the transactions were determined with reference to commercial practices. For details, please refer to the Company's announcement on June 30, 2023. As at the end of the reporting period, the credit balance of Fujian Provincial Port Group Co., Ltd. and its affiliated companies was RMB5.486

billion; the deposit balance of Fujian Provincial Port Group Finance Co., Ltd. (hereinafter referred to as the "Port Finance"), an affiliated company of Fujian Provincial Port Group Co., Ltd., was RMB600 million. There was no credit facilities granted or outstanding borrowings.

On April 25, 2024, the twenty-third meeting (extraordinary meeting) of the Tenth Session of the Board of Directors of the Company considered and approved the *Proposal on the Granting of Related Party Transaction Quota to Xiamen International Bank Co., Ltd.*, and agreed to grant a quota of related party transactions of RMB39.2 billion to Xiamen International Bank Co., Ltd., including credit-type related party transaction quota of RMB22 billion and non-credit type related party transaction quota of RMB17.2 billion, with the term of validity of three years. The related party transactions within the above limit were generated from the needs of normal business activities and conducted on terms no better than those for similar transactions with non-related parties, with fair pricing and in compliance with relevant laws, rules, regulations and regulatory provisions, and the payment methods and timing of the transactions were determined with reference to commercial practices. For details, please refer to the Company's announcement on April 26, 2024. As at the end of the reporting period, the credit balance of Xiamen International Bank Co., Ltd. was RMB7.397 billion.

On June 20, 2024, the 2023 Shareholders' Meeting of the Company considered and approved the *Proposal on the Granting of Related Party Transaction Quota to Certain Related Parties*, and agreed to grant a quota of related party transactions of RMB80 billion to the People's Insurance Company (Group) of China Ltd. and its affiliated companies, including credit-type related party transaction quota of RMB40 billion and non-credit type related party transaction quota of RMB40 billion; agreed to grant a quota of related party transactions of RMB193.501 billion to China National Tobacco Corporation and its affiliated companies, including credit-type related party transaction quota of RMB23 billion and non-credit type related party transaction quota of RMB170.501 billion; agreed to grant a quota of related party transactions of RMB205.152 billion to Fujian Financial Investment Co., Ltd. and its affiliated companies, including credit-type related party transaction quota of RMB55 billion and non-credit type related party transaction quota of RMB150.152 billion. The term of validity of the above related party transaction quotas was three years. The related party transactions within the above limit were generated from the needs of normal business activities and conducted on terms no better than those for similar transactions with non-related parties, with fair pricing and in compliance with relevant laws, rules, regulations and regulatory provisions, and the payment methods and timing of the transactions were determined with reference to commercial practices. For details, please refer to the Company's announcements on March 29, May 31 and June 21, 2024. As at the end of the reporting period, the credit balance of the People's Insurance Company (Group) of China Ltd. and its affiliated companies, China National Tobacco Corporation and its affiliated companies, and Fujian Financial Investment Co., Ltd. and its affiliated companies was RMB0 million, RMB4.220 billion, and RMB7.065 billion, respectively.

On March 27, 2025, the seventh meeting of the Eleventh Session of the Board of Directors of the Company considered and approved the *Proposal on Changing the Related Party Transaction Quota Granted to Bank of Jiujiang and Its Affiliated Companies*. According to regulatory regulations, it was agreed that the inter-bank transactions conducted between the Company and Bank of Jiujiang Co., Ltd. and its affiliated banks are not subject to the criteria for material related party transactions, and the related party transaction quota granted to Bank of Jiujiang and its affiliated companies as previously approved by the thirteenth meeting (extraordinary meeting) of the Tenth Session of the Board of Directors was terminated. For details, please refer to the Company's announcement on March 28, 2025. The Company will continue to strictly comply with the management requirements for related party transactions. The business cooperation between the Company and Bank of Jiujiang and its affiliated companies (including the inter-bank transactions conducted between the Company and Bank of Jiujiang and its affiliated banks) will continue to be managed as related party transactions, and the review and approval procedures for general related party transactions will be performed to ensure that transactions are compliant, fair, necessary, and in compliance with the requirements of laws, regulations and regulatory rules. If any business conducted between the Company and Bank of Jiujiang and its affiliated companies meets the criteria for material related party transactions again, the Company will promptly submit the matter to the Board of Directors for deliberation and fulfill the external disclosure procedures.

On October 30, 2025, the eleventh meeting (extraordinary meeting) of the Eleventh Session of the Board of Directors of the Company considered and approved the *Proposal on the Granting of Related Party Transaction Quota to a Series of Related Parties of Industrial Trust and CIB Wealth Management* and the *Proposal on the Granting of Related Party Transaction Quota to a Series of Related Parties of Fujian Investment and Development Group Co., Ltd.*, and agreed to grant a quota of related party transactions of RMB261.8 billion to China Industrial International Trust Limited and its affiliated companies, including credit-type related party transaction quota of RMB97 billion and non-credit type related party transaction quota of RMB164.8 billion; agreed to grant a quota of related party transactions of RMB244.2 billion to CIB Wealth Management Co., Ltd. and its affiliated companies, including credit-type related party transaction quota of RMB60 billion and non-credit type related party transaction quota of RMB184.2 billion; agreed to grant a quota of related party transactions of RMB246.478 billion to Fujian Investment and Development Group Co., Ltd. and its affiliated companies, including credit-type related party transaction quota of RMB106.5 billion and non-credit type related party transaction quota of RMB139.978 billion; agreed to grant a quota of related party transactions of RMB42.967 billion to Fujian Investment and Development Group Co., Ltd. as a single entity, including credit-type related party transaction quota of RMB13 billion and non-credit type related party transaction quota of RMB29.967 billion. The term of validity of the above related party transaction quotas was three years. The related party transactions within the above limit were generated from the needs of normal business activities and conducted on terms no

better than those for similar transactions with non-related parties, with fair pricing and in compliance with relevant laws, rules, regulations and regulatory provisions, and the payment methods and timing of the transactions were determined with reference to commercial practices. For details, please refer to the Company's announcement on October 30, 2025. As at the end of the reporting period, the credit balance of China Industrial International Trust Limited and its affiliated companies, Fujian Investment and Development Group Co., Ltd. and its affiliated companies, and Fujian Investment and Development Group Co., Ltd. as a single entity was RMB19.283 billion, RMB4.723 billion, and RMB1.089 billion, respectively; CIB Wealth Management Co., Ltd. only carried out the intraday overdraft business for corporate accounts with the Company, and had no credit balance as at the end of the reporting period.

On December 19, 2025, the twelfth meeting of the Eleventh Session of the Board of Directors of the Company considered and approved the *Proposal on the Granting of Related Party Transaction Quota to a Series of Related Parties of Industrial Financial Leasing, CIB Fund Management and Industrial Consumer Finance* and the *Proposal on the Granting of Related Party Transaction Quota to China National Tobacco Corporation and its Affiliated Companies*, and agreed to grant a quota of related party transactions of RMB101 billion to Industrial Bank Financial Leasing Co., Ltd. and its affiliated companies, including credit-type related party transaction quota of RMB88 billion and non-credit type related party transaction quota of RMB13 billion, with the term of validity of three years; agreed to grant a quota of related party transactions of RMB130 billion to CIB Fund Management Co., Ltd. and its affiliated companies, including credit-type related party transaction quota of RMB40 billion and non-credit type related party transaction quota of RMB90 billion; agreed to grant a quota of related party transactions of RMB68.5 billion to Industrial Consumer Finance Co., Ltd. and its affiliated companies, including credit-type related party transaction quota of RMB60 billion and non-credit type related party transaction quota of RMB8.5 billion, with the term of validity of three years; agreed to add a quota of deposit-type related party transactions of RMB39.5 billion to China National Tobacco Corporation and its affiliated companies for the year 2025, valid until December 31, 2025. The related party transactions within the above limit were generated from the needs of normal business activities and conducted on terms no better than those for similar transactions with non-related parties, with fair pricing and in compliance with relevant laws, rules, regulations and regulatory provisions, and the payment methods and timing of the transactions were determined with reference to commercial practices. For details, please refer to the Company's announcement on December 19, 2025. As at the end of the reporting period, the credit balance of Industrial Bank Financial Leasing Co., Ltd. and its affiliated companies, Industrial Consumer Finance Co., Ltd. and its affiliated companies, and China National Tobacco Corporation and its affiliated companies was RMB6.628 billion, RMB17.790 billion, and RMB4.220 billion, respectively; CIB Fund Management Co., Ltd. only carried out the intraday overdraft business for corporate account with the Company, and had no credit balance as at the end of the reporting period.

## 5.7.2 Financial business between the Company and finance companies that have a related relationship with the Company

### 5.7.2.1 Deposit business

Unit: RMB10,000

Related party	Related relationship	Maximum daily deposit limit	Range of deposit interest rate (%)	Opening balance	Amount for the period		Closing balance
					Total amount deposited during the period	Total amount withdrawn during the period	
Fujian Provincial Port Group Finance Co., Ltd.	An enterprise controlled by a substantial shareholder	200,000	1.4-1.5	18,670.31	1,034,614.53	993,298.33	59,986.51

### 5.7.2.2 Loan business

During the reporting period, the amount of loans from the Group to the Port Finance, as well as from the Port Finance to the Group, was zero.

### 5.7.2.3 Credit business

The credit line of RMB300 million extended by the Group to the Port Finance expired on December 16, 2025. As at the end of the reporting period, the total credit extended by the Group to the Port Finance was zero. During the reporting period, the amount of credit business transactions between the Group and the Port Finance was zero.

## 5.8 Material contracts and performance thereof

### 5.8.1 Material custody, lease and contracting matters

During the reporting period, the Company had no material custody, lease, or contracting matters.

### 5.8.2 Guarantees issues

During the reporting period, except for the normal financial guarantees within the business scope approved, the Company had no other material guarantees requiring disclosure, and did not conclude any guarantee contract in violation of laws, administrative regulations and the procedures for guarantee resolutions prescribed by the CSRC.

### 5.8.3 Other material contracts

During the reporting period, the Company did not experience any contract dispute that exerted a significant impact on the Company's operation and management.

## 5.9 Description of other material matters

**5.9.1 Property acquisition by Shenzhen Branch:** As considered and approved by the sixth meeting (extraordinary meeting) of the Eleventh Session of the Board of Directors of the Company, Shenzhen Branch acquired property in Nanshan District, Shenzhen, for the operation and management of Shenzhen Branch and various subsidiaries within the Group. The total acquisition price did not exceed RMB6.6 billion. For details, please refer to the Company's announcement on February 21, 2025.

**5.9.2 Issuance of green finance bonds:** With the approval of the Central Bank, the Company issued the first, second and third tranches of green finance bonds in 2025 in the national inter-bank bond market, with total amounts of RMB30 billion, RMB20 billion and RMB5 billion, respectively. The proceeds were exclusively used for granting loans to green industry projects. For details, please refer to the Company's announcements on April 15, 2025, June 20, 2025, and December 2, 2025.

**5.9.3 Issuance of undated capital bonds:** With the approval of the NFRA and the People's Bank of China, the Company issued the first and second tranches of undated capital bonds (Bond Connect) in 2025 in the national inter-bank bond market, with an issuance scale of RMB30 billion and RMB20 billion, respectively, and the proceeds were used to supplement the Company's other Tier 1 capital. For details, please refer to the Company's announcements on April 25, 2025 and September 12, 2025.

**5.9.4 Approval for establishing and opening of CIB Financial Asset Investment Co., Ltd.:** With the approval of the NFRA, the Company was approved to establish and commence operations of its wholly-owned subsidiary, CIB Financial Asset Investment Co., Ltd., with a registered capital of RMB10 billion and its registered address in Fuzhou, Fujian Province. For details, please refer to the announcements of the Company's announcements on May 8, 2025 and November 10, 2025.

**5.9.5** Issuance of sci-tech innovation bonds: With the approval of the Central Bank, the Company issued the first tranche of sci-tech innovation bonds in 2025 in the national inter-bank bond market, with a total amount of RMB10 billion. The proceeds were exclusively used for granting loans in the field of sci-tech innovation. For details, please refer to the Company's announcement on May 14, 2025.

**5.9.6** Changes in shareholders' equity: On May 14, 2025 and May 27, 2025, Fujian Provincial Department of Finance, a shareholder of the Company, fully converted its "Industrial Convertible Bonds" of RMB8.644 billion into ordinary shares of the Company. Following this equity change, Fujian Provincial Department of Finance and its person acting in concert, Fujian Financial Investment Co., Ltd., held 4,353,660,826 ordinary shares of the Company in aggregate, representing 20.57% of the total ordinary share capital of the Company, and is still the largest shareholder of the Company with its shareholding in aggregate. For details, please refer to the Company's announcement on May 29, 2025.

**5.9.7** Redemption and delisting of all preferred shares: On July 1, 2025, the Company fully redeemed three tranches of preference shares, namely "Xing Ye You 1", "Xing Ye You 2" and "Xing Ye You 3", amounting to RMB56 billion, and completed the cancellation and delisting. For details, please refer to the Company's announcements on June 26, 2025 and July 3, 2025.

**5.9.8** Redemption of undated capital bonds: On October 15, 2020, the Company issued the "2020 Undated Capital Bonds of Industrial Bank Co., Ltd." with a total scale of RMB30 billion. According to the relevant terms of the bond prospectus, the bonds include an issuer redemption option, and the Company has the right to redeem all or part of the bonds on the interest payment date of the fifth year of the bond issuance. As at October 16, 2025, the Company has exercised the call option and fully redeemed the above-mentioned bonds. For details, please refer to the Company's announcement on October 17, 2025.

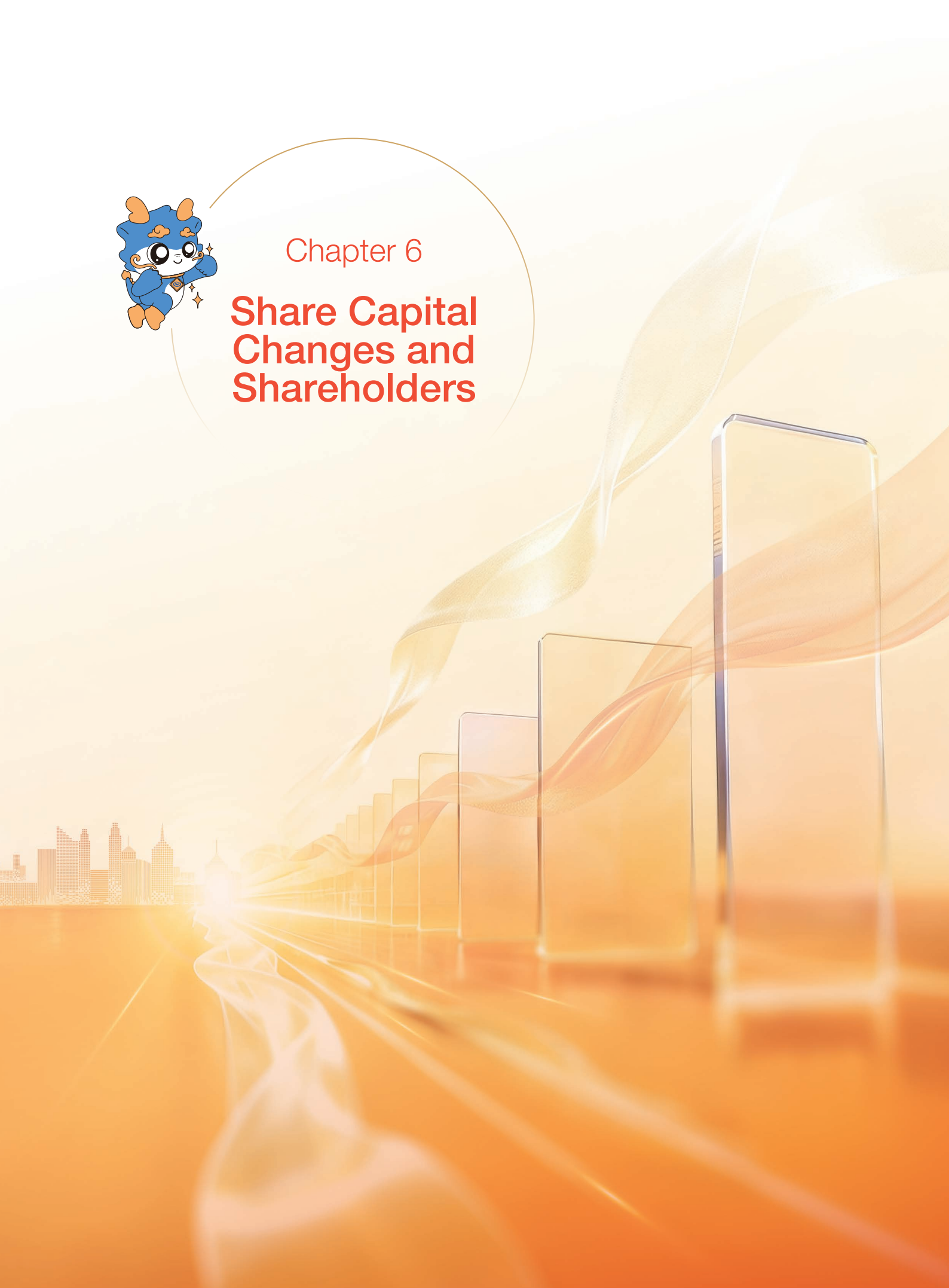
**5.9.9** Issuance of financial bonds: With the approval of the People's Bank of China, the Company was authorized to publicly issue the first tranche of 2025 financial bonds in the national inter-bank bond market, with a total amount of RMB20 billion. The funds raised were used to meet asset-liability allocation needs, replenish funding sources, optimize the maturity structure of liabilities, and promote the steady development of the business. For details, please refer to the Company's announcement on December 2, 2025.

**5.9.10** Approval of the amendment to the Company's Articles of Association and abolition of the Board of Supervisors: With the approval of the NFRA, the amended Articles of Association of the Company became effective on December 26, 2025. Since the date of approval of the Articles of Association, the Company has no longer established the Board of Supervisors. Instead, the Audit and Related Party Transaction Control Committee under the Board of Directors exercises the corresponding powers and responsibilities as stipulated under the *Company Law* and other applicable laws and regulatory regulations. For details, please refer to the Company's announcement on December 30, 2025.



## Chapter 6

# Share Capital Changes and Shareholders



## Chapter 6 Share Capital Changes and Shareholders

### 6.1 Changes in ordinary shares during the reporting period

#### 6.1.1 Statement of changes in shares

Unit: share

	December 31, 2024		Change in number		December 31, 2025	
	Number	Percentage (%)	Change in restricted shares	Conversion of convertible bonds into shares	Number	Percentage (%)
I. Restricted shares	-	-	-	-	-	-
1. Shares held by the state	-	-	-	-	-	-
2. Shares held by state-owned legal persons	-	-	-	-	-	-
II. Unrestricted floating shares	20,774,308,106	100	-	388,547,090	21,162,855,196	100
III. Total shares	20,774,308,106	100	-	388,547,090	21,162,855,196	100

#### 6.1.2 Explanation of changes in shares

As at the end of the reporting period, a total of RMB8,647,999,000 of Industrial Convertible Bonds (A Share Convertible Bonds) issued by the Company have been converted into ordinary A shares of the Company, and the total number of shares being converted was 388,664,445 shares, representing 1.87090% of the total number of issued ordinary shares before the conversion. For details of the conversion, please refer to Chapter 7 "Particulars of Convertible Corporate Bonds".

### 6.2 Information on ordinary shareholders

#### 6.2.1 Total number of shareholders

As at the end of the reporting period, the Company had a total of 219,620 ordinary shareholders, and 274,392 ordinary shareholders at the end of the month prior to the release of this annual report.

## 6.2.2 Shareholdings of the top ten shareholders and the top ten shareholders of unrestricted shares as at the end of the reporting period

Unit: share

Name of shareholder	Changes during the period	Number of shares held at the end of the period	Percentage (%)	Number of restricted shares held	Pledged, marked or frozen shares	Nature of shareholder
Fujian Financial Investment Co., Ltd.	-	3,511,918,625	16.59	-	-	State-owned legal person
China National Tobacco Corporation	-	1,110,226,200	5.25	-	-	State-owned legal person
PICC Property and Casualty Company Limited – Traditional – Common Insurance Product – 008C – CT001 Hu	-	948,000,000	4.48	-	-	State-owned legal person
Fujian Provincial Department of Finance	388,479,819	841,742,201	3.98	-	-	State organ
PICC Life Insurance Company Limited – Dividends – Dividends for Personal Insurance	-	801,639,977	3.79	-	-	State-owned legal person
Dajia Life Insurance Co., Ltd. – Traditional Product	615,999,740	728,048,721	3.44	-	-	Others
China Securities Finance Corporation Limited	-	622,235,582	2.94	-	-	State-owned legal person
Hong Kong Securities Clearing Company Limited	(214,393,661)	615,477,228	2.91	-	-	Overseas legal person
Fujian Investment and Development Group Co., Ltd.	1,250,000	596,492,545	2.82	-	-	State-owned legal person
Fujian Company of China National Tobacco Corporation	-	573,954,303	2.71	-	-	State-owned legal person

- Notes: 1. As at the end of the reporting period, Fujian Provincial Department of Finance and Fujian Financial Investment Co., Ltd., a company established and fully contributed by the Fujian Provincial Department of Finance, which held 4,353,660,826 ordinary shares of the Company in aggregate, representing 20.57% of the total share capital of the Company, is the largest shareholder of the Company with its shareholding in aggregate. PICC Property and Casualty Company Limited and PICC Life Insurance Company Limited were controlling subsidiaries of the People's Insurance Company (Group) of China Limited. Fujian Company of China National Tobacco Corporation was a subsidiary of China National Tobacco Corporation.
2. There are no special repurchase accounts for the top ten shareholders, and there are no voting rights entrusted by or to, or waived by, the top ten shareholders. None of the top ten shareholders was involved in share lending under the refinancing business.

### 6.2.3 Changes in the top ten shareholders as compared with the end of the last period

Unit: share

Name of shareholder	Addition/ withdrawal during the reporting period	Shares lent under the refinancing business and not returned as at the end of the reporting period		Number of shares held in ordinary account, credit account and lent under the refinancing business and not returned as at the end of the reporting period	
		Total number	Percentage (%)	Total number	Percentage (%)
Fujian Provincial Department of Finance	Addition	–	–	841,742,201	3.98
Dajia Life Insurance Co., Ltd. – Traditional Product	Addition	–	–	728,048,721	3.44
Ruizhong Life Insurance Co., Ltd. – Self-owned Fund	Withdrawal	–	–	569,179,245	2.69
PICC Life Insurance Company Limited – Universal – Personal Insurance (Universal)	Withdrawal	–	–	474,000,000	2.24

### 6.2.4 Particulars of shareholders holding more than 5% of shares of the Company as at the end of the reporting period

The Company has no controlling shareholder or de facto controller.

(1) The Fujian Provincial Department of Finance and Fujian Financial Investment Co., Ltd., a company fully contributed by the Fujian Provincial Department of Finance, which hold 4,353,660,826 shares of the Company in aggregate, accounting for 20.57%, is the largest shareholder of the Company with its shareholding in aggregate. There is no pledge of the Company's shares. The Fujian Provincial Department of Finance appointed directors to the Company. It is the controlling shareholder, de facto controller and ultimate beneficiary of Fujian Financial Investment Co., Ltd.

The Fujian Provincial Department of Finance holds 841,742,201 shares of the Company, representing 3.98% of the total share capital of the Company. The Fujian Provincial Department of Finance is a legal person of a government agency and its legal representative is Zheng Zhen. The unified social credit code is 1135000003591213N and its address is No.5 Zhongshan Road, Fuzhou.

Fujian Financial Investment Co., Ltd. holds 3,511,918,625 shares of the Company, accounting for 16.59% of the total. Established in February 2022, its registered office is in Fuzhou and it has a registered capital of RMB100 billion. Its legal representative is Li Jie, and the unified social credit code is 91350000MA8UMNMH01. The business scope includes general business activities: investment activities with self-owned funds; private equity investment fund management; venture capital fund management services (the operating activities are subject to the completion of the registration and filing for record in the Asset Management Association of China); asset management services for investment of self-owned funds; corporate management consulting, financial consulting; technology intermediary services; software development; information technology consulting services (except for those that are subject to approval in accordance with the laws, business activities should be conducted independently with the business license in accordance with the laws).

(2) The People's Insurance Company (Group) of China Limited and its related parties, PICC Life Insurance Company Limited and PICC Property and Casualty Company Limited, hold 2,679,029,689 shares of the Company in aggregate, accounting for 12.66% of the total. There is no pledge of the Company's shares, and they appointed directors to the Company. The People's Insurance Company (Group) of China Limited is the controlling shareholder of PICC Life Insurance Company Limited and PICC Property and Casualty Company Limited, and its controlling shareholder is the Ministry of Finance of the People's Republic of China.

The People's Insurance Company (Group) of China Limited holds 174,651,600 shares of the Company, accounting for 0.83% of the total. Its predecessor, the People's Insurance Company of China, was established with the approval of the Government Administration Council of China in October 1949. In June 2009, according to the restructuring plan approved by the State Council, the People's Insurance Company of China underwent overall restructuring, in which the Ministry of Finance exclusively initiated the establishment of the People's Insurance Company (Group) of China Limited. The company has been listed on the main board of the Hong Kong Stock Exchange and the main board of the Shanghai Stock Exchange with the stock codes of "01339.HK" and "601319.SH", respectively. Its registered capital is RMB44.224 billion and the registered place is Beijing. Its legal representative is Ding Xiangqun and the unified social credit code is 911000001000237368. Its scope of business includes investment and holding shares in listed companies, insurance institutions and other financial institutions, supervision and management of various domestic and international businesses of controlled investee enterprises, policy insurance business authorized or entrusted by the state, and other businesses approved by the regulatory authorities and relevant state departments.

PICC Life Insurance Company Limited holds 1,275,639,977 shares of the Company, accounting for 6.03% of the total. Established in November 2005, its registered office is in Beijing and it has a registered capital of RMB25,761,104,669. Its legal representative is Xiao Jianyou and the unified social credit code is 911100007109337022. The business scope includes the following business activities (excluding statutory insurance businesses) within the administrative area of the Beijing Municipality and the provinces, autonomous regions and municipalities directly under the central government where branches have been established: life insurance, health insurance, accident insurance and other insurance businesses; reinsurance businesses of the above businesses; acting as an agent of PICC Property and Casualty Company Limited and PICC Health Insurance Company Limited in their insurance businesses within the scope approved by regulators and related state departments.

PICC Property and Casualty Company Limited holds 1,228,738,112 shares of the Company, accounting for 5.81% of the total. Established in July 2003, its registered office is in Beijing and it has a registered capital of RMB22,242,765,303. The unified social credit code is 91100000710931483R. Its scope of business includes: property and casualty insurance, liability insurance, credit insurance, accident injury insurance, short-term health insurance and surety insurance in Renminbi or foreign currencies; the reinsurance of the aforesaid insurances; reinsurance and provision of consulting services related to the businesses mentioned above; service and advisory business related to various property insurance, accident injury insurance, short-term health insurance and reinsurance; and representing insurers in conducting relevant business; investment and capital utilization business permitted by the national laws and regulations; and other businesses authorized by national laws and regulations or approved by the national insurance regulatory authority.

(3) China National Tobacco Corporation and its related parties, Fujian Company of China National Tobacco Corporation, China Tobacco Hunan Investment Management Co., Ltd., Guangdong Company of China National Tobacco Corporation and Fujian Sanhua Color Printing Co., Ltd., held 2,055,937,778 shares of the Company in aggregate, accounting for 9.71% of the total. There is no pledge of the Company's shares, and they appointed directors to the Company. Fujian Company of China National Tobacco Corporation, China Tobacco Hunan Investment Management Co., Ltd., Guangdong Company of China National Tobacco Corporation and Fujian Sanhua Color Printing Co., Ltd. are subsidiaries of China National Tobacco Corporation, and the de facto controller and ultimate beneficiary of China National Tobacco Corporation is the State Council.

China National Tobacco Corporation holds 1,110,226,200 shares of the Company, accounting for 5.25% of the total. Founded in December 1983, the company is a wholly state-owned enterprise with its registered office in Beijing. It has a registered capital of RMB57 billion, and its legal representative is Zhang Jianmin. The unified social credit code is 91100000101619881W and its business scope includes production, operation and import and export trading of tobacco monopoly products and operation and management of state-owned assets.

Fujian Company of China National Tobacco Corporation holds 573,954,303 shares of the Company, accounting for 2.71% of the total. The company was founded in November 1995, and its registered office is in Fuzhou. It has a registered capital of RMB136.537 million and its legal representative is He Aijun. The unified social credit code is 91350000611802037L. Its business scope includes licensed business activities: wholesale of tobacco monopoly products; wholesale of electronic cigarettes; import of electronic cigarettes, atomization material and nicotine for electronic cigarettes. (For those that are subject to approval in accordance with the laws, their operation shall only commence after obtaining approval from the relevant authorities. The specific business activities shall be subject to the permit or license issued by the relevant authorities.) General business activities include: asset management service for investment of self-owned funds; investment activities with self-owned funds; and corporate management. (Except for those that are subject to approval in accordance with the laws, business activities should be conducted independently with the business license in accordance with the laws.)

China Tobacco Hunan Investment Management Co., Ltd. holds 226,800,000 shares of the Company, accounting for 1.07%. The company was founded in October 2011, and its registered office is in Changsha. It has a registered capital of RMB200 million and its legal representative is Xiao Bing. The unified social credit code is 91430000584926455A and its scope of business includes, with its own legal funds, investment in and management of the printing industry, paper product manufacturing industry, plastic membrane manufacturing industry, other tobacco product manufacturing industry, industry of integrated utilization of waste, construction industry, advertising industry, cultural activities services, conferences and exhibitions and related services, manufacturing of electronic products, manufacturing of electronic cigarette, financial industry, real estate industry, agriculture, agricultural and non-staple food processing industry, pharmaceutical manufacturing industry, and logistics management service for institutions; investment consulting service; conference service; supply chain management; production, processing and sales of packaging products; and sales of paper products.

Guangdong Company of China National Tobacco Corporation holds 99,337,700 shares of the Company, accounting for 0.47% of the total. The company was founded in August 1989, and its registered office is in Guangzhou. It has a registered capital of RMB140.339 million and its legal representative is Wang Deyuan. The unified social credit code is 91440000617400995N and its business scope includes the licensed business activities: wholesale of tobacco monopoly products; acquisition of tobacco leaves; wholesale of electronic cigarettes; import of electronic cigarettes, atomization material and nicotine for electronic cigarettes. (For those that are subject to approval in accordance with the laws, their operation shall only commence after obtaining approval from the relevant authorities. The specific business activities shall be subject to the permit or license issued by the relevant authorities.) General business activities include: tobacco planting; investment activities with self-owned funds; asset management service for investment of self-owned funds; and corporate management. (Except for those that are subject to approval in accordance with the laws, business activities should be conducted independently with the business license in accordance with the laws.)

Fujian Sanhua Color Printing Co., Ltd. holds 45,619,575 shares of the Company, accounting for 0.22% of the total. The company was established in December 1992, registered in Longyan with a registered capital of RMB11,699,224, and its legal representative is Chen Beirong. The unified social credit code is 913508006112057508 and its business scope includes the printing of packaging and decorative materials. (For those that are subject to approval in accordance with the laws, their operation shall only commence after obtaining approval from the relevant authorities. The specific business activities shall be subject to the permit or license issued by the relevant authorities.) General business activities include: graphic design and production; advertising design and agency services; professional design services. (Except for those that are subject to approval in accordance with the laws, business activities should be conducted independently with the business license in accordance with the laws.) (Business activities should not be conducted in sectors where foreign investment is prohibited under the *Negative List for Foreign Investment Access*.)

### 6.2.5 Particulars of other substantial shareholders that should be disclosed according to the *Interim Measures for the Equity Management of Commercial Banks*

(1) Ruizhong Life Insurance Co., Ltd. holds 1,017,839,107 shares, accounting for 4.81% of the total. There is no pledge of the Company's shares. It appointed directors to the Company. The Company was founded in June 2023, and its registered office is in Beijing. It has a registered capital of RMB56.5 billion and its legal representative is Zhao Guodong. The unified social credit code is 91110106MACN7CFT3N and its main business scope includes licensed business activities: insurance business; insurance asset management. (For those that are subject to approval in accordance with the laws, their operation shall only commence after obtaining approval from the relevant authorities. The specific business activities shall be subject to the permit or license issued by the relevant authorities.) (The enterprise shall not be engaged in business activities prohibited or restricted by industrial policies of the state or the city.)

(2) Dajia Life Insurance Co., Ltd. holds 728,048,721 shares, accounting for 3.44% of the total. There is no pledge of the Company's shares. It appointed directors to the Company. Established in June 2010, its registered office is in Beijing and it has a registered capital of RMB30.790 billion. The unified social credit code is 91110000556828452N. Its scope of business includes: life insurance, health insurance, accident injury insurance and other types of personal insurance business; reinsurance in respect of the above-mentioned businesses; insurance fund utilization business permitted by relevant national laws and regulations; and other businesses approved by the China Insurance Regulatory Commission (CIRC). (The enterprise independently selects its business activities and carries out business activities in accordance with the law; for those that are subject to approval in accordance with the laws, their operation shall only commence after obtaining approval from the relevant authorities; the enterprise shall not be engaged in business activities prohibited or restricted by industrial policies of the city.)

(3) Fujian Investment and Development Group Co., Ltd. and its related party, Fujian Huaxing Group Co., Ltd., hold 633,547,102 shares in aggregate, accounting for 2.99% of the total. There is no pledge of the Company's shares, and they appointed directors to the Company. Fujian Investment and Development Group Co., Ltd. is the controlling shareholder of Fujian Huaxing Group Co., Ltd., and its controlling shareholder, de facto controller and ultimate beneficiary is the State-owned Assets Supervision and Administration Commission of Fujian Provincial People's Government.

Fujian Investment and Development Group Co., Ltd. holds 596,492,545 shares, accounting for 2.82%. The company was founded in April 2009, and its registered office is in Fuzhou. It has a registered capital of RMB10,299,577,868.89 and its legal representative is Wang Fei. The unified social credit code is 9135000068753848X3 and its business scope includes investment in and development of industries or business projects such as the production and supply of electricity, gas and water, and railway transportation; investment in banking, securities, trusts, guarantees, venture capital, and key industries in the province as determined by the provincial government; investment in agriculture, forestry, hotel industry and mining; real estate development; asset management. (For business activities that are subject to approval in accordance with the laws, their operation shall only commence after obtaining approval from the relevant authorities.) Fujian Huaxing Group Co., Ltd. holds 37,054,557 shares, accounting for 0.18% of the total. The company was founded in December 2001, and its registered office is in Fuzhou. It has a registered capital of RMB2.73 billion and its legal representative is Wang Wei. The unified social credit code is 91350000733622106A and its business scope includes the management and operation of the property and equity of state-owned assets entrusted by the government; investment in high and new technologies, hotel services, financing guarantees, financial leasing, pawning, and micro-loan industries; property management, consulting services and leasing of tangible assets; handling of the procurement bidding business entrusted by the government; industrial means of production, agricultural means of production, electronic computers and components, building materials, arts and crafts (except ivory and its products), general merchandise, hardware and electrical appliances. (For business activities that are subject to approval in accordance with the laws, their operation shall only commence after obtaining approval from the relevant authorities.)

(4) Fujian Provincial Port Group Co., Ltd. and its related party Xiamen Port Holding Group Co., Ltd., Fu Zhou Port Group Co., Ltd., Fujian Shipping Company and Fujian Provincial Communication Transportation Group Co., Ltd. hold 601,195,832 shares of the Company in aggregate, accounting for 2.84% of the total. There is no pledge of the Company's shares, and they appointed a supervisor to the Company, who ceased to serve as a supervisor on December 26, 2025. Fujian Provincial Port Group Co., Ltd. is the controlling shareholder of Xiamen Port Holding Group Co., Ltd., Fu Zhou Port Group Co., Ltd., Fujian Shipping Company and Fujian Provincial Communication Transportation Group Co., Ltd. Its controlling shareholder, de facto controller and ultimate beneficiary is the State-owned Assets Supervision and Administration Commission of Fujian Provincial People's Government.

Fujian Provincial Port Group Co., Ltd. holds 458,813,939 shares of the Company, accounting for 2.17% of the total. The company was founded in August 2020, and its registered office is in Fuzhou. It has a registered capital of RMB10 billion and its legal representative is Chen Zhiping. The unified social credit code is 91350000MA34J15T19 and its main business scope includes the construction and operation of port and terminal infrastructure, development and operation of port-surrounding industrial parks; road transportation, water transportation and supporting services related to communication transportation; modern logistics and commercial trading.

Xiamen Port Holding Group Co., Ltd. holds 59,674,608 shares of the Company, accounting for 0.28% of the total. The company was founded in November 1997, and its registered office is in Xiamen. It has a registered capital of RMB3.1 billion and its legal representative is Cai Liqun. The unified social credit code is 9135020026013542XA and its main business scope includes the construction and operation of ports; water transportation and other supporting services; modern logistics and commercial trading.

Fuzhou Port Group Co., Ltd. holds 52,474,816 shares of the Company, accounting for 0.25% of the total. The company was founded in March 2001, and its registered office is in Fuzhou. It has a registered capital of RMB1,204.3 million and its legal representative is Gao Yu. The unified social credit code is 91350105726465472K and its main business scope includes the construction and operation of ports and terminals; water transportation and other supporting services; modern logistics and commercial trading.

Fujian Shipping Company holds 24,482,469 shares of the Company, accounting for 0.12% of the total. The company was founded in February

1986, and its registered office is in Fuzhou. It has a registered capital of RMB800 million and its legal representative is Wu Liangqi. The unified social credit code is 91350000158140249G and its main business scope includes water transportation and other supporting services.

Fujian Provincial Communication Transportation Group Co., Ltd. holds 5,750,000 shares of the Company, accounting for 0.03% of the total. The company was founded in November 2001, and its registered office is in Fuzhou. It has a registered capital of RMB3,519,936,452.75 and its legal representative is Liao Honghan. The unified social credit code is 91350000733600839G and its main business scope includes the construction and operation of port and terminal infrastructure, development and operation of port-surrounding industrial parks; road transportation, water transportation and supporting services related to communication transportation; modern logistics and commercial trading.

## 6.2.6 Related parties of substantial shareholders

The Company had treated more than 1,740 enterprises, including the above-mentioned shareholders holding more than 5% of shares of the Company, other substantial shareholders and their controlling shareholders, de facto controllers, related parties, persons acting in concert, and ultimate beneficiaries as the Company's related parties. As at the end of the reporting period, the balance of the outstanding credit-type related-party transactions amounted to RMB23.860 billion, involving 59 related parties and 303 transactions. The related party transactions between the Company and related parties of its substantial shareholder had been reported to the Audit and Related Party Transaction Control Committee under the Board of Directors, the Board of Directors and/or the Shareholders' Meeting for consideration and approval in accordance with related procedures.

## 6.3 Matters regarding preference shares

### 6.3.1 Issuance and listing of preference shares

Unit: share

Code of preference shares	Stock abbreviation	Date of issuance	Issuing price (Yuan/share)	Dividend rate (%)	Issuance size	Date of listing	Number of shares listed	Date of delisting
360005	Xing Ye You 1	December 3, 2014	100	Note 1	130,000,000	December 19, 2014	130,000,000	July 1, 2025
360012	Xing Ye You 2	June 17, 2015	100	Note 2	130,000,000	July 17, 2015	130,000,000	July 1, 2025
360032	Xing Ye You 3	April 3, 2019	100	Note 3	300,000,000	April 26, 2019	300,000,000	July 1, 2025

- Note:
- The Company issued the first tranche of 130 million preference shares of "Xing Ye You 1" with a par value of RMB100 per share through a nonpublic offering in December 2014. The coupon rate in the first interest cycle was 6.00%. The coupon rate in the second interest cycle was adjusted to 5.55% from December 8, 2019. The coupon rate in the third interest cycle was adjusted to 4.23% from December 8, 2024.
  - The Company issued the second tranche of 130 million preference shares of "Xing Ye You 2" with a par value of RMB100 per share through a nonpublic offering in June 2015. The coupon rate in the first interest cycle was 5.40%. The coupon rate in the second interest cycle was adjusted to 4.63% from June 24, 2020. The coupon rate in the third interest cycle was adjusted to 3.70% from June 24, 2025.
  - The Company issued the third tranche of 300 million preference shares of "Xing Ye You 3" with a par value of RMB100 per share through a nonpublic offering in April 2019. The coupon rate in the first interest cycle was 4.90%. The coupon rate in the second interest cycle was adjusted to 4.05% from April 10, 2024.
  - On July 1, 2025, the Company fully redeemed three tranches of preference shares, namely "Xing Ye You 1", "Xing Ye You 2" and "Xing Ye You 3", 560 million shares in total, and completed the cancellation and delisting. Please refer to relevant announcements disclosed by the Company on the Shanghai Stock Exchange for details on the redemption.

### 6.3.2 Preference shareholders

The Company redeemed all 560 million preference shares on July 1, 2025. As at the end of the reporting period, the Company had no outstanding preference shares.

### 6.3.3 Redemption of preference shares by the Company during the reporting period

On July 1, 2025, the Company paid in full an aggregate amount of RMB57.171 billion to the holders of the three tranches of preference shares registered with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited as of June 30, 2025, representing the par value of the preference shares and the dividends for the holding period from January 1, 2025 to June 30, 2025, and redeemed all of the three tranches of preference shares issued by the Company. Please refer to relevant announcements disclosed by the Company on the Shanghai Stock Exchange for details on the redemption.

6.3.4 During the reporting period, the Company made no conversion of preference shares into ordinary shares or restoration of voting rights

### 6.3.5 Accounting policies adopted by the Company for the preference shares and the reasons

Pursuant to the *Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments*, *Accounting Standards for Business Enterprises No.37 – Presentation of Financial Instruments* and the *Provisions on Differentiating Financial Debt and Equity Instruments and Related Accounting Treatment* promulgated by the Ministry of Finance of the People's Republic of China and the main terms of the issued preference shares of the Company, the Company's preference shares meet the requirements for being accounted for as an equity instrument. Therefore, the Company's issued preference shares were accounted for as an equity instrument.



Chapter 7

# Particulars of Convertible Corporate Bonds



## Chapter 7 Particulars of Convertible Corporate Bonds

### 7.1 Issuance of the convertible corporate bonds

On December 31, 2021, the Company completed the issuance of A share convertible corporate bonds (hereinafter referred to as the “Convertible Bonds”). The proceeds raised were RMB50 billion and the net proceeds raised after deducting issuance costs were approximately RMB49.920 billion. The above A Share Convertible Bonds have been listed on the Shanghai Stock Exchange for trading on January 14, 2022, with the stock abbreviation of Industrial Convertible Bonds and stock code of 113052. The conversion period of Industrial Convertible Bonds shall commence from the first trading day immediately following the expiry of the six-month period after the date of completion of the issuance, and end on the maturity date, i.e., from June 30, 2022 to December 26, 2027.

### 7.2 Particulars of the holders of the convertible bonds

As at the end of the reporting period, the number of holders of the Convertible Bonds was 58,484. Particulars of the top ten holders of the Convertible Bonds are set out below:

Name of holders	Amount of bonds held at the end of the period (RMB)	Percentage (%)
Specific accounts for bond repurchase and pledge under the registration and settlement system (Industrial and Commercial Bank of China)	4,090,484,000	9.89
China Merchants Bank Co., Ltd. - Boseru CSI Convertible Bond and Exchangeable Bond ETF	2,848,976,000	6.89
Specific accounts for bond repurchase and pledge under the registration and settlement system (Bank of China)	2,558,723,000	6.19
Specific accounts for bond repurchase and pledge under the registration and settlement system (China Merchants Bank Co., Ltd.)	1,927,419,000	4.66
Specific accounts for bond repurchase and pledge under the registration and settlement system (China Construction Bank)	1,566,074,000	3.79
Specific accounts for bond repurchase and pledge under the registration and settlement system (Agricultural Bank of China)	1,437,979,000	3.48
Specific accounts for bond repurchase and pledge under the registration and settlement system (CITIC Securities Company Limited)	1,258,736,000	3.04
Specific accounts for bond repurchase and pledge under the registration and settlement system (Bank of Beijing Co., Ltd.)	1,236,704,000	2.99
Specific accounts for bond repurchase and pledge under the registration and settlement system (Guosen Securities Co., Ltd.)	810,023,000	1.96
CITIC Securities Company Limited – HFT SSE Investment Grade Convertible Bond and Exchangeable Bond ETF	742,758,000	1.80

### 7.3 Changes in convertible bonds

Amount of unconverted convertible bonds at the end of the last period (December 31, 2024) (RMB Yuan)	49,997,152,000
Amount of conversion during the reporting period (RMB Yuan)	8,645,151,000
Number of converted shares during the reporting period (shares)	388,547,090
Amount of redemption or put-back during the reporting period (RMB Yuan)	0
Amount of unconverted convertible bonds at the end of the reporting period (RMB Yuan)	41,352,001,000
Proportion of unconverted amount to the total issued amount at the end of the reporting period (%)	82.70400%
Number of accumulated converted shares (shares)	388,664,445
Proportion of accumulated converted shares to the total number of issued ordinary shares before the conversion (%)	1.87090%

## 7.4 Previous adjustments of conversion price

Unit: RMB

Latest conversion price at the end of the reporting period				21.19
Effective date of adjusted conversion price	Adjusted conversion price	Disclosure date	Reasons for adjustments	Disclosure media
June 16, 2022	24.48	June 9, 2022	Adjusted conversion price as a result of the implementation of the profit distribution of ordinary A shares of 2021	<i>China Securities Journal, Shanghai Securities News, Security Times, Securities Daily</i> and the websites of the Shanghai Stock Exchange and the Company
June 19, 2023	23.29	June 13, 2023	Adjusted conversion price as a result of the implementation of the profit distribution of ordinary A shares of 2022	
July 9, 2024	22.25	July 3, 2024	Adjusted conversion price as a result of the implementation of the profit distribution of ordinary A shares of 2023	
June 20, 2025	21.19	June 16, 2025	Adjusted conversion price as a result of the implementation of the profit distribution of ordinary A shares of 2024	

## 7.5 Changes in the Company's liabilities, credit standing and cash arrangements for debt repayment in the coming years

In accordance with the relevant provisions of the *Administration Measures on the Issuance of Securities by Listed Companies*, the *Administrative Measures on the Issuance and Transaction of Corporate Bonds* and the *Rules Governing the Listing of Stocks on the Shanghai Stock Exchange*, the Company entrusted a credit rating agency Shanghai Brilliance Credit Rating & Investors Service Co., Ltd. (hereinafter referred to as "Shanghai Brilliance") to track credit rating for the Convertible Bonds issued by the Company. Shanghai Brilliance issued the *Report on Tracking Credit Rating of Industrial Bank Co., Ltd. and its Public Offering of Bonds Issued* on May 23, 2025, and the rating results were as follows: the corporate credit rating of the Company was maintained at AAA with a stable outlook, and the credit rating of the Convertible Bonds remained at AAA. The Company's operations are stable in all aspects, with a reasonable asset structure, the liabilities situation has not changed significantly, and the credit status is good. The Company's cash sources for debt repayment in the coming years mainly include cash inflows from the normal business operations of the Company and the realization of current assets.



Chapter 8

**Financial  
Statements**





## Chapter 8 Financial Statements

The Company's financial statements for Year 2025 have been audited by KPMG Huazhen and signed by certified public accountants Wu Zhongming and Pan Sheng, who have issued an auditor's report with an unqualified opinion. For the full text of the financial statements, please refer to the appendix.

Board of Directors of Industrial Bank Co., Ltd.  
March 26, 2026



## AUDITOR'S REPORT

KPMG Huazhen Shen Zi No.2601680

### To the shareholders of Industrial Bank Co., Ltd.:

#### Opinion

We have audited the accompanying financial statements of Industrial Bank Co., Ltd. (the "Bank"), which comprise the consolidated and Bank's balance sheets as at 31 December 2025, the consolidated and Bank's income statements, the consolidated and Bank's cash flow statements, the consolidated and Bank's statements of changes in shareholders' equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and Bank's financial position as at 31 December 2025, and the consolidated and Bank's financial performance and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises (CAS) issued by the Ministry of Finance (MOF) of the People's Republic of China.

#### Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing for Certified Public Accountants ("CSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Bank in accordance with the China Code of Ethics for Certified Public Accountants ("the Code") and the independence requirements applicable to the audit of financial statements of public interest entities as stipulated in *Chinese Certified Public Accountants Independence Standard No.1 – Requirements for Independence in Financial Statement Audit and Review Business*, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Key Audit Matters (continued)

The determination of allowance for impairment losses on loans and advances to customers and debt investments	
Refer to the accounting policies set out in the notes to the financial statements "IV. Significant accounting policies and accounting estimates" 7.6, "VII. Notes to the consolidated financial statements" 6 and 7.2 and "XI Financial risk management" 3.	
The Key Audit Matter	How the matter was addressed in our audit
<p>The determination of allowance for impairment losses on loans and advances to customers and debt investments using the expected credit loss model is subject to a number of key parameters and assumptions, including the identification of loss stages, estimates of probability of default, loss given default, exposures at default and discount rate, adjustments for forward-looking information and other adjustment factors. Management judgment is involved in the selection of those parameters and the application of the assumptions.</p> <p>In particular, the determination of expected credit loss model is heavily dependent on the external macro environment and the Bank's internal credit risk management strategy. The expected credit losses for corporate loans and debt investments are derived from estimates including the historical losses, internal and external credit grading and other adjustment factors. The expected credit losses for personal loans and advances are derived from estimates whereby management takes into consideration historical overdue data, the historical loss experience for personal loans and other adjustment factors.</p> <p>Management also exercises judgement in determining the quantum of loss given default based on a range of factors. These include available remedies for recovery, the financial situation of the borrower, the recoverable amount of collateral, the seniority of the claim and the existence and cooperativeness of other creditors. Management refers to valuation reports issued by qualified third-party valuers and considers the influence of various factors including the market price, location and usage when assessing the value of property held as collateral. The enforceability, timing and means of realisation of collateral can also have an impact on the recoverable amount of collateral.</p> <p>We identified the impairment of loans and advances to customers and debt investments as a key audit matter because of the inherent uncertainty and management judgment involved and because of its significance to the financial results and capital of the Bank.</p>	<p>Our audit procedures to assess allowance for impairment losses on loans and advances to customers and debt investments included the following:</p> <ul style="list-style-type: none"> <li>• understanding and assessing the design, implementation and operating effectiveness of key internal controls of financial reporting over the approval, recording and monitoring of loans and advances to customers or debt investments, the credit grading process and the measurement of allowances for impairment;</li> <li>• involving our IT specialists to assess the design and operating effectiveness of information system controls, including general information technology controls, automatic control of system functions, data transmission between systems, mapping of parameters of expected credit loss model, and logic settings for system calculation of allowance for impairment losses for expected credit loss;</li> <li>• with the assistance of our internal specialists in financial risk management, assessing the reliability of the expected credit loss model used by management in determining allowance for impairment losses, and assessing the appropriateness of the key parameters and assumptions in the expected credit loss model, including the identification of loss stages, probability of default, loss given default, exposure at default, discount rate, adjustments for forward-looking information and other management adjustments;</li> <li>• assessing the completeness and accuracy of data used for the key parameters in the expected credit loss model. For key parameters derived from internal data relating to original loan agreements, we compared the total balance of the loan and financial assets list used by management to assess the allowances for impairment with the general ledger, selecting samples and comparing individual loan and financial assets information with the underlying agreements and other related documentation to assess the accuracy of the compilation of the loan and financial assets list. For key parameters derived from external data, we selected samples to inspect the accuracy of such data by comparing them with public resources;</li> <li>• for key parameters involving judgement, critically assessing input parameters by seeking evidence from external sources and comparing to the Bank's internal records including historical loss experience and type of collateral. As part of these procedures, we inquired about reasons for management's revisions to estimates and input parameters compared with prior periods and considered the consistency of judgement. We compared the economic factors used in the models with market information to assess whether they were aligned with market and economic development;</li> </ul>



## Key Audit Matters (continued)

### The determination of allowance for impairment losses on loans and advances to customers and debt investments (continued)

Refer to the accounting policies set out in the notes to the financial statements "IV. Significant accounting policies and accounting estimates" 7.6, "VII. Notes to the consolidated financial statements" 6 and 7.2 and "XI Financial risk management" 3.

#### The Key Audit Matter

#### How the matter was addressed in our audit

- for key internal data generated by the system, we selected samples and checked the system input data against source documents to assess the accuracy of the system input data, and tested the logic for preparing information about overdue loans and advances based on the samples and with the help of our IT specialists;
- evaluating the reasonableness of the management's judgment as to whether the credit risk of loans and advances to customers or debt investments has increased significantly since the initial recognition and whether the credit impairment has occurred by selecting a risk-based sample for credit review. We analysed the loan portfolio by industry sector to select samples for credit review in industries more vulnerable to the current economic situation. We also selected samples based on other risk criteria, including but not limited to borrowers with adverse press coverage and from the Bank's overdue report; Based on the selected samples, we checked information about overdue loans, learned about the borrowers' credit risk profile, made enquiries to the credit managers about the borrowers' business operations, checked the borrowers' financial information, and researched market information related to the borrowers' business.
- performing credit review procedures on the samples of corporate loans and advances and debt investments selected in accordance with the aforesaid criteria, to assess the appropriateness of the loss given default (LGD) of the credit-impaired corporate loans and advances and debt investments; assessing the rationality of estimated recoverable cash flow through inquiries, professional judgements, independent queries, etc.; evaluating the management's assessment of the value of any collateral held, comparing the management's valuation of the collaterals to their market prices, evaluating the timing and means of realisation of the collaterals, and considering other sources of repayment asserted by the management; assessing the consistency in the application of key assumptions by the management and comparing them with our data sources.
- selecting samples to check the expected credit loss calculation, so as to comment on the Bank's application of the expected credit loss model; and
- evaluating whether the disclosure related to allowance for impairment losses on loans and advances to customers and debt investments meets the disclosure requirements of the revised *CAS 37 – Presentation of Financial Instruments*.

## Key Audit Matters (continued)

Recognition of interests in and consolidation of structured entities	
Refer to the accounting policies set out in the notes to the financial statements "IV. Significant accounting policies and accounting estimates" 4, "VI. Consolidation scope" 2 and "VII. Notes to the consolidated financial statements" 45.	
The Key Audit Matter	How the matter was addressed in our audit
<p>Structured entities are generally created to achieve a narrow and well-defined objective with restrictions around their ongoing activities. The Bank may acquire or retain an ownership interest in, or act as a sponsor to, a structured entity by issuing a wealth management product, an investment fund, an asset management plan, a trust plan or an asset-backed security.</p> <p>In determining whether a structured entity is required to be consolidated by the Bank, the management is required to consider the power the Bank is able to exercise over the activities of the entity, the variable returns to which the Bank has rights from its involvement with the structured entity, and its ability to influence its own variable returns from the entity. These factors are not purely quantitative and the substance of the transaction needs to be considered collectively.</p> <p>We identified the recognition of interests in and consolidation of structured entities as a key audit matter because some of these structured entities were complex in nature and judgement was required when the Bank performed a qualitative assessment of terms and transaction substance for each structured entity.</p>	<p>Our audit procedures to assess the consolidation of structured entities and recognition of their entitlement rights included the following:</p> <ul style="list-style-type: none"> <li>• making enquiries of management and inspecting documents relating to the judgement process over whether a structured entity is consolidated or not to assess the design, implementation and operating effectiveness of internal controls;</li> <li>• performing the following procedures for structured entities on a sample basis: <ul style="list-style-type: none"> <li>– inspecting selected contracts, internal establishment documents and information disclosed to the investors to understand the purpose of the establishment of the structured entities and the involvement the Bank has with the structured entities and to assess management's judgement over whether the Bank has the ability to exercise power over the structured entities;</li> <li>– inspecting the risk and reward structure of the structured entities, including any capital or return guarantee, provision of liquidity support, commission paid and distribution of the returns, to assess management's judgement as to exposure, or rights, to variable returns from the Bank's involvement in such entities;</li> <li>– evaluating management's analyses of the structured entities including qualitative analyses and calculations of the magnitude and variability associated with the Bank's economic interests in the structured entities to assess management's judgement over the Bank's ability to influence its returns from the structured entities;</li> <li>– assessing management's judgement over whether the structured entities should be consolidated or not; and</li> </ul> </li> <li>• assessing the disclosures in the consolidated financial statements in relation to structured entities with reference to the requirements of the prevailing accounting standards.</li> </ul>



## Key Audit Matters (continued)

### Fair value of financial instruments

Refer to "IV. Significant accounting policies and accounting estimates" 7.13 and "XI. Financial risk management" 7.

#### The Key Audit Matter

Financial instruments carried at fair value account for a significant part of the Bank's assets and liabilities. The effect of fair value adjustments of financial instruments may impact either the profit or loss or other comprehensive income.

The valuation of the Bank's financial instruments, held at fair value, is based on a combination of market data and valuation models which often require a considerable number of inputs. Many of these inputs are obtained from readily available data, in particular for level 1 and level 2 financial instruments in the fair value hierarchy, the valuation techniques for which use quoted market prices and observable inputs, respectively. Where such observable data is not readily available for valuation techniques, as in the case of level 3 financial instruments, estimates need to be developed which can involve significant management judgement.

The Bank has developed its own models to value certain level 2 and level 3 financial instruments, which also involves significant management judgement.

We identified assessing the fair value of financial instruments as a key audit matter because of the degree of complexity involved in valuing certain financial instruments and the degree of judgement exercised by management in determining the inputs used in the valuation models.

#### How the matter was addressed in our audit

Our audit procedures to assess the fair value of financial instruments included the following:

- assessing the design, implementation and operating effectiveness of key internal controls over the valuation, independent price verification, front office and back office reconciliations and model approval for financial instruments;
- assessing the level 1 fair values, on a sample basis, by comparing the fair values applied by the Bank with publicly available market data;
- engaging our internal valuation specialists to assist us in performing independent valuations, on a sample basis, of level 2 and level 3 financial instruments and comparing our valuations with the Bank's valuations. Our procedures included developing parallel models, obtaining inputs independently and verifying the inputs;
- assessing the appropriate application of fair value adjustments that form an integral part of fair values, inquiring of management about any changes in the fair value adjustments methodology and assessing the appropriateness of the inputs applied; and
- assessing whether the financial statement disclosures appropriately reflected the Bank's exposure to financial instrument valuation risk with reference to the requirements of the related financial reporting standards.

## Other Information

The Bank's management is responsible for the other information. The other information comprises all the information included in 2025 annual report of the Bank, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Accounting Standards for Business Enterprises, and for the design, implementation and maintenance of such internal control necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation (including disclosure), structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



## Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Huazhen LLP

Beijing, China

Certified Public Accountants

Registered in the People's Republic of China

Wu Zhongming (Engagement Partner)

Pan Sheng

26 March 2026

## The Consolidated and Bank's Balance Sheets

As at 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

	Note VII	The Group		The Bank	
		2025	2024	2025	2024
<b>Assets</b>					
Cash and balances with Central Bank	1	391,045	394,940	391,033	394,897
Deposits with banks and other financial institutions	2	201,728	107,117	187,013	98,261
Precious metals		12,285	6,731	12,285	6,731
Placements with banks and other financial institutions	3	421,546	377,748	448,708	394,878
Derivative financial assets	4	44,692	70,524	44,639	70,508
Financial assets purchased under resale agreements	5	332,368	177,518	329,647	172,161
Loans and advances to customers	6	5,821,808	5,608,859	5,757,303	5,536,520
Financial investments:	7				
Trading assets	7.1	930,715	923,189	974,869	939,207
Debt investments	7.2	1,919,255	1,896,064	1,743,554	1,783,582
Other debt investments	7.3	697,208	630,916	689,173	625,335
Other equity investments	7.4	3,619	4,011	2,915	3,307
Finance lease receivables	8	110,376	114,913	–	–
Long-term equity investments	9	3,705	3,917	34,119	23,994
Fixed assets	10	29,762	28,869	21,307	22,312
Construction in progress	11	2,069	1,862	1,837	1,797
Right-of-use assets	12	8,650	9,314	8,494	8,676
Intangible assets		1,059	1,122	927	1,006
Goodwill	13	532	532	–	–
Deferred tax assets	14	72,722	67,259	64,865	60,842
Other assets	15	89,112	82,493	67,252	67,021
<b>Total assets</b>		<b>11,094,256</b>	<b>10,507,898</b>	<b>10,779,940</b>	<b>10,211,035</b>

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



## The Consolidated and Bank's Balance Sheets (continued)

As at 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

	Note VII	The Group		The Bank	
		2025	2024	2025	2024
<b>Liabilities and Shareholders' equity</b>					
<b>Liabilities</b>					
Borrowing from Central Bank		<b>103,110</b>	91,419	<b>103,110</b>	91,419
Deposits from banks and other financial institutions	16	<b>2,245,590</b>	1,832,111	<b>2,263,101</b>	1,857,805
Placements from banks and other financial institutions	17	<b>330,540</b>	336,862	<b>184,311</b>	180,954
Trading liabilities	18	<b>36,547</b>	26,740	<b>36,094</b>	24,928
Derivative financial liabilities	4	<b>38,273</b>	74,890	<b>38,273</b>	74,890
Financial assets sold under repurchase agreements	19	<b>363,699</b>	261,996	<b>294,795</b>	209,338
Deposits from customers	20	<b>6,020,806</b>	5,630,360	<b>6,026,439</b>	5,632,619
Employee benefits payable	21	<b>39,534</b>	36,560	<b>37,221</b>	34,351
Tax payable	22	<b>6,659</b>	9,385	<b>4,526</b>	8,569
Provisions	23	<b>7,588</b>	6,364	<b>7,574</b>	6,344
Debt securities issued	24	<b>937,816</b>	1,252,987	<b>909,219</b>	1,223,162
Lease liabilities	25	<b>8,702</b>	9,304	<b>8,591</b>	8,720
Deferred tax liabilities	14	<b>204</b>	151	<b>80</b>	–
Other liabilities	26	<b>41,542</b>	45,158	<b>19,595</b>	24,969
<b>Total liabilities</b>		<b>10,180,610</b>	9,614,287	<b>9,932,929</b>	9,378,068

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

## The Consolidated and Bank's Balance Sheets (continued)

As at 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

	Note VII	The Group		The Bank	
		2025	2024	2025	2024
<b>Liabilities and Shareholders' equity (continued)</b>					
<b>Shareholders' equity</b>					
Share capital	27	<b>21,163</b>	20,774	<b>21,163</b>	20,774
Other equity instruments	28	<b>82,612</b>	118,960	<b>82,612</b>	118,960
Including: preference shares		–	55,842	–	55,842
perpetual bonds		<b>80,000</b>	59,960	<b>80,000</b>	59,960
equity component of convertible corporate bonds		<b>2,612</b>	3,158	<b>2,612</b>	3,158
Capital reserve	29	<b>82,440</b>	74,733	<b>82,798</b>	75,085
Other comprehensive income	41	<b>3,521</b>	5,561	<b>3,343</b>	5,295
Surplus reserve	30	<b>10,878</b>	10,684	<b>10,878</b>	10,684
General reserve	31	<b>134,490</b>	125,365	<b>123,514</b>	115,054
Retained earnings	32	<b>566,612</b>	525,831	<b>522,703</b>	487,115
Equity attributable to shareholders of the Bank		<b>901,716</b>	881,908	<b>847,011</b>	832,967
Non-controlling interests		<b>11,930</b>	11,703	–	–
Total shareholders' equity		<b>913,646</b>	893,611	<b>847,011</b>	832,967
Total liabilities and shareholders' equity		<b>11,094,256</b>	10,507,898	<b>10,779,940</b>	10,211,035

The financial statements were approved by the Board of Directors of the Bank on 26 March 2026.

Lyu Jiajin

Chairman of the Board  
Legal Representative

Chen Xinjian

President  
Financial Director

Lin Shu

Person in-charge of the Accounting Body

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

## The Consolidated and Bank's Income Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

	Note VII	The Group		The Bank	
		2025	2024	2025	2024
I. Operating income		<b>212,741</b>	212,226	<b>193,857</b>	192,281
Net interest income	33	<b>148,752</b>	148,107	<b>136,330</b>	134,066
Interest income	33	<b>312,406</b>	343,835	<b>296,326</b>	325,131
Interest expense	33	<b>(163,654)</b>	(195,728)	<b>(159,996)</b>	(191,065)
Net fee and commission income	34	<b>25,891</b>	24,096	<b>20,945</b>	19,868
Fee and commission income	34	<b>30,856</b>	29,848	<b>25,613</b>	24,642
Fee and commission expense	34	<b>(4,965)</b>	(5,752)	<b>(4,668)</b>	(4,774)
Investment income	35	<b>27,319</b>	36,202	<b>26,318</b>	34,453
Including: income from joint ventures and associates		<b>51</b>	151	<b>37</b>	66
income from derecognition of financial assets at amortised cost		<b>6,171</b>	4,498	<b>6,139</b>	4,498
Gains from changes in fair values	36	<b>8,379</b>	3,222	<b>8,983</b>	4,135
Foreign exchange gains (losses)		<b>912</b>	(674)	<b>920</b>	(684)
Income from asset disposal		<b>24</b>	109	<b>23</b>	109
Other income		<b>597</b>	661	<b>104</b>	105
Other operating income		<b>867</b>	503	<b>234</b>	229
II. Operating expenses		<b>(122,793)</b>	(125,029)	<b>(112,390)</b>	(113,426)
Taxes and surcharges	37	<b>(2,278)</b>	(2,229)	<b>(1,928)</b>	(1,994)
General and administrative expenses	38	<b>(62,291)</b>	(62,203)	<b>(58,111)</b>	(57,999)
Credit impairment losses	39	<b>(57,497)</b>	(60,180)	<b>(52,028)</b>	(53,133)
Impairment losses on other assets		<b>(125)</b>	(9)	<b>(122)</b>	(11)
Other operating expenses		<b>(602)</b>	(408)	<b>(201)</b>	(289)
III. Operating profit		<b>89,948</b>	87,197	<b>81,467</b>	78,855
Add: Non-operating income		<b>336</b>	289	<b>305</b>	231
Less: Non-operating expenses		<b>(311)</b>	(366)	<b>(293)</b>	(352)
IV. Total profit		<b>89,973</b>	87,120	<b>81,479</b>	78,734
Less: Income tax expenses	40	<b>(12,119)</b>	(9,629)	<b>(9,868)</b>	(7,786)
V. Net profit		<b>77,854</b>	77,491	<b>71,611</b>	70,948

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

## The Consolidated and Bank's Income Statements (continued)

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

	Note VII	The Group		The Bank	
		2025	2024	2025	2024
V. Net profit (continued)		77,854	77,491	71,611	70,948
1. Categorized by continuity of operation					
(1) Net profit from continuing operations		77,854	77,491	71,611	70,948
(2) Net profit from discontinued operations		–	–	–	–
2. Categorized by ownership					
(1) Attributable to shareholders of the Bank		77,469	77,205	71,611	70,948
(2) Non-controlling interests		385	286	–	–
VI. Other comprehensive income, net of tax	41	(2,243)	4,322	(2,155)	4,091
Other comprehensive income attributable to shareholders of the Bank		(2,243)	4,322	(2,155)	4,091
1. Items that may be reclassified subsequently to profit or loss					
(1) Changes in fair value of other debt investments		(2,413)	4,109	(2,324)	3,973
(2) Credit losses on other debt investments		(410)	151	(420)	151
(3) Translation differences of financial statements denominated in foreign currencies		(9)	3	–	–
(4) Other comprehensive income recognised under equity method		104	–	104	–
2. Items that will not be reclassified subsequently to profit or loss:					
(1) Actuarial profits on defined benefit plans		533	(72)	533	(72)
(2) Changes in fair value of other equity investments		(48)	131	(48)	39
Other comprehensive income attributable to non-controlling interests		–	–	–	–

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

## The Consolidated and Bank's Income Statements (continued)

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

	Note VII	The Group		The Bank	
		2025	2024	2025	2024
VII. Total comprehensive income		<b>75,611</b>	81,813	<b>69,456</b>	75,039
Total comprehensive income attributable to shareholders of the Bank		<b>75,226</b>	81,527	<b>69,456</b>	75,039
Non-controlling interests		<b>385</b>	286	–	–
VIII. Earnings per share (expressed in RMB)					
Basic earnings per share	42	<b>3.46</b>	3.51		
Diluted earnings per share	42	<b>3.21</b>	3.23		

The financial statements were approved by the Board of Directors of the Bank on 26 March 2026.

Lyu Jiajin

Chairman of the Board

Legal Representative

Chen Xinjian

President

Financial Director

Lin Shu

Person in-charge of the Accounting Body

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

## The Consolidated and Bank's Cash Flow Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

	Note VII	The Group		The Bank	
		2025	2024	2025	2024
I. Cash flows from operating activities:					
Net decrease in deposits with Central Bank and inter-bank deposits		9,643	41,282	6,171	42,014
Net decrease in placements with banks and other financial institutions and financial assets purchased under resale agreements		–	56,613	–	53,545
Net decrease in finance lease receivables		3,728	–	–	–
Net decrease in financial assets held for trading		55,181	–	8,579	–
Net increase in borrowing from Central Bank		12,072	–	12,072	–
Net increase in deposits from customers and deposits from banks and other financial institutions		816,036	341,693	811,233	355,847
Net increase in placements from banks and other financial institutions and financial assets sold under repurchase agreements		63,168	–	72,057	–
Cash receipts from interest, fee and commission		285,413	313,885	261,596	290,015
Other cash receipts relating to operating activities		14,180	13,079	12,999	10,857
Subtotal of cash inflows from operating activities		1,259,421	766,552	1,184,707	752,278
Net increase in placements with banks and other financial institutions and financial assets purchased under resale agreements		(78,998)	–	(88,648)	–
Net increase in loans and advances to customers		(278,898)	(325,563)	(279,409)	(322,547)
Net increase in financial assets held for trading		–	(33,497)	–	(7,973)
Net increase in finance lease receivables		–	(53)	–	–
Net decrease in borrowing from Central Bank		–	(213,222)	–	(213,222)
Net decrease in placements from banks and other financial institutions and financial assets sold under repurchase agreements		–	(154,966)	–	(199,422)
Cash payments to interest, fee and commission		(156,486)	(156,355)	(151,238)	(151,387)
Cash payments to and on behalf of employees		(35,935)	(34,788)	(32,170)	(30,929)
Cash payments of various types of taxes		(34,531)	(34,953)	(31,780)	(31,417)
Other cash payments relating to operating activities		(20,917)	(50,413)	(19,217)	(39,343)
Subtotal of cash outflows from operating activities		(605,765)	(1,003,810)	(602,462)	(996,240)
Net cash flows generated from (used in) operating activities	43.1	653,656	(237,258)	582,245	(243,962)

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



## The Consolidated and Bank's Cash Flow Statements (continued)

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

	Note VII	The Group		The Bank	
		2025	2024	2025	2024
II. Cash flows from investing activities					
Cash receipts from recovery of investments		5,398,097	4,135,702	5,388,462	4,115,213
Cash receipts from investment income		102,317	112,495	99,961	109,330
Cash receipts from disposals of fixed assets, intangible assets and other long-term assets		253	847	213	252
Subtotal of cash inflows from investing activities		5,500,667	4,249,044	5,488,636	4,224,795
Cash payments to acquire investments		(5,467,335)	(4,220,480)	(5,385,861)	(4,200,301)
Cash payments to establish subsidiaries		–	–	(10,000)	–
Cash payments to acquire fixed assets, intangible assets and other long-term assets		(13,455)	(5,126)	(9,163)	(3,144)
Subtotal of cash outflows from investing activities		(5,480,790)	(4,225,606)	(5,405,024)	(4,203,445)
Net cash flows generated from investing activities		19,877	23,438	83,612	21,350
III. Cash flows from financing activities:					
Proceeds from issuance of other equity instruments		51,982	29,974	49,983	29,974
Proceeds from issuance of bonds		1,098,907	1,255,112	1,096,407	1,237,172
Subtotal of cash inflows from financing activities		1,150,889	1,285,086	1,146,390	1,267,146
Cash repayments of borrowings		(1,408,993)	(1,032,876)	(1,405,232)	(1,017,725)
Cash payments for distribution of dividends or profits or settlement of interest expenses		(47,291)	(54,288)	(46,375)	(53,310)
Including: Dividends paid to non-controlling shareholders of subsidiaries		(70)	(4)	–	–
Cash payments for redemption of other equity instruments		(87,171)	–	(87,171)	–
Other cash payments relating to financing activities		(5,017)	(3,028)	(2,928)	(2,910)
Subtotal of cash outflows from financing activities		(1,548,472)	(1,090,192)	(1,541,706)	(1,073,945)
Net cash flows (used in) generated from financing activities		(397,583)	194,894	(395,316)	193,201

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

## The Consolidated and Bank's Cash Flow Statements (continued)

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

	Note VII	The Group		The Bank	
		2025	2024	2025	2024
IV. Effect of foreign exchange rate changes on cash and cash equivalents		(580)	252	(577)	250
V. Net increase (decrease) in cash and cash equivalents	43.1	275,370	(18,674)	269,964	(29,161)
Add: Opening balance of cash and cash equivalents		512,603	531,277	500,211	529,372
VI. Closing balance of cash and cash equivalents	43.2	787,973	512,603	770,175	500,211

The financial statements were approved by the Board of Directors of the Bank on 26 March 2026.

Lyu Jiajin

Chairman of the Board

Legal Representative

Chen Xinjian

President

Financial Director

Lin Shu

Person in-charge of the Accounting Body

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



## The Consolidated Statement of Changes In Shareholders' Equity

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

	Note VII	Attributable to shareholders of the Bank							Non-controlling interests	Total shareholders' equity
		Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	General reserve	Retained earnings		
I. Balance at 1 January 2025		20,774	118,960	74,733	5,561	10,684	125,365	525,831	11,703	893,611
II. Changes for the year		-	-	-	-	-	-	77,469	385	77,854
(I) Net profit		-	-	-	-	-	-	-	-	(2,243)
(II) Other comprehensive income	41	-	-	-	(2,243)	-	-	-	-	(2,243)
Subtotal of (I) and (II)		-	-	-	(2,243)	-	-	77,469	385	75,611
(III) Capital contribution and decrease from shareholders		389	(36,348)	7,706	-	-	-	-	(14)	(28,267)
1. Capital reduction from shareholders		-	-	(2)	-	-	-	-	(18)	(20)
2. Contribution from conversion of convertible bonds	28	389	(546)	9,099	-	-	-	-	-	8,942
3. Issuing perpetual bonds	28	-	50,000	(18)	-	-	-	-	2,000	51,982
4. Redemption of perpetual bonds	28	-	(29,960)	(44)	-	-	-	-	(1,996)	(32,000)
5. Redemption of preference shares	28	-	(65,842)	(1,329)	-	-	-	-	-	(67,171)
(IV) Profit distribution		-	-	-	-	194	9,125	(36,485)	(144)	(27,310)
1. Appropriation to surplus reserve	30	-	-	-	-	194	-	(194)	-	-
2. Appropriation to general reserve	31	-	-	-	-	-	9,125	(9,125)	-	-
3. Dividends paid to ordinary shareholders	32	-	-	-	-	-	-	(22,433)	(70)	(22,503)
4. Dividends paid to preference shareholders	32	-	-	-	-	-	-	(2,597)	-	(2,597)
5. Distribution to perpetual debt holders	32	-	-	-	-	-	-	(2,136)	(74)	(2,210)
(V) Others		-	-	1	203	-	-	(203)	-	1
1. Transfer of other comprehensive income to retained earnings	41	-	-	-	203	-	-	(203)	-	-
2. Passive dilution under equity method	9	-	-	1	-	-	-	-	-	1
III. Balance at 31 December 2025		21,163	82,612	82,440	3,521	10,878	134,490	566,612	11,930	913,646

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

## The Consolidated Statement of Changes In Shareholders' Equity (continued)

For the year ended 31 December 2024

(Expressed in millions of Renminbi, unless otherwise stated)

	Note VII	Attributable to shareholders of the Bank						Non-controlling interests	Total shareholders' equity	
		Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	General reserve			Retained earnings
I. Balance at 1 January 2024		20,774	88,960	74,759	1,239	10,684	120,118	479,690	11,495	807,719
II. Changes for the year		-	-	-	-	-	-	77,205	286	77,491
(I) Net profit		-	-	-	-	-	-	-	-	-
(II) Other comprehensive income	41	-	-	-	4,322	-	-	-	-	4,322
Subtotal of (I) and (II)		-	-	-	4,322	-	-	77,205	286	81,813
(III) Capital contribution from shareholders		-	30,000	(26)	-	-	-	-	-	29,974
Issuing perpetual bonds	28	-	30,000	(26)	-	-	-	-	-	29,974
(IV) Profit distribution		-	-	-	-	-	5,247	(31,064)	(78)	(25,896)
1. Appropriation to general reserve	31	-	-	-	-	-	5,247	(5,247)	-	-
2. Dividends paid to ordinary shareholders	32	-	-	-	-	-	-	(21,605)	(4)	(21,609)
3. Dividends paid to preference shareholders	32	-	-	-	-	-	-	(2,793)	-	(2,793)
4. Distribution to perpetual debt holders	32	-	-	-	-	-	-	(1,419)	(74)	(1,493)
III. Balance at 31 December 2024		20,774	118,960	74,733	5,561	10,684	125,365	525,831	11,703	893,611

The financial statements were approved by the Board of Directors of the Bank on 26 March 2026.

Lyu Jiajin

Chen Xinjian

Lin Shu

Chairman of the Board  
Legal Representative

President  
Financial Director

Person in-charge of the Accounting Body

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



## The Bank's Statement of Changes In Shareholders' Equity

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

	Note VII	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	General reserve	Retained earnings	Total
I. Balance at 1 January 2025		20,774	118,960	75,085	5,295	10,684	115,054	487,115	832,967
II. Changes for the year		-	-	-	-	-	-	71,611	71,611
(I) Net profit		-	-	-	(2,155)	-	-	-	(2,155)
(II) Other comprehensive income	41	-	-	-	(2,155)	-	-	-	(2,155)
Subtotal of (I) and (II)		-	-	-	(2,155)	-	-	71,611	69,456
(III) Capital contribution and reduction from shareholders		389	(36,348)	7,713	-	-	-	-	(28,246)
1. Contribution from conversion of convertible bonds	28	389	(546)	9,099	-	-	-	-	8,942
2. Issuing perpetual bonds	28	-	50,000	(17)	-	-	-	-	49,983
3. Redemption of perpetual bonds	28	-	(29,960)	(40)	-	-	-	-	(30,000)
4. Redemption of preference shares	28	-	(55,842)	(1,329)	-	-	-	-	(57,171)
(IV) Profit distribution		-	-	-	-	194	8,460	(35,820)	(27,166)
1. Appropriation to surplus reserve		-	-	-	-	194	-	(194)	-
2. Appropriation to general reserve	31	-	-	-	-	-	8,460	(8,460)	-
3. Dividends paid to ordinary shareholders	32	-	-	-	-	-	-	(22,433)	(22,433)
4. Dividends paid to preference shareholders	32	-	-	-	-	-	-	(2,597)	(2,597)
5. Distribution to perpetual debt holders	32	-	-	-	-	-	-	(2,136)	(2,136)
(V) Others		-	-	-	203	-	-	(203)	-
1. Transfer of other comprehensive income to retained earnings		-	-	-	203	-	-	(203)	-
III. Balance at 31 December 2025		21,163	82,612	82,798	3,343	10,878	123,514	522,703	847,011

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

## The Bank's Statement of Changes In Shareholders' Equity (continued)

For the year ended 31 December 2024

(Expressed in millions of Renminbi, unless otherwise stated)

	Note VII	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	General reserve	Retained earnings	Total
I. Balance at 1 January 2024		20,774	88,960	75,111	1,204	10,684	110,523	446,515	753,771
II. Changes for the year									
(I) Net profit		-	-	-	-	-	-	70,948	70,948
(II) Other comprehensive income	41	-	-	-	4,091	-	-	-	4,091
Subtotal of (I) and (II)		-	-	-	4,091	-	-	70,948	75,039
(III) Capital contribution from shareholders		-	30,000	(26)	-	-	-	-	29,974
Issuing perpetual bonds	28	-	30,000	(26)	-	-	-	-	29,974
(IV) Profit distribution		-	-	-	-	-	4,531	(30,348)	(25,817)
1. Appropriation to general reserve	31	-	-	-	-	-	4,531	(4,531)	-
2. Dividends paid to ordinary shareholders	32	-	-	-	-	-	-	(21,605)	(21,605)
3. Dividends paid to preference shareholders	32	-	-	-	-	-	-	(2,793)	(2,793)
4. Distribution to perpetual debt holders	32	-	-	-	-	-	-	(1,419)	(1,419)
III. Balance at 31 December 2024		20,774	118,960	75,085	5,295	10,684	115,054	487,115	832,967

The financial statements were approved by the Board of Directors of the Bank on 26 March 2026.

Lyu Jiajin

Chairman of the Board  
Legal Representative

Chen Xinjian

President  
Financial Director

Lin Shu

Person in-charge of the Accounting Body

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



# Notes to the Consolidated Financial Statements

(Expressed in millions of Renminbi, unless otherwise stated)

## I. General information

Industrial Bank Co., Ltd. (hereinafter referred to as “the Bank”) which was referred to as Fujian Industrial Bank Co., Ltd. previously, is a stock commercial bank approved by the People’s Bank of China (the “PBOC”), with the document YF [1988] No.347 issued on 20 July 1988, in accordance with the Application by Fujian Province for Deepening Reform and Opening and Accelerating the Development of Export-oriented Economy (GH [1988] No.58) approved by the State Council. The Bank started trading on Shanghai Stock Exchange on 5 February 2007 with the stock code 601166.

The Bank holds the license for carrying out financial activities issued by The National Financial Regulatory Administration (the “NFRA”), formerly known as China Banking Regulatory Commission (the “CBIRC”), with the license number No.B0013H135010001; and the Business License of Enterprise Legal Person issued by Fujian Provincial Administration for Industry and Commerce with uniform social credit code of 91350000158142711F. The Bank’s registered address is Industrial Bank Tower, 398 Middle Jiangbin Blvd., Taijiang District, Fuzhou, Fujian Province, the PRC. Lyu Jiajin was delegated the duties of legal representative.

The principal activities of the Bank comprise the provision of banking service, which includes accepting deposits from the public; granting short-term, medium-term and long-term loans; domestic and overseas settlement services; issuance of discount and acceptance bills and notes; issuing financial bonds; agency issuance and encashment, underwriting of government bonds and debentures; trading of government and financial bonds and debentures; agency trading and trading of marketable securities except stock; asset custody business; inter-bank lending and borrowings; agency trading, trading, settlement and sale of foreign exchanges; bank card business; letters of credit and letters of guarantee; remittance and insurance agent services; safety deposit box services; financial advisory services; credit investigation, advisory and attestation services; other activities approved by the CBIRC; insurance and agency business; import and export of gold and its products; sales of public offering of fund; custody of securities investment funds.

The principal activities of the Bank’s subsidiaries comprise finance leasing; trust services; fund raising and marketing; asset management for specific clients; asset management; consumer finance; equity investment; industrial investment; investment management and advisory; investment consulting (excluding brokerage); financial consulting; business consulting; enterprise management consulting; financial data processing; commodity futures brokerage; financial futures brokerage; futures investment consulting; asset management; information consulting service; software development services; information system integration services; investment and asset management; acquisition, transfer and disposal of bad debts in batches of financial institutions in the province; acquisition, transfer and disposal of bad debts of non-financial institutions; issuance of wealth management products to non-specific public customers and investment and management of the investors’ assets as entrusted; issuance of wealth management products to qualified investors and investment and management of the investors’ assets as entrusted; wealth management consulting and advisory services; data processing services; issuance of debt-to-equity swaps and other banking activities approved by the CBIRC as well as other businesses permitted by China Securities Regulatory Commission (the “CSRC”).

## II. Basis of preparation of financial statements

The report is prepared on a going concern basis.

## III. Statement of compliance with the CAS

The financial statements of the Bank have been prepared in accordance with CAS issued by the Ministry of Finance of the People’s Republic of China, and present truly and completely, the consolidated and the Bank’s financial position as of 31 December 2025, and the consolidated and Bank’s results of operations and cash flows for the year then ended.

In addition, the Bank’s financial statements also comply with relevant disclosure requirements on financial statements and notes of the revised Rules on the Preparation and Submission of Information Disclosed by Companies Offering Securities to the *Public (No.15) – General Rules on Financial Reports* issued by China Securities Regulatory Commission (CSRC) in 2023.

## IV. Significant accounting policies and accounting estimates

The Group assesses the materiality of financial information from the perspectives of nature and amount of an item, depending on specific environment where it operates. When determining the materiality of nature of the item, the Group mainly considers whether the item is a daily activity in nature and whether it significantly affects the Group's financial position, financial performance and cash flows. When determining the materiality of amount of the item, the Group considers the proportion of the amount in that of a directly related item such as total assets, total liabilities, total owners' equity, total operating income, total operating costs, net profit and total comprehensive income, or the proportion of such amount in that of a separate item in the financial statements.

### 1. Accounting period

The Bank's accounting year starts on 1 January and ends on 31 December.

### 2. Functional currency

The Group and its domestic subsidiaries choose Renminbi ("RMB") as their functional currency and these financial statements are presented in RMB, while its subsidiaries overseas choose their functional currency depending on the primary economic environment in which the subsidiaries operate and were translated into RMB according to the principles stated in Note IV, 6.

### 3. Accounting treatments for business combinations involving entities under common control and not under common control

A transaction constitutes a business combination when the Group obtains control of one or more entities (or a group of assets or net assets). Business combination is classified as either business combinations involving enterprises under common control or business combinations not involving enterprises under common control.

For a transaction not involving enterprises under common control, the acquirer determines whether the acquired set of assets constitutes a business. The Group may elect to apply the simplified assessment method, the concentration test, to determine whether an acquired set of assets is not a business. If the concentration test is met and the set of assets is determined not to be a business, no further assessment is needed. If the concentration test is not met, the Group shall perform the assessment according to the guidance on the determination of a business.

When the set of assets the Group acquired does not constitute a business, acquisition costs should be allocated to each identifiable asset and liability at their acquisition date fair values. It is not required to apply the accounting of business combination described as below.

### 3.1 Business combinations involving enterprises under common control

A business combination involving enterprises under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory.

The assets acquired and liabilities assumed are measured based on their carrying amounts in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination (or the total par value of the issued shares) is adjusted to the share premium in capital reserve. If the share premium in the capital reserve is insufficient to absorb the difference, surplus reserves and retained earnings are reduced sequentially.

Costs that are directly attributable to the combination are charged to profit or loss in the period in which they are incurred. Combination date is the date on which the absorbing party effectively obtains control of the party being absorbed.

### 3.2 Business combinations not involving enterprises under common control and goodwill

A business combination not involving enterprises under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties before and after the combination.

The cost of combination is the aggregation of the fair values, at the acquisition date, of the assets given, liabilities incurred or assumed, and the equity securities issued by the acquirer in exchange for control of the acquiree. Where a business combination not involving enterprises under common control is achieved in stages that involve multiple transactions, the cost of combination is the sum of the consideration paid at the acquisition date and the fair value at the acquisition date of the acquirer's previously held interest in the acquiree. The intermediary expenses incurred by the acquirer in respect of auditing, legal services, valuation and consultancy services, etc. and other associated administrative expenses attributable to the business combination are recognised in profit or loss when they are incurred.

For a business combination involving entities not under common control and achieved in stages, the Group remeasured its previously-held equity interest in the acquiree to its acquisition-date fair value and recognised any resulting difference between the fair value and the carrying amount as investment income or other comprehensive income for the current period. In addition, any amount recognised in other comprehensive income and other changes in the owners' equity under equity accounting in prior reporting periods relating to the previously-held equity interest that may be reclassified to profit or loss was transferred to investment income at the date of acquisition (see Note IV, 9.3 (2)); any previously-held equity interest that was designated as equity investment at fair value through other comprehensive income, the other comprehensive income recognised in prior reporting periods was transferred to retained earnings at the date of acquisition.



The acquiree's identifiable assets, liabilities and contingent liabilities acquired by the acquirer in a business combination that meet the recognition criteria shall be measured at fair value at the acquisition date. Acquisition date is the date on which the acquirer effectively obtains control of the acquiree.

After considering the relevant deferred income tax effects, where the cost of combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is treated as an asset and recognised as goodwill, which is measured at cost on initial recognition. Where the cost of combination is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer firstly reassesses the measurement of the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities and measurement of the cost of combination. If after that reassessment, the cost of combination is still less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer recognises the remaining difference immediately in profit or loss for the current period.

Goodwill arising from a business combination is measured at cost less accumulated impairment losses, and is presented separately in the consolidated financial statements. It is tested for impairment at least at the end of each year. On disposal of an asset group or a set of asset groups, any attributable goodwill is written off and included in the calculation of the profit or loss on disposal.

## 4. Criteria of control and preparation of consolidated financial statements

### 4.1 General principals

The scope of consolidated financial statements is determined on the basis of control and the consolidated financial statements comprise the Bank and its subsidiaries (including structured entities controlled). Control refers to the power an investor has over an investee, by virtue of which the investor enjoys variable returns by participating in related activities of the investee, and has the ability to use its power over the investee to influence the amount of its returns. When assessing whether the Group has power over an investee, only substantive rights (held by the Group and other parties) are considered. Once the change in relevant facts and circumstances leads to a change in relevant elements involved in the definition of control, the Group will conduct a reassessment.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Structured entities refer to the entities that voting rights or similar rights do not constitute decisive factors when recognising the controlling party, such as when voting rights are associated with the administration, or related activities are led by the contractual arrangements. Wealth management products, funds, trust fund plans and fund management plans could be used as examples of structured entities. In determining whether to exercise control over such structured entities, the Group assesses whether it exercises its decision-making power as a principal or as an agent, evaluates the overall economic interests it is entitled to form such structured entities (including returns from direct holdings and expected management fees) and the scope of its decision-making authority over them. In circumstances where other parties hold decision-making authority, it is also necessary to determine whether such other parties exercise decision-making power on their behalf as agents.

Non-controlling interests of a subsidiary are presented separately in the consolidated balance sheet within shareholders' equity. Net profit or loss attributable to non-controlling shareholders of a subsidiary is presented separately in the consolidated income statement below the net profit line item. Total comprehensive income attributable to non-controlling shareholders of a subsidiary is presented separately in the consolidated income statement below the total comprehensive income line item.

When the amount of loss for the current period attributable to the non-controlling shareholders of a subsidiary exceeds the non-controlling shareholders' share of the opening owners' equity of the subsidiary, the excess is still allocated against the non-controlling interests.

When the accounting period or accounting policies of a subsidiary are different from those of the Bank, the Bank makes necessary adjustments to the financial statements of the subsidiary based on the Bank's own accounting period or accounting policies.

Intra-group balances and transactions, and any unrealised profit or loss arising from intra-group transactions, are eliminated when preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, unless they represent impairment losses that are recognised in the financial statements.

### 4.2 Subsidiaries acquired through a business combination

For subsidiaries acquired through a business combination under common control, the consolidated financial statements for the current period are prepared based on the carrying amounts of the subsidiary's assets and liabilities as reflected in the ultimate controlling party's financial statements. The subsidiary is deemed to have been included in the Bank's consolidation scope as of the date when the Bank's ultimate controlling party first obtained control over it. Corresponding adjustments are made to the opening balances of the consolidated financial statements and the comparative financial statements of prior periods.

For subsidiaries acquired through a business combination not involving enterprises under common control, their results of operation and cash flows from the acquisition date (the date when control is obtained) are included in the consolidated statements of comprehensive income and consolidated statement of cash flows, as appropriate.

For the stepwise acquisition of equity interest till acquiring control after a few transactions and leading to business combination not involving enterprises under common control, this should be dealt with based on whether this belongs to 'package deal': if it belongs to 'package deal', transactions will be dealt as transactions to acquire control. If it does not belong to 'package deal', transactions will be dealt as transactions of a business combination involving entities not under common control and achieved in stages (see Note IV, 3.2).

#### 4.3 Disposal of subsidiaries

When the Group loses control over a subsidiary, any resulting disposal gains or losses are recognised as investment income for the current period. The remaining equity interest is re-measured at its fair value at the date when control is lost, any resulting gains or losses are also recognised as investment income for the current period.

When the Group loses control of a subsidiary in multiple transactions in which it disposes of its long-term equity investment in the subsidiary in stages, if each of the multiple transactions does not form part of a bundled transaction, the transactions conducted before the loss of control of the subsidiary are accounted for in accordance with the accounting policy for partial disposal of equity investment in subsidiaries where control is retained (see Note IV, 4.4). If each of the multiple transactions forms part of a bundled transaction which eventually results in the loss of control in the subsidiary, these multiple transactions are accounted for as a single transaction. In the consolidated financial statements, the difference between the consideration received and the corresponding proportion of the subsidiary's net assets (calculated continuously from the acquisition date) in each transaction prior to the loss of control shall be recognised in other comprehensive income and transferred to profit or loss when the parent eventually loses control of the subsidiary.

Acquisition of non-controlling interests or disposal of interest in a subsidiary that does not result in the loss of control over the subsidiary is accounted for as equity transactions. The carrying amounts of the equity attributable to equity holders of the Bank and non-controlling interests in equity are adjusted to reflect the changes in their relative interests in the subsidiary. The difference between the amount by which the non-controlling interests in equity are adjusted and the fair value of the consideration paid or received is adjusted to capital reserve. If the capital reserve is not sufficient to absorb the difference, the excess is adjusted against retained earnings.

When the Group loses control over a subsidiary due to disposal of certain equity interest or other reasons, any retained interest is re-measured at its fair value at the date when control is lost. The difference between (i) the aggregate of the consideration received on disposal and the fair value of any retained interest and (ii) the share of the former subsidiary's net assets cumulatively calculated from the acquisition date according to the original proportion of ownership interest is recognised as investment income in the period in which control is lost, with goodwill being simultaneously written off. Other comprehensive income associated with investment in the former subsidiary is reclassified to investment income in the period in which control is lost.

#### 4.4 Changes in non-controlling interests

Where the Bank acquires a non-controlling interest from a subsidiary's non-controlling shareholders or disposes of a portion of an interest in a subsidiary without a change in control, the difference between the proportion interests of the subsidiary's net assets being acquired or disposed of and the amount of the consideration paid or received is adjusted to the capital reserve (share premium) in the consolidated balance sheet, with any excess adjusted sequentially to surplus reserves and retained earnings.

### 5. Recognition criteria of cash and cash equivalents

Cash comprises cash on hand and deposits of the Group that can be readily withdrawn on demand. Cash equivalents are the Group's short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### 6. Transactions denominated in foreign currencies and translation of foreign currency financial statements

Transactions in foreign currencies are translated into the respective functional currencies of account on initial recognition at the spot exchange rate on the date of the transaction. Monetary items denominated in foreign currencies are translated to RMB at the spot exchange rate at the balance sheet date. Monetary items that are denominated in foreign currencies and classified as financial assets at fair value while their changes are recognised in other comprehensive income, their foreign currency translation differences are broken down into translation differences arising from changes in amortised cost and translation differences arising from changes in the other carrying amounts of these items. Translation differences arising from changes in amortised cost are recognised in profit or loss for the current period, and those arising from changes in other carrying amounts are recognised in other comprehensive income. Exchange differences on other foreign currency monetary items are recognised in profit or loss for the current period.



Non-monetary items denominated in foreign currencies that are measured at historical cost are translated into functional currency using the spot exchange rates at the dates of the transactions. Non-monetary items denominated in foreign currencies that are measured at fair value are translated using the spot exchange rates at the dates the fair values are determined; translation differences on equity investments at fair value through other comprehensive income are recognised in other comprehensive income. Other Translation differences are recognised in the profit or loss.

When preparing consolidated financial statements, financial statements of overseas operations in foreign currency are translated into financial statements in RMB in the following methods: All assets and liabilities in the statements of financial position are translated by applying the spot exchange rates at the balance sheet date; shareholders' equities except retained earnings and other comprehensive income are translated by applying the spot exchange rate on the date of the transaction; statements of comprehensive income and items reflecting profit distribution occurred are translated by exchange rates similar with the spot exchange rate on the date of the transaction; retained earnings at the beginning of this year equal to the retained earnings after translation at the end of previous year; retained earnings at the end of the period are presented as profit distributions after translation; differences between assets after translation and liabilities & shareholders' equity after translation are presented as "other comprehensive income" in shareholders' equity.

## 7. Financial instruments

A financial instrument is a contract that forms the financial assets of one party and forms the financial liabilities or equity instruments of the others.

The Group's financial instruments mainly include cash and balances with Central Bank, deposits with banks and other financial institutions, placements with banks and other financial institutions, derivative financial assets, financial assets purchased under resale agreements, loans and advances to customers, trading assets, debt investments, other debt investments, other equity investments, other receivables, borrowing from Central Bank, deposits from banks and other financial institutions, placements from banks and other financial institutions, trading liabilities, derivative financial liabilities, financial assets sold under repurchase agreements, deposits from customers, debt securities issued, other payables, share capital, preference shares, perpetual bonds and convertible instruments etc..

### 7.1 Recognition and initial measurement of financial assets and financial liabilities

A financial asset or financial liability is recognised in the balance sheet when the Group becomes a party to the contractual provisions of a financial instrument.

A financial asset and financial liability are measured initially at fair value. For financial assets and financial liabilities at fair value through profit or loss, any related directly attributable transaction costs are charged to profit or loss; for other categories of financial assets and financial liabilities, any related directly attributable transaction costs are included in their initial costs.

### 7.2 Classification and subsequent measurement of financial assets

#### (1) Classification of financial assets

The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. On initial recognition, a financial asset is classified as measured at amortised cost, at fair value through other comprehensive income ("FVOCI"), or at fair value through profit or loss ("FVTPL").

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows;
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The financial assets measured at amortised cost held by the Group mainly include cash and balances with Central Bank, deposits with banks and other financial institutions, placements with banks and other financial institutions, financial assets purchased under resale agreements, loans and advances to customers measured at amortised cost, debt investments, other receivables, etc..

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets;
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The financial assets measured at FVOCI held by the Group mainly include loans and advances to customers measured at FVOCI and other debt investments.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis, and the relevant investments meet the definition of an equity instrument from the perspective of the issuer. The equity investments elected to fair value in other comprehensive income held by the Group mainly include other equity investments.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. The financial assets measured at FVTPL held by the Group mainly include Loans and advances to customers measured at FVTPL and Trading assets.

The business model refers to how the Group manages its financial assets in order to generate cash flows. That is, the Group's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The Group determines the business model for managing the financial assets according to the facts and based on the specific business objective for managing the financial assets determined by the Group's key management personnel.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. For the purposes of this assessment, 'Principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The Group also assesses whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

#### (2) Subsequent measurement of financial assets

##### (i) Financial assets at FVTPL

These financial assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss unless the financial assets are part of a hedging relationship.

##### (ii) Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. A gain or loss on a financial asset that is measured at amortised cost and is not part of a hedging relationship shall be recognised in profit or loss when the financial asset is derecognised, through the amortisation process or in order to recognise impairment gains or losses.

##### (iii) Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, impairment and foreign exchange gains and losses are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.



#### (iv) Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to retained earnings.

### 7.3 Classification and subsequent measurement of financial liabilities

Financial liabilities are classified as measured at FVTPL or other financial liabilities.

#### (1) Financial liabilities at FVTPL

A financial liability is classified as at FVTPL if it is classified as held-for-trading (including derivative financial liability) or it is designated as such on initial recognition.

Financial liabilities at FVTPL are subsequently measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss, unless the financial liabilities are part of a hedging relationship.

#### (2) Other financial liabilities

Financial liabilities measured at amortised cost are subsequently measured at amortised cost using the effective interest method. However, the transfer of financial assets does not meet the conditions for termination of recognition or continues to involve in the transfer of financial liabilities, financial guarantee contracts and loan commitments (see Note IV, 7.4) formed by the financial assets shall be excluded.

### 7.4 Financial guarantee contracts and loan commitments

#### (1) Financial guarantee contracts

Financial guarantees contracts are contracts that require the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are initially recognised at fair value on the date of the guarantee is provided. Subsequent to initial recognition, deferred income related to financial guarantee is amortised in profit or loss in accordance with the accounting policies set out in Note IV, 18. A financial guarantee liability is measured at the higher of the amount of the allowance for loss determined in accordance with impairment policies of financial instruments (see Note IV, 7.6), and the amount initially recognised less the cumulative amount of income.

#### (2) Loan commitments

Loan commitments are the commitments to extend credit under pre-defined terms and conditions.

The Group provides loan commitments that are assessed for impairment based on expected credit losses. The Group does not commit to extend loans at any below-market interest rates, make cash payments, or issue other financial instruments as a net settlement of loan commitments.

The provision for losses on loan commitments and financial guarantee contracts are stated in Provision by the Group.

### 7.5 Derecognition of financial assets and financial liabilities

The Group derecognises a financial asset if the part being considered for derecognition meets one of the following conditions:

- the contractual rights to receive the cash flows from the financial asset expire; or
- the financial asset has been transferred and the Group transfers substantially all of the risks and rewards of ownership of the financial asset; or
- the financial asset has been transferred, although the Group neither transfers nor retains substantially all of the risks and rewards of ownership of the financial asset, it does not retain control over the transferred asset.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset which has been transferred, but retains control, the Group continues to recognise the financial asset to the extent of its continuing involvement in the financial asset, and corresponding financial liability.

Where a transfer of a financial asset in its entirety meets the criteria for derecognition, the difference between the two amounts below is recognised in profit or loss:

- The carrying amount of the financial asset transferred measured at the date of derecognition;
- The sum of the consideration received from the transfer and, when the transferred financial asset is a debt investment at FVOCI, any cumulative gain or loss that has been recognised directly in other comprehensive income for the part derecognised.

The Group derecognises a financial liability (or part of it) only when its contractual obligation (or part of it) is extinguished.

As part of its business activities, the Group securitised some of its assets, generally by selling the assets to structured entities, which then issue securities to investors. When applying the financial assets derecognition conditions, the Group considers the risk and reward transfer degree of the assets transferred to structured entities, as well as the extent to which the Group exercises control over the entities. The financial assets related to the asset-backed securities failing to meet the derecognition conditions are not derecognised, and funds from third-party investors are treated as financial liabilities. Where the Group neither transfers nor retains substantially all of the risks and rewards of ownership of the financial assets, the Group will consider whether it retains control over the transferred assets. If the Group does not retain control, it shall derecognise the financial assets and recognise the rights and obligations arising from or reserved during the transfer as assets or liabilities. If the Group retains control, the financial assets are recognised based on the extent of its involvement in the financial assets.

### 7.6 Impairment of financial assets

The Group recognises an allowance for impairment losses for expected credit loss (ECL) on:

- Financial assets measured at amortised cost;
- Debt investments measured at FVOCI;

- Financial lease receivables;
- Loan commitments and financial guarantee contracts issued, which are not measured at FVTPL.

Financial assets measured at fair value, including debt investments or equity securities at FVTPL, equity securities designated at FVOCI and derivative financial assets, are not subject to the ECL assessment.

#### (1) Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows discounted at the effective interest rate due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

The Group's method of measuring expected credit losses of financial instruments reflects the following elements: (i) unbiased weighted average probability determined by the results of evaluating a range of possible outcomes; (ii) time value of money; (iii) reasonable and evidence-based information about past events, current conditions, and future economic forecasts that are available at no additional cost or effort at the end of the reporting period.

The maximum period considered when estimating ECLs is the maximum contractual period (including extension options) over which the Group is exposed to credit risk.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the balance sheet date (or a shorter period if the expected life of the instrument is less than 12 months).

The Group applies a "three-stage model" for measuring ECL. For the measurement and segmentation of ECL of financial instruments of the Group, see Note XI, 3 Credit risk.



## (2) Presentation of allowance for ECL

ECLs are remeasured at each balance sheet date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through an allowance for loss account, except for debt investments that are measured at FVOCI, for which the allowance for impairment loss is recognised in other comprehensive income. For the loan commitments and financial guarantee contracts issued, which are not measured at FVTPL, the Group recognises the allowance for impairment losses in provisions (credit loss of off-balance sheet assets).

## (3) Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. A write-off constitutes a derecognition event. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

## 7.7 Offsetting

Financial assets and financial liabilities are generally presented separately in the balance sheet, and are not offset. However, a financial asset and a financial liability are offset and the net amount is presented in the balance sheet when both of the following conditions are satisfied:

- The Group currently has a legally enforceable right to set off the recognised amounts;
- The Group intends either to settle on a net basis, or to realise the financial asset and settle the financial liability simultaneously.

## 7.8 Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

If the main contract included in the hybrid contract is an asset within the scope of the new financial instrument standard, the embedded derivative is no longer split from the main contract of the financial asset, but the hybrid financial instrument as a whole is related to the classification of the financial asset provision. Derivatives embedded in the hybrid contract in which the main contract included is not an asset within the scope of the new financial instrument standard should be split from the hybrid contract and treated as separate derivatives when their economic characteristics and risks are not closely related to those of the hybrid contract, they meet the definition of derivatives, and the hybrid instrument is not carried at FVTPL. These embedded derivatives are measured at fair value with the changes in fair value recognised in profit or loss.

Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to profit or loss.

## 7.9 Hedge accounting

Hedge accounting is a method which recognises in profit or loss (or other comprehensive income) the gain or loss on the hedging instrument and the hedged item in the same accounting period(s) to represent the effect of risk management.

Hedged items are items that expose the Group to risks of changes in fair value or cash flows and that are designated as being hedged and can be reliably measured. A hedging instrument is a designated financial instrument whose changes in fair value or cash flows are expected to offset changes in the fair value or cash flows of the hedged item.

The Group assesses at the inception of a hedging relationship, and on an ongoing basis, whether the hedging relationship meets the hedge effectiveness requirements. A hedging relationship is regarded as having met the hedge effectiveness requirements if all of the following conditions are satisfied:

- There is an economic relationship between the hedged item and the hedging instrument.

- The effect of credit risk does not dominate the value changes that result from the economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of the hedged item.

If a hedge relationship no longer meets the requirements for hedge effectiveness due to changes in the hedge ratio, but the risk management objective for which the hedge was designated remains unchanged, the Group performs hedge rebalancing by adjusting the quantity of either the hedged item or the hedging instrument in the existing hedge relationship, so that the hedge ratio once again satisfies the requirements for hedge effectiveness.

The Group discontinues applying hedge accounting in any of the following circumstances:

- The hedging relationship no longer meets the risk management objective on the basis of which it qualified for hedge accounting.
- The hedging instrument expires or is sold, terminated or exercised.
- There is no longer an economic relationship between the hedged item and the hedging instrument or the effect of credit risk starts to dominate the value changes that result from that economic relationship.
- The hedging relationship no longer meets other criteria for applying hedge accounting.

#### Fair value hedges

Fair value hedges are hedges of the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment, or a portion of such an asset, liability or firm commitment.

Gains or losses arising from hedging instruments are recognised in current profit or loss. The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the recognised hedged item not measured at fair value and is recognised in profit or loss.

#### 7.10 Equity instrument

An equity instrument is a contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. A financial instrument issued by the Group shall be classified as an equity instrument when both of the following conditions are satisfied: (1) the instrument includes no contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the issuer; (2) if the instrument will or may be settled in the Group's own equity instrument, it is a non-derivative that includes no contractual obligation for the issuer to deliver a variable number of its own equity instruments; or a derivative that will be settled only by the Group exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments. Equity instruments issued by the Group are recorded in shareholders' equity at the actual issue price, with related transaction costs deducted from shareholders' equity (capital reserve). If the capital reserve is insufficient to cover such costs, the excess is deducted from the surplus reserves and retained earnings in sequence. The repurchase of the Group's equity instruments, including related costs, reduces shareholders' equity. The Group's issuance (including refinancing), repurchase, sales or cancellation of an equity instrument shall be accounted for as a change to equity. The Group does not recognise changes in the fair value of an equity instrument.

The Group's distribution to the holders of equity instruments is treated as profit distribution, and the issued stock dividends do not affect the total amount of shareholders' equity.

#### 7.11 Preference share and perpetual bond

The Group classifies the issued preferred shares and perpetual bonds, or their components, as financial assets, financial liabilities, or equity instruments at initial recognition, based on the contractual terms and the economic substance of these instruments, in accordance with the definitions of financial assets, financial liabilities, and equity instruments.

For preferred shares and perpetual bonds classified as equity instruments, the Group records the proceeds received at the time of issuance as part of equity. Dividends or interest paid during the term are treated as profit distributions. If such instruments are redeemed in accordance with the contractual terms, the redemption amount is deducted from equity.



### 7.12 Convertible instruments

Convertible instruments issued by the Group that can be converted to equity shares, where the number of shares to be issued and the value of consideration to be received at that time do not vary, are accounted for as compound financial instruments containing both liability and equity components.

The initial carrying amount of a compound financial instrument is allocated to its equity and liability components. The amount recognised in the equity is the difference between the fair value of the instrument as a whole and the separately determined fair value of the liability component (including the fair value of any embedded derivatives other than the equity component). Transaction costs that relate to the issuance of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of proceeds.

Subsequent to initial recognition, the liability component is measured at amortised cost using the effective interest method, unless it is designated upon recognition at fair value through profit or loss. The equity component is not re-measured.

Upon conversion of convertible instruments, the Group transfers the liability component and equity component of such instruments to relevant equity accounts. Upon redemption of convertible instruments, the consideration paid for redemption and the transaction costs incurred are allocated to the equity component and liability component. The allocation method for the consideration and transaction costs is consistent with that adopted upon the issuance of the instruments. After such allocation, the differences between the consideration and transaction costs, on the one hand, and the carrying amounts of the equity component and liability component, on the other hand, are recognized in equity for the portion relating to the equity component, and in profit or loss for the portion relating to the liability component.

### 7.13 Measurement of fair value

Unless otherwise stated, the Group measures fair value as follows:

Fair value is refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In estimating fair value, the Group considers the characteristics of the relevant asset or liability that market participants would take into account when pricing at the measurement date (including the condition and location of the asset, any restrictions on the sale or use of the asset, etc.), and applies valuation techniques that are appropriate under the current circumstances and supported by sufficient available data and other information. The valuation techniques primarily used include the market approach, income approach, and cost approach.

## 8. Precious metal

Precious metals comprise gold, silver and other precious metals. Precious metals that are not related to the Group's precious metals trading activities are initially measured at acquisition cost and subsequently measured at the lower of cost and net realisable value. Precious metals acquired by the Group for trading purposes are initially measured at fair value and subsequent changes in fair value are recorded in the statement of profit or loss.

## 9. Long-term equity investments

### 9.1 Determination of joint control or significant influence over investee

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. When determining whether an investing enterprise is able to exercise control or significant influence over an investee, the effect of potential voting rights of the investee (for example, warrants and convertible debts) held by the investing enterprises or other parties that are currently exercisable or convertible shall be considered.

### 9.2 Determination of initial investment cost

For the acquisition of long-term equity investments involving enterprises under the common control, the Group measures the initial cost of the long-term equity investment as the share of the carrying amount of the owners' equity of the acquired enterprise at that date. The difference between the initial costs of the long-term equity investment and cash paid or non-cash assets transferred as well as the carrying amount of the debts borne by the Group shall offset against the share premium. If the share premium in the capital reserve is insufficient to absorb the difference, the shortfall shall be sequentially offset against the surplus reserve and retained earnings. The investment cost which adopts the equity securities issued as the consideration should be adopted as the initial investment cost of the long-term equity investment according to the proportion carrying amount of combined party's shareholder equity in the consolidated financial statement of the ultimate controlling party, and adjust the share premium by the difference between the initial investment cost of long-term equity investment and the amount of issued stock's face value, which is regarded as capital stock. If the share premium in the capital reserve is insufficient to absorb the difference, the shortfall shall be sequentially offset against the surplus reserve and retained earnings. For the acquisition of enterprises under the common control through several steps of trading, it should be confirmed

whether it's a package deal. If it is, these deals should be measured as one acquiring-control deal. If not, the Group measures the initial cost of the long-term equity investment as the share of the carrying amount of the owners' equity of the acquired enterprise at that date. The difference between the initial costs of the long-term equity investment and the carrying amount of long-term equity investment before acquiring control as well as the carrying amount of the debts for more shares on the acquisition date shall offset against the share premium. If the share premium in the capital reserve is insufficient to absorb the difference, the shortfall shall be sequentially offset against the surplus reserve and retained earnings.

For a long-term equity investment acquired through business combination not involving enterprises under common control, the initial investment cost of the long-term equity investment is the cost of acquisition on the acquisition date. For the acquisition of enterprises under the common control through several steps of trading, it should be confirmed whether it's a package deal. If it is, these deals should be measured as one acquiring-control deal. If not, the carrying amount of long-term equity investment before acquiring control and the cost of new investment is the cost of acquisition measured under cost method.

Acquisition-related costs including auditing fees, legal services fees, valuation advice fees and other relevant management fees are generally recognised in profit or loss as incurred.

A long-term equity investment acquired other than through a business combination is initially recognised at the amount of cash paid if the Group acquires the investment by cash, or at the fair value of the equity securities issued if an investment is acquired by issuing equity securities.

### 9.3 Subsequent measurement and recognition of profit or loss

#### (1) Long-term equity investment accounted for using the cost method

The Bank uses the cost method for the long-term equity investment in subsidiaries in the financial statements. The subsidiary refers to the investee controlled by the Group.

Under the cost method, a long-term equity investment is measured at initial investment cost. Increasing or reducing investment will adjust the cost of long-term equity investment accordingly. Investment income is recognised in the period in accordance with the attributable share of cash dividends or profit distributions declared by the investee.

The investments in subsidiaries are stated in the balance sheet at cost less accumulated impairment losses.

#### (2) Long-term equity investment accounted for using the equity method

The Group accounts for investment in associates using the equity method. Associates are investees that the Group is able to exercise significant influence over.

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, no adjustment is made to the initial investment cost. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the initial cost of the investment, after reassessment of the long-term equity investment, is recognised immediately in profit or loss in the period in which the investment is acquired, and the cost of the long-term equity investment shall be adjusted accordingly.

Under the equity method, the Group recognises investment income and other comprehensive income based on the Group's share of net profit or loss and other comprehensive income of the investee and adjust the carrying amount of long-term equity investment accordingly. The carrying amount of the investment decreases regarding the attributable share of cash dividends or profit distributions declared by the investee. Changes in shareholders' equity of the investee other than net profits or losses, other comprehensive income or profit distribution are correspondingly adjusted to the carrying amount of the long-term equity investment, and recognised as capital reserve. The Group recognises its share of the investee's net profit or loss based on the fair value of the investee's identifiable assets after the adjustment of investee's net profit. When the accounting policy and accounting period adopted by the investee are inconsistent with the Group's, the investment income and other comprehensive income are recognised based on the adjusted financial statements of the investee in accordance with the Group's accounting policies and accounting period. Unrealised profits or losses resulting from the Group's transactions with its associates and joint ventures, where assets contributed or sold do not constitute a business, are recognised as investment income or loss to the extent that those attributable to the Group's equity interest are eliminated. However, unrealised losses resulting from the Group's transactions with its investees in respect of impairment losses on the transferred assets shouldn't be eliminated.

The Group discontinues recognising its share of net losses of the investee after the carrying amount of the long-term equity investment together with any long-term interests that in substance form part of its net investment in the investee is reduced to zero. If the Group has incurred obligations to assume additional losses of the investee, a provision is recognised according to the expected obligation, and recorded as investment loss for the period. Where net profits are subsequently made by the investee, the Group resumes recognising its share of those profits only after its share of the profits exceeds the share of losses previously not recognised.



#### 9.4 Disposal of long-term equity investments

On disposal of a long-term equity investment, the difference between the proceeds actually received and the carrying amount is recognised in profit or loss for the period. When the Group reduces its ownership interest in investee but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the investee's disposal of the related assets or liabilities. Then the equity recognised by the Group other than the change of the net profits and loss, other comprehensive income and profit distribution of the invested entity is reclassified to profit and losses in proportion. When the Group reduces its ownership interest but the Group continues to use the cost method, for the other comprehensive income recognised by the Group using equity method prior to the control over the investee or under financial instrument recognition and measurement standard, the Group reclassifies to profit or loss the proportion of the gain or loss relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the investee's disposal of the related assets or liabilities. Then the other changes in owners' equity recognised by the Group using equity method, not arising from the change of the net profits and loss, other comprehensive income or profit distribution of the invested entity is reclassified to profit and loss in proportion.

#### 10.2 Depreciation of each category of fixed assets

A fixed asset is depreciated over its useful life using the straight-line method from the month subsequent to the one in which it is ready for intended use. The depreciation period, estimated net residual value rate and annual depreciation rate of each category of fixed assets are as follows:

Category	Depreciation period	Estimated residual value rate	Annual depreciation rate
Buildings	20 – 30 years	0% – 3%	3.23% – 5.00%
Fixed assets improvement	The lower of improvement period and remaining useful life	0%	Linear depreciation according to depreciation life
Office and machinery equipment	3 – 10 years	0% – 5%	9.50% – 33.33%
Transportation vehicles	5 – 8 years	0% – 3%	12.13% – 20.00%
Fixed assets under operating leases	18 – 25 years	0% – 15%	3.40% – 5.56%

Estimated net residual value of a fixed asset is the estimated amount that the Group would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

## 10. Fixed assets

### 10.1 Recognition criteria for fixed assets

Fixed assets are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and have useful lives of more than one accounting year. A fixed asset is recognised only when it is probable that economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. Fixed assets are initially measured at cost.

The cost of a purchased fixed asset comprises the purchase price, related taxes, and any directly attributable expenditure for bringing the asset to working condition for its intended use. The cost of self-constructed assets is measured in accordance with Construction in progress.

Subsequent expenditures incurred for the fixed asset are included in the cost of the fixed asset if it is probable that economic benefits associated with the asset will flow to the Group and the cost can be measured reliably. Meanwhile, the carrying amount of the replaced part is derecognised. Other subsequent expenditures are recognised in profit or loss in the period in which they are incurred.

Fixed assets are stated in the balance sheet at cost less accumulated depreciation and impairment losses.

### 10.3 Other explanations

If a fixed asset is upon disposal or no future economic benefits are expected to be generated from its use or disposal, the fixed asset is derecognised. When a fixed asset is sold, transferred, retired or damaged, the amount of any proceeds on disposal of the asset net of the carrying amount and related taxes is recognised in profit or loss for the period.

The Group reviews the useful life and estimated net residual value rate of a fixed asset and the depreciation method applied at least once at each financial year-end, and accounts for any change as a change in an accounting estimate.

The carrying amount of a fixed asset is derecognised:

- on disposal; or
- when no future economic benefits are expected to be generated from its use or disposal.

Gains or losses arising from the retirement or disposal of an item of fixed assets are determined as the difference between the net disposal proceeds and the carrying amount of the item, and are recognised in profit or loss on the date of retirement or disposal.

When an intangible asset with a finite useful life is available for use, it is amortised over its estimated useful life using the straight-line method based on its original cost less estimated net residual value and accumulated impairment losses. An intangible asset with an indefinite useful life is not amortised.

The estimated useful lives, basis for determination and amortisation methods of intangible assets are as follows:

Item	Estimated useful life (years)	Basis for determination	Amortisation method
Land use rights	30 – 70 years	Statutory useful life	Straight-line method
System and software	5 years	Beneficial life	Straight-line method
Other intangible assets	2 – 50 years	Beneficial life	Straight-line method

For an intangible asset with a finite useful life, the Group reviews the useful life and amortisation method at the end of the period, and accounts for any change as a change in an accounting estimate. For an intangible asset with indefinite useful life, the Group reviews the useful life. If it is evident that the duration of associated economic benefits is predictable, then estimate the useful life pursuant to amortisation policies for intangible assets with finite useful life.

### 11. Construction in progress

Construction in progress is measured at its actual costs. The actual costs include various construction expenditures during the construction period and other relevant costs. Construction in progress is not depreciated. Construction in progress is transferred to a fixed asset or other asset when it is ready for intended use.

### 12. Intangible assets

Intangible assets include land use rights, franchising, etc.

An intangible asset is measured initially at cost. Expenses related to the intangible assets are recognised in the cost of intangible assets when (i) it is probable that the associated economic benefits will flow to the Group; and (ii) the associated costs can be measured reliably. Other expenses related to the intangible assets are recognised in profit or loss for the period in which it is incurred.

Intangible assets are stated in the balance sheet at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses.

The acquired land use right is recognised as an intangible asset. Expenses related to land use rights and construction costs from buildings such as self-built factories, etc. are recognised as intangible assets and fixed assets, respectively. In the case of purchased buildings, it allocates related costs between land use rights and buildings. If the related cost cannot be allocated reasonably, it is recognised as a fixed asset.



### 13. Impairment of non-financial assets

The Group checks whether long-term equity investment, fixed assets, construction in progress, right-of-use assets, intangible assets with a finite useful life, goodwill, long-term prepaid expenses, and non-financial foreclosed assets will impair in every balance sheet date. If the indication of impairment of these assets exists, the Group estimates their recoverable amount. Intangible assets with indefinite useful life, intangible assets not yet available for use and goodwill are tested for impairment annually, irrespective of whether there is any indication that the assets may be impaired.

Estimation of recoverable amount of assets is based on an individual asset. If the recoverable amount is difficult to estimate, the amount should be estimated by the asset group which the asset belongs to. Recoverable amount is the higher of the two: net fair value of the assets or asset group after disposal expenses, or present value of the expected cash flow from the assets.

If an asset's recoverable amount is lower than its carrying amount, the allowance for impairment losses should be recognised by their balances in profit or loss for the period.

The goodwill should be tested for impairment at least at the end of each year with its related asset group or combination of asset groups. On the purchase date, the carrying amount of goodwill should be allocated reasonably to asset groups or combinations which can benefit from the synergy of the enterprise merger. If the recoverable amount of asset group or combinations of allocated goodwill is lower than its carrying amount, impairment loss should be recognised. The amount of impairment loss should offset the carrying value of the goodwill which is allocated to certain asset groups or combinations at first, then it should offset the carrying amount of other assets proportionally according to the proportion of other assets' carrying amount of asset group or combination after goodwill. However, such allocation would not reduce the carrying amount of an asset below the highest of its fair value less costs to sell (if measurable), its present value of expected future cash flows (if determinable) and zero.

The impairment losses cannot be reversed once they are recognised.

### 14. Long-term prepaid expenses

Long-term prepaid expenses represent expenses incurred that should be borne and amortised over the current and subsequent periods (together of more than one year). Long-term prepaid expenses are amortised using the straight-line method over the expected periods in which benefits are derived.

### 15. Employee benefits

#### 15.1 Accounting method of short-term employee benefits

In an accounting period in which an employee has rendered service to the Group, the Group recognises the short-term employee benefits for that service as a liability, and the expenditure incurred for the period is recorded in profit or loss. The employee's welfare incurred is recognised in the profit or loss for the period as well. Non-monetary benefits included in employee's welfare expenses are recorded at fair value.

Payment made by the Group regarding social security contributions for employees such as contributions on medical insurance, work injury insurance and maternity insurance, etc. and payments of housing funds, as well as trade union fund and employee education fund provided in accordance with relevant requirements, are calculated according to prescribed bases and percentages in determining the amount of employee benefits and recognised as relevant liabilities, with a corresponding charge to the profit or loss for the period in the accounting period in which employees provide services.

#### 15.2 Accounting method of post-employment benefits

Termination benefits are classified as defined contribution pension plans and defined benefit plans.

In an accounting period in which an employee has rendered service to the Group, the Group recognises the employee benefits arising from defined contribution pension plans as a liability as well as in profit or loss for the period.

For the defined benefit plan, the Group recognises obligations arising from such plan based on a formula under estimated cumulated welfare method in the period in which employees render service and in profit or loss for the period. The classifications of the costs are as follows:

- Service costs (including service costs of the period, service costs in the past, and profit and loss).
- Net value of interests from net liabilities or net assets of defined benefit plans (including interest income of planned assets, obligated interest cost of defined benefit plans and interest of influence of assets upper limit).
- The changes of recalculating the net liabilities and net assets of defined benefit plans.

Net interests of service costs and net liabilities and net assets of defined benefit plans are recorded in the profit and loss. The changes of recalculating the net liabilities and net assets of defined benefit plans, including actuarial gains or loss, planned assets yield deducting net value of interests from net liabilities or net assets of defined benefit plans, change rising from upper limit of assets deducting net value of interests from net liabilities or net assets of defined, are recorded in other comprehensive income.

The difference between the present value of defined benefit obligation and the fair value of defined benefit asset is recognised as a net asset or liability of defined benefit plans. If there is a surplus, the net assets of defined benefit plans should be measured by the lower of the two: 1. the surplus of defined benefit plans; 2. upper limit of assets.

### 15.3 Accounting method of termination benefits

The group provides termination benefits to employees shall recognise an employee benefits liability for termination benefits, with a corresponding charge to the profit or loss for the current period, at the earlier of the following dates: when the enterprise cannot unilaterally withdraw the offer of termination benefits because of an employment termination plan or a curtailment proposal. The Group has a detailed and formal restructuring plan involving the payment of termination benefits, and the plan has either commenced implementation or has been communicated to the affected parties, outlining the key elements of the plan, thereby creating a reasonable expectation among the parties that the Group will proceed with the restructuring.

## 16. Assets transferred under repurchase agreements

### 16.1 Financial assets purchased under resale agreements

The financial assets are not recognised in the statements of financial position if they are committed to being resold at a specific price at a specific date in the future. The cost of purchasing such assets is presented under “financial assets purchased under resale agreements” in the statements of financial position. The difference between the purchasing price and reselling price is recognised as interest income during the term of the agreement using the effective interest method.

### 16.2 Financial assets sold under repurchase agreements

Financial assets sold subject to agreements with a commitment to repurchase at a specific future date and price are not derecognised in the statements of financial position. The proceeds from selling such assets are presented under “financial assets sold under repurchase agreements” in the statements of financial position. The difference between the selling price and repurchasing price is recognised as interest expense during the term of the agreement using the effective interest method.

## 17. Provisions

Provisions are recognised when the Group has a present obligation related to a contingency, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date. Where the effect of the time value of money is material, the amount of the provision is determined by discounting the related future cash outflows. In determining the best estimate, the Group considers factors such as risks, uncertainties, and the time value of money associated related to the contingent matters. Where there is a continuous range of the expenditure required, and each possible outcome in that range is as likely as any other, the best estimate shall be the mid-point of that range.

In other cases, the best estimate shall be determined according to the following circumstances:

- Where the contingency involves a single item, the best estimate shall be the most likely outcome.
- Where the contingency involves a large population of items, the best estimate shall be determined by weighting all possible outcomes by their associated probabilities.

Where all or some of the expenditure required to settle a provision is expected to be reimbursed by a third party, the reimbursement is recognised as a separate asset only when it is virtually certain that reimbursement will be received, and the amount of reimbursement recognised does not exceed the carrying amount of the provision.

The Group reviews the carrying amount of a provision at the balance sheet date and adjusts the carrying amount to the current best estimate.

## 18. Income

### 18.1 Interest income

For all financial instruments measured at amortised cost and interest-generating financial instruments classified as financial assets measured at FVOCI, interest income is recorded at the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument, where appropriate, to the book value of the financial asset, or the amortised cost of financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not expected credit losses.

Interest income is calculated by applying the effective interest rate to the book value of financial assets and is included in interest income, except for:

- For purchased or originated credit-impaired financial assets, whose interest income is calculated, since initial recognition, by applying the credit-adjusted effective interest rate to their amortised cost;



- Financial assets that are not purchased or originated credit-impaired but have subsequently become credit-impaired, whose interest income is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision). If, in a subsequent period, the financial assets improve their qualities so that they are no longer credit-impaired and the improvement in credit quality is related objectively to a certain event occurring after the application of the above-mentioned rules, then the interest income is calculated by applying the effective interest rate to their book value.

### 18.2 Fee and commission income

Fees and commissions are recognised by providing various services to customers, which reflects the consideration amount expected to be entitled to receive for the service provided to customers, and the income is recognised when the performance obligations in the contract are fulfilled, i.e., when the customer obtains control of the service.

The Group will confirm the income according to the performance schedule within the time period when one of the following conditions is met:

- The customer obtains and consumes the economic benefits brought by the Group's performance while performing the contract;
- The customer can control the services performed during the performance of the Group;
- The services performed by the Group in the performance process are irreplaceable and the Group has the right to collect money for the cumulative performance part which has been completed so far throughout the contract period;

In other cases, the Group recognises revenue when customers obtain the relevant service control right.

### 18.3 Dividend Income

Dividend income from equity instruments is recognized in profit or loss when the Group's right to receive the dividends is established.

## 19. Expenses

### 19.1 Interest expense

The interest expense of the financial liability is calculated according to the amortised cost of the financial liability and the time occupied by the capital according to the effective interest rate method, and is recognised in the corresponding period.

### 19.2 Other expenses

Other expenses are recognised on an accrual basis.

## 20. Government grants

Government grants are transfer of monetary assets and non-monetary assets from the government to the Group at no consideration, excluding capital investment by the government as an investor. A government grant is recognised only when the Group can comply with the conditions attached to the grant and the Group will receive the grant.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a non-monetary asset, it is measured at fair value. If the fair value cannot be reliably determined, it is measured at a nominal amount. A government grant measured at a nominal amount is recognised immediately in profit or loss for the period. Government grants are classified into government grants related to assets and government grants related to income according to the subjects required by the Government documents.

Government grants related to assets are grants whose primary condition is that the Group qualifying for them should purchase, construct or otherwise acquire long-term assets. Government grants related to income are grants other than those related to assets.

A government grant related to an asset is offset against the carrying amount of related asset. For a government grant related to income, if the grant is compensation for related costs or losses to be incurred in subsequent periods, the grant is recognised as deferred income, and recognised in profit or loss over the periods in which the related costs or losses are recognised. If the grant is compensation for related expenses or losses already incurred, the grant is recognised immediately in profit or loss for the period.

A government grant related to the Group's daily activities is included in other income according to the economic business substance. A government not related to the Group's daily activities is included in non-operating income and expense.

For the repayment of a government grant already recognised, if the carrying value of related assets is written off upon initial recognition, the carrying value of the assets is adjusted; if there is any related deferred income, the repayment is offset against the carrying amount of the deferred income, and any excess is recognised in profit or loss for the period; if there is no related deferred income, it is recognised immediately in profit or loss for the period.

## 21. Income tax

The income tax expenses include current income tax and deferred income tax. The Group recognizes current and deferred income taxes in profit or loss except for those arising from business combinations or transactions and events that are directly recognized in owners' equity (including other comprehensive income).

### 21.1 Current income tax

At the balance sheet date, current income tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid (or recovered) according to the requirements of tax laws.

### 21.2 Deferred tax assets and deferred tax liabilities

For temporary differences between the carrying amounts of certain assets or liabilities and their tax base, or between the nil carrying amount of those items that are not recognised as assets or liabilities and their tax base that can be determined according to tax laws, deferred tax assets and liabilities are recognised using the balance sheet liability method.

Deferred tax assets and deferred tax liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases, which include the deductible losses and tax credits carried forward to subsequent periods. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is not recognised for temporary differences arising from the initial recognition of assets or liabilities in a single transaction that is not a business combination, affects neither accounting profit nor taxable profit (or deductible loss) and does not give rise to equal taxable and deductible temporary differences. Deferred tax is also not recognised for taxable temporary differences arising from the initial recognition of goodwill.

For deductible losses and tax credits that can be carried forward, deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible losses and tax credits can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

At the balance sheet date, the Group measures the carrying amounts of deferred tax assets and liabilities based on the expected manner of recovery or settlement, in accordance with the applicable tax rates for the period in which the asset is expected to be recovered or the liability is expected to be settled, as prescribed by the enacted tax laws.

When they arise from transactions or events that are directly recognised in other comprehensive income or in shareholders' equity, in which case they are recognised in other comprehensive income or in shareholders' equity; and when they arise from business combinations, in which case they adjust the carrying amount of goodwill.

At the balance sheet date, the carrying amount of deferred tax assets is reviewed and reduced if it is no longer probable that sufficient taxable profits will be available in the future to allow the benefit of deferred tax assets to be utilised. Such reduction in amount is reversed when it becomes probable that sufficient taxable profits will be available.

When the Group has a legal right to settle on a net basis and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously, current tax assets and current tax liabilities are offset and presented on a net basis.

When the Group has a legal right to settle current tax assets and liabilities on a net basis, and deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax assets and liabilities on a net basis or to realise the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be reversed, deferred tax assets and deferred tax liabilities are offset and presented on a net basis.



## 22. Fiduciary activities and agent business

The Group acts in fiduciary activities and agent business as a trustee or an agent for customers. Customers should bear the risk and return generated by such activities. The Group only charges fees and commissions. The fiduciary activities and agent business are excluded from the financial statements.

## 23. Lease

A contract is a lease if the lessor conveys the right to control the use of an identified asset to lessee for a period of time in exchange for consideration.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset. An identified asset may be specified explicitly or implicitly specified in a contract and should be physically distinct, or capacity portion or other portion of an asset that is not physically distinct but it represents substantially all of the capacity of the asset and thereby provides the customer with the right to obtain substantially all of the economic benefits from the use of the asset. If the supplier has a substantive substitution right throughout the period of use, then the asset is not identified;
- the lessee has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use;
- the lessee has the right to direct the use of the asset.

For a contract that contains more separate lease components, the lessee and the lessor separate lease components and account for each lease component as a lease separately. For a contract that contains lease and non-lease components, the lessee and the lessor separate lease components from non-lease components. For a contract that contains lease and non-lease components, the lessee allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. On the contract inception date, the Lessor determines the stand-alone selling price of the lease and non-lease components underlying each performance obligation and allocates the transaction price in proportion to those stand-alone selling prices to recognise income.

### (1) The Group as lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, any lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is depreciated using the straight-line method. If the lessee is reasonably certain to exercise a purchase option by the end of the lease term, the right-of-use asset is depreciated over the remaining useful lives of the underlying asset. Otherwise, the right-of-use asset is depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Impairment losses of right-of-use assets are accounted for in accordance with the accounting policy described in Note IV, 13.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

A constant periodic rate is used to calculate the interest on the lease liability in each period during the lease term with a corresponding charge to profit or loss or included in the cost of assets where appropriate. Variable lease payments not included in the measurement of the lease liability are charged to profit or loss or included in the cost of assets where appropriate as incurred.

Under the following circumstances after the commencement date, the Group remeasures lease liabilities based on the present value of revised lease payments:

- there is a change in the amounts expected to be payable under a residual value guarantee;
- there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments;
- there is a change in the assessment of whether the Group will exercise a purchase, extension or termination option, or there is a change in the exercise of the extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets (A leased asset is valued at RMB40,000 or less individually when it is new). The Group recognises the lease payments associated with these leases in profit or loss or as the cost of the assets where appropriate using the straight-line method over the lease term.

#### (2) The Group as lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset irrespective of whether the legal title to the asset is eventually transferred. An operating lease is a lease other than a finance lease.

When the Group is a sub-lessor, it assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies practical expedient described above, then it classifies the sub-lease as an operating lease.

Under a finance lease, at the commencement date, the Group recognises the finance lease receivable and derecognises the finance lease asset. The finance lease receivable is initially measured at an amount equal to the net investment in the lease. The net investment in the lease is measured at the aggregate of the unguaranteed residual value and the present value of the lease receivable that are not received at the commencement date, discounted using the interest rate implicit in the lease.

The Group recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return. The derecognition and impairment of the finance lease receivable are recognised in accordance with the accounting policy in Note IV, 7. Variable lease payments not included in the measurement of net investment in the lease are recognised as income as they are earned.

Lease receipts from operating leases are recognised as income using the straight-line method over the lease term. The initial direct costs incurred in respect of the operating lease are initially capitalised and subsequently amortised in profit or loss over the lease term on the same basis as the lease income. Variable lease payments not included in lease receipts are recognised as income as they are earned.

## 24. Foreclosed asset

Foreclosed assets refer to physical assets or property rights received by the Group as compensation from the debtor, guarantor, or a third party in the exercise of its creditor's rights or security interests in accordance with the law. For non-financial asset-type foreclosed assets acquired, the Group

initially measures these assets at the fair value of the waived claim, including taxes and other costs directly attributable to the asset, and subsequently measures those at the lower of the carrying amount or net realizable value.

On disposal of a foreclosed asset, the difference between (i) income from disposal and (ii) the carrying amount of the foreclosed asset is charged to income from disposal of assets.

If the foreclosed asset is transferred for self-use, it should be measured at the book value at the transfer date. Provision is to be taken into account if applicable.

## 25. Profit distribution

Proposed dividends which are declared and approved after the end of each balance sheet date are not recognised as a liability in the statement of financial position and are instead disclosed as a subsequent event after the end of each balance sheet date in the notes to the financial statements. Dividends payable are recognised as liabilities in the period in which they are approved.

## 26. Contingent liabilities

A potential obligation arising from a past transaction or event whose existence can only be confirmed by the occurrence or non-occurrence of future uncertain events; or a present obligation that arises from past transactions or events where it is not probable that an outflow of economic benefits is required to settle the obligation or the amount of the obligation cannot be measured reliably, is disclosed as a contingent liability unless the probability of outflow of economic benefit is remote.

Contingent liabilities are not recognised as provisions but to be disclosed in the notes only. If the situation changes, the contingent liabilities are recognised as provisions when it is probable that an outflow of economic resources will be required and the amount of obligation can be measured reliably.

## 27. Related parties

If the Group has the power to control, jointly control or exercise significant influence over another party, or vice versa, or the two parties are subject to common control or joint control from another party, they are considered to be related parties. Related parties may be individuals or enterprises. Enterprises with which the Group is under common control only from the State and that have no other related party relationships are not regarded as related parties.

In addition to the related parties stated above, the Bank determines related parties based on the disclosure requirements of *Administrative Procedures on the Information Disclosures of Listed Companies* issued by the CSRC.



## 28. Operating segment

The Group determines its operating segments on the basis of its internal organisational structure, management requirements and internal reporting practices.

An operating segment is a component of the Group that meets all the following requirements: (i) it engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses relating to transactions with other components of the Group; (ii) its operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and (iii) separate financial information is available. The operating segments that meet the specified criteria have been aggregated, and the operating segment that meets quantitative thresholds have been reported separately.

For segment reporting, inter segment revenues are measured on the basis of the actual transaction prices for such transactions, and segment accounting policies are consistent with those used to prepare the consolidated financial statements.

## 29. Significant accounting estimates and judgements

The preparation of the financial statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates as well as underlying assumptions and uncertainties involved are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

### 29.1 Significant accounting estimates

In addition to the accounting estimates related to the depreciation and amortisation of fixed assets and intangible assets, etc. (see Note IV, 10 and 12) and the impairment of various assets (see Note VII, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 15), other major accounting estimates are as follows:

- (1) Note VII, 14 – Recognition of deferred tax assets;
- (2) Note VII, 44 – Post-employment benefits – defined benefit plans; and
- (3) Note XI, 7 – Fair value of financial instruments.

## 29.2 Significant accounting judgements

The significant accounting judgements made by the Group in the application of accounting policies are as follows:

- (1) Note IV, 7 – Classification of financial investment;
- (2) Note IV, 4 and IV, 9 – Significant judgments and assumptions on control, joint control or significant impact on other entities;
- (3) Note VII, 24 and VII, 28 – Other financial instruments are classified as financial liabilities or equity instruments; and
- (4) Note VII, 45 – Judgment on whether control exists over structured entities.

## 30. Changes in significant accounting policies

In accordance with the *Implementation Q&A on Accounting for Standard Warehouse Receipt Transactions* issued by the MOF on 8 July 2025, for transactions involving frequent entries into standard warehouse receipt purchase and sale contracts to earn price differentials without taking physical delivery of the corresponding commodities, the Group recognises the difference between the consideration received and the carrying amount of the standard warehouse receipts sold as investment income. The Group has applied the above provisions from 1 January 2025.

The application of the above provisions does not have a significant impact on the Group's financial position and operating results.

## V. Taxation

### 1. Corporate income tax

According to the Corporate Income Tax Law of the People's Republic of China, the income tax of the Bank is 25% (2024: 25%). The Bank's subsidiaries are calculated and settled at the tax rate in accordance with the tax rate applicable in the relevant territory.

The income tax of overseas branches of the Bank is calculated in accordance with the local tax rate, and the difference between the overseas tax rate and domestic tax rate is settled by the head office.

The deductible items of Corporate income tax are calculated in accordance with the relevant regulations. Corporate income tax is prepaid by domestic branches of the Bank and conducted annual filing by the head office.

## 2. Value-added tax

The value-added tax ("VAT") on sales is calculated using applicable tax rate on the basis of the revenue from sales determined as per tax regulations, and is paid after deducting the VAT on purchases. According to the Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on Policies for Deepening the VAT Reform (MOF/STA/GACC Announcement [2019] No.39), the Group's applicable VAT rate range was changed from 3% – 16% to 3% – 13% from 1 April 2019.

According to the Supplementary Notice on Issues relating to VAT Policies on Assets Management Products (Cai Shui [2017] No.2) and Notice on Issues relating to VAT Policies on Assets Management Products (Cai Shui [2017] No.56) issued by MOF and State Administration of Taxation, since 1 January

2018, the manager of asset management products will be the VAT taxpayer for VAT taxable behaviours occurred in the operation of asset management products. And the VAT is levied at the rate of 3% with a provisional application of simple taxation method.

## 3. City maintenance and construction tax

The Group's city maintenance and construction tax is calculated according to 1% ~ 7% of VAT.

## 4. Education surcharge

The Group's education surcharge and local education surcharge are calculated according to 3% ~ 5% of VAT.

# VI. Consolidation scope

1. Details of the Bank's principal subsidiaries included in the scope of consolidation are set out as follows:

Key subsidiaries	Main business place/Place of registration	Business nature	Registered capital	Total shareholding (%) (or similar equity interest)	
			In millions of RMB	31 December 2025	31 December 2024
Industrial Bank Financial Leasing Co., Ltd.	Tianjin	Financial leasing	9,000	100	100
China Industrial International Trust Limited	Fuzhou	Trust	10,000	73	73
Fund Management Co., Ltd.	Fuzhou	Fund management	1,200	90	90
Industrial Consumer Finance Co., Ltd.	Quanzhou	Consumer finance	5,320	66	66
CIB Wealth Management Co., Ltd.	Fuzhou	Wealth management	10,000	100	100
Xingyin Financial Asset Investment Co., Ltd	Fuzhou	Assets investment	10,000	100	N/A
CIIT Asset Management Co., Ltd.	Shanghai	Assets management	3,400	Note (1)	Note (1)
China Industrial Asset Management Co., Ltd.	Fuzhou	Assets management	1,950	Note (2)	Note (2)
Industrial Futures Co., Ltd.	Ningbo	Futures brokerage	500	Note (3)	Note (3)
CIB Research and Co., Ltd.	Shanghai	Research&Advisory	40	Note (4)	Note (4)
CIB Fintech (Shanghai) Co., Ltd.	Shanghai	Software development	255	Note (5)	Note (5)

- (1) CIIT Asset Management Co., Ltd. is a wholly-owned subsidiary of China Industrial International Trust Limited, a holding subsidiary of the Bank.
- (2) China Industrial Asset Management Co., Ltd. is a wholly-owned subsidiary of CIIT Asset Management Co., Ltd..
- (3) Industrial Futures Co., Ltd. is a wholly-owned subsidiary of China Industrial International Trust Limited, a holding subsidiary of the Bank.
- (4) CIB Research Co., Ltd. is a wholly-owned subsidiary of CIIT Asset Management Co., Ltd..
- (5) CIB Fintech (Shanghai) Co., Ltd. is a wholly-owned subsidiary of CIIT Asset Management Co., Ltd..

2. Refer to Note VII, 45 for the information of consolidated structure entities included in the consolidation scope.

## VII. Notes to items in the financial statements

### 1. Cash and balances with Central Bank

	Note	The Group		The Bank	
		2025	2024	2025	2024
Cash on hand		4,910	4,919	4,898	4,880
Mandatory reserves with Central Bank	(1)	311,484	318,903	311,484	318,900
Excess reserves with Central Bank	(2)	72,902	65,268	72,902	65,267
Other deposits with Central Bank	(3)	1,595	5,693	1,595	5,693
Interest accrued		154	157	154	157
<b>Total</b>		<b>391,045</b>	<b>394,940</b>	<b>391,033</b>	<b>394,897</b>

- (1) The domestic institution of the Bank places general deposit reserves mainly with the PBOC as required, including RMB deposit reserves and foreign deposit reserves. These deposit reserves are not available for the Group's daily operations and can't be transferred or used without the PBOC's approval. General deposit generates from organisations deposit, non-financial-budget deposit, individual deposit, enterprise deposit, net trust funds and other deposits. As at 31 December 2025, the ratio of the Bank's RMB deposit reserves is 5.5% (31 December 2024: 6%), and the ratio of foreign deposit reserves is 4% (31 December 2024: 4%). According to related regulations from the PBOC, foreign deposit reserves are non-interest bearing. The Group's subsidiaries' RMB reserve deposit ratio is in accordance with regulations of PBOC. Deposit ratio of statutory reserve in Hong Kong branch is in accordance with regulations from local regulators.
- (2) Excess reserves with Central Bank are maintained with the PBOC mainly for the purpose of clearing, transferring, etc..
- (3) The majority of other deposits with Central Bank are the fiscal deposits placed at Central Bank. Fiscal deposit at Central Bank refers to the fiscal deposit at PBOC by the Bank according to regulations, including the Bank's agent central budgetary revenues, local treasury deposits, etc.. The fiscal deposits placed with the PBOC of institutions in mainland China are non-interest bearing.

## 2. Deposits with banks and other financial institutions

	The Group		The Bank	
	2025	2024	2025	2024
Banks operating in Mainland China	167,987	76,983	153,591	68,320
Other financial institutions operating in Mainland China	21,409	16,769	21,135	16,633
Banks operating outside Mainland China	11,365	13,087	11,365	13,075
Other financial institutions operating outside Mainland China	861	312	861	312
Interest accrued	179	80	131	33
Subtotal	201,801	107,231	187,083	98,373
Less: allowance for impairment losses	(73)	(114)	(70)	(112)
Net value	201,728	107,117	187,013	98,261

## 3. Placements with banks and other financial institutions

	The Group		The Bank	
	2025	2024	2025	2024
Banks operating in Mainland China	7,121	15,447	7,121	15,067
Other financial institutions operating in Mainland China	362,504	298,620	389,653	316,120
Banks operating outside Mainland China	51,643	62,487	51,643	62,487
Interest accrued	669	1,560	682	1,570
Subtotal	421,937	378,114	449,099	395,244
Less: allowance for impairment losses	(391)	(366)	(391)	(366)
Net value	421,546	377,748	448,708	394,878

#### 4. Derivative financial instruments

The Group enters into derivative financial instruments related to foreign currency exchange rate, interest rate, precious metals and credit rating or index and so forth for purposes of trading, asset and liability management and customer-driven business.

The notional amounts of derivative instruments represent the value of the underlying asset or the reference rate as a basis to measure changes in derivative financial instruments, which provide an indication of the volume of business transacted by the Group, but don't stand for the relevant future cash flow or current fair value, thus, do not indicate the Group's exposure to credit or market risks. The derivative instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest rates, foreign exchange rates or precious metal prices relative to their terms. The aggregate fair values of derivative financial assets and financial liabilities can fluctuate significantly from time to time.

The notional amount and fair value of the Group's derivative financial instruments are as follows:

##### The Group

	2025		
	Notional amount	Fair value	
		Assets	Liabilities
Interest rate derivatives	9,579,301	19,712	(22,173)
Exchange rate derivatives	3,684,682	13,736	(15,241)
Precious metal derivatives	73,337	11,177	(857)
Credit derivatives and others	2,232	67	(2)
Total	13,339,552	44,692	(38,273)

	2024		
	Notional amount	Fair value	
		Assets	Liabilities
Exchange rate derivatives	3,488,489	27,090	(28,331)
Interest rate derivatives	9,105,671	39,937	(44,732)
Precious metal derivatives	156,865	3,467	(1,811)
Credit derivatives and others	6,502	30	(16)
Total	12,757,527	70,524	(74,890)

### The Bank

	2025		
	Notional amount	Fair value	
		Assets	Liabilities
Exchange rate derivatives	3,684,682	13,736	(15,241)
Interest rate derivatives	9,579,301	19,712	(22,173)
Precious metal derivatives	73,337	11,177	(857)
Credit derivatives and others	2,136	14	(2)
<b>Total</b>	<b>13,339,456</b>	<b>44,639</b>	<b>(38,273)</b>

	2024		
	Notional amount	Fair value	
		Assets	Liabilities
Exchange rate derivatives	3,488,489	27,090	(28,331)
Interest rate derivatives	9,105,671	39,937	(44,732)
Precious metal derivatives	156,865	3,467	(1,811)
Credit derivatives and others	5,112	14	(16)
<b>Total</b>	<b>12,756,137</b>	<b>70,508</b>	<b>(74,890)</b>

### Fair value hedge

The Group uses fair value hedges to hedge the influences of changes in fair value of financial assets and trading spots caused by the changes of market interest rate and market value. For interest rate risk of financial assets, the Group adopts interest rate swaps as hedging instruments. For pricing risk of trading spots, the Group adopts future contracts as hedging instruments. Included in the aforesaid derivative financial instruments, the hedging instruments designated by the Group and the Bank are as follows:

#### The Group

	Note	2025		
		Notional amount	Fair value	
			Assets	Liabilities
Derivatives designated as fair value hedging instruments:				
Interest rate derivatives – Interest rate swaps		21,973	27	(233)
Commodity derivatives – Future contracts	(i)	17	–	–
<b>Total</b>		<b>21,990</b>	<b>27</b>	<b>(233)</b>

	Note	2024		
		Notional amount	Fair value	
			Assets	Liabilities
Derivatives designated as fair value hedging instruments:				
Interest rate derivatives – Interest rate swaps		28,599	404	(275)
Commodity derivatives – Future contracts	(i)	334	–	–
<b>Total</b>		<b>28,933</b>	<b>404</b>	<b>(275)</b>

(i) Industrial Future Co., Ltd., a subsidiary of the Group, uses commodity derivatives to hedge the fair value changes caused by market price changes of trading spots held. The commodity derivatives are settled daily without liability and have a fair value of 0 on the balance sheet date.

#### The Bank

	Note	2025		
		Notional amount	Fair value	
			Assets	Liabilities
Derivatives designated as fair value hedging instruments:				
Interest rate derivatives – Interest rate swaps		21,973	27	(233)

	2024		
	Notional amount	Fair value	
		Assets	Liabilities
Derivatives designated as fair value hedging instruments:			
Interest rate derivatives – Interest rate swaps	28,599	404	(275)

The effectiveness of the hedging activities in the year which is reflected by the changes in fair value of hedging instruments and the net profit or loss from the hedged item attributable to the hedged risks is as follows:

	The Group	
	2025	2024
Net (loss) gain from fair value hedge:		
Hedging instruments	(335)	(268)
Hedged item attributable to the hedged risk	157	283
	(178)	15

	The Bank	
	2025	2024
Net (loss) gain from fair value hedge:		
Hedging instruments	(335)	(272)
Hedged item attributable to the hedged risk	148	286
	(187)	14

Details of hedged exposure in fair value hedging strategy of the Group and the Bank as below:

#### The Group

	2025				Balance sheet items
	Carrying amount of hedged items		Total amount of fair value adjustment of hedged items		
	Assets	Liabilities	Assets	Liabilities	
Bonds	22,030	–	136	–	Other debt investments
Others	17	–	–	–	Other Assets
Total	22,047	–	136	–	



	2024				
	Carrying amount of hedged items		Total amount of fair value adjustment of hedged items		Balance sheet items
	Assets	Liabilities	Assets	Liabilities	
Bonds	28,615	–	(12)	–	Other debt investments
Others	323	–	(9)	–	Other Assets
Total	28,938	–	(21)	–	

The Bank

	2025				
	Carrying amount of hedged items		Total amount of fair value adjustment of hedged items		Balance sheet items
	Assets	Liabilities	Assets	Liabilities	
Bonds	22,030	–	136	–	Other debt investments

	2024				
	Carrying amount of hedged items		Total amount of fair value adjustment of hedged items		Balance sheet items
	Assets	Liabilities	Assets	Liabilities	
Bonds	28,615	–	(12)	–	Other debt investments

5. Financial assets purchased under resale agreements

	The Group		The Bank	
	2025	2024	2025	2024
Bonds	332,347	177,472	329,627	172,115
Interest accrued	83	79	82	79
Subtotal	332,430	177,551	329,709	172,194
Less: allowance for impairment losses	(62)	(33)	(62)	(33)
Net Value	332,368	177,518	329,647	172,161

## 6. Loans and advances to customers

### 6.1 Analysis of loans and advances to customers by person and corporate:

	The Group		The Bank	
	2025	2024	2025	2024
Measured at amortised cost:				
Personal loans and advances				
Residential and commercial mortgage loans	1,071,561	1,086,251	1,071,561	1,086,251
Credit cards	330,885	371,656	330,885	371,656
Others	520,822	533,193	445,351	451,256
Subtotal	1,923,268	1,991,100	1,847,797	1,909,163
Corporate loans and advances				
Loans and advances	3,703,360	3,422,398	3,707,376	3,424,914
Subtotal	3,703,360	3,422,398	3,707,376	3,424,914
Less: allowance for impairment losses on loans and advances to customers measured at amortised cost	(146,240)	(145,633)	(138,399)	(137,682)
Carrying amount of loans and advances to customers measured at amortised cost	5,480,388	5,267,865	5,416,774	5,196,395
Fair value through other comprehensive income:				
Corporate loans and advances				
Discounted bills	286,774	303,534	286,774	303,534
Subtotal	286,774	303,534	286,774	303,534
Fair value through profit or loss:				
Corporate loans and advances				
Loans and advances	35,536	19,578	35,536	19,578
Subtotal	35,536	19,578	35,536	19,578
Interest accrued	19,110	17,882	18,219	17,013
Net balance	5,821,808	5,608,859	5,757,303	5,536,520

As at 31 December 2025, the Group and Bank's allowance for impairment losses on loans and advances to customers measured at fair value through other comprehensive income was RMB514 million (As at 31 December 2024: RMB550 million).



## 6.2 Analysis of loans and advances to customers (interest accrued excluded) by industry distribution:

	The Group				The Bank			
	2025		2024		2025		2024	
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)
Manufacturing	874,393	14.70	759,709	13.24	874,393	14.88	759,709	13.43
Leasing and commercial services	736,644	12.38	702,301	12.24	736,644	12.53	702,301	12.41
Real estate	429,648	7.22	474,075	8.26	429,187	7.30	473,613	8.37
Retail and wholesale	295,151	4.96	277,852	4.84	294,234	5.00	276,841	4.89
Water, environment and public facilities administration	316,614	5.32	299,715	5.22	316,614	5.39	299,715	5.30
Production and supply of power, gas and water	232,269	3.90	212,228	3.70	232,269	3.95	212,228	3.75
Transport, logistics and postal service	210,216	3.53	180,426	3.15	210,216	3.58	180,426	3.19
Construction	189,148	3.18	176,234	3.07	189,148	3.22	176,234	3.11
Extractive industry	128,255	2.16	106,883	1.86	128,255	2.18	106,883	1.89
Financial industry	69,567	1.17	57,459	1.00	74,961	1.27	61,448	1.09
Other corporate industries	256,991	4.33	195,094	3.42	256,991	4.38	195,094	3.45
Subtotal	3,738,896	62.85	3,441,976	60.00	3,742,912	63.68	3,444,492	60.88
Personal loans	1,923,268	32.33	1,991,100	34.71	1,847,797	31.44	1,909,163	33.75
Discounted bills	286,774	4.82	303,534	5.29	286,774	4.88	303,534	5.37
Gross loans and advances	5,948,938	100.00	5,736,610	100.00	5,877,483	100.00	5,657,189	100.00
Less: allowance for impairment losses	(146,240)		(145,633)		(138,399)		(137,682)	
Loans and advances to customers (interest accrued excluded)	5,802,698		5,590,977		5,739,084		5,519,507	

### 6.3 Analysis of loans and advances to customers (interest accrued excluded) by geographical distribution:

	The Group				The Bank			
	2025		2024		2025		2024	
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)
Head office (Note 1)	581,206	9.77	593,387	10.34	581,206	9.89	593,387	10.49
Pearl River Delta and West Coast region	1,251,978	21.04	1,238,278	21.58	1,255,287	21.36	1,242,039	21.95
Yangtze River Delta region	1,400,273	23.54	1,347,421	23.49	1,400,273	23.82	1,347,421	23.82
Bohai Rim region	811,534	13.64	761,209	13.27	812,701	13.83	760,718	13.45
Western region	839,273	14.11	788,214	13.74	839,273	14.28	788,214	13.93
Central region	737,435	12.39	691,066	12.05	737,435	12.55	690,773	12.21
Northeast region	128,936	2.17	127,853	2.23	128,936	2.19	127,853	2.26
Overseas	122,372	2.06	106,784	1.86	122,372	2.08	106,784	1.89
Subsidiaries	75,931	1.28	82,398	1.44	-	-	-	-
Gross loans and advances	5,948,938	100.00	5,736,610	100.00	5,877,483	100.00	5,657,189	100.00
Less: allowance for impairment losses	(146,240)		(145,633)		(138,399)		(137,682)	
Loans and advances to customers (interest accrued excluded)	5,802,698		5,590,977		5,739,084		5,519,507	

Note 1: Head office contains the head office and the operating divisions of the head office.

Note 2: As at 31 December 2025, the Bank has 45 tier 1 branches. Loans and advances originated by the Bank's subsidiaries are presented by Subsidiaries.

## 6.4 Analysis of loans and advances (interest accrued excluded) to customers by security type:

	The Group		The Bank	
	2025	2024	2025	2024
Unsecured loans	1,657,067	1,522,520	1,586,530	1,444,111
Guaranteed loans	1,638,999	1,539,069	1,638,999	1,539,069
Collateralised loans	2,366,098	2,371,487	2,365,180	2,370,475
– Secured by mortgage	2,006,794	2,013,900	2,005,876	2,012,888
– Secured by collaterals	359,304	357,587	359,304	357,587
Discounted bills	286,774	303,534	286,774	303,534
Gross loans and advances	5,948,938	5,736,610	5,877,483	5,657,189
Less: allowance for impairment losses	(146,240)	(145,633)	(138,399)	(137,682)
Loans and advances to customers (interest accrued excluded)	5,802,698	5,590,977	5,739,084	5,519,507

## 6.5 Overdue loans (interest accrued excluded):

	The Group									
	2025					2024				
	1 – 90 days (including 90 days)	91 – 360 days (including 360 days)	361 days to 3 years (including 3 years)	Over 3 years	Total	1 – 90 days (including 90 days)	91 – 360 days (including 360 days)	361 days to 3 years (including 3 years)	Over 3 years	Total
Unsecured loans	14,182	13,673	4,474	603	32,932	17,282	15,241	3,395	454	36,372
Guaranteed loans	4,447	4,816	5,816	184	15,263	4,229	8,119	4,745	337	17,430
Collateralised loans	21,719	10,324	6,663	1,966	40,672	17,515	12,492	5,674	1,747	37,428
– Secured by mortgage	20,964	10,150	5,487	1,854	38,455	17,230	11,716	4,413	1,681	35,040
– Secured by collaterals	755	174	1,176	112	2,217	285	776	1,261	66	2,388
Total	40,348	28,813	16,953	2,753	88,867	39,026	35,852	13,814	2,538	91,230

	The Bank									
	2025					2024				
	1 – 90 days (including 90 days)	91 – 360 days (including 360 days)	361 days to 3 years (including 3 years)	Over 3 years	Total	1 – 90 days (including 90 days)	91 – 360 days (including 360 days)	361 days to 3 years (including 3 years)	Over 3 years	Total
Unsecured loans	11,832	11,639	4,441	603	28,515	14,828	12,888	3,370	454	31,540
Guaranteed loans	4,447	4,816	5,816	184	15,263	4,229	8,119	4,745	337	17,430
Collateralised loans	21,719	10,324	6,663	1,966	40,672	17,515	12,492	5,674	1,747	37,428
– Secured by mortgage	20,964	10,150	5,487	1,854	38,455	17,230	11,716	4,413	1,681	35,040
– Secured by collaterals	755	174	1,176	112	2,217	285	776	1,261	66	2,388
Total	37,998	26,779	16,920	2,753	84,450	36,572	33,499	13,789	2,538	86,398

The loan will be categorised into overdue when principal or interest is overdue by one day or more.

#### 6.6 Allowance for loan impairment

As at 31 December 2025, changes in allowance for impairment losses on loans and advances to customers are as follows:

##### (1) Loans and advances to customers measured at amortised cost

	The Group			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	
1 January 2025	62,074	32,523	51,036	145,633
Transfer:				
– to stage 1	4,557	(3,869)	(688)	–
– to stage 2	(3,191)	3,945	(754)	–
– to stage 3	(923)	(2,999)	3,922	–
Charge for the year	571	2,004	51,327	53,902
Write-offs and transfer out	–	–	(65,545)	(65,545)
Recoveries of amounts previously written off	–	–	13,114	13,114
Exchange difference and other movements	–	–	(864)	(864)
31 December 2025	63,088	31,604	51,548	146,240



	The Group			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	
1 January 2024	64,571	27,241	50,752	142,564
Transfer:				
– to stage 1	6,061	(5,447)	(614)	–
– to stage 2	(4,592)	4,941	(349)	–
– to stage 3	(1,488)	(7,664)	9,152	–
(Reversal) charge for the year	(2,478)	13,452	40,951	51,925
Write-offs and transfer out	–	–	(59,932)	(59,932)
Recoveries of amounts previously written off	–	–	12,726	12,726
Exchange difference and other movements	–	–	(1,650)	(1,650)
31 December 2024	62,074	32,523	51,036	145,633

	The Bank			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	
1 January 2025	59,237	29,983	48,462	137,682
Transfer:				
– to stage 1	4,484	(3,800)	(684)	–
– to stage 2	(3,130)	3,874	(744)	–
– to stage 3	(871)	(2,867)	3,738	–
Charge for the year	130	2,207	45,604	47,941
Write-offs and transfer out	–	–	(58,546)	(58,546)
Recoveries of amounts previously written off	–	–	12,139	12,139
Exchange difference and other movements	–	–	(817)	(817)
31 December 2025	59,850	29,397	49,152	138,399

	The Bank			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	
1 January 2024	61,933	26,116	47,982	136,031
Transfer:				
– to stage 1	6,023	(5,419)	(604)	–
– to stage 2	(4,451)	4,792	(341)	–
– to stage 3	(1,330)	(7,606)	8,936	–
(Reversal) charge for the year	(2,938)	12,100	35,419	44,581
Write-offs and transfer out	–	–	(52,792)	(52,792)
Recoveries of amounts previously written off	–	–	11,380	11,380
Exchange difference and other movements	–	–	(1,518)	(1,518)
31 December 2024	59,237	29,983	48,462	137,682

(2) Loans and advances to customers measured at fair value through other comprehensive income

	The Group and the Bank			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	
1 January 2025	550	–	–	550
Transfer:				
– to stage 1	–	–	–	–
– to stage 2	–	–	–	–
– to stage 3	–	–	–	–
Reversal for the year	(36)	–	–	(36)
Write-offs and transfer out	–	–	–	–
Recoveries of amounts previously written off	–	–	–	–
Exchange difference and other movements	–	–	–	–
31 December 2025	514	–	–	514



	The Group and the Bank			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	
1 January 2024	852	–	10	862
Transfer:				
– to stage 1	–	–	–	–
– to stage 2	–	–	–	–
– to stage 3	–	–	–	–
Reversal for the year	(302)	–	(10)	(312)
Write-offs and transfer out	–	–	–	–
Recoveries of amounts previously written off	–	–	–	–
Exchange difference and other movements	–	–	–	–
31 December 2024	550	–	–	550

## 7. Financial investments

	Note	The Group		The Bank	
		2025	2024	2025	2024
Trading assets	7.1	930,715	923,189	974,869	939,207
Debt investments	7.2	1,919,255	1,896,064	1,743,554	1,783,582
Other debt investments	7.3	697,208	630,916	689,173	625,335
Other equity investments	7.4	3,619	4,011	2,915	3,307
Total		3,550,797	3,454,180	3,410,511	3,351,431

## 7.1 Trading assets

	The Group		The Bank	
	2025	2024	2025	2024
Fund Investments	626,747	572,312	657,260	610,415
Bonds issued by financial institutions	63,119	58,182	41,118	28,203
Government bonds	51,327	29,013	47,073	26,661
Inter-bank certificates of deposit	44,854	93,882	41,478	85,870
Corporate Bonds	41,067	75,005	9,424	28,752
Equity investments	37,404	14,166	5,368	2,481
The Center Bank bills and policy bank financial bonds	30,251	16,823	22,016	11,435
Trust and other beneficial rights	25,234	53,654	134,638	143,789
– Bonds	5,746	38,642	134,070	143,142
– Credit assets	5,243	3,759	567	646
– Others	14,245	11,253	1	1
Wealth management plans	7,348	5,528	1,928	1,561
Other investments	3,364	4,624	14,566	40
Total	930,715	923,189	974,869	939,207

## 7.2 Debt investments

	Note	The Group		The Bank	
		2025	2024	2025	2024
Government bonds		1,061,838	1,016,046	966,928	1,008,001
Trust beneficiary rights and asset management plans		477,177	471,253	468,127	460,491
– Credit assets		404,823	370,576	403,460	369,190
– Debt securities		32,510	71,628	32,431	71,367
– Others		39,844	29,049	32,236	19,934
Corporate bonds and asset-backed securities		219,939	226,734	219,318	227,477
Bonds issued by banks and other financial institutions		109,244	88,569	108,509	88,638
The Central Bank bills and policy bank financial bonds		77,041	108,224	2,231	9,865
Inter-bank certificates of deposit		198	11,196	198	11,196
Interest accrued		14,516	15,284	14,333	15,131
Subtotal		1,959,953	1,937,306	1,779,644	1,820,799
Less: allowance for impairment losses	(1)	(40,698)	(41,242)	(36,090)	(37,217)
Net value		1,919,255	1,896,064	1,743,554	1,783,582



(1) Changes in allowance for impairment losses on debt investments are as follows:

	The Group			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	
1 January 2025	3,818	1,988	35,436	41,242
Transfer:				
– to stage 1	–	–	–	–
– to stage 2	(232)	2,486	(2,254)	–
– to stage 3	(199)	(664)	863	–
Charge (reversal) for the year	476	(864)	2,497	2,109
Write-offs and transfer out	–	–	(3,468)	(3,468)
Exchange difference and other movements	(495)	–	1,310	815
31 December 2025	3,368	2,946	34,384	40,698

	The Group			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	
1 January 2024	3,799	5,600	31,189	40,588
Transfer:				
– to stage 1	372	(372)	–	–
– to stage 2	(123)	357	(234)	–
– to stage 3	(152)	(3,021)	3,173	–
(Reversal) charge for the year	(382)	(576)	8,800	7,842
Write-offs and transfer out	–	–	(8,431)	(8,431)
Exchange difference and other movements	304	–	939	1,243
31 December 2024	3,818	1,988	35,436	41,242

	The Bank			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	
1 January 2025	3,789	1,966	31,462	37,217
Transfer:				
– to stage 1	–	–	–	–
– to stage 2	(230)	2,486	(2,256)	–
– to stage 3	(201)	(664)	865	–
Charge (reversal) for the year	286	(1,194)	3,116	2,208
Write-offs and transfer out	–	–	(3,568)	(3,568)
Exchange difference and other movements	(296)	–	529	233
31 December 2025	3,348	2,594	30,148	36,090

	The Bank			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	
1 January 2024	3,780	5,576	27,502	36,858
Transfer:				
– to stage 1	372	(372)	–	–
– to stage 2	(123)	357	(234)	–
– to stage 3	(152)	(3,021)	3,173	–
(Reversal) charge for the year	(392)	(574)	8,904	7,938
Write-offs and transfer out	–	–	(8,195)	(8,195)
Exchange difference and other movements	304	–	312	616
31 December 2024	3,789	1,966	31,462	37,217



## 7.3 Other debt investments

	The Group		The Bank	
	2025	2024	2025	2024
Debt investments:				
Government bonds	195,564	156,563	189,620	151,207
The Central Bank bills and policy bank financial bonds	21,248	21,855	17,674	19,627
Bonds issued by banks and other financial institutions	121,689	112,138	121,820	112,401
Inter-bank certificates of deposit	151,020	111,132	151,020	111,132
Corporate bonds and asset-backed securities	201,687	222,894	203,493	225,012
Trust beneficiary rights and asset management plans	527	335	155	–
Interest accrued	5,473	5,999	5,391	5,956
Total	697,208	630,916	689,173	625,335

## (1) Changes in fair value

	Note	The Group		The Bank	
		2025	2024	2025	2024
Initial recognition cost		696,029	626,796	687,941	621,182
Fair value		697,208	630,916	689,173	625,335
Accumulated amount recognised in other comprehensive income		1,043	4,132	1,096	4,165
Accumulated amount recognised in profit or loss	(i)	136	(12)	136	(12)

(i) The Bank uses interest rate swaps to hedge the changes in fair value caused by changes in bond interest rates of other debt investments held. Fair value changes of the part of hedged bonds are included in profit or loss.

(2) Changes in allowance for impairment losses on other debt investments are as follows:

	The Group			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	
1 January 2025	968	32	1,720	2,720
Transfer:				
– to stage 1	–	–	–	–
– to stage 2	(1)	1	–	–
– to stage 3	–	–	–	–
(Reversal) charge for the year	(186)	93	(184)	(277)
Write-offs and transfer out	–	–	(297)	(297)
Exchange difference and other movements	(16)	–	102	86
31 December 2025	765	126	1,341	2,232

	The Group			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	
1 January 2024	500	917	790	2,207
Transfer:				
– to stage 1	–	–	–	–
– to stage 2	(7)	7	–	–
– to stage 3	–	(873)	873	–
Charge (reversal) for the year	480	(19)	410	871
Write-offs and transfer out	–	–	(454)	(454)
Exchange difference and other movements	(5)	–	101	96
31 December 2024	968	32	1,720	2,720



	The Bank			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	
1 January 2025	964	32	1,700	2,696
Transfer:				
– to stage 1	–	–	–	–
– to stage 2	(1)	1	–	–
– to stage 3	–	–	–	–
(Reversal) charge for the year	(186)	96	(206)	(296)
Write-offs and transfer out	–	–	(297)	(297)
Exchange difference and other movements	(18)	–	87	69
31 December 2025	759	129	1,284	2,172

	The Bank			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	
1 January 2024	496	917	770	2,183
Transfer:				
– to stage 1	–	–	–	–
– to stage 2	(7)	7	–	–
– to stage 3	–	(873)	873	–
Charge (reversal) for the year	480	(19)	410	871
Write-offs and transfer out	–	–	(454)	(454)
Exchange difference and other movements	(5)	–	101	96
31 December 2024	964	32	1,700	2,696

#### 7.4 Other equity investments

	The Group		The Bank	
	2025	2024	2025	2024
Designated at fair value through other comprehensive income	<b>3,619</b>	4,011	<b>2,915</b>	3,307

The Group designates non-trading equity investments as financial assets at fair value through other comprehensive income. As at 31 December 2025, the fair value of the equity investments is RMB3,619 million (31 December 2024: RMB4,011 million). During the reporting period, dividend income of RMB40.90 million (2024: RMB36.59 million) recognised for such equity investments was included in the profit or loss.

Related analyses of other equity investments are as follows:

	The Group		The Bank	
	2025	2024	2025	2024
Initial recognition cost	<b>3,500</b>	4,098	<b>2,919</b>	3,517
Fair value	<b>3,619</b>	4,011	<b>2,915</b>	3,307
Accumulated amount recognised in other comprehensive income	<b>119</b>	(87)	<b>(4)</b>	(210)

#### 8. Finance lease receivables

Presented by nature:

	Note	The Group	
		2025	2024
Finance lease receivables		<b>130,354</b>	133,587
Less: unrealised financing income		<b>(16,233)</b>	(14,678)
Present value of minimum finance lease receivables		<b>114,121</b>	118,909
Less: allowance for impairment losses	(1)	<b>(3,745)</b>	(3,996)
Net value		<b>110,376</b>	114,913



Finance lease receivables Listed as follows:

	Note	2025	2024
Within 1 year		43,327	51,579
1 to 2 years		27,771	33,977
2 to 3 years		18,886	17,531
3 to 5 years		16,318	16,327
Over 5 years		23,441	12,983
Undated*		611	1,190
Minimum lease receipts in total		130,354	133,587
Unrealised financing income		(16,233)	(14,678)
Present value of minimum finance lease receivables		114,121	118,909
Less: allowance for impairment losses	(1)	(3,745)	(3,996)
Net value		110,376	114,913

\* Undated refers to finance lease receivables which are overdue

(1) Changes in allowance for impairment losses on finance lease receivables:

	The Group			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	
1 January 2025	1,273	193	2,530	3,996
Transfer:				
– to stage 1	29	–	(29)	–
– to stage 2	(54)	973	(919)	–
– to stage 3	(10)	(34)	44	–
Charge (reversal) for the year	176	40	(667)	(451)
Write-offs and transfer out	–	–	(106)	(106)
Recoveries of amounts previously written off	–	–	308	308
Exchange difference and other movements	(2)	–	–	(2)
31 December 2025	1,412	1,172	1,161	3,745

	The Group			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	
1 January 2024	1,097	238	3,029	4,364
Transfer:				
– to stage 1	13	–	(13)	–
– to stage 2	(40)	40	–	–
– to stage 3	(897)	(36)	933	–
Charge (reversal) for the year	1,100	(49)	(1,290)	(239)
Write-offs and transfer out	–	–	(290)	(290)
Exchange difference and other movements	–	–	161	161
31 December 2024	1,273	193	2,530	3,996



## 9. Long-term equity investments

Investee	Accounting method	The Group										Explanation of inconsistency between the proportion of equity interest and the proportion of voting power in the investee
		1 January 2025	Investment income recognised under the equity method	Net decrease in capital for the period	Other comprehensive income recognised under the equity method	Cash dividends for this year	Passive dilution under equity method	Provisions	31 December 2025	Proportion of equity interest (%)	Proportion of voting power in the investee (%)	
Bank of Jiujiang (1)	Equity method	3,445	37	-	104	(16)	-	-	3,570	10.34	10.34	N/A
Others	Equity method	472	14	(833)	-	(19)	1	-	135	-	-	N/A
Total		3,917	51	(833)	104	(35)	1	-	3,705	-	-	

## Long-term equity investments by equity method:

Investee	Accounting method	The Bank							Explanation of inconsistency between the proportion of equity interest and the proportion of voting power in the investee	
		1 January 2025	Investment income recognised under the equity method	Other comprehensive income recognised under the equity method	Cash dividends for the period	Provisions	31 December 2025	Proportion of equity interest (%)		Proportion of voting power in the investee (%)
Bank of Jiujiang (1)	Equity method	3,445	37	104	(16)	-	3,570	10.34	10.34	N/A

Long-term equity investments accounted by cost method:

Investee	The Bank							Explanation of inconsistency between the proportion of equity interest and the proportion of voting power in the investee	
	Accounting method	1 January 2025	Changes	31 December 2025	Provisions for impairment	Cash dividends for the period	Proportion of equity interest (%)		Proportion of voting power in the investee (%)
Industrial Bank Financial Leasing Co., Ltd. (Note. VI)	Cost method	7,000	-	7,000	-	450	100.00	100.00	N/A
China Industrial International Trust Limited (Note. VI)	Cost method	6,395	-	6,395	-	-	73.00	73.00	N/A
CIB Fund Management Co., Ltd. (Note. VI)	Cost method	900	-	900	-	45	90.00	90.00	N/A
Industrial Consumer Finance Co., Ltd. (Note. VI)	Cost method	1,254	-	1,254	-	126	66.00	66.00	N/A
CIB Wealth Management Co., Ltd. (Note. VI)	Cost method	5,000	-	5,000	-	250	100.00	100.00	N/A
Xingyin Financial Asset Investment Co., Ltd. (Note. VI)	Cost method	-	10,000	10,000	-	-	100.00	100.00	N/A
Subtotal		20,549	10,000	30,549	-	871			

(1) The Bank holds 10.34% of the shares and voting rights in Jiujiang Bank Co., Ltd., and has dispatched directors, significantly influencing its management. Therefore, the equity method is applied for accounting.

(2) There are no restrictions on the investees' capacities of capital transferring to the Group and the Bank on 31 December 2025.

## 10. Fixed assets

	The Group					
	Buildings	Fixed assets improvement	Office and machinery equipment	Transportation vehicles	Fixed assets under operating leases	Total
<b>Cost</b>						
At 1 January 2025	25,342	1,285	14,798	398	7,439	49,262
Purchase	17	–	2,061	18	2,733	4,829
Transfers from constructions in progress	692	38	8	–	–	738
Sales/disposals	(10)	(9)	(1,439)	(25)	–	(1,483)
Exchange difference	–	–	–	–	(856)	(856)
At 31 December 2025	26,041	1,314	15,428	391	9,316	52,490
<b>Accumulated depreciation</b>						
At 1 January 2025	(7,278)	(709)	(9,562)	(285)	(2,150)	(19,984)
Depreciation for the year	(903)	(53)	(1,957)	(27)	(483)	(3,423)
Eliminated on sales/disposals	3	9	836	18	–	866
Exchange difference	–	–	–	–	216	216
At 31 December 2025	(8,178)	(753)	(10,683)	(294)	(2,417)	(22,325)
<b>Allowance for impairment losses</b>						
At 1 January 2025	(3)	–	–	–	(406)	(409)
Charge for the year	–	–	–	–	(3)	(3)
Exchange difference	–	–	–	–	9	9
At 31 December 2025	(3)	–	–	–	(400)	(403)
<b>Net carrying amount</b>						
At 1 January 2025	18,061	576	5,236	113	4,883	28,869
At 31 December 2025	17,860	561	4,745	97	6,499	29,762

As at 31 December 2025, the cost of fix assets under operating lease business by the Group's subsidiary Industrial Bank Financial Leasing Co., Ltd. was RMB9,316 million (31 December 2024: RMB6,951 million).

As at 31 December 2025, buildings with cost RMB368 million were in use but the legal ownership registrations were still in process (31 December 2024: RMB368 million).

	The Bank				
	Buildings	Fixed assets improvement	Office and machinery equipment	Transportation vehicles	Total
<b>Cost</b>					
At 1 January 2025	24,875	1,229	12,862	364	39,330
Purchase	17	–	818	17	852
Transfers from constructions in progress	692	38	3	–	733
Sales/disposals	(10)	(9)	(866)	(21)	(906)
At 31 December 2025	25,574	1,258	12,817	360	40,009
<b>Accumulated depreciation</b>					
At 1 January 2025	(7,205)	(706)	(8,844)	(260)	(17,015)
Depreciation for the year	(885)	(52)	(1,537)	(25)	(2,499)
Eliminated on sales/disposals	3	9	788	15	815
At 31 December 2025	(8,087)	(749)	(9,593)	(270)	(18,699)
<b>Allowance for impairment losses</b>					
At 1 January 2025	(3)	–	–	–	(3)
At 31 December 2025	(3)	–	–	–	(3)
<b>Net carrying amount</b>					
At 1 January 2025	17,667	523	4,018	104	22,312
At 31 December 2025	17,484	509	3,224	90	21,307

As at 31 December 2025, buildings which cost RMB368 million were in use but the legal ownership registrations were still in process (31 December 2024: RMB368 million).



## 11. Construction in progress

	The Group						
	2025						
	1 January 2025	Additions	Transfer to fixed assets	Transfer to long-term prepaid expenses	31 December 2025	Provisions	Net book value
Binhai new city financial technology park, Fuzhou	85	305	-	-	390	-	390
Branch headquarters office building, Kunming	355	30	-	-	385	-	385
Building construction for the Gui'an data center of the head office	25	193	-	-	218	-	218
Branch headquarters office building, Xuzhou	187	1	-	-	188	-	188
Branch headquarters office building, Ha'erbin	-	37	-	-	37	-	37
Building Renovation & Interior Redecoration for Zone C of Zhangjiang Park	25	7	-	-	32	-	32
Office Decoration for Credit Card Center, Financial Street	23	8	-	-	31	-	31
Others	1,162	847	(738)	(483)	788	-	788
Total	1,862	1,428	(738)	(483)	2,069	-	2,069

	The Bank						
	2025						
	1 January 2025	Additions	Transfer to fixed assets	Transfer to long-term prepaid expenses	31 December 2025	Provisions	Net book value
Binhai new city financial technology park, Fuzhou	85	305	-	-	390	-	390
Branch headquarters office building, Kunming	355	30	-	-	385	-	385
Building construction for the Gui'an data center of the head office	25	193	-	-	218	-	218
Branch headquarters office building, Xuzhou	187	1	-	-	188	-	188
Branch headquarters office building, Ha'erbin	-	37	-	-	37	-	37
Building Renovation & Interior Redecoration for Zone C of Zhangjiang Park	25	7	-	-	32	-	32
Office Decoration for Credit Card Center, Financial Street	23	8	-	-	31	-	31
Others	1,097	600	(733)	(408)	556	-	556
Total	1,797	1,181	(733)	(408)	1,837	-	1,837

## 12. Right-of-use assets

	The Group			
	Buildings	Flight equipment	Others	Total
<b>Cost</b>				
At 1 January 2025	16,154	720	136	17,010
Additions for the year	2,415	-	6	2,421
Less for the year	(2,536)	-	(26)	(2,562)
Exchange difference	-	(17)	-	(17)
At 31 December 2025	16,033	703	116	16,852
<b>Accumulated depreciation</b>				
At 1 January 2025	(7,429)	(185)	(77)	(7,691)
Depreciation for the year	(2,743)	(29)	2	(2,770)
Eliminated for the year	2,236	-	24	2,260
Exchange difference	-	4	-	4
At 31 December 2025	(7,936)	(210)	(51)	(8,197)
<b>Allowance for impairment losses</b>				
At 1 January 2025	-	(5)	-	(5)
Charge for the year	-	-	-	-
Reversal for the year	-	-	-	-
Exchange difference	-	-	-	-
At 31 December 2025	-	(5)	-	(5)
<b>Net value</b>				
At 1 January 2025	8,725	530	59	9,314
At 31 December 2025	8,097	488	65	8,650

	The Bank		
	Buildings	Others	Total
<b>Cost</b>			
At 1 January 2025	15,241	577	15,818
Additions for the year	2,356	453	2,809
Less for the year	(2,362)	(8)	(2,370)
At 31 December 2025	15,235	1,022	16,257
<b>Accumulated depreciation</b>			
At 1 January 2025	(7,083)	(59)	(7,142)
Depreciation for the year	(2,586)	(132)	(2,718)
Eliminated for the year	2,092	5	2,097
At 31 December 2025	(7,577)	(186)	(7,763)
<b>Allowance for impairment losses</b>			
At 1 January 2025	-	-	-
Charge for the year	-	-	-
Reversal for the year	-	-	-
At 31 December 2025	-	-	-
<b>Net value</b>			
At 1 January 2025	8,158	518	8,676
At 31 December 2025	7,658	836	8,494

### 13. Goodwill

China Industrial International Trust Limited	The Group			
	1 January 2025	Additions	Deductions	31 December 2025
Cost	532	-	-	532
Allowance for impairment losses	-	-	-	-
Carrying amount	532	-	-	532

Goodwill arose from acquisition of China Industrial International Trust Limited in February 2011, and the overweight of China Industrial Future Limited by China Industrial International Trust Limited in March 2015.

At the end of the period, the Group performed impairment tests on goodwill based on expected future cash flow of the investee, meanwhile, calculated the expected present value of future cash flow of the investee by applying an appropriate discount rate to determine recoverable amount. No evidence shows that the recoverable amount of goodwill is less than the carrying amount and therefore no impairment is recognised.

## 14. Deferred tax asset and deferred tax liability

### 14.1 Recognised deferred tax assets and liabilities

	The Group			
	2025		2024	
	Deductible (taxable) temporary differences	Deferred tax assets (liabilities)	Deductible (taxable) temporary differences	Deferred tax assets (liabilities)
<b>Deferred tax assets</b>				
Impairment losses on assets	269,612	67,403	246,094	61,524
Fair value changes of trading assets	1,031	262	702	176
Fair value changes of trading liabilities	9,415	2,354	2,505	626
Changes in fair value in other debt investments	54	14	35	9
Changes in fair value in other equity investments	5	1	211	53
Fair value changes of derivative financial instruments	–	–	3,790	947
Accrued but not paid employee benefits	33,952	8,488	31,218	7,804
Accounting and tax basis differences related to lease liabilities	8,591	2,148	8,720	2,180
Others	6,365	1,591	7,016	1,754
Subtotal	329,025	82,261	300,291	75,073
Offset	(38,145)	(9,539)	(31,257)	(7,814)
Deferred tax assets after offset	290,880	72,722	269,034	67,259
<b>Deferred tax liabilities</b>				
Fair value changes of trading assets	(13,523)	(3,381)	(8,731)	(2,183)
Fair value changes of other debt investments	(3,913)	(980)	(7,666)	(1,916)
Fair value changes of other equity investments	(124)	(31)	(124)	(31)
Differences of fixed assets depreciation	(4,983)	(1,246)	(4,995)	(1,249)
Accounting and tax basis differences related to right-of-use assets	(8,494)	(2,123)	(8,676)	(2,169)
Fair value changes of derivative financial instruments	(6,747)	(1,687)	(2)	–
Others	(1,177)	(295)	(1,667)	(417)
Subtotal	(38,961)	(9,743)	(31,861)	(7,965)
Offset	38,145	9,539	31,257	7,814
Deferred tax liabilities after offset	(816)	(204)	(604)	(151)



	The Bank			
	2025		2024	
	Deductible (taxable) temporary differences	Deferred tax assets (liabilities)	Deductible (taxable) temporary differences	Deferred tax assets (liabilities)
<b>Deferred tax assets</b>				
Impairment losses on assets	246,359	61,590	228,556	57,139
Fair value changes of trading liabilities	9,415	2,354	2,505	626
Fair value changes of derivative financial instruments	–	–	3,790	947
Fair value changes of other equity investments	4	1	210	52
Accrued but not paid employee benefits	32,394	8,099	29,967	7,492
Accounting and tax basis differences related to lease liabilities	8,591	2,148	8,720	2,180
Subtotal	296,763	74,192	273,748	68,436
Offset	(37,305)	(9,327)	(30,377)	(7,594)
Deferred tax assets after offset	259,458	64,865	243,371	60,842
<b>Deferred tax liabilities</b>				
Fair value changes of trading assets	(13,167)	(3,292)	(8,327)	(2,082)
Differences of fixed assets depreciation	(4,983)	(1,246)	(4,983)	(1,246)
Accounting and tax basis differences related to right-of-use assets	(8,494)	(2,123)	(8,676)	(2,169)
Fair value changes of other debt investments	(3,776)	(944)	(7,433)	(1,858)
Fair value changes of derivative financial instruments	(6,743)	(1,686)	–	–
Others	(461)	(116)	(958)	(239)
Subtotal	(37,624)	(9,407)	(30,377)	(7,594)
Offset	37,305	9,327	30,377	7,594
Deferred tax liabilities after offset	(319)	(80)	–	–

The tax payment of domestic branches of the Bank can be aggregated in the way that the deferred tax assets and deferred tax liabilities are presented at the net amount after offset; overseas branches are individual taxable entities, and the deferred tax assets and deferred tax liabilities of the same entity can be presented at the net amount after offset. When there are net deferred tax assets/liabilities in overseas branches, they are not offset against those in domestic branches. The subsidiaries of the Bank are individual taxable entities, and the deferred tax assets and deferred tax liabilities of the same entity can be presented at the net amount after offset.

#### 14.2 Movements in deferred tax assets and liabilities

	The Group	The Bank
31 December 2024	67,108	60,842
– Deferred tax assets	75,073	68,436
– Deferred tax liabilities	(7,965)	(7,594)
Net changes of deferred tax recognised in income tax expenses	4,521	3,080
Net changes of deferred tax recognised in other comprehensive income	889	863
31 December 2025	72,518	64,785
– Deferred tax assets	82,261	74,192
– Deferred tax liabilities	(9,743)	(9,407)

#### 15. Other assets

	Note	The Group		The Bank	
		2025	2024	2025	2024
Items in the process of clearance and settlement		39,887	42,893	35,476	39,987
Other receivables	15.1	25,008	18,341	17,238	11,425
Continuing involvement assets (Note XII, 3.1)		8,277	9,081	7,425	9,081
Prepaid purchase cost of lease assets		8,441	5,390	–	–
Interest receivable	15.2	2,631	2,566	2,435	2,354
Net assets of defined benefit plan (Note VII, 44.2)		2,335	1,750	2,335	1,750
Long-term prepaid expenses	15.3	1,292	1,393	1,200	1,345
Foreclosed assets	15.4	1,241	1,079	1,143	1,079
Total		89,112	82,493	67,252	67,021

### 15.1 Other receivables

Listed by aging:

Account age	The Group				The Bank			
	2025	Proportion %	2024	Proportion %	2025	Proportion %	2024	Proportion %
Within 1 year	16,318	58.85	8,204	40.45	13,018	66.32	5,179	39.93
1 – 2 years	5,248	18.93	4,309	21.24	792	4.04	676	5.21
2 – 3 years	879	3.17	1,790	8.83	739	3.77	1,662	12.81
Over 3 years	5,281	19.05	5,978	29.48	5,078	25.87	5,454	42.05
Subtotal	27,726	100.00	20,281	100.00	19,627	100.00	12,971	100.00
Less: Allowance for impairment losses	(2,718)		(1,940)		(2,389)		(1,546)	
Net value	25,008		18,341		17,238		11,425	

### 15.2 Interest receivable

	The Group		The Bank	
	2025	2024	2025	2024
Loans and advances to customers	2,519	2,330	2,435	2,298
Bonds and other investments	112	236	–	56
Total	2,631	2,566	2,435	2,354

### 15.3 Long-term prepaid expenses

	The Group				
	1 January 2025	Changes	Transferred from construction in progress	Amortisation	31 December 2025
Leasehold improvements	1,350	16	476	(590)	1,252
Others	43	5	7	(15)	40
Total	1,393	21	483	(605)	1,292

	The Bank				
	1 January 2025	Changes	Transferred from construction in progress	Amortisation	31 December 2025
Leasehold improvements	1,315	1	402	(548)	1,170
Others	30	5	6	(11)	30
Total	1,345	6	408	(559)	1,200

#### 15.4 Foreclosed assets

Analysed by category of the foreclosed assets:

	The Group	
	2025	2024
Buildings and land use rights	1,513	1,231
Others	–	1
Subtotal	1,513	1,232
Less: Allowance for impairment losses	(272)	(153)
Net value	1,241	1,079

	The Bank	
	2025	2024
Buildings and land use rights	1,415	1,231
Others	–	1
Subtotal	1,415	1,232
Less: Allowance for impairment losses	(272)	(153)
Net value	1,143	1,079

## 16. Deposits from banks and other financial institutions

	The Group		The Bank	
	2025	2024	2025	2024
Banks operating in Mainland China	297,189	234,179	297,189	234,179
Other financial institutions operating in Mainland China	1,928,445	1,566,218	1,945,935	1,591,884
Banks operating outside Mainland China	13,477	23,162	13,476	23,162
Other financial institutions operating outside Mainland China	141	13	141	13
Interest accrued	6,338	8,539	6,360	8,567
<b>Total</b>	<b>2,245,590</b>	<b>1,832,111</b>	<b>2,263,101</b>	<b>1,857,805</b>

## 17. Placements from banks and other financial institutions

	The Group		The Bank	
	2025	2024	2025	2024
Banks operating in Mainland China	201,463	202,908	58,836	53,855
Other financial institutions operating in Mainland China	3,254	9,805	3	3,435
Banks operating outside Mainland China	73,285	81,410	73,285	81,410
Subtotal	278,002	294,123	132,124	138,700
Designated at fair value through profit or loss (related to gold leasing business):				
Banks operating in Mainland China	51,529	41,637	51,529	41,637
Subtotal	51,529	41,637	51,529	41,637
Interest accrued	1,009	1,102	658	617
<b>Total</b>	<b>330,540</b>	<b>336,862</b>	<b>184,311</b>	<b>180,954</b>

## 18. Trading liabilities

	Note	The Group		The Bank	
		2025	2024	2025	2024
Trading liabilities:					
Financial liabilities related to precious metals		20,201	5,358	20,201	5,358
Financial liabilities related to bonds		15,893	19,570	15,893	19,570
Subtotal		36,094	24,928	36,094	24,928
Financial liabilities designated as at fair value through profit or loss	(1)	453	1,812	–	–
<b>Total</b>		<b>36,547</b>	<b>26,740</b>	<b>36,094</b>	<b>24,928</b>

(1) The Group's other shareholders' equities that are included in the consolidated financial statements are designated as financial liabilities at fair value through profit or loss. No significant changes in fair value from changes in credit risk occurred on 31 December 2025 (31 December 2024: Nil).

## 19. Financial assets sold under repurchase agreements

	The Group		The Bank	
	2025	2024	2025	2024
Bonds	362,159	252,170	293,255	199,515
Bills	1,082	9,723	1,082	9,723
Interest accrued	458	103	458	100
<b>Total</b>	<b>363,699</b>	<b>261,996</b>	<b>294,795</b>	<b>209,338</b>

## 20. Deposits from customers

	The Group		The Bank	
	2025	2024	2025	2024
Demand deposits				
– Corporate	1,537,277	1,623,797	1,539,370	1,625,711
– Personal	491,495	444,453	491,495	444,453
Subtotal	2,028,772	2,068,250	2,030,865	2,070,164
Term deposits (including call deposits)				
– Corporate	2,037,624	1,869,121	2,037,728	1,869,465
– Personal	1,304,833	1,119,989	1,304,833	1,119,989
Subtotal	3,342,457	2,989,110	3,342,561	2,989,454
Pledged deposits	556,758	471,871	560,194	471,872
Others	1,628	3,102	1,628	3,102
Interest accrued	91,191	98,027	91,191	98,027
<b>Total</b>	<b>6,020,806</b>	<b>5,630,360</b>	<b>6,026,439</b>	<b>5,632,619</b>

The pledged deposits included in deposits from customers are analysed as follows:

	The Group		The Bank	
	2025	2024	2025	2024
Bank acceptances	358,046	315,810	358,046	315,810
Letters of credit	69,307	54,670	69,307	54,670
Guarantee	10,202	9,563	10,202	9,563
Others	119,203	91,828	122,639	91,829
<b>Total</b>	<b>556,758</b>	<b>471,871</b>	<b>560,194</b>	<b>471,872</b>

## 21. Employee benefits payable

	The Group				The Bank			
	1 January 2025	Increase	Decrease	31 December 2025	1 January 2025	Increase	Decrease	31 December 2025
Salaries and bonus	32,545	28,173	(25,019)	35,699	30,509	25,410	(22,344)	33,575
Labor union expenditure and staff educational funds	3,776	576	(732)	3,620	3,683	475	(653)	3,505
Social insurance	50	3,713	(3,728)	35	26	3,377	(3,378)	25
Housing funds	60	2,240	(2,233)	67	48	1,895	(1,894)	49
Defined contribution plans	129	4,207	(4,223)	113	85	3,883	(3,901)	67
<b>Total</b>	<b>36,560</b>	<b>38,909</b>	<b>(35,935)</b>	<b>39,534</b>	<b>34,351</b>	<b>35,040</b>	<b>(32,170)</b>	<b>37,221</b>

The salaries, bonuses, retirement benefits and other social insurance of employee benefits payable are granted or paid according to time limit set by relevant laws, regulations and the Group's policies. See defined contribution pension plans in Note VII, 44.1.

## 22. Tax payable

	The Group		The Bank	
	2025	2024	2025	2024
Corporate income tax	3,198	5,960	1,704	5,480
Value added tax	2,740	2,781	2,220	2,536
City maintenance and construction tax	219	232	183	211
Others	502	412	419	342
<b>Total</b>	<b>6,659</b>	<b>9,385</b>	<b>4,526</b>	<b>8,569</b>

## 23. Provisions

	The Group		The Bank	
	2025	2024	2025	2024
Impairment allowance for off-balance-sheet assets	7,574	6,342	7,574	6,342
Litigation provisions	14	22	–	2
<b>Total</b>	<b>7,588</b>	<b>6,364</b>	<b>7,574</b>	<b>6,344</b>

As at 31 December 2025, movements of impairment allowance for off-balance-sheet assets are as follows:

	The Group and the Bank			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	
1 January 2025	6,193	142	7	6,342
Transfer:				
– to stage 1	26	(26)	–	–
– to stage 2	(51)	51	–	–
– to stage 3	(14)	(2)	16	–
Charge (reversal) for the year	1,204	36	(6)	1,234
Exchange difference and other movements	(2)	–	–	(2)
31 December 2025	7,356	201	17	7,574

	The Group and the Bank			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	
1 January 2024	6,077	139	8	6,224
Transfer:				
– to stage 1	25	(25)	–	–
– to stage 2	(55)	55	–	–
– to stage 3	(30)	(13)	43	–
Charge (reversal) for the year	173	(14)	(44)	115
Exchange difference and other movements	3	–	–	3
31 December 2024	6,193	142	7	6,342

## 24. Debt securities issued

	The Group		The Bank	
	2025	2024	2025	2024
Financial bonds	176,272	183,626	161,709	169,464
Tier two capital bonds	151,824	151,819	151,824	151,819
Inter-bank certificates of deposit	531,873	836,726	531,873	836,726
Certificates of deposit	10,021	14,138	10,021	14,138
Convertible corporate bonds	43,039	51,015	43,039	51,015
Long-term subordinated bonds	230	230	–	–
Corporate bonds	10,152	11,341	–	–
Super short-term commercial paper	1,107	1,503	–	–
Mid-term note	13,298	2,037	10,753	–
Asset-backed securities	–	552	–	–
<b>Total</b>	<b>937,816</b>	<b>1,252,987</b>	<b>909,219</b>	<b>1,223,162</b>

Note: Debt securities issued by the Group include financial bonds, tier two capital bonds, inter-bank certificates of deposit, certificates of deposit and convertible corporate bonds. Tier two capital bonds are issued by commercial banks and their subsidiaries to supplement the secondary capital. Tier two capital bonds and long-term subordinated bonds are in the same liquidation sequence.

Details of debt securities issued are as follows:

Category of bonds	Note	Issuing date	Frequency of interest payment	The Group	The Bank
Financial bonds					
23 CIB small and micro enterprise bond 01	(1)	2023-08-22	Yearly	20,000	20,000
23 CIB small and micro enterprise bond 02	(1)	2023-10-20	Yearly	5,000	5,000
CIB BOND 2025 01	(2)	2025-11-27	Yearly	20,000	20,000
23 CIB green financial bond 01	(3)	2023-04-24	Yearly	27,000	27,000
23 CIB green financial bond 02	(3)	2023-06-06	Yearly	23,000	23,000
25 CIB green financial bond 01	(3)	2025-04-10	Yearly	30,000	30,000
25 CIB green financial bond 02	(3)	2025-06-17	Yearly	20,000	20,000
25 CIB green financial bond 03	(3)	2025-11-27	Quarterly	5,000	5,000
25 CIB sci-tech innovation bond 01	(4)	2025-05-09	Yearly	10,000	10,000
23 CIB consumer financial debt 01	(5)	2023-11-24	Yearly	1,490	–
24 CIB consumer financial debt 01	(5)	2024-02-27	Yearly	2,000	–
24 CIB consumer financial debt 02	(5)	2024-03-27	Yearly	1,370	–
24 CIB consumer financial debt 03	(5)	2024-04-23	Yearly	2,000	–
24 CIB consumer financial debt 04	(5)	2024-06-21	Yearly	2,000	–
24 CIB consumer financial debt 05	(5)	2024-07-09	Yearly	2,500	–
24 CIB financial leasing bond 01	(6)	2024-03-07	Yearly	3,000	–
Interest accrued				1,970	1,756
Less: unamortised issuance cost				(58)	(47)
Subtotal				176,272	161,709
Tier two capital bonds					
21 CIB secondary 01	(7)	2021-10-21	Yearly	30,000	30,000
21 CIB secondary 02	(7)	2021-11-23	Yearly	40,000	40,000
21 CIB secondary 03	(7)	2021-11-23	Yearly	5,000	5,000
22 CIB secondary 01	(7)	2022-01-12	Yearly	25,000	25,000
24 CIB secondary 01	(7)	2024-05-20	Yearly	30,000	30,000
24 CIB secondary 02	(7)	2024-07-08	Yearly	20,000	20,000
Interest accrued				1,895	1,895
Less: unamortised issuance cost				(71)	(71)
Subtotal				151,824	151,824



Category of bonds	Note	Issuing date	Frequency of interest payment	The Group	The Bank
Inter-bank certificates of deposit					
Par value of inter-bank certificates of deposit	(8)	/	/	534,194	534,194
Interest accrued				33	33
Less: unamortised issuance cost				(2,354)	(2,354)
Subtotal				531,873	531,873
Certificates of deposit					
Par value of certificates of deposit	(9)	/	/	10,113	10,113
Interest accrued				10	10
Less: unamortised issuance cost				(102)	(102)
Subtotal				10,021	10,021
Convertible corporate bonds					
CIB convertible corporate bonds	(10)	2021-12-27	Yearly	43,026	43,026
Interest accrued				13	13
Subtotal				43,039	43,039
Long-term subordinated bonds					
23 ClFutures C	(11)	2023-06-21	Yearly	225	–
Interest accrued				5	–
Less: unamortised issuance cost				–	–
Subtotal				230	–
Corporate bonds					
23 CIAMC 01	(12)	2023-12-14	Yearly	1,000	–
24 CIAMC 01	(12)	2024-04-10	Yearly	1,500	–
24 CIAMC 02	(12)	2024-08-05	Yearly	600	–
25 CIAMC 01	(12)	2025-01-21	Yearly	500	–
25 CIAMC 02	(12)	2025-03-24	Yearly	400	–
23 CIIT 01	(13)	2023-02-27	Yearly	400	–
23 CIIT 02	(13)	2023-04-26	Yearly	1,400	–
23 CIIT 03	(13)	2023-06-19	Yearly	1,050	–
23 CIIT 04	(13)	2023-09-06	Yearly	1,120	–
23 CIIT 05	(13)	2023-11-01	Yearly	700	–
24 CIIT 01	(13)	2024-03-25	Yearly	1,330	–
Interest accrued				163	–
Less: unamortised issuance cost				(11)	–
Subtotal				10,152	–

Category of bonds	Note	Issuing date	Frequency of interest payment	The Group	The Bank
Super short-term commercial paper					
25 CIAMC SCP004	(14)	2025-08-07	interest due at maturity	500	-
25 CIAMC SCP005	(14)	2025-08-19	interest due at maturity	600	-
Interest accrued				7	-
Less: unamortised issuance cost				-	-
Subtotal				1,107	-
Mid-term note					
HK branch MTN	(9)			10,720	10,720
23 CIAMC MTN001	(15)	2023-03-07	Yearly	500	-
24 CIAMC MTN001	(15)	2024-03-18	Yearly	500	-
24 CIAMC MTN002	(15)	2024-06-26	Yearly	1,000	-
25 CIAMC MTN001	(15)	2025-03-17	Yearly	500	-
Interest accrued				78	33
Subtotal				13,298	10,753
Total				937,816	909,219

- (1) In August 2023, the Group issued RMB20 billion 3-year fixed-rate small and micro enterprise bond, with annual interest rates of 2.54%. In October 2023, the Group issued RMB5 billion 3-year fixed-rate small and micro enterprise bond, with annual interest rates of 2.78%.
- (2) In November 2025, the Group issued RMB20 billion 3-year fixed-rate financial bond, with annual interest rate of 1.85%.
- (3) In April 2023, the Group issued RMB27 billion 3-year fixed-rate green financial bond, with annual interest rates of 2.77%. In June 2023, the Group issued RMB23 billion 3-year fixed-rate green financial bond, with annual interest rates of 2.66%. In April 2025, the Group issued RMB30 billion 3-year fixed-rate green financial bond, with annual interest rates of 1.72%. In June 2025, the Group issued RMB20 billion 3-year fixed-rate green financial bond, with annual interest rates of 1.68%. In November 2025, the Group issued RMB5 billion 3-year fixed-rate green financial bond, with annual interest rates of 1.81%.
- (4) In May 2025, the Group issued RMB10 billion 3-year fixed-rate sci-tech innovation bond, with annual interest rates of 1.68%.
- (5) In November 2023 and March 2024, the Group's subsidiary Industrial Consumer Finance Co., Ltd. respectively issued 3-year fixed-rate RMB financial bonds each amounting to RMB1.5 billion with fixed rates of 3.03% and 2.55%. In February 2024, April 2024 and June 2024, the Group's subsidiary Industrial Consumer Finance Co., Ltd. respectively issued 3-year fixed-rate RMB financial bonds each amounting to RMB2 billion with fixed rates of 2.53%, 2.32% and 2.22%. In July 2024, the Group's subsidiary Industrial Consumer Finance Co., Ltd. issued 3-year fixed-rate RMB financial bonds amounting to RMB2.5 billion with fixed rates of 2.20%. As at 31 December 2025, the bond "23 CIB consumer financial debt 01" and "24 CIB consumer financial debt 02", issued by Industrial Consumer Finance Co., Ltd., held by the Bank amounted to RMB10 million and RMB130 million, respectively.
- (6) In March 2024, the Group's subsidiary Industrial Financial Leasing Co., Ltd. issued RMB3 billion 3-year fixed-rate financial bonds with annual interest rates of 2.46%.



- (7) In October 2021 and November 2021, the Group issued RMB30 billion and RMB40 billion in tier 2 capital bonds, respectively, with a 10-year maturity, fixed rates of 3.83% and 3.62%, and an issuer's redemption right at the end of the fifth year. In November 2021, the Group issued RMB5 billion in tier 2 capital bonds with a 15-year maturity, a fixed rate of 3.85%, and an issuer's redemption right at the end of the tenth year. In January 2022, the Group issued RMB25 billion in tier 2 capital bonds with a 10-year maturity, a fixed rate of 3.45%, and an issuer's redemption right at the end of the fifth year. In May 2024, the Group issued RMB30 billion in tier 2 capital bonds with a 10-year maturity, a fixed rate of 2.51%, and an issuer's redemption right at the end of the fifth year. In July 2024, the Group issued RMB20 billion in tier 2 capital bonds with a 10-year maturity, a fixed rate of 2.32%, and an issuer's redemption right at the end of the fifth year.
- (8) As at 31 December 2025, the Group had 193 unpaid inter-bank certificates of deposit with a total amount of RMB534,194 million, including 13 USD inter-bank certificates of deposit, of which the issued par value is USD360 million (RMB2,530 million) and the terms are within 1 year, and 180 RMB inter-bank certificates of deposit, of which the issued par value is RMB531,664 million and the terms are within 1 year. The annual interest rates are from 0.00% to 5.00%. The interest of the rest is paid upon maturity.
- (9) As at 31 December 2025, the Hong Kong Branch had 25 unpaid certificates of deposit, with a total face value equivalent to RMB10.113 billion, all with maturities of less than 1 year. This included 6 USD certificates of deposit with a face value of USD427 million (RMB3.001 billion); 1 EUR certificate of deposit with a face value of EUR 50 million (RMB412 million); and 18 RMB certificates of deposit with a face value of RMB6.7 billion. The annual interest rates ranged from 0% to 4.6%, all payable at maturity.

As at 31 December 2025, the Hong Kong Branch had 9 unpaid medium-term notes, with a total face value equivalent to RMB10.72 billion, all with maturities of less than 3 years. This included 3 USD medium-term notes with a face value of USD700 million (RMB4.92 billion); and 6 RMB medium-term notes with a face value of RMB5.8 billion. The annual interest rates ranged from 0.0% to 4.5%.

- (10) Approved by relevant regulatory agencies, the Bank issued RMB50 billion of 500 million A-shares convertible corporate bonds publicly with face value of RMB100 per share (hereinafter referred to as "convertible bonds") on 27 December 2021. The duration of the convertible bonds is 6 years, which is from 27 December 2021 to 26 December 2027. The coupon rate of the convertible bonds is 0.2% in the first year, 0.4% in the second year, 1.0% in the third year, 1.5% in the fourth year, 2.3% in the fifth year and 3.0% in the sixth year. Within five trading days after the expiration of the convertible bonds issued, the Bank will redeem all unconverted bonds at the price of 109% of the face value of the convertible bonds issued (including the last annual interest). Convertible bonds holders may, within the period from the first trading day subsequent to six months after the end of the issuance to the maturity date of the convertible bonds (hereinafter referred to as the "conversion period"), which is 30 June 2022 to 26 December 2027 (in case of statutory holidays or weekends, the conversion period is extended to the next first weekday; interest paid during the deferred period will not be calculated separately), convert the convertible bonds held into ordinary shares of the Bank according to the agreed clauses.

The initial conversion price is RMB25.51 per share. After the issuance, if the Bank changes its shares due to the issuance of share dividends, conversion of share capital, additional issuance of new shares or allotment of shares (excluding the increase of share capital resulting from the conversion of convertible bonds issued) and distributes cash dividends, the Bank will adjust the conversion price according to the offering terms in accordance with the principles of equity, justice and fairness and the principle of fully protecting the rights and interests of the convertible bond holders. On 16 June 2022, the Bank adjusted the conversion price to RMB24.48 per share due to the 2021 A-shares ordinary share profit distribution. On 19 June 2023, the Bank adjusted the conversion price to RMB23.29 per share due to the 2022 A-shares ordinary share profit distribution. On 9 July 2024, the Bank adjusted the conversion price to RMB22.25 per share due to the 2023 A-shares ordinary share profit distribution. On 20 June 2025, the Bank adjusted the conversion price to RMB21.19 per share due to the 2024 A-shares ordinary share profit distribution.

The convertible bonds include conditional redemption clauses: during the conversion period, if the closing price of the Bank's A-share stocks for at least 15 trading days in any 30 consecutive trading days is not less than 130% (including 130%) of the current conversion price, the Bank has the right to redeem all or part of the unconverted convertible bonds at the price of the bond's face value plus accrued interest. If a conversion price adjustment occurs due to ex-rights or ex-dividends within the aforementioned 30 trading days, on trading days before adjustment, it is calculated according to the conversion price and the closing price before adjustment. On subsequent trading days, it is calculated based on the conversion price and the closing price after adjustment. In addition, when the total par value of the unconverted convertible bonds issued is less than RMB30 million, the Bank has the right to redeem all the unconverted convertible bonds at the face value plus the interest accrued in the current period.

As of 31 December 2025, a total of RMB8,647.999 million of convertible bonds have been converted into A-share ordinary shares of the Bank, with a cumulative number of 388,664,445 shares.

Equity and liability components of the convertible bonds issued by the Group and the Bank are allocated as follows:

	Liability components	Equity components	Total
		(Note VII, 28)	
Issuing amounts of convertible corporate bonds	46,837	3,163	50,000
Direct trading fees	(75)	(5)	(80)
Balance at the issue date	46,762	3,158	49,920
Accumulated amortisation	4,246	–	4,246
Accumulated conversion of shares	(3)	–	(3)
As of January 1 2025	51,005	3,158	54,163
Amortisation	976	–	976
Conversion of shares	(8,942)	(546)	(9,488)
As of December 31 2025	43,039	2,612	45,651

- (11) In June 2023, China Industrial Futures Limited, a subsidiary of China Industrial International Trust Limited, the Group's subsidiary, issued RMB225 million 6-year fixed-rate long-term subordinated bonds with annual interest rate of 4.80%.
- (12) In December 2023, China Industrial Asset Management Co., Ltd., a subsidiary of China Industrial International Trust Limited, the Group's subsidiary, issued RMB1 billion 3-year fixed rate corporate bond with annual interest rate of 3.24%. In April 2024, it issued RMB1.5 billion 3-year fixed rate corporate bond with annual interest rate of 2.65%. In August 2024, it issued RMB0.6 billion 3-year fixed rate corporate bond with annual interest rate of 2.10%. In January 2025, it issued RMB0.5 billion 3-year fixed rate corporate bond with annual interest rate of 1.99%. In March 2025, it issued RMB0.4 billion 3-year fixed rate corporate bond with annual interest rate of 2.23%.
- (13) In February 2023, CIIT Asset Management Co., Ltd., a subsidiary of China Industrial International Trust Limited, the Group's subsidiary, issued RMB500 million 3-year fixed-rate corporate bond with annual interest rate of 4.50%. In April 2023, it issued RMB2,000 million 3-year fixed-rate corporate bond with annual interest rate of 3.57%. In June 2023, it issued RMB1,500 million 3-year fixed-rate corporate bond with annual interest rate of 3.41%. In September 2023, it issued RMB1,600 million 3-year fixed-rate corporate bond with annual interest rate of 3.41%. In November 2023, it issued RMB1,000 million 3-year fixed-rate corporate bond with annual interest rate of 3.49%. In March 2024, it issued RMB1,900 million 3-year fixed-rate corporate bond with annual interest rate of 2.70%. As at 31 December 2025, the Bank holds "23 CIIT 01", "23 CIIT 02", "23 CIIT 03", "23 CIIT 04", "23 CIIT 05", and "24 CIIT 01", issued by CIIT Asset Management Co., Ltd., of RMB100 million, RMB600 million, RMB450 million, RMB480 million, RMB300 million, and RMB570 million, respectively.
- (14) In August 2025, China Industrial Asset Management Co., Ltd., a subsidiary of China Industrial International Trust Limited, the Group's subsidiary, issued RMB0.5 billion and RMB0.6 billion in super short-term financial notes, with annual interest rates of 1.65% for both.
- (15) China Industrial Asset Management Co., Ltd., a subsidiary of China Industrial International Trust Limited, the Group's subsidiary, issued RMB500 million of 3-year fixed-rate medium-term notes in March 2023 with an annual interest rate of 3.58%; it issued RMB500 million of 3-year fixed-rate medium-term notes in March 2024 with an annual interest rate of 2.77%; it issued RMB1,000 million of 2-year fixed-rate medium-term notes in June 2024 with an annual interest rate of 2.20%; it issued RMB500 million of 3-year fixed-rate medium-term notes in March 2025 with an annual interest rate of 2.29%.

## 25. Lease liabilities

	The Group		The Bank	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Due within 1 year	2,481	2,933	2,499	2,528
1 – 5 years	5,643	5,911	5,814	5,853
Due over 5 years	1,093	1,080	799	967
Closing balance of undiscounted lease liabilities	9,217	9,924	9,112	9,348
Lease liabilities	8,702	9,304	8,591	8,720

## 26. Other liabilities

	The Group		The Bank	
	2025	2024	2025	2024
Continuing involvement liabilities (Note XII, 3.1)	8,277	9,081	7,425	9,081
Items in the process of clearance and settlement	18,384	16,075	4,158	5,536
Other accounts payable	9,987	12,175	6,007	8,399
Advance collection of financial leasing funds	239	279	–	–
Notes payable	2,119	5,335	–	–
Contract liabilities	577	567	577	567
Deferred income	1,310	699	849	534
Others	649	947	579	852
Total	41,542	45,158	19,595	24,969

## 27. Share capital

	The Group and the Bank		
	1 January 2025	Change for the period	31 December 2025
Shares without limited sales restrictions RMB ordinary shares (A shares)	20,774	389	21,163
Shares with limited sales restrictions RMB ordinary shares (A shares)	–	–	–
Total shares	20,774	389	21,163

As at 31 December 2025, the share capital of the Bank is RMB21,163 million (31 December 2024: RMB20,774 million) with par value of RMB1 per share.

## 28. Other equity instruments

	Note	The Group and the Bank	
		31 December 2025	31 December 2024
Equity components of convertible corporate bonds	28.1	2,612	3,158
Preference shares	28.2	–	55,842
Perpetual bonds	28.3	80,000	59,960
Total		82,612	118,960

28.1 As of 31 December 2025, the equity components of convertible corporate bonds issued by the Bank are RMB2,612 million (as of 31 December 2024: RMB3,158 million), and detail refers to Note VII, 24 (10).

### 28.2 Preference shares

Changes in outstanding preferred shares are as follows:

	1 January 2025		Additional/Less		31 December 2025	
	Quantity	Book value	Quantity	Book value	Quantity	Book value
	Million	in millions of RMB	Million	in millions of RMB	Million	in millions of RMB
Issuing Preference Shares						
Preference shares	560	55,842	(560)	(55,842)	–	–

The Bank issued the “Announcement on the Full Redemption and Delisting of Preferred Shares” on June 25, 2025. On July 1, 2025, the Bank made full payment of the par value and the dividends accrued from January 1, 2025, to June 30, 2025, for the Tranche 3 Preferred Shares to the shareholders registered with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited (hereinafter referred to as “CSDC Shanghai Branch”) as of June 30, 2025. The total amount paid was RMB57.171 billion, redeeming all of the Bank’s issued Tranche 3 Preferred Shares. According to the data provided by CSDC Shanghai Branch, the Tranche 3 Preferred Shares were cancelled on July 1, 2025. The redemption and delisting of the Bank’s Tranche 3 Preferred Shares have been completed.

### 28.3 Perpetual bonds

Outstanding financial instrument	Issue Date	Classification	Rate	Issue price	Quantity	Amount	Maturity date
				RMB/Unit	million	in millions of RMB	
Issuing Perpetual bonds							
24 CIB Perpetual Bonds 01	April 2024	Equity instrument	Note 1	100	300	30,000	N/A
25 CIB Perpetual Bonds 01BC	April 2025	Equity instrument	Note 2	100	300	30,000	N/A
25 CIB Perpetual Bonds 02BC	September 2025	Equity instrument	Note 3	100	200	20,000	N/A



Note 1: Approved by the relevant regulators, the Bank issued the Non-fixed-term Capital Bonds of Industrial Bank Co., Ltd. (24 CIB Perpetual Bonds 01) in the national inter-bank bond market on 22 April 2024. The Bank completed book building and the issuance of the 24 CIB Perpetual Bonds 01 on 22 April 2024 and 24 April 2024, respectively. 24 CIB Perpetual Bonds 01 have a par value of RMB100 per unit and a coupon rate of 2.39% for the first five years. The coupon rate will be adjusted every five years, and the issuer shall have a conditional redemption right on every dividend payment date from the fifth year onwards. Proceeds from the issuance of 24 CIB Perpetual Bonds 01 will be used to replenish Additional tier 1 capital of the Bank in accordance with the applicable laws and the approval of the competent authorities.

Note 2: Approved by the relevant regulators, the Bank issued the Non-fixed-term Capital Bonds of Industrial Bank Co., Ltd. (25 CIB Perpetual Bonds 01BC) in the national inter-bank bond market on 22 April 2025. The Bank completed book building and the issuance of the 25 CIB Perpetual Bonds 01BC on 22 April 2025 and 24 April 2025, respectively. 25 CIB Perpetual Bonds 01BC have a par value of RMB100 per unit and a coupon rate of 2.09% for the first five years. The coupon rate will be adjusted every five years, and the issuer shall have a conditional redemption right on every dividend payment date from the fifth year onwards. Proceeds from the issuance of 25 CIB Perpetual Bonds 01BC will be used to replenish Additional tier 1 capital of the Bank in accordance with the applicable laws and the approval of the competent authorities.

Note 3: Approved by the relevant regulators, the Bank issued the Non-fixed-term Capital Bonds of Industrial Bank Co., Ltd. (25 CIB Perpetual Bonds 02BC) in the national inter-bank bond market on 9 September 2025. The Bank completed book building and the issuance of the 25 CIB Perpetual Bonds 02BC on 9 September 2025 and 11 September 2025, respectively. 25 CIB Perpetual Bonds 02BC have a par value of RMB100 per unit and a coupon rate of 2.24% for the first five years. The coupon rate will be adjusted every five years, and the issuer shall have a conditional redemption right on every dividend payment date from the fifth year onwards. Proceeds from the issuance of 25 CIB Perpetual Bonds 02BC will be used to replenish Additional tier 1 capital of the Bank in accordance with the applicable laws and the approval of the competent authorities.

(i) The principal terms of disclosure

Aforementioned three tranches of Bonds will keep continuing so long as the Bank's business continues operating. Both Bonds set conditional redemption rights for the issuer. Specifically, from the fifth anniversary since the issuance, the Bank can redeem the Bonds, in whole or in part, on each dividend payment date (including the fifth dividend payment date since the issuance).

The coupon rate of aforementioned three tranches of Bonds will be adjusted at defined intervals, with an adjustment period every five years from the payment due date. The dividend shall be paid at the same agreed rate in each adjustment period of coupon rate. The coupon rate at the time of issuance is determined by book keeping and centralised allotment.

The claims in respect of the Bonds will be subordinated to the claims of depositors, general creditors, and subordinated debts that rank senior to the Bonds; and will rank in priority to all classes of shares held by the Bank's shareholders and rank pari passu with the claims in respect of additional tier 1 capital instruments of the Bank that rank pari passu with the Bonds.

If a Non-Viability Trigger Event occurs, the Bank has the right to write off, in whole or in part, the principal amount of the Bonds without the need for the consent of the Bondholders. The amount of the write-off shall be determined by the ratio of the outstanding principal amount of the Bonds to the aggregate outstanding principal amount of all additional tier 1 capital instruments under the identical trigger event. The occurrence of a Non-Viability Trigger Event refers to the earlier of the following two scenarios: 1. The National Financial Regulatory Administration determines that the issuer will be unable to survive without a write-down; 2. Relevant authorities determine that the issuer will be unable to survive without public sector capital injection or support of equivalent effect. The portion subject to write-down is non-recoverable.

The dividends on the Bonds are non-cumulative, any dividends unpaid to the Bondholders in full by the Bank will not accumulate or compound to the subsequent distribution period. The Bank has the right to cancel, in whole or in part, dividends on the Bonds and any such cancellation shall not constitute an event of default.

According to the applicable laws and approval of the competent authorities, the net proceeds from the issuance of the Bonds after deducting issuance costs will be used to replenish the additional tier 1 capital of the Bank.

○  
Important Notice

○  
Message from  
Chairman

○  
Message from  
President

○  
Definition

○  
Company  
Profile

○  
Financial  
Highlights

(ii) Changes in outstanding perpetual bonds are as follows:

	The Group and the Bank	
	Quantity	Book value
	Million	in millions of RMB
As of January 1 2025	600	59,960
Additional	500	50,000
Less	(300)	(29,960)
As of December 31 2025	800	80,000

In October 2020, the bank issued the Non-fixed-term Capital Bonds of Industrial Bank Co., Ltd. (20 CIB Perpetual Bonds 01), with an issuance amount of RMB30 billion, and published the announcement titled "Announcement on the Completion of Non-fixed-term Capital Bonds Issuance by Industrial Bank Co., Ltd." dated October 16, 2020. According to the relevant terms stipulated in the offering memorandum of this bond issue, this bond is subject to a conditional redemption right by the issuer, and the bank has the right to fully or partially redeem this bond on the fifth interest payment date, which is October 15, 2025. On October 15, 2025, the bank exercised its redemption right and fully redeemed this perpetual bond, and published the announcement titled "Announcement on Redemption of the 2020 Non-fixed-term Capital Bonds by Industrial Bank Co., Ltd." dated October 16, 2025.

As at 31 December 2025, the bank's outstanding perpetual bonds and convertible bonds not yet converted into equity have collectively supplemented Tier 1 capital by RMB82.612 billion.

#### 28.4 Attribution to holders of equity instrument:

	The Group	
	2025	2024
Equities attributable to shareholders of the Bank	901,716	881,908
Equities attributable to ordinary shareholders of the Bank	821,716	766,106
Equities attributable to shareholders of other equity instruments of the Bank	80,000	115,802
Equity attributable to non-controlling shareholders	11,930	11,703
Equity attributable to non-controlling ordinary shareholders	9,930	9,709
Equity attributable to non-controlling shareholders of other equity instruments	2,000	1,994



## 29. Capital reserve

	The Group				The Bank			
	1 January 2025	Increase	Decrease	31 December 2025	1 January 2025	Increase	Decrease	31 December 2025
Share premium	74,856	9,099	(1,391)	82,564	75,202	9,099	(1,386)	82,915
Others	(123)	1	(2)	(124)	(117)	-	-	(117)
Total	74,733	9,100	(1,393)	82,440	75,085	9,099	(1,386)	82,798

## 30. Surplus reserve

	The Group and the Bank	
	2025	2024
Statutory surplus reserve	10,581	10,387
Discretionary surplus reserve	297	297
Total	10,878	10,684

Under relevant PRC law, the Bank is required to transfer 10% of its net profit to a non-distributable statutory surplus reserve. Appropriation to the statutory surplus reserve may cease when the balance of this reserve has reached 50% of share capital. This year, the bank has allocated RMB194 million for the statutory surplus reserve. As of 31 December 2025, the statutory surplus reserve of the bank has reached 50% of the share capital.

## 31. General reserve

	The Group		The Bank	
	2025	2024	2025	2024
General reserve	134,490	125,365	123,514	115,054

Pursuant to (Cai Jin [2012] No.20) Measures on General Provision for Bad and Doubtful Debts for Financial Institutions promulgated by the MOF, the Bank is required to transfer a certain percentage of its net profit to establish and maintain a general reserve within shareholders' equity, through the appropriation of profit to address unidentified potential impairment losses. In principle, the general reserve, accounted as profit distribution, should not be lower than 1.5% of the closing balance of gross risk-bearing assets since it is a part of shareholders' equity. Gross risk-bearing assets include Loans and advances to customers, Debt investments, Other debt investments, Other equity investments, Long-term equity investments, Deposits with banks and other financial institutions, Placements with banks and other financial institutions, Foreclosed assets and Other receivables and so forth. The subsidiaries of the Bank determine the general reserve according to the regulation.

## 32. Retained earnings

	The Group		The Bank	
	2025	2024	2025	2024
Opening balance	525,831	479,690	487,115	446,515
Net profit	77,469	77,205	71,611	70,948
Appropriations to surplus reserve	(194)	–	(194)	–
Appropriations to general reserve	(9,125)	(5,247)	(8,460)	(4,531)
Dividends distribution of ordinary shares	(22,433)	(21,605)	(22,433)	(21,605)
Dividends distribution of preference shares	(2,597)	(2,793)	(2,597)	(2,793)
Interest expense of perpetual bonds	(2,136)	(1,419)	(2,136)	(1,419)
Other comprehensive income transferred to retained earnings	(203)	–	(203)	–
Closing balance	566,612	525,831	522,703	487,115

32.1 “2025 Profit Distribution Proposal of the Bank” approved by the Board of Directors on 26 March 2025 and will be submitted for approval by the annual general meeting is as follows:

- (i) Appropriation of RMB8,460 million to general reserve. As at 31 December 2025, the proposed appropriation of general reserve has been included in the general reserve.
- (ii) Distribute cash dividends of RMB5.01 per 10 shares (tax inclusive) on the basis of ordinary shares of the Bank on the record date for implementation of the profit appropriation.

The above profit distribution plan has not been approved by the Annual General Meeting of the Bank. The accounting treatment of dividend distribution scheme before the approval is not carried out.

32.2 “2025 Interim Profit Distribution Proposal of the Bank” approved by the Board of Directors on 30 October 2025 and approved by the annual general meeting on 20 January 2026 is as follows:

- (i) Appropriation of RMB194 million to statutory surplus reserve. As at 31 December 2025, the proposed appropriation of statutory surplus reserve has been included in the statutory surplus reserve.
- (ii) Distribute cash dividends of RMB5.65 per 10 shares (tax inclusive) on the basis of ordinary shares of the Bank on the record date for implementation of the profit appropriation. As at 31 December 2025, the accounting treatment of dividend distribution scheme is not carried out.

32.3 “2024 Profit Distribution Proposal of the Bank” approved by the Board of Directors on 27 March 2025 and approved by the annual general meeting on 29 May 2025 is as follows:

- (i) Appropriation of RMB4,531 million to general reserve. As at 31 December 2024, the proposed appropriation of general reserve has been included in the general reserve.
- (ii) The Bank has issued a total of 560 million preference shares (Xing Ye You 1, Xing Ye You 2 and Xing Ye You 3) with a par value of RMB100 per share, interest payable in cash once a fiscal year. For the year ended 31 December 2024, the dividends payable of preference shares are RMB2,597 million (tax inclusive) in total.
- (iii) Distribute cash dividends of RMB10.60 per 10 shares (tax inclusive) on the basis of ordinary shares of the Bank on the record date for implementation of the profit appropriation.

### 32.4 Surplus reserve appropriated by subsidiaries

As at 31 December 2025, the balance of the Group’s retained earnings includes surplus reserve appropriated by subsidiaries amounting to RMB5,807 million (31 December 2024: RMB5,235 million).

## 33. Net interest income

	The Group		The Bank	
	2025	2024	2025	2024
Interest income				
Balances with Central Bank	5,110	5,346	5,110	5,346
Deposits with banks and other financial institutions	4,189	3,216	4,039	3,042
Placements with banks and other financial institutions	10,416	12,787	10,859	13,335
Financial assets purchased under resale agreements	2,937	4,877	2,900	4,849
Loans and advances to customers	210,538	236,155	200,114	223,729
Including: Corporate	126,617	133,769	126,704	133,916
Personal	81,008	98,382	70,497	85,809
Discounted bills	2,913	4,004	2,913	4,004
Bonds and other investment	74,613	76,218	73,286	74,813
Finance lease receivables	4,419	5,048	–	–
Others	184	188	18	17
Subtotal	312,406	343,835	296,326	325,131
Interest expense:				
Borrowing from Central Bank	(1,510)	(4,998)	(1,510)	(4,998)
Deposits from banks and other financial institutions	(33,726)	(45,146)	(33,864)	(45,301)
Placements from banks and other financial institutions	(6,822)	(9,183)	(4,100)	(5,790)
Financial assets sold under repurchase agreements	(3,414)	(2,620)	(3,270)	(2,319)
Deposits from customers	(93,959)	(103,728)	(93,979)	(103,750)
Debt securities issued	(23,840)	(29,618)	(23,033)	(28,715)
Others	(383)	(435)	(240)	(192)
Subtotal	(163,654)	(195,728)	(159,996)	(191,065)
Net interest income	148,752	148,107	136,330	134,066

### 34. Net fee and commission income

	The Group		The Bank	
	2025	2024	2025	2024
Fee and commission income				
Bank card fee	8,750	10,171	8,750	10,171
Custody and other fiduciary fee	9,203	7,830	4,730	3,393
Agency fee	5,315	5,253	5,311	5,079
Settlement and clearing fee	3,026	2,860	3,026	2,860
Guarantee and commitment fee	1,217	1,238	1,217	1,238
Others	3,345	2,496	2,579	1,901
Subtotal	30,856	29,848	25,613	24,642
Fee and commission expense	(4,965)	(5,752)	(4,668)	(4,774)
Net fee and commission income	25,891	24,096	20,945	19,868

### 35. Investment income

	The Group		The Bank	
	2025	2024	2025	2024
Trading assets	22,668	30,351	20,912	28,076
Debt investments	6,171	4,498	6,139	4,498
Other debt investments	885	258	851	258
Gains from long-term equity investments under the equity method	51	151	37	66
Other equity investments	41	37	41	37
Trading liabilities	41	(999)	41	(999)
Dividends declared by subsidiaries	–	–	871	745
Derivative financial instruments	(90)	(1,028)	(114)	(1,151)
Precious metals and related financial instruments	(3,971)	1,215	(3,971)	1,215
Others	1,523	1,719	1,511	1,708
Total	27,319	36,202	26,318	34,453

### 36. Gains (losses) from changes in fair values

	The Group		The Bank	
	2025	2024	2025	2024
Trading assets	1,614	6,138	2,218	7,051
Trading liabilities	(442)	(172)	(442)	(172)
Precious metals and related financial instruments	(3,846)	1,238	(3,846)	1,238
Derivative financial instruments and others	11,053	(3,982)	11,053	(3,982)
Total	8,379	3,222	8,983	4,135

### 37. Taxes and surcharges

	The Group		The Bank	
	2025	2024	2025	2024
City maintenance and construction tax	982	1,050	889	958
Education surcharge	685	721	622	658
Others	611	458	417	378
Total	2,278	2,229	1,928	1,994

### 38. General and administrative expenses

	The Group		The Bank	
	2025	2024	2025	2024
Employee benefits	38,909	38,048	35,040	34,248
Lease expenses	140	130	182	169
Depreciation and amortisation	6,854	6,842	6,303	6,262
Others	16,388	17,183	16,586	17,320
Total	62,291	62,203	58,111	57,999

### 39. Credit impairment losses

	The Group		The Bank	
	2025	2024	2025	2024
Loans and advances to customers	53,866	51,613	47,905	44,269
Debt investments	2,109	7,842	2,208	7,938
Other debt investments	(277)	871	(296)	871
Finance lease receivables	(451)	(239)	–	–
Impairment loss for off-balance-sheet assets	1,234	115	1,234	115
Others	1,016	(22)	977	(60)
Total	57,497	60,180	52,028	53,133

### 40. Income tax expenses

	The Group		The Bank	
	2025	2024	2025	2024
Current income tax	16,648	19,675	12,946	16,510
Deferred income tax	(4,521)	(10,939)	(3,080)	(9,613)
Adjustment for prior years	(8)	893	2	889
Total	12,119	9,629	9,868	7,786

The income tax expense of the Group and the Bank can be reconciled to the profit as follows:

	The Group		The Bank	
	2025	2024	2025	2024
Accounting profit	89,973	87,120	81,479	78,734
Tax calculated at applicable statutory tax rate of 25%	22,493	21,780	20,370	19,684
Adjustments on income tax:				
Income not taxable for tax purpose	(11,109)	(13,073)	(11,013)	(13,000)
Expenses not deductible for tax purpose	743	29	509	213
Adjustment for prior years	(8)	893	2	889
Total	12,119	9,629	9,868	7,786



## 41. Other comprehensive income

	The Group							
	1 January 2025	Year ended 31 December 2025						31 December 2025
		Amount incurred before income tax	Other comprehensive income transferred to profit and loss	Income tax expense	Attributable to shareholders of the Bank after tax	Non-controlling interests after tax	Other comprehensive income transferred to retained earnings	
Other comprehensive income that will not be subsequently classified to profit and loss								
Including: Actuarial profits (losses) on defined benefit plans	1,522	533	-	-	533	-	-	2,055
Fair value changes of other equity investments	(66)	3	-	(51)	(48)	-	203	89
Subtotal	1,456	536	-	(51)	485	-	203	2,144
Other comprehensive income that may be subsequently classified to profit and loss								
Including: Fair value changes of other debt investments (Note 1)	1,611	(1,486)	(1,736)	805	(2,413)	(4)	-	(802)
Credit losses on other debt investments (Note 2)	2,468	1,422	(1,963)	135	(410)	4	-	2,058
Translation differences of financial statements denominated in foreign currencies	26	(9)	-	-	(9)	-	-	17
Other comprehensive income under equity method that can be reclassified into profit and loss	-	104	-	-	104	-	-	104
Subtotal	4,105	31	(3,699)	940	(2,728)	-	-	1,377
Total	5,561	567	(3,699)	889	(2,243)	-	203	3,521

	The Bank					
	1 January 2025	Year ended 31 December 2025				31 December 2025
		Amount incurred before income tax	Other comprehensive income transferred to profit and loss	Other comprehensive Income transferred to retained earnings	Income tax expense	
Other comprehensive income that will not be subsequently classified to profit and loss						
Including: Actuarial profits (losses) on defined benefit plans	1,522	533	-	-	-	2,055
Fair value changes of other equity investments	(158)	3	-	203	(51)	(3)
Subtotal	1,364	536	-	203	(51)	2,052
Other comprehensive income that may be subsequently classified to profit and loss						
Including: Fair value changes of other debt investments (Note 1)	1,495	(1,307)	(1,791)	-	774	(829)
Credit losses on other debt investments (Note 2)	2,436	1,404	(1,964)	-	140	2,016
Other comprehensive income under equity method that can be reclassified into profit and loss	-	104	-	-	-	104
Subtotal	3,931	201	(3,755)	-	914	1,291
Total	5,295	737	(3,755)	203	863	3,343

Note 1: Fair value changes of other debt investments include changes in fair value of other debt investments in financial investments and issued loans and advances measured at fair value through other comprehensive income.

Note 2: Provision for credit impairments of other debt investments includes provision for impairments of other debt investments in financial investments and issued loans and advances measured at fair value through other comprehensive income.

## 42. Earnings per share

### 42.1 Basic earnings per share

	The Group	
	2025	2024
Current net profit attributable to equity shareholders of the Bank	77,469	77,205
Less: Current net profit attributable to preferred shareholders of the Bank	(2,597)	(2,793)
Less: Current net profit attributable to perpetual bonds of the Bank	(2,136)	(1,419)
Current net profit attributable to ordinary shareholders of the Bank	72,736	72,993
Weighted average ordinary shares issued by the Bank (shares in million)	21,001	20,774
Basic earnings per share (RMB)	3.46	3.51

When calculating the earnings per share, the declared dividends for preference shares and interest expense of perpetual bonds were not included in the current net profit attributable to ordinary shareholders.

### 42.2 Diluted earnings per share

	The Group	
	2025	2024
Current net profit attributable to ordinary shareholders of the Bank	72,736	72,993
Add: Current interest charges on convertible corporate bonds (after tax)	1,188	1,300
Current net profit for calculating diluted earnings per share	73,924	74,293
Weighted average ordinary shares issued by the Bank (shares in million)	21,001	20,774
Add: Weighted average of all convertible corporate bond converted into ordinary shares (shares in million)	2,020	2,247
Weighted average of current ordinary shares for calculating diluted earnings per share (shares in million)	23,021	23,021
Diluted earnings per share (RMB)	3.21	3.23

The conversion characteristic of preference shares and convertible bonds enables the existence or ownership of ordinary shares to be issued. As at 31 December 2025, the bank has redeemed all preferred shares. As at 31 December 2024, there was no triggering event for the conversion of shares, and the conversion characteristics of preference shares had no impact on the calculation of the basic and diluted earnings per share for the above period.

## 43. Supplementary information to the cash flow statement

### 43.1 Reconciliation of net profit to cash flows from operating activities

	The Group		The Bank	
	2025	2024	2025	2024
Reconciliation of net profit to cash flows from operating activities				
Net profit	77,854	77,491	71,611	70,948
Add: Allowance for impairment losses on assets	57,622	60,189	52,150	53,144
Depreciation of fixed assets	3,423	3,253	2,499	2,501
Amortisation of intangible assets	310	268	263	263
Depreciation of right-of-use assets	2,770	2,919	2,718	2,691
Amortisation of unrecognised financing fee	286	305	264	279
Amortisation of long-term prepaid expenses	605	605	559	528
Gains from disposal of fixed assets, intangible assets and other long-term assets	(66)	(114)	(64)	(114)
Interest income of bonds and other investments	(74,613)	(76,218)	(73,286)	(74,813)
Interest income of impaired financial assets	(1,140)	(982)	(1,095)	(982)
Gains from changes in fair value	(8,379)	(3,222)	(8,983)	(4,135)
Investment income	(27,319)	(36,202)	(26,318)	(34,453)
Interest expense for debt securities issued	23,840	29,618	23,033	28,715
Increase in deferred tax assets	(4,547)	(11,005)	(3,160)	(9,613)
(Decrease) increase in deferred tax liabilities	(27)	(29)	80	–
Increase in receivables of operating activities	(271,123)	(289,077)	(332,426)	(261,352)
Increase (decrease) in payables of operating activities	874,160	4,943	874,400	(17,569)
Net cash flow generated from (used in) operating activities	653,656	(237,258)	582,245	(243,962)
Net changes in cash and cash equivalents				
Closing balance of cash and cash equivalents	787,973	512,603	770,175	500,211
Less: Opening balance of cash and cash equivalents	512,603	531,277	500,211	529,372
Net increase (decrease) of cash and cash equivalents	275,370	(18,674)	269,964	(29,161)

#### 43.2 Composition of cash and cash equivalents

Cash and cash equivalents stated in consolidated cash flow statement and cash flow statement comprise:

	The Group		The Bank	
	2025	2024	2025	2024
Cash on hand	4,910	4,919	4,898	4,880
Balances with Central Bank that can be withdrawn on demand	72,902	65,268	72,902	65,267
Original maturity less than three months:				
Deposits with banks and other financial institutions	196,063	104,342	180,996	97,727
Placements with banks and other financial institutions	64,287	98,957	64,287	98,577
Financial assets purchased under resale agreements	332,347	177,085	329,627	171,728
Investments	117,464	62,032	117,465	62,032
Closing balance of cash and cash equivalents	787,973	512,603	770,175	500,211

#### 43.3 Significant activities not involving cash receipts and payments

	The Group and the Bank	
	2025	2024
Conversion of convertible corporate bonds into equity	8,942	1

### 44. Post-employment compensation

#### 44.1 Defined contribution plans

The Group participates in the endowment insurance, unemployment insurance plans established by the government and the annuity plan established by the Group. According to these plans, the employees' salaries are paid to the plans proportionally each month. Except for the expenses above, the Group undertakes no further payment duties. Certain expenses are charged in profit or loss of the period.

Expenses recognised in profit or loss for the period:

	The Group		The Bank	
	2025	2024	2025	2024
Defined contribution plans	4,207	3,883	3,883	3,633

Amount of payable at the period-end:

	The Group		The Bank	
	2025	2024	2025	2024
Defined contribution plans	113	129	67	85

#### 44.2 Defined benefit plans

The Group offers complementary retiring benefit plans to employees who were already employed when the annuity plan was established. The Group estimates the present value by actuary means based on expected cumulative benefits unit method. The project estimates the future cash outflow based on rate of inflation and rate of death, and recognises its present value by discount rate. Discount rate is measured by the corresponding yield of the treasury bond which matches the period of defined benefit plans and currency on balance sheet date. The Group recognises assets of this plan based on actuary results, related actuarial gains or losses recognised into other comprehensive income. Past service costs will be charged in profit or loss in the period of revising the plans. The interest net value is recognised by net liabilities or assets of the defined benefit plans multiplied by appropriate discount rate.

The impact of the defined benefit plan this year offset expenses by RMB0.052 billion, actuarial gains were recorded in other comprehensive income amounting to RMB0.533 billion. Net assets of defined benefit plans increased by RMB0.585 billion for the period, and the balance at the end of the period is RMB2.335 billion, which represents the net amount of the present value of the defined benefit plan obligations and the fair value of the defined benefit plan assets, included in other assets (Note VII, 15).

As at 31 December 2025, the average benefit obligation period of the Group's defined benefit plans was about 5 to 6 years (31 December 2024: about 5 to 6 years).

Defined benefit plan makes the Group face actuarial risks that include interest rate risk and longevity risk. The decrease in the yield of government bonds will lead to an increase in the present value of defined benefit plan obligations. The present value of defined benefit plan obligations is calculated based on the best estimate of the mortality rate of the employees participating in the scheme, and the increase in life expectancy will lead to an increase in plan liabilities.

Discount rate and mortality rate are the key actuarial factors in determining the present value of the defined benefit plan obligations. The discount rate is 1.75% as at 31 December 2025 (31 December 2024: 1.50%). Mortality assumptions are based on Male Pension Service Form and Female Pension Service Form of China Experience Life Table of Life Insurance (2010 – 2013) released by Chinese Insurance Regulatory Commission. The male workers who retire at the age of 60 and female workers who retire at the age of 55 are expected to have an average residual life of 25.34 years and 34.03 years respectively.



The following sensitivity analysis is based on the corresponding hypothesis with reasonable possible changes at the end of the reporting period (assuming all other assumptions remain unchanged):

If the discount rate increases (decreases) by 25 basis points, then the present value of defined benefit plan obligations will decrease (increase) by RMB25 million.

As part of hypotheses may have correlations and a hypothesis cannot be changed in an isolated way, the sensitivity analysis may not reflect the actual changes in the fair value of the defined benefit plan obligations.

In the aforesaid sensitivity analysis, the calculation method for determining the defined benefit plan obligations is the same as the recognition of the relevant liabilities in the balance sheet at the end of the reporting period.

Compared with the previous year, the method for sensitivity analysis and the hypothesis didn't change.

## 45. Structured entities

### Consolidated structured entities

The structured entities included in the Group's consolidation scope comprise certain trust plans, asset management plans, funds, and asset securitization products initiated, managed and/or invested by the Group. As the Group has power over these structured entities, participates in relevant activities to enjoy variable returns, and has the ability to use its power over the investees to influence their variable returns, the Group is deemed to have control over these structured entities. As of 2025, the Group did not provide financial support to structured entities within the consolidation scope (2024: Nil).

### Unconsolidated structured entities

#### 45.1 Structured entities sponsored by third-party institutions in which the Group holds an interest

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

The following table sets out an analysis of the carrying amounts and the maximum risk exposure of interests held by the Group as at 31 December 2025 and 31 December 2024 in the structured entities sponsored by third-party institutions:

	The Group					Type of income
	2025					
	Trading assets	Debt investments	Other debt investments	Carrying amount	Maximum risk exposure (Note)	
Funds	588,315	–	–	588,315	588,315	Investment income
Trust plans	13,436	361,413	296	375,145	375,145	Investment income, interest income
Asset management plans	1,036	31,424	–	32,460	32,460	Investment income, interest income
Asset-backed securities	3,603	40,390	46,344	90,337	90,337	Investment income, interest income
Wealth management products	2,028	–	–	2,028	2,028	Investment income
<b>Total</b>	<b>608,418</b>	<b>433,227</b>	<b>46,640</b>	<b>1,088,285</b>	<b>1,088,285</b>	

	2024					Type of income
	Trading assets	Debt investments	Other debt investments	Carrying amount	Maximum risk exposure (Note)	
Funds	550,198	–	–	550,198	550,198	Investment income
Trust plans	9,513	325,201	240	334,954	334,954	Investment income, interest income
Asset management plans	137,094	71,080	–	208,174	208,174	Investment income, interest income
Asset-backed securities	1,696	69,493	44,571	115,760	115,760	Investment income, interest income
Wealth management products	2,114	–	–	2,114	2,114	Investment income
<b>Total</b>	<b>700,615</b>	<b>465,774</b>	<b>44,811</b>	<b>1,211,200</b>	<b>1,211,200</b>	

Note: Maximum risk exposure to funds, trust plans, asset management plans, asset-backed securities and wealth management products is the amortised cost or fair value at the reporting date as recognised in the balance sheet.



#### 45.2 Structured entities sponsored by the Group which the Group did not consolidate but held an interest

The structured entities which are not consolidated and set up by the Group consist primarily of wealth management products, trust plans, funds, asset management plans and asset-backed securities, etc.. The nature and purpose of these structured entities are to manage investors' assets and collect management fees. These structured entities generally finance the purchase of assets by issuing units of the products. Interest held by the Group includes direct investments in these structured entities and fees charged by providing management services.

As at 31 December 2025 and 31 December 2024, unconsolidated structured entities sponsored by the Group are set out as below:

	The Group	
	2025	2024
Wealth management products	2,431,161	2,177,582
Trust plans	742,922	320,626
Funds	440,593	334,238
Asset-backed securities	64,917	59,143
Asset management plans	61,808	69,782
Total	3,741,401	2,961,371

As at 31 December 2025, the commission income earned from offering management services to the investors of these structured entities by the Group is RMB6,540 million (As at 31 December 2024: RMB4,391 million).

#### 45.3 Unconsolidated structured entities sponsored by the Group during the year in which the Group does not have an interest on 31 December 2025

Unconsolidated structured entities sponsored by the Group after 1 January 2025 but matured before 31 December 2025 in which the Group does not have an interest were mainly the non-principal-guaranteed wealth management products.

The aggregated amount of the non-principal-guaranteed wealth management products sponsored and issued by the Group after 1 January 2025 but matured before 31 December 2025 was RMB107,295 million (The aggregated amount of the non-principal-guaranteed wealth management products sponsored and issued by the Group after 1 January 2024 but matured before 31 December 2024 was RMB119,455 million). As at 31 December 2025, the amount of fee and commission income received from such category of non-principal-guaranteed wealth management products by the Group was RMB16 million (As at 31 December 2024: RMB23 million).

## VIII. Segment reporting

Senior management of the Group evaluates the operations of the Group in accordance with the economic areas of the respective branches and subsidiaries. Each branch serves its local customers and a few customers in other regions. The Group does not deeply depend on one single external customer. Through the review of internal reports, the management of the Group conducts performance evaluations and determines the allocation of resources. Segment reporting is presented in a manner consistent with the Group's internal management and reports. Segment accounting policies are consistent with the accounting policies of the consolidated financial statements. Inter-segment transfer transactions are measured at the actual transaction prices.

The definition of the regional segments of this Group is as follows:

- Head Office refers to the head office and its operating units;
- Pearl River Delta and West Coast Region refers to the regions where the following first-tier branches are located: Guangzhou, Shenzhen, Fuzhou, Xiamen, Ningde, Putian, Quanzhou, Zhangzhou, Longyan, Sanming, and Nanping;
- Yangtze River Delta Region refers to the regions where the following first-tier branches are located: Shanghai, Nanjing, Suzhou, Hangzhou, and Ningbo;
- Bohai Rim Region refers to the regions where the following first-tier branches are located: Beijing, Tianjin, Shijiazhuang, Dalian, Jinan, and Qingdao;
- Central region refers to the regions where the following first-tier branches are located: Changsha, Wuhan, Zhengzhou, Taiyuan, Hefei, Nanchang, and Haikou;
- Northeast region refers to the regions where the following first-tier branches are located: Harbin, Changchun, and Shenyang;
- Western region refers to the regions where the following first-tier branches are located: Chongqing, Chengdu, Xi'an, Kunming, Urumqi, Nanning, Hohhot, Guiyang, Lanzhou, Xining, Yinchuan, and Lhasa;
- Overseas refers to the Hong Kong branch;
- Subsidiaries refer to the wholly-owned and controlled subsidiaries of this Group, see Note VI, 1.



	The Group										
	2025										
	Head office	Pearl River Delta and West Coast Region	Yangtze River Delta Region	Bohai Rim Region	Central region	Northeast region	Western Region	Overseas	Subsidiaries	Eliminations	Total
Operating income	72,758	24,363	33,090	20,734	17,100	3,201	16,989	4,336	20,170	-	212,741
Net interest income	30,131	22,403	31,072	17,123	15,472	2,952	15,369	2,160	12,070	-	148,752
Including: Net inter-segment interest (expense) income	(33,346)	9,498	8,567	13,517	2,952	1,796	(2,366)	(1,011)	393	-	-
Net fee and commission income	14,859	1,264	909	1,361	979	116	854	621	4,928	-	25,891
Other income	27,768	696	1,109	2,250	649	133	766	1,555	3,172	-	38,098
Operating expenses	(34,557)	(20,329)	(17,243)	(14,078)	(10,155)	(1,781)	(9,590)	(880)	(14,180)	-	(122,793)
Operating profit	38,201	4,034	15,847	6,656	6,945	1,420	7,399	3,456	5,990	-	89,948
Add: Non-operating income	65	91	51	35	33	8	21	1	31	-	336
Less: Non-operating expenses	(174)	(16)	(24)	(12)	(23)	(14)	(21)	(9)	(18)	-	(311)
Total profit	38,092	4,109	15,874	6,679	6,955	1,414	7,399	3,448	6,003	-	89,973
Less: Income tax expenses	-	-	-	-	-	-	-	-	-	-	(12,119)
Net profit	-	-	-	-	-	-	-	-	-	-	77,854
Segment assets	5,121,603	1,750,453	1,869,116	1,437,696	910,486	210,983	870,741	273,046	310,776	(1,733,366)	11,021,534
Including: Investment in an associate	3,570	-	-	-	-	-	-	-	135	-	3,705
Undistributed assets	-	-	-	-	-	-	-	-	-	-	72,722
Total assets	-	-	-	-	-	-	-	-	-	-	11,094,256
Segment liabilities	4,440,776	1,743,795	1,851,598	1,427,722	903,607	209,545	863,696	270,719	202,314	(1,733,366)	10,180,406
Undistributed liabilities	-	-	-	-	-	-	-	-	-	-	204
Total liabilities	-	-	-	-	-	-	-	-	-	-	10,180,610
Supplemental information	-	-	-	-	-	-	-	-	-	-	-
Credit commitments	560,536	318,791	319,057	240,180	252,260	50,186	221,391	34,238	-	-	1,996,639
Depreciation and amortisation	1,386	1,030	1,093	956	701	250	796	91	551	-	6,854
Capital expenditures	1,159	6,943	214	266	158	123	549	4	4,037	-	13,453

Important Notice

Message from  
ChairmanMessage from  
President

Definition

Company  
ProfileFinancial  
Highlights

	The Group										Total
	2024										
	Head office	Pearl River Delta and West Coast Region	Yangtze River Delta Region	Bohai Rim Region	Central region	Northeast region	Western Region	Overseas	Subsidiaries	Eliminations	
Operating income	79,699	23,293	30,302	19,005	16,318	3,060	16,477	2,962	21,210	-	212,226
Net interest income	32,514	21,625	29,121	17,410	14,722	2,907	14,960	1,120	13,828	-	148,107
Including: Net inter-segment interest (expense) income	(31,650)	7,734	8,737	15,561	2,958	1,747	(3,315)	(1,247)	(625)	-	-
Net fee and commission income	14,312	1,291	553	1,255	988	87	884	520	4,196	-	24,096
Other income	32,773	477	628	340	608	66	623	1,322	3,186	-	40,023
Operating expenses	(41,411)	(20,959)	(17,267)	(9,327)	(8,637)	(2,476)	(8,381)	(646)	(15,745)	-	(125,029)
Operating profit	38,188	2,354	13,035	9,678	7,481	584	8,096	2,316	5,465	-	87,197
Add: Non-operating income	80	34	25	15	29	7	37	4	58	-	289
Less: Non-operating expenses	(158)	(54)	(14)	(27)	(14)	(56)	(30)	-	(13)	-	(666)
Total profit	38,110	2,334	13,046	9,666	7,496	535	8,103	2,320	5,510	-	87,120
Less: Income tax expenses											(9,629)
Net profit											77,491
Segment assets	4,659,956	1,698,569	1,880,590	1,459,165	900,569	197,089	823,467	239,927	300,118	(1,718,811)	10,440,639
Including: Investment in an associate	3,445	-	-	-	-	-	-	-	472	-	3,917
Undistributed assets											67,259
Total assets											10,507,898
Segment liabilities	3,970,306	1,695,413	1,862,887	1,449,136	893,060	196,519	815,345	239,061	211,220	(1,718,811)	9,614,136
Undistributed liabilities											151
Total liabilities											9,614,287
Supplemental information											
Credit commitments	537,681	271,454	256,490	227,625	224,979	43,175	200,928	14,590	-	-	1,776,922
Depreciation and amortisation	1,241	1,031	1,117	965	825	732	263	87	561	-	6,842
Capital expenditures	1,037	598	360	234	251	279	192	8	698	-	3,657

## IX. Related party relationship and transactions

### 1. Related party relationship

The Group

Related parties with no controlling interest

#### 1.1 Shareholders holding more than 5% (inclusive) of the Bank's shares

Name	Economic nature	Place of registration	Principal activities	Registered capital (RMB hundred million)	
				2025/12/31	2024/12/31
The Finance Bureau of Fujian Province	Legal entity of government agencies	Fuzhou	Administration of Fujian provincial fiscal and tax policy	N/A	N/A
Fujian Financial Investment Co., Ltd.	Limited Company	Fuzhou	Investment management	1,000.00	1,000.00
PICC Property and Casualty Company Limited	Incorporated Company	Beijing	Insurance services	222.43	222.43
PICC Life Insurance Company Limited	Incorporated Company	Beijing	Insurance services	257.61	257.61
China National Tobacco Corporation	Owned by the whole people	Beijing	Production, and sales of tobacco products	570.00	570.00
China National Tobacco Fujian Corporation	Owned by the whole people	Fuzhou	Sales of tobacco products	1.37	1.37
China Tobacco Hunan Investment Management Company	Limited Company	Changsha	Investment management	2.00	2.00
The People's Insurance Company (Group) of China Limited	Incorporated Company	Beijing	Investment management and insurance services	442.24	442.24
China National Tobacco Guangdong Corporation	Owned by the whole people	Guangzhou	Production, and sales of tobacco products	1.40	1.40
Fujian Sanhua Color Printing Co., Ltd.	Limited Company	Longyan	Trademark, advertisement and other printed matter production	0.12	0.12

Number of shares held by Shareholders holding more than 5% (inclusive) of the Bank's shares:

Name	31 December 2025		31 December 2024	
	Shares	Proportion	Shares	Proportion
	Million shares	(%)	Million shares	(%)
The Finance Bureau of Fujian Province (1)	842	3.98	453	2.18
Fujian Financial Investment Co., Ltd. (1)	3,512	16.59	3,512	16.91
PICC Life Insurance Company Limited (2)	1,276	6.03	1,276	6.14
PICC Property and Casualty Company Limited (2)	1,229	5.81	1,229	5.91
China National Tobacco Corporation (3)	1,110	5.25	1,110	5.34
China National Tobacco Fujian Corporation (3)	574	2.71	574	2.76
China Tobacco Hunan Investment Management Company (3)	227	1.07	227	1.09
The People's Insurance Company (Group) of China Limited (2)	174	0.83	174	0.84
China National Tobacco Guangdong Corporation (3)	99	0.47	99	0.48
Fujian Sanhua Color Printing Co., Ltd. (3)	46	0.22	46	0.22
<b>Total</b>	<b>9,089</b>	<b>42.96</b>	<b>8,700</b>	<b>41.87</b>

Note: (1) As of 31 December 2025, the aggregate proportion of the Finance Bureau of Fujian Province and its wholly-owned subsidiary Fujian Financial Investment Co., Ltd. was 20.57%. On May 14, 2025 and May 27, 2025, the Fujian Provincial Department of Finance converted a total of 86,436,760 "CIB Convertible Bonds" held by it into 388,479,819 shares of CIB's A-shares through the SSE trading system.

(2) As of 31 December 2025, PICC Property and Casualty Company Limited and PICC Life Insurance Company Limited are both subsidiaries of The People's Insurance Company (Group) of China Limited. The aggregate proportion is 12.66%.

(3) As of 31 December 2025, Fujian Company of China National Tobacco Corporation, China Tobacco Hunan Investment Management Co., Ltd., Guangdong Company of China National Tobacco Corporation and Fujian Sanhua Color Printing Co., Ltd. are subsidiaries of China National Tobacco Corporation. The aggregate proportion is 9.71%.



## 1.2 Other major shareholders of the Bank

Name	Economic nature	Place of registration	Principal activities	Registered capital (RMB hundred million)	
				2025/12/31	2024/12/31
Fujian Provincial Port Group Co., Ltd. (4)	Limited Company	Fuzhou	Port terminal infrastructure construction and operation	100.00	100.00
Fujian Provincial Communication Transportation Group Co., Ltd. (4)	Limited Company	Fuzhou	Transportation	35.20	32.20
Xiamen Port Holding Group Co., Ltd. (4)	Limited Company	Xiamen	Port facility services	31.00	31.00
Fuzhou Port Group Co., Ltd. (4)	Limited Company	Fuzhou	Marina facility services	12.04	12.04
Fujian Shipping Company (4)	Limited Company	Fuzhou	Water transport and foreign trade	8.00	8.00
Fujian Investment and Development Group Co., Ltd. (5)	Limited Company	Fuzhou	Industrial investment and development	100.00	100.00
Fujian Huaxing Group Co., Ltd. (5)	Limited Company	Fuzhou	State-owned asset management and operations	27.30	27.30
Ruizhong Life Insurance Co., Ltd. (6)	Limited Company	Beijing	Insurance services	565.00	565.00
Dajia Insurance Group Co., Ltd. (7)	Limited Company	Beijing	Insurance services	307.90	307.90

- (4) The supervisor appointed by Fujian Port Group Co., Ltd. to this bank has resigned on December 26, 2025. According to the "Administrative Measures for Information Disclosure of Listed Companies", as of the end of this report period, Fujian Port Group Co., Ltd. and its affiliated enterprises still constitute related parties of this bank but do not constitute major shareholders of this bank. Xiamen Port Holding Group Co., Ltd. and Fujian Provincial Communication Transportation Group Co., Ltd. are subsidiaries of Fujian Provincial Port Group Co., Ltd.. Fuzhou Port Group Co., Ltd. and Fujian Shipping Company are subsidiaries of Fujian Provincial Communication Transportation Group Co., Ltd.. The above companies have a total shareholding ratio of less than 5%.
- (5) On 20 June 2024, the Annual General Meeting passed a resolution that Fujian Investment and Development Group Co., Ltd. appointed supervisor to the Bank, which can exercise significant influence over the Bank and constitute a related party of the Bank. Fujian Huaxing Group Co., Ltd. is a subsidiary of Fujian Investment and Development Group Co., Ltd., with a total shareholding ratio of less than 5%.
- (6) On 20 June 2024, the Annual General Meeting passed a resolution that Huaxia Life Insurance Co., Ltd. appointed supervisor to the Bank, which can exercise significant influence over the Bank and constitute a related party of the Bank, with a total shareholding ratio of less than 5%. On 20 August 2024, Huaxia Life Insurance Co., Ltd. transferred its equity holdings in the Bank to Ruizhong Life Insurance Co., Ltd..
- (7) On May 29, 2025, the Annual General Meeting passed a resolution that Dajia Insurance Group Co., Ltd. appointed supervisor to the Bank, which can exert significant influence over the Bank and and constitute a related party of the Bank, with a total shareholding ratio of less than 5%.

○  
Important Notice

○  
Message from  
Chairman

○  
Message from  
President

○  
Definition

○  
Company  
Profile

○  
Financial  
Highlights

### 1.3 The major shareholders' related parties which have credit-related transactions with the Group

Credit-related transactions: refer to the provision of financial support by a banking institution to related parties, or the guarantee of compensation and payment obligations that may arise from related parties' economic activities, including loans (including trade finance), acceptance and discounting of bills, overdrafts, bond investments, investment in special purpose vehicles, establishment of letters of credit, factoring, guarantees, letters of guarantee, loan commitments, securities repurchases, loan at call, and other on-balance-sheet and off-balance-sheet businesses in which the banking institution essentially bears credit risk.

(a) Fujian Financial Investment Co., Ltd. and its related parties

- Huafu Securities Co., Ltd.
- Huafu Securities Asset Management Co., Ltd.
- Fujian Financial Investment Co., Ltd.
- Ningbo Yongyu New Energy Co., Ltd.
- Zhejiang Shuqimeng Electric Power Technology Co., Ltd.
- Peixian Hongri Photovoltaic Co., Ltd.
- Huafu International (Hong Kong) Financial Holdings Limited

(b) The People's Insurance Company (Group) of China Limited and its related parties

- PICC Property and Casualty Company Limited
- China Securities Credit Investment Co., Ltd.

(c) China National Tobacco Corporation and its related parties

- Yunnan Anjin Expressway Development Co., Ltd.
- Guangxi China Tobacco Industrial Co., Ltd.
- Guizhou China Tobacco Industrial Co., Ltd.
- Fuzhou Branch of Fujian Tobacco Company
- Xiamen Xiang'an Xinghaisheng Real Estate Development Co., Ltd.
- Inner Mongolia Shanghaitemple Mining Co., Ltd.
- Zunyi Daxing Compound Fertilizer Co., Ltd.
- Zhong Wei Xin Sheng Real Estate Development (Fujian) Co., Ltd.
- Yunnan Honghe Investment Co., Ltd.
- Hongta Securities Co., Ltd.
- Fujian Xinye Investment Management Group Co., Ltd.
- Shanxi Tobacco Industry Co., Ltd.
- Hunan Baisha Transportation Co., Ltd.
- Ningde Branch of Fujian Tobacco Company
- Beijing China Tobacco Information Technology Co., Ltd.
- Yunnan Hongta Bank Co., Ltd.



- (d) Fujian Provincial Port Group Co., Ltd. and its related parties
- Fujian Port Group Co., Ltd.
  - Fuqing Xiaocuo Port Development Co., Ltd.
  - Xiamen Port Trading Co., Ltd.
  - Xiamen FTZ Electronic Port Co., Ltd.
  - Zhangzhou Longwen Changyun Public Transport Co., Ltd.
  - Xiamen Port Wine Co., Ltd.
  - Xiamen Port Ecological Agriculture Co., Ltd.
  - Fujian Sugar, Wine and Side Products Co., Ltd.
  - Xiamen Xinlibase Co., Ltd.
  - Shaowu Minyun Passenger Station Co., Ltd., Fujian
  - Xiamen Port YapChweeHock Logistics Co., Ltd.
  - Fuzhou Minyun Public Transport Co., Ltd.
  - Fujian Jiangyin International Container Terminal Co., Ltd.
  - Xiamen FTZ Port Power Co., Ltd.
  - Fujian Hongyuan Environment Resources Co., Ltd.
  - Fuzhou Port Group Co., Ltd.
  - Bafang Logistics (Putian) Co., Ltd.
  - Xiamen Port Engineering Co., Ltd.
  - Lianjiang Minyun Public Transport Co., Ltd.
  - Xiamen Hailong Overseas Labor Cooperation Co., Ltd.
  - Fujian Cross-Border E-commerce Co., Ltd.
  - Zhangzhou Xiangcheng Changyun Public Transport Co., Ltd.
  - Pingtan Comprehensive Bonded Logistics Co., Ltd.
  - Fujian Shipping Group Co., Ltd.
  - Fujian Transportation and Logistics Group Co., Ltd.
  - Xiamen Port Holding Group Co., Ltd.
  - Shanghai Haiheng Industry Co., Ltd.
  - Fuzhou Development Zone Lu Gang Asphalt Co., Ltd.
  - Fujian Materials Xiamen Storage & Trading Co., Ltd.
  - Xiamen Port Haiheng Industry Co., Ltd.
  - Fujian Galaxy Garden Hotel Co., Ltd.
  - Fujian Southeast Multimodal Transport Co., Ltd.
  - Xiamen Port Business Information Co., Ltd.
  - Xiamen Haixin International Intermodal Hub Co., Ltd.

(e) Fujian Investment and Development Group Co., Ltd. and its related parties

- Fujian Mintou Power Distribution Co., Ltd.
- Fujian Strait Financial Leasing Co., Ltd.
- Zhongmin Energy Co., Ltd.
- Nanping Mintou Power Distribution Co., Ltd.
- Fujian Yongtai Mintou Pumped Storage Co., Ltd.
- Fujian Investment and Development Group Co., Ltd.
- CNOOC Fujian New Energy Co., Ltd.
- Min Xin Holdings Limited
- Industrial Securities Co., Ltd.
- China Southeast Copper Co., Ltd.
- Xiamen King Long United Automotive Industry Co., Ltd.
- Fujian Huaxing Group Co., Ltd.
- Fujian Zhao'an Mintou Photovoltaic Power Generation Co., Ltd.
- Xiamen Haihua Electric Power Technology Co., Ltd.
- Fujian Provincial Financing Guarantee Co., Ltd.

(f) Ruizhong Life Insurance Co., Ltd. and its related parties

- Fosun International Limited
- Jiangsu Hualan New Pharmaceutical Material Co., Ltd.
- Powerchina Road Bridge Group Co., Ltd.
- Longyuan Power Group Co., Ltd.

#### 1.4 Associates

Details of general information and related information of associates are set out in Note VII, 9.

#### 1.5 Other related parties

Other related parties include legal or non-legal entities over which the bank has significant influence, and legal or non-legal entities that are significantly influenced by legal or non-legal entities controlled by the bank, key management personnel (director, supervisor, senior management of head office) and their close families, as well as other enterprises over which the key management personnel or their close families have control, common control or act as board of directors or senior management.

## 2. Related party transactions

The conditions and prices of related party transactions between the Group and the Bank are determined according to the Group's contract, and are examined and approved in accordance with the transaction type and content of transaction by corresponding decision-making authority.



## 2.1 Interest income

Related party	2025	2024
Fujian Provincial Port Group Co., Ltd. and its related parties	118	532
Ruizhong Life Insurance Co., Ltd. and its related parties	88	88
Associates	65	75
Fujian Investment and Development Group Co., Ltd. and its related parties	56	84
Xiamen International Bank Co., Ltd.	44	11
Fujian Financial Investment Co., Ltd. and its related parties	38	5
China Tobacco and its related parties	30	58
Dajia Insurance Group Co., Ltd.	10	N/A
Others	63	11
Total	512	864
Proportion in amount of related similar transactions	0.16%	0.25%

## 2.2 Interest expense

Related party	2025	2024
China Tobacco and its related parties	2,934	2,693
The People's Insurance Company (Group) of China Limited and its related parties	674	356
Fujian Investment and Development Group Co., Ltd. and its related parties	396	140
Fujian Financial Investment Co., Ltd. and its related parties	210	264
Dajia Insurance Group Co., Ltd.	59	N/A
Xiamen International Bank Co., Ltd.	26	1
Fujian Provincial Port Group Co., Ltd. and its related parties	15	25
Associates	12	20
Others	7	17
Total	4,333	3,516
Proportion in amount of related similar transactions	2.65%	1.80%

○  
Important Notice

○  
Message from  
Chairman

○  
Message from  
President

○  
Definition

○  
Company  
Profile

○  
Financial  
Highlights

### 2.3 Investment income

Related party	2025	2024
Fujian Provincial Port Group Co., Ltd. and its related parties	120	2
Fujian Financial Investment Co., Ltd. and its related parties	69	3
Xiamen International Bank Co., Ltd.	59	2
Fujian Investment and Development Group Co., Ltd. and its related parties	51	22
The People's Insurance Company (Group) of China Limited and its related parties	29	–
Associates	20	–
China Tobacco and its related parties	20	4
Ruizhong Life Insurance Co., Ltd. and its related parties	16	–
Total	384	33
Proportion in amount of related similar transactions	1.41%	0.09%

### 2.4 Fee and commission income

Related party	2025	2024
Fujian Financial Investment Co., Ltd. and its related parties	299	225
The People's Insurance Company (Group) of China Limited and its related parties	151	208
Dajia Insurance Group Co., Ltd.	24	N/A
Ruizhong Life Insurance Co., Ltd. and its related parties	16	5
Others	14	6
Total	504	444
Proportion in amount of related similar transactions	1.63%	1.49%



## 2.5 Fees and commission expense

Related party	2025	2024
Fujian Financial Investment Co., Ltd. and its related parties	134	138
The People's Insurance Company (Group) of China Limited and its related parties	44	78
Others	16	29
Total	194	245
Proportion in amount of related similar transactions	3.91%	4.26%

## 2.6 General and administrative expenses-insurance

Related party	2025	2024
The People's Insurance Company (Group) of China Limited and its related parties	725	701
Proportion in amount of related similar transactions	1.16%	1.13%

In 2025, the Bank was paid RMB1.3976 million in compensation from PICC Property and Casualty Company Limited (2024: RMB1.4142 million).

## 2.7 General and administrative expenses-property rent

Related party	2025	2024
Fujian Investment and Development Group Co., Ltd. and its related parties	97	–
Fujian Provincial Port Group Co., Ltd. and its related parties	22	6
Others	13	43
Total	132	49
Proportion in amount of related similar transactions	0.21%	0.08%


  
Important Notice


  
Message from  
Chairman


  
Message from  
President


  
Definition


  
Company  
Profile


  
Financial  
Highlights

## 2.8 Other operating income

Related party	2025	2024
Fujian Financial Investment Co., Ltd. and its related parties	18	46
Others	1	1
Total	19	47
Proportion in amount of related similar transactions	2.19%	9.34%

## 2.9 Non-operating income

Related party	2025	2024
Fujian Financial Investment Co., Ltd. and its related parties	–	10
Total	–	10
Proportion in amount of related similar transactions	0.00%	3.46%

2.10 During the period, the Group directly transferred non-performing credit assets to related parties, with a related loan amount of RMB810.23 million; the Group's subsidiary directly purchased non-performing credit assets from related parties, with a related loan amount of RMB120.48 million.

## 3. Unsettled amount of related party transactions

### 3.1 Deposits with banks and other financial institutions

Related party	2025	2024
China Tobacco and its related parties	2,000	–
Xiamen International Bank Co., Ltd.	96	58
Fujian Financial Investment Co., Ltd. and its related parties	23	10
Fujian Investment and Development Group Co., Ltd. and its related parties	12	–
Total	2,131	68
Proportion in amount of related similar transactions	1.06%	0.06%

## 3.2 Placements with banks and other financial institutions

Related party	2025	2024
Xiamen International Bank Co., Ltd.	914	–
China Tobacco and its related parties	–	300
Total	914	300
Proportion in amount of related similar transactions	0.22%	0.08%

## 3.3 Financial assets purchased under resale agreements

Related party	2025	2024
China Tobacco and its related parties	–	400
Total	–	400
Proportion in amount of related similar transactions	0.00%	0.23%

## 3.4 Derivative financial instruments

Related party	Transaction type	31 December 2025		
		Notional amount	Fair value	
			Derivative financial assets	Derivative financial liabilities
Xiamen International Bank Co., Ltd.	Exchange rate derivatives	–	–	–
Xiamen International Bank Co., Ltd.	Interest rate derivatives	7,830	101	(60)
Total		7,830	101	(60)
Proportion in amount of related similar transactions			0.23%	0.08%

Related party	Transaction type	31 December 2024		
		Notional amount	Fair value	
			Derivative financial assets	Derivative financial liabilities
Xiamen International Bank Co., Ltd.	Exchange rate derivatives	2,411	49	(40)
Xiamen International Bank Co., Ltd.	Interest rate derivatives	13,180	231	(96)
Total		15,591	280	(136)
Proportion in amount of related similar transactions			0.40%	0.18%



Important Notice

Message from  
Chairman

Message from  
President

Definition

Company  
Profile

Financial  
Highlights

### 3.5 Loans and advances to customers

Related party	2025	2024
Ruizhong Life Insurance Co., Ltd. and its related parties	2,012	1,834
Associates	1,796	3,442
Fujian Investment and Development Group Co., Ltd. and its related parties	1,489	3,084
Fujian Provincial Port Group Co., Ltd. and its related parties	1,203	983
China Tobacco and its related parties	562	457
Fujian Financial Investment Co., Ltd. and its related parties	227	–
Others	1,949	502
Total	9,238	10,302
Proportion in amount of related similar transactions	0.16%	0.18%

### 3.6 Trading assets

Related party	2025	2024
Fujian Financial Investment Co., Ltd. and its related parties	780	288
Fujian Provincial Port Group Co., Ltd. and its related parties	560	195
China Tobacco and its related parties	–	204
Xiamen International Bank Co., Ltd.	–	145
Fujian Investment and Development Group Co., Ltd. and its related parties	–	136
Ruizhong Life Insurance Co., Ltd. and its related parties	–	30
Total	1,340	998
Proportion in amount of related similar transactions	0.14%	0.11%

## 3.7 Debt investments

Related party	2025	2024
Fujian Financial Investment Co., Ltd. and its related parties	3,564	637
Fujian Provincial Port Group Co., Ltd. and its related parties	2,418	3,418
Fujian Investment and Development Group Co., Ltd. and its related parties	1,000	–
Xiamen International Bank Co., Ltd.	700	190
Ruizhong Life Insurance Co., Ltd. and its related parties	600	200
China Tobacco and its related parties	490	–
Associates	380	–
Total	9,152	4,445
Proportion in amount of related similar transactions	0.59%	0.23%

## 3.8 Other debt investments

Related party	2025	2024
Xiamen International Bank Co., Ltd.	4,060	1,597
Fujian Provincial Port Group Co., Ltd. and its related parties	640	254
Fujian Investment and Development Group Co., Ltd. and its related parties	454	105
China Tobacco and its related parties	450	428
Associates	198	1,083
Fujian Financial Investment Co., Ltd. and its related parties	191	151
The People's Insurance Company (Group) of China Limited and its related parties	–	506
Ruizhong Life Insurance Co., Ltd. and its related parties	–	7
Total	5,993	4,131
Proportion in amount of related similar transactions	0.87%	0.66%

## 3.9 Finance lease receivables

Related party	2025	2024
Ruizhong Life Insurance Co., Ltd. and its related parties	63	188
Others	–	64
Total	63	252
Proportion in amount of related similar transactions	0.05%	0.19%


  
Important Notice


  
Message from  
Chairman


  
Message from  
President


  
Definition


  
Company  
Profile


  
Financial  
Highlights

### 3.10 Deposits from banks and other financial institution

Related party	2025	2024
Fujian Investment and Development Group Co., Ltd. and its related parties	23,337	–
Fujian Financial Investment Co., Ltd. and its related parties	10,442	2,125
The People's Insurance Company (Group) of China Limited and its related parties	1,636	172
Xiamen International Bank Co., Ltd.	879	836
Fujian Provincial Port Group Co., Ltd. and its related parties	600	187
China Tobacco and its related parties	247	72
Associates	24	1,116
Total	37,165	4,508
Proportion in amount of related similar transactions	1.66%	0.25%

### 3.11 Deposits from customers

Related party	2025	2024
China Tobacco and its related parties	147,011	73,242
Fujian Investment and Development Group Co., Ltd. and its related parties	6,670	4,535
The Finance Bureau of Fujian Province	4,024	1,488
Fujian Financial Investment Co., Ltd. and its related parties	3,319	7,716
Fujian Provincial Port Group Co., Ltd. and its related parties	1,322	671
Dajia Insurance Group Co., Ltd.	1,104	N/A
Associates	561	549
Ruizhong Life Insurance Co., Ltd. and its related parties	180	64
The People's Insurance Company (Group) of China Limited and its related parties	23	14,841
Others	127	12
Total	164,341	103,118
Proportion in amount of related similar transactions	2.77%	1.86%



## 3.12 Right-of-use assets

Related party	2025	2024
China Tobacco and its related parties	62	87
Fujian Financial Investment Co., Ltd. and its related parties	1	2
Total	63	89
Proportion in amount of related similar transactions	0.73%	0.96%

## 3.13 Lease liabilities

Related party	2025	2024
China Tobacco and its related parties	68	96
Fujian Financial Investment Co., Ltd. and its related parties	1	2
Total	69	98
Proportion in amount of related similar transactions	0.79%	1.05%

## 3.14 Other accounts receivable

Related party	2025	2024
China Tobacco and its related parties	6	–
The People's Insurance Company (Group) of China Limited and its related parties	2	–
Dajia Insurance Group Co., Ltd.	1	N/A
Total	9	–
Proportion in amount of related similar transactions	0.03%	0.00%

## 3.15 Other accounts payable

Related party	2025	2024
China Tobacco and its related parties	–	5
Total	–	5
Proportion in amount of related similar transactions	0.00%	0.04%

### 3.16 Credit line

Related party	2025/12/31	2024/12/31
Fujian Investment and Development Group Co., Ltd. and its related parties	106,500	37,100
Fujian Financial Investment Co., Ltd. and its related parties	55,000	55,000
The People's Insurance Company (Group) of China Limited and its related parties	40,000	40,000
Fujian Provincial Port Group Co., Ltd. and its related parties	29,100	29,100
China Tobacco and its related parties	23,000	23,000
Xiamen International Bank Co., Ltd.	22,000	22,000
Total	275,600	206,200

For details of major credit-related transactions, please refer to the relevant resolutions of the board of directors publicly disclosed by the Bank.

### 3.17 Off-balance sheet items

#### Bank acceptances

Related party	2025	2024
Associates	497	694
China Tobacco and its related parties	259	631
Fujian Provincial Port Group Co., Ltd. and its related parties	147	134
Others	2	7
Total	905	1,466
Proportion in amount of related similar transactions	0.11%	0.19%

#### Letters of guarantee

Related party	2025	2024
Fujian Investment and Development Group Co., Ltd. and its related parties	549	139
Fujian Provincial Port Group Co., Ltd. and its related parties	45	58
China Tobacco and its related parties	25	29
Total	619	226
Proportion in amount of related similar transactions	0.44%	0.21%

## Letters of credit

Related party	2025	2024
Associates	1,271	1,153
Fujian Investment and Development Group Co., Ltd. and its related parties	489	–
Fujian Provincial Port Group Co., Ltd. and its related parties	237	–
China Tobacco and its related parties	71	70
Total	2,068	1,223
Proportion in amount of related similar transactions	0.51%	0.38%

## 4. Key management personnel remuneration

	2025	2024
Salary and welfare	19	16

## X. Contingencies and commitments

## 1. Pending litigations

As of the balance sheet date, the amount involved in pending litigation and arbitration cases in which the bank is a defendant or respondent is RMB2.306 billion. The bank has assessed that these pending litigations will not have a material adverse effect on its financial condition and operating results.

## 2. Off-balance sheet items

## Contractual amount

	The Group and the Bank	
	2025	2024
Bank acceptances	855,405	788,291
Credit card commitments	560,536	537,681
Letters of credit	401,658	321,788
Letters of guarantee	139,475	106,417
Irrevocable loan commitments	39,565	22,745
Total	1,996,639	1,776,922

### 3. Capital commitments

	Contractual amount of the Group		Contractual amount of the Bank	
	2025	2024	2025	2024
Authorised but not contracted for	6,441	4,533	6,441	4,533
Contracted but not paid for	1,866	4,659	1,853	4,650
	<b>8,307</b>	9,192	<b>8,294</b>	9,183

### 4. Collateral

#### Assets pledged

4.1 The carrying amount of assets pledged as collateral under repurchase agreements is as follows:

	The Group		The Bank	
	2025	2024	2025	2024
Bonds	368,138	261,110	299,234	208,454
Bills	1,083	9,768	1,083	9,768
Total	<b>369,221</b>	270,878	<b>300,317</b>	218,222

As at 31 December 2025, none of the bills purchased under resale agreements by the Group and the Bank were used to carry out the sold under repurchased business (31 December 2024: Nil).

Debt securities pledged as collateral for borrowings from Central Bank by the Group as at 31 December 2025 amounted to RMB122,598 million in total (31 December 2024: RMB107,709 million).

4.2 As at 31 December 2025, the Group and the Bank have no pledged bonds to credit derivative transactions (31 December 2024: Nil).

#### Collateral accepted

In the resale agreement, the Group can sell pledged assets or transfer them in other transactions when the counterparty is not in breach of the contract. As at 31 December 2025, the fair value of pledged assets available for sale or convertible is RMB20,928 million (31 December 2024: RMB11,372 million).

## 5. Redemption commitment of certificate treasury bonds and saving treasury bonds

The Group entrusted by the MOF as its agent issues certificate treasury bonds and saving treasury bonds. Holders of certificate treasury bonds and saving treasury bonds can require advance redemption, and the Group has the obligation to execute the redemption responsibility. Redemption amount for the certificate treasury bonds and saving treasury bonds includes principal and interest payable till redemption date.

As of 31 December 2025 and 31 December 2024, the cumulative principal balances of the certificate treasury bonds and saving treasury bonds which are issued by the Group under trust prior to maturity and have not been paid are as follows:

	The Group and the Bank	
	2025	2024
Certificate treasury bonds and saving treasury bonds	2,315	2,271

The Group believes the Group's redemption amount of these certificate treasury bonds and saving treasury bonds is not significant before their maturity.

## 6. Fiduciary Business

	The Group		The Bank	
	2025	2024	2025	2024
Fiduciary loans	89,144	109,710	89,144	109,710
Fiduciary funds	89,144	109,710	89,144	109,710
Fiduciary wealth management products	2,431,161	2,177,582	–	15,384

Fiduciary loans are loans in that depositors designated a specific third party as the loan party, and related credit risk of the loan is borne by depositors who designated borrowers.

Fiduciary wealth management refers to a kind of service that the entrusted Group is responsible for the operation and management of customer assets. The investment risk of fiduciary wealth management products is borne by the trustor.

## XI. Financial risk management

### 1. Overview

The Group is exposed to various types of risks due to its financing businesses including banking business. The Group identifies, assesses and monitors various risks on an ongoing basis. The most significant types of risk to which the Group is exposed are credit risk, market risk, liquidity risk and operation risk, country risk, interest rate risk in bank accounts, reputation risk, strategic risk, information technology risk, and money-laundering risk.

The Group's risk management objectives are to achieve a proper balance between risks and benefits and run business safely and prudently under a reasonable level of risk.

### 2. Risk management framework

Risk management is the basic safeguard for survival and development of commercial banks. The Group has taken risk management as one of its core competitiveness, formulated a development strategy focused on business operation as well as risk management, established pre-during-post events risk control system with a core of risk asset management, and improved the risk management and operation instructions for various businesses; completed the mechanism of risk responsibilities and punishment, implemented credit business operation responsibilities, formulated the administrative measures for deferred payment of performance-based remuneration for credit-related positions, enhanced risk constraints; including credit risk, market risk, liquidity risk, operational risk and other risks into the scope of risk management and continuously improve the risk management mechanism to wholly-owned and holding subsidiaries; further defined the specific responsibilities of board of directors, board of supervisors, senior management and operation executives in respect of risk management, formed a defined, clear and effective overall risk management system. In daily risk management work, the Group's business sector, risk management department and internal audit department build up the "three defences"; they perform their respective functions and work together to achieve the objective of risk management. The first line of defense includes operating units and business management departments, which are directly responsible for identifying, managing, and mitigating risks in their respective areas; the second line of defense comprises risk management functions at all levels, responsible for setting risk policies and standards, monitoring risk exposure, and supporting the first line through guidance and oversight. Key responsibilities include policy development,

risk analysis and reporting, supervision of the first line, and promotion of risk management tools and methodologies; the third line of defense is the internal audit department, which independently audits the effectiveness of risk management activities carried out by the first and second lines.

### 3. Credit risk

Credit risk represents the potential loss that may arise from a default by a debtor or counterparty, or a decline in their credit rating or abilities to perform obligations. Credit risk can also arise from operational failures that result in an unauthorised or inappropriate advance, commitment or investment of funds. The Group's major credit risks come from loans and advances (enterprises and personal credit loans), treasury operations (including debt investment) and off-balance-sheet-related credit risk exposures including guarantees and commitments. The Group manages and controls credit risk according to the following processes: customer investigation before granting of credit limits, credit review and approval and post-disbursement loan monitoring and collection.

The Group establish the risk management department, which is responsible for organising, implementing the credit risk management strategies and policies of the Group, and making basic rules for the Group risk management affairs. In addition, the department is also professionally managing, evaluating, guiding the general operation of the Group risk management together with inspecting and supervising the activities mentioned above. As the leading party, the risk management department formulates unified standards, responsible for the credit management on the whole. All the actions taken are to ensure the overall credit risk is under control. The Group set up risk management department and professional risk management desk in two major lines called enterprise financial line and investment banking and financial markets line. Each of the risk departments is responsible for the credit management in its own line or professional operating department, and it is also responsible for making detailed regulations and operating rules and approving projects within the approving authority. The Group also sets up several specialised committees such as Credit Approval Committee and Internal Accountability Committee. The first one is responsible for the examination and approval of the loans within the authority. The other one is responsible for determining and pursuing accountability related to credit-related businesses.

The Group has formulated a whole set of credit policies on approval process and management procedure, and implemented them throughout the Group. The credit management procedure for corporate and personal loans can be classified as credit investigation, credit examination, credit approval, credit disbursement, and post-disbursement monitoring and recovery process. In addition, the Group issued Due Diligence of Credit approval to clarify the duties of different positions, to effectively control the credit risk, and to strengthen compliance of credit business.



This Group formulates its annual credit policy in line with national strategies, economic trends, and operational goals, adopting a differentiated approach to support, manage, or reduce credit exposure as needed. Priority is given to high-quality clients in key sectors such as new infrastructure, advanced manufacturing, green industries, and emerging technologies. The Group actively promotes low-carbon development and green finance, while supporting consumer upgrades and rural revitalization. Through platforms, scenarios, and sandbox testing, the Group explores new business opportunities in alignment with the dual circulation strategy and inclusive, tech-driven finance.

In accordance with the 'Rules on Capital Management of Commercial Banks' and relevant guidance of NFRA, the Group has improved its internal customer rating system, continuously updated policies, optimized models and systems, and conducted a comprehensive and systematic assessment of various factors that may impact the future repayment ability of customers. The Group has disclosed and evaluated customers' credit risks and capabilities based on qualitative and quantitative analysis. Credit rating results become an important foundation to draw up credit service policies, adjust and optimise client structure, as well as identify credit service of individual customer. Meanwhile, the related results of internal rating have continuously entered into various risk management areas including authorisation management, customer access, limit management, economic capital measurement and asset impairment calculation. The Group has developed and launched a credit risk weighted assets ("CRWA") measurement system, enabling the calculation of CRWA in accordance with the internal ratings method. With the continued advancement of the new capital management regulations, the Group's capabilities in the identification, measurement, monitoring, and control of credit risk have been further enhanced.

The Group developed a Risk Management System (RMS), which includes modules for due diligence, credit limits, post-lending monitoring, and data management. The post-lending module leverages big data technologies to comprehensively collect and integrate internal and external risk information. Nearly 70 system-based early warning rules have been designed and implemented, enabling automated batch processing to generate early warning records, promptly identifying potential customer risks. The system supports graded push notifications of early warning records and facilitates proactive tracking, investigation, feedback, and adjustment, thereby significantly improving the timeliness and accuracy of risk alerts. The system provides data interfaces to connect with downstream approval and credit utilization systems, implementing hard controls based on early warning levels, ensuring that risk signals are effectively transmitted and applied at critical stages of the credit approval process.

To accurately and effectively assessed credit risk, Measures for the Risk Classification of Financial Assets of Industrial Bank Co., Ltd. have been established to make sure the Group adjusts financial asset risk classification according to real conditions of projects. In accordance with regulatory requirements, the Group performs risk classification on financial assets that bear credit risk on the balance sheet, including but not limited to loans, bonds, other investments, inter-bank assets, receivables, and others. For off-balance sheet items that bear credit risk, risk classification is carried out in accordance with the relevant requirements for on-balance sheet assets. Based on 5 levels classified by NFRA, the Group has classified its financial asset risks into 9 levels as level 1 (normal), level 2 (normal), level 3 (normal), level 1 (special mention), level 2 (special mention), level 3 (special mention), substandard, doubtful and loss. The Group has various management policies for each level.

Risks arising from credit commitments are similar to risks of loans and advances to customers in substance. Therefore, requirements for application, post-loan management and pledge and guarantees are the same as those in loans and advances to customers. According to substance-over-form principle, the Group includes the non-standard credit loans in the comprehensive risk management system and manages them by comparing to traditional loans. The Group provides uniform credit, carries out general control on risks, executes uniform credit policy nationwide, carries out whole-process responsibilities management by comparing to traditional loans, implements risk classification and provides risk reserves.

#### ECL measurement

#### *Stage of financial asset risks*

The Group adopted a three-stage ECL model for the impairment of financial assets. The model is summarised as follows:

- Financial assets that have not increased significantly since the initial recognition or have a low credit risk at the reporting date are included in stage 1, and the Group continuously monitors its credit risk;
- Financial assets that have a significant increase (excluding the low credit risk of such financial instruments at the reporting date), but without objective impairment evidence are included in stage 2. Criteria of the Group's significant increase in credit risk, see Significant increase in credit risk;

- Financial assets with objective evidence of impairment at the reporting date are included in stage 3. The Group's definition of credit impairment and default, see Definition of asset defaulted and credit-impaired;
- Financial assets classified in stage 1 make provisions for ECL caused by defaults that may occur within 12 months after the reporting date, and the financial assets classified in the stage 2 and 3 make provisions for the entire lifetime ECL; calculation of the interest income of financial assets classified in stage 1 and 2 is based on the total carrying value of the assets, and interest income of the financial assets classified in stage 3 is calculated based on the net amount after deducting provisions for credit losses. Inputs, assumptions and estimation techniques utilised in ECL measurement, see Measurement of ECL – Explanation of inputs, assumptions and estimation techniques;
- The Group takes into account forward-looking information when measuring ECLs. For a description of how the Group considers forward-looking information in the ECL model, please refer to Forward-looking information incorporated in the ECL model;
- Purchased or originated credit-impaired (POCI) financial assets refer to financial assets with credit impairment at initial recognition. Loss provision of these assets is lifetime ECLs.

The key judgements and assumptions adopted by the Group when measuring ECL are as follows:

#### *Significant increase in credit risk*

The Group identifies whether the credit risk has increased significantly by comparing default risk at the reporting date with the risk of default on the day of initial recognition. The Group considers that the credit risk of a Financial Instrument has increased significantly when one or more of the following quantitative, qualitative or cap criteria are triggered:

- Asset quality is classified as special-mentioned;
- The number of overdue days or days in arrears with interest exceeds 30 days;
- The absolute and relative levels of change in the probability of default exceed a certain range;

- Rating downgrade reaches a certain threshold;
- Other significant increases in credit risk.

The Group periodically reviews the applicability of the evaluation criteria to the current situation. During the Reporting Period, the Group further deepened the application of forward-looking information and improved the risk differentiation ability of the model. At the same time, the Group has established a strict stage upward migration mechanism, and the upgrading of corporate financial instruments from the third stage to the second stage should meet the requirements of the observation period, and the financial instruments of the third stage cannot be directly moved to the first stage.

#### *Definition of credit-impaired*

The Group carefully considers whether different standards represent client defaults. When a financial asset meets one or more of the following conditions, the Group recognises the financial asset as default, and the standard is consistent with the definition of the credit-impaired:

#### (1) Quantitative criteria:

- Payment overdue for more than 90 days;
- Classified as Substandard, Doubtful, or Loss according to the Group's asset quality classification guidelines;
- Internally rated at the Default level in credit rating.

#### (2) Qualitative criteria:

- Any loan to the debtor ceases to bear interest or accrue interest is included in the off-balance sheet accounting;
- After the occurrence of the credit relationship, due to the deterioration of the financial situation of the debtor, the Group wrote off the loan or made a certain proportion of loan loss provisions;
- The creditor provides concessions it would not normally grant, due to the debtor's financial difficulties and related economic or contractual considerations;
- The Group expects to sell the loans and bear a certain proportion of the losses based on the carrying amounts;
- The debtor is likely to go bankrupt or undergo other financial reorganization;



- Other objective evidence of impairment of financial assets as determined by the Group.

The occurrence of credit impairment losses on financial assets may result from the combined effect of multiple events, rather than from individually identifiable events alone.

*Measurement of ECL – Explanation of inputs, assumptions and estimation techniques*

According to whether there is a significant increase in credit risk and whether there is an impairment of assets, the Group measures the impairment loss for different financial assets according to its current risk stage with ECL of 12 months or the entire lifetime respectively. The expected credit losses taken by the Group are obtained by Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD), and discounted by discount factors. Definitions are as follows:

- PD refers to the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation;
- The exposure to default risk refers to the amount that the Group should be repaid in the event of default in the next 12 months or throughout the remaining period;
- LGD is the Group's estimation regarding the extent of the EAD.

The estimates for each risk parameter are as follows:

- Estimation of PD: For non-retail credit assets, the PD is obtained through the main benchmark mapping of internal rating and the macroeconomic forward-looking adjustment is applied to obtain the applicable PD; for retail credit assets, it is based on PD of division of pool, and the macroeconomic forward-looking adjustment is conducted to obtain the applicable PD; for bond assets, the PD is mapped to the main benchmark mainly through external rating, and the applicable PD is obtained through macroeconomic forward-looking adjustment; PD for the entire lifetime of more than 12 months is estimated by a 12M PD and a forward-looking adjustment factor;

- Estimation of EAD: The EAD of financial assets in the first and third stages is the amortised cost; the EAD of financial assets in the second stage is the amortised cost and the cash discount of capital recovered in the following years;

- Estimation of LGD: For non-retail credit assets, it uses the LGD after mitigation, and a macroeconomic forward-looking adjustment is made to obtain the LGD applicable under the new standard; for retail credit assets, it is based on LGD of division of pool, and a macroeconomic forward-looking adjustment is conducted to obtain the LGD applicable under the new standard; for the loss without historical data collection and write-off data assets, it is based on peer experience and regulatory factors, combined with expert's judgement.

The ECL is multiplied by the above estimated PD, EAD and LGD, and discounted to the reporting date. The discount rate used in the ECL calculation is the initial actual effective interest rate.

The Group monitors and reviews assumptions related to the calculation of ECL on a regular basis. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

*Risk portfolio*

When measuring expected credit losses on a portfolio basis, the Group has classified exposures with similar risk characteristics, with the main businesses being divided into non-retail business, bond business, retail business and credit card business. The Group groups the models according to similar risk characteristics, and the main reference indicators for the current grouping include national standard industries and product types. In grouping, the Group has obtained sufficient information to ensure its statistical reliability.

#### *Forward-looking information incorporated in the ECL model*

According to the different risk characteristics of assets, the Group divides assets into different risk groups, and collects external authoritative data and internal risk-related data for modelling within a reasonable cost and time range according to the risk characteristics of different risk groups.

During the reporting period, the Group expanded its macroeconomic index database to four categories: national economy, fiscal and monetary policy, price index and economic climate survey, fixed assets and real estate, and then formed macroeconomic indicator forecasts under multiple scenarios of “benchmark”, “optimistic”, “pessimistic”, “extremely optimistic” and “extremely pessimistic” through quantitative statistical modelling combined with expert judgment.

The Group fully considers the differentiated risk characteristics of different assets, differentiates asset classes and constructs quantitative models to obtain the relationship between macroeconomic indicators and systemic risk factors, and then transmits the estimation results of one-year default probability and default loss rate based on macroeconomic forecasts.

The macroeconomic information used by the Group includes macro indicators such as the year-on-year growth rate of GDP in the quarter, the cumulative year-on-year growth rate of fixed asset investment completion, the stock of social financing scale: the year-on-year and quarterly growth rates. Among them, the GDP forecast for the quarter is about 4.41% year-on-year under the 2025 baseline scenario, the optimistic scenario forecast is 0.50 percentage points higher than the benchmark, the pessimistic scenario forecast is 0.50 percentage points lower than the benchmark, and the extremely pessimistic scenario forecast is 0.86 percentage points lower than the benchmark.

By using the year-on-year growth rate of GDP for the current quarter as the core indicator, a measurement model was established, combining macro data analysis and expert judgment, the weights of optimism, benchmark, pessimism and extreme pessimism were determined. In 2025, the benchmark scenario accounted for the highest weight, the optimism and the pessimistic scenario accounted for the lowest weight percentages.

Expected credit loss is sensitive to the parameters used in the model, the macroeconomic variables of forward-looking forecasts, the weighting probability under multiple scenarios, and other factors considered in the application of expert judgment. Changes in these input parameters, assumptions, models, and judgments will have an impact on the significant increase in credit risk and the measurement of expected credit losses.

Assuming a 10% increase in the weight of the optimistic scenario and a 10% reduction in the weight of the benchmark scenario, the Group’s credit impairment provision decreased by less than 1.05% as at 31 December 2025; Assuming a 10% increase in the weight of the pessimistic scenario and a 10% decrease in the weight of the benchmark scenario, the Group’s credit impairment allowance increases by less than 1.42%; Assuming a 10% increase in the weight of the extreme pessimistic scenario and a 10% decrease in the weight of the benchmark scenario, the Group’s credit impairment allowance increases by less than 3.59%.

### 3.1 Concentration of credit risk

Concentration of credit risk exists when changes in geographic, economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is material in relation to the Group’s total exposures. The Group’s portfolio of financial instrument is diversified along geographic, industry and product sectors.

The Group mainly operates the lending and guarantee business in the PRC mainland only. Since there are different economic development characteristics in the different regions in China, the characteristics of credit risks are also different.

For the geographical and industrial concentration of the loans and advances to customers please refer to Note VII, 6.

### 3.2 Maximum exposure to credit risk

Despite any usable collateral, and other credit enhancement measures, the maximum credit risk exposure that the Group and the Bank can afford on balance sheet date is the related financial assets (including derivative instruments and deducted equity instruments) plus the amount of off-balance sheet book value in Note X, 2. As at 31 December 2025, the maximum credit risk exposure of the Group amounted to RMB12,268.840 billion (31 December 2024: RMB12,147.188 billion); the maximum credit risk exposure of the Bank amounted to RMB11,944.744 billion (31 December 2024: RMB11,844.622 billion).

## Credit exposure

## Loans and advances to customers

	The Group				
	2025				
	Stage 1	Stage 2	Stage 3	Purchased financial assets that have already been impaired	Total
Low risk	5,716,968	45,959	70	–	5,762,997
Medium risk	–	103,712	66	–	103,778
High risk	–	–	65,737	–	65,737
Total carrying amount	5,716,968	149,671	65,873	–	5,932,512
Allowance for impairment losses	(63,088)	(31,604)	(51,548)	–	(146,240)
Total	5,653,880	118,067	14,325	–	5,786,272

	The Group				
	2024				
	Stage 1	Stage 2	Stage 3	Purchased financial assets that have already been impaired	Total
Low risk	5,540,793	29,088	2,264	–	5,572,145
Medium risk	–	97,822	2,060	–	99,882
High risk	–	–	62,887	–	62,887
Total carrying amount	5,540,793	126,910	67,211	–	5,734,914
Allowance for impairment losses	(62,074)	(32,523)	(51,036)	–	(145,633)
Total	5,478,719	94,387	16,175	–	5,589,281

The Group classifies asset risk characteristics according to the quality of assets. “Low risk” means that the borrower can fulfil the contract, and there are not enough reasons to suspect that the principal and interest of the loan cannot be repaid in full on time; “Medium risk” means that the borrower is currently able to repay the principal and interest of the loan, but there are some factors that may adversely affect the repayment; “High risk” means that the borrower’s repayment ability has obvious problems and loan principal and interest cannot be repaid in full by relying on normal business income. Even if the guarantee is enforced, losses may be incurred. The above maximum credit risk exposure information for loans and advances does not include loans and advances that are measured at fair value through profit or loss.

## Off-balance sheet items

	The Group					Total
	2025					
	Stage 1	Stage 2	Stage 3	Purchased financial assets that have already been impaired		
Low risk	1,990,168	3,628	28	-	-	1,993,824
Medium risk	-	2,777	1	-	-	2,778
High risk	-	-	37	-	-	37
Total carrying amount	1,990,168	6,405	66	-	-	1,996,639
Allowance for impairment losses	(7,356)	(201)	(17)	-	-	(7,574)
Total	1,982,812	6,204	49	-	-	1,989,065

	The Group					Total
	2024					
	Stage 1	Stage 2	Stage 3	Purchased financial assets that have already been impaired		
Low risk	1,774,457	740	144	-	-	1,775,341
Medium risk	-	1,561	11	-	-	1,572
High risk	-	-	9	-	-	9
Total carrying amount	1,774,457	2,301	164	-	-	1,776,922
Allowance for impairment losses	(6,193)	(142)	(7)	-	-	(6,342)
Total	1,768,264	2,159	157	-	-	1,770,580

Financial investments

	The Group				
	2025				
	Stage 1	Stage 2	Stage 3	Purchased financial assets that have already been impaired	Total
Low risk	2,599,249	5,675	–	–	2,604,924
Medium risk	–	13,038	–	–	13,038
High risk	–	–	39,199	–	39,199
Total carrying amount	2,599,249	18,713	39,199	–	2,657,161
Allowance for impairment losses	(3,368)	(2,946)	(34,384)	–	(40,698)
Total	2,595,881	15,767	4,815	–	2,616,463

	The Group				
	2024				
	Stage 1	Stage 2	Stage 3	Purchased financial assets that have already been impaired	Total
Low risk	2,506,268	277	–	–	2,506,545
Medium risk	–	14,511	871	–	15,382
High risk	–	–	46,295	–	46,295
Total carrying amount	2,506,268	14,788	47,166	–	2,568,222
Allowance for impairment losses	(3,818)	(1,988)	(35,436)	–	(41,242)
Total	2,502,450	12,800	11,730	–	2,526,980

The Group classifies the credit ratings of financial assets included in the ECL measurement as “low risk”, “medium risk” and “high risk” according to the characteristics of risk levels. “Low risk” means that the assets are of good quality, the possibility of future default is low, and it is less affected by external unfavourable factors; “medium risk” means the asset has certain solvency, but the persistent significant instability or poor commercial, financial or economic conditions may reduce its solvency; and “high risk” means the existence of unfavourable factors that have a material impact on solvency, a higher risk of default or assets that meet the definition of default by the Group.

## Deposits with banks and other financial institutions

	The Group				
	2025				
	Stage 1	Stage 2	Stage 3	Purchased financial assets that have already been impaired	Total
Low risk	956,159	-	-	-	956,159
Medium risk	-	-	-	-	-
High risk	-	-	9	-	9
Total carrying amount	956,159	-	9	-	956,168
Allowance for impairment losses	(517)	-	(9)	-	(526)
Total	955,642	-	-	-	955,642

	The Group				
	2024				
	Stage 1	Stage 2	Stage 3	Purchased financial assets that have already been impaired	Total
Low risk	662,887	-	-	-	662,887
Medium risk	-	-	-	-	-
High risk	-	-	9	-	9
Total carrying amount	662,887	-	9	-	662,896
Allowance for impairment losses	(504)	-	(9)	-	(513)
Total	662,383	-	-	-	662,383

The Group classifies risk characteristics of deposits with banks and other financial institutions based on asset entry and internal rating changes. "Low risk" means that the issuer's initial internal rating is above the entry level, and there are no reasons to suspect that the financial investment is expected to default; "medium risk" means that although the issuer's internal rating is reduced to a certain extent, there are not enough reasons to suspect that the financial investment is expected to default; "high risk" means that there are obvious problems may cause a default, or the financial investment indeed is defaulted.

### 3.3 Analysis of exposure to credit risk of the Group about loans and advances to customers, inter-bank placements, investments and finance lease receivables

As at 31 December 2025, the credit risk stages of financial instruments are as follows:

	The Group							
	Gross carrying amount				Allowance for impairment losses			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Measured at amortised cost:								
Cash and balances with Central Bank	391,045	-	-	391,045	-	-	-	-
Deposits with banks and other financial institutions	201,792	-	9	201,801	(64)	-	(9)	(73)
Placements with banks and other financial institutions	421,937	-	-	421,937	(391)	-	-	(391)
Financial assets purchased under resale agreements	332,430	-	-	332,430	(62)	-	-	(62)
Loans and advances to customers								
– Corporate loans and advances	3,577,223	97,284	38,246	3,712,753	(39,764)	(16,743)	(27,282)	(83,789)
– Personal loans and advances	1,852,971	52,387	27,627	1,932,985	(23,324)	(14,861)	(24,266)	(62,451)
Debt investments	1,903,198	17,650	39,105	1,959,953	(3,368)	(2,946)	(34,384)	(40,698)
Finance lease receivables	108,405	4,455	1,261	114,121	(1,412)	(1,172)	(1,161)	(3,745)
Financial assets, Others	67,501	36	77	67,614	(2,633)	(9)	(76)	(2,718)
Total	8,856,502	171,812	106,325	9,134,639	(71,018)	(35,731)	(87,178)	(193,927)

	The Group							
	Gross carrying amount				Allowance for impairment losses			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Fair value through other comprehensive income:								
Loans and advances to customers								
– Corporate loans and advances	286,774	-	-	286,774	(514)	-	-	(514)
Other debt investments	696,051	1,063	94	697,208	(765)	(126)	(1,341)	(2,232)
Total	982,825	1,063	94	983,982	(1,279)	(126)	(1,341)	(2,746)
Credit commitments	1,990,168	6,405	66	1,996,639	(7,356)	(201)	(17)	(7,574)

As at 31 December 2024, the credit risk stages of financial instruments are as follows:

	The Group							
	Gross carrying amount				Allowance for impairment losses			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Measured at amortised cost:								
Cash and balances with Central Bank	394,940	-	-	394,940	-	-	-	-
Deposits with banks and other financial institutions	107,222	-	9	107,231	(105)	-	(9)	(114)
Placements with banks and other financial institutions	378,114	-	-	378,114	(366)	-	-	(366)
Financial assets purchased under resale agreements	177,551	-	-	177,551	(33)	-	-	(33)
Loans and advances to customers								
– Corporate loans and advances	3,311,731	80,242	39,623	3,431,596	(36,792)	(17,437)	(26,477)	(80,706)
– Personal loans and advances	1,925,528	46,668	27,588	1,999,784	(25,282)	(15,086)	(24,559)	(64,927)
Debt investments	1,876,210	14,408	46,688	1,937,306	(3,818)	(1,988)	(35,436)	(41,242)
Finance lease receivables	114,976	636	3,297	118,909	(1,273)	(193)	(2,530)	(3,996)
Financial assets, Others	66,271	35	101	66,407	(1,826)	(14)	(100)	(1,940)
<b>Total</b>	<b>8,352,543</b>	<b>141,989</b>	<b>117,306</b>	<b>8,611,838</b>	<b>(69,495)</b>	<b>(34,718)</b>	<b>(89,111)</b>	<b>(193,324)</b>

	The Group							
	Gross carrying amount				Allowance for impairment losses			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Fair value through other comprehensive income:								
Loans and advances to customers								
– Corporate loans and advances	303,534	-	-	303,534	(550)	-	-	(550)
Other debt investments	630,058	380	478	630,916	(968)	(32)	(1,720)	(2,720)
<b>Total</b>	<b>933,592</b>	<b>380</b>	<b>478</b>	<b>934,450</b>	<b>(1,518)</b>	<b>(32)</b>	<b>(1,720)</b>	<b>(3,270)</b>
Credit commitments	1,774,457	2,301	164	1,776,922	(6,193)	(142)	(7)	(6,342)

### 3.3.1 Loans and advances to customers

As at 31 December 2025, loans and advances to customers were analysed by types of security as follows, excluding loans and advances measured at fair value through profit or loss:

	31 December 2025		31 December 2024	
	The Group	The Bank	The Group	The Bank
Stage 1				
Unsecured loans	1,596,572	1,527,249	1,465,695	1,392,954
Guaranteed loans	1,584,127	1,584,127	1,494,124	1,494,124
Collateralised loans	2,536,269	2,539,790	2,580,974	2,580,974
– Secured by mortgage	1,940,611	1,940,611	1,949,559	1,949,559
– Secured by collaterals	595,658	599,179	631,415	631,415
Subtotal	5,716,968	5,651,166	5,540,793	5,468,052
Stage 2				
Unsecured loans	49,518	46,003	40,011	36,519
Guaranteed loans	42,350	42,350	30,360	30,360
Collateralised loans	57,803	57,803	56,539	56,539
– Secured by mortgage	48,913	48,913	47,883	47,883
– Secured by collaterals	8,890	8,890	8,656	8,656
Subtotal	149,671	146,156	126,910	123,418
Stage 3				
Unsecured loans	20,892	18,781	23,109	20,063
Guaranteed loans	16,501	16,501	18,394	18,394
Collateralised loans	28,480	27,562	25,708	24,697
– Secured by mortgage	24,732	23,814	22,255	21,244
– Secured by collaterals	3,748	3,748	3,453	3,453
Subtotal	65,873	62,844	67,211	63,154
Total	5,932,512	5,860,166	5,734,914	5,654,624
Fair value of collateral held against credit-impaired loans	7,173	7,110	7,050	6,835

The above collateral mainly includes land, buildings, machinery and equipment, etc. The fair value of collateral was estimated by the Group based on the latest external valuations available, adjusted in light of disposal experience and current market conditions.

### 3.3.2 Deposits with banks and other financial institutions

Deposits with banks and other financial institutions include balances with banks and other financial institutions, placements with banks and other financial institutions and financial assets purchased under resale agreements of which counterparties are banks and non-bank financial institutions.

	31 December 2025		31 December 2024	
	The Group	The Bank	The Group	The Bank
Credit-impaired	9	9	9	9
Less: allowances for impairment losses	(9)	(9)	(9)	(9)
Subtotal	-	-	-	-
Neither past due nor credit-impaired				
– Grade A to AAA	920,986	934,561	644,421	648,451
– Grade B to BBB	9,785	9,785	1,306	1,306
– Unrated	24,457	20,641	15,441	14,363
Total	955,228	964,987	661,168	664,120
Interest accrued	931	895	1,719	1,682
Less: allowances for impairment losses	(517)	(514)	(504)	(502)
Subtotal	955,642	965,368	662,383	665,300
Total	955,642	965,368	662,383	665,300

Deposits with banks and other financial institutions are analysed above according to the Group and the Bank's internal credit rating. Exposure limits are set for trading counterparties of banks and non-bank financial institutions.

### 3.3.3 Distribution of investments analysed by rating

The ratings are obtained from Standard & Poor's ratings, or major rating agencies where the issuers of the debt securities are located. The investments include debt investments in financial investments.

#### The Group

	2025					
	Unrated	AAA	AA	A	Lower than A	Total
Credit-impaired						
– Other corporates	26,615	3	3,141	–	9,418	39,177
– Banking and non-banking financial institution	22	–	–	–	–	22
Total	26,637	3	3,141	–	9,418	39,199
Allowance for impairment losses						(34,384)
Subtotal						4,815
Overdue but not credit impaired						
– Other corporates	391	–	–	–	–	391
Allowance for impairment losses						(45)
Subtotal						346
Neither overdue nor credit impaired						
– Government	795,431	391,435	113,081	17,324	1,153	1,318,424
– Policy banks	43,618	–	–	85,188	–	128,806
– Banking and non-banking financial institution	226,144	362,884	49,598	40,487	5,586	684,699
– Other corporates	68,660	447,099	147,780	54,623	26,696	744,858
Total	1,133,853	1,201,418	310,459	197,622	33,435	2,876,787
Allowance for impairment losses						(6,269)
Subtotal						2,870,518
Total						2,875,679

	2024					
	Unrated	AAA	AA	A	Lower than A	Total
Credit-impaired						
– Other corporates	29,273	75	7,757	52	9,988	47,145
– Banking and non-banking financial institution	21	–	–	–	–	21
Total	29,294	75	7,757	52	9,988	47,166
Allowance for impairment losses						(35,436)
Subtotal						11,730
Overdue but not credit impaired						
– Other corporates	–	401	121	–	–	522
Allowance for impairment losses						(50)
Subtotal						472
Neither overdue nor credit impaired						
– Government	770,738	417,931	23,610	2,183	–	1,214,462
– Policy banks	144,006	–	–	1,035	–	145,041
– Banking and non-banking financial institution	241,619	330,826	42,796	27,451	8,646	651,338
– Other corporates	135,986	486,089	175,221	22,458	21,122	840,876
Total	1,292,349	1,234,846	241,627	53,127	29,768	2,851,717
Allowance for impairment losses						(5,756)
Subtotal						2,845,961
Total						2,858,163

### 3.4 Collateral and other credit enhancements

The amount and type of collateral required depend on the assessment of the credit risk of the counterparty. The pledge rate depends on the credit information, operation and management, and financial position of pledgers, the condition of collateral, the market price, the pledged periods, and the convertibility of collateral. In addition, the Collateral Guideline of the Group set an upper limit on the pledged rate. Furthermore, the Group classifies and

manages collateral by the difficulty of appraisal and management, the stability of market price and the convertibility of collateral. Collateral mainly includes financial collateral, real estate, accounts receivable and other collateral.

The management will monitor the market value of the collateral, ask the borrowers to increase collateral if necessary according to the agreements and monitor the changes in the market value of the collateral when reviewing the adequacy of impairment.



### 3.5 Restructured loans

According to the 'Rules on Risk Classification of Financial Assets of Commercial Banks', restructured loans refer to loans made by the Group to borrowers who are experiencing financial difficulties, with the aim of facilitating debt repayment. These loans involve adjustments to the loan agreement that are favorable to the borrower or provide refinancing for the borrower's existing loans, including rollover or additional debt financing. As of 31 December 2025, the balance of restructured loans that meet the above-mentioned requirements amounted to RMB37.861 billion.

## 4. Market risk

Market risk is the risk of loss, in respect of the Group's on and off-balance sheet activities, arising from movements in market rates including interest rates, foreign exchange rates, commodity prices and stock prices. Market risk arises from both the Group's proprietary and customer-driven business. The Group's market risk management objective is to control the market risk within a reasonable scope in order to achieve the Group's business objectives.

According to the Group's market risk management structure, market risk management is critical for the risk management of the Group. Any major events should be reported to the Assets and Liabilities Management Committee for review and then authorised by President of the Bank. The planning and financial department is responsible for implementing the Group's Assets and Liabilities management policy, analysing and monitoring the implementation status of each type of indicator.

For daily control and management of treasury business, the risk management department of the treasury centre built up mid-stage risk control system to carry out implanting risk management and report to the risk management department of the Group.

### 4.1 Interest rate risk

The Group's interest rate risk comprises interest rate risk in the banking book and interest rate risk in the trading book. Interest rate risk in the banking book includes gap risk, basis risk and option risk, with gap risk being the primary risk. Gap risk arising from the mismatch between the agreed maturity date (fixed interest rate) and the repricing date (floating interest rate) of interest-bearing assets and interest payment liabilities.

For interest rate risk in the banking book, the Group primarily assesses the interest rate risk position of the balance sheet through interest rate sensitivity gap analysis. The Group dynamically monitors and controls the interest rate sensitive gap of balance sheet through information systems like assets-liabilities management system, and simply calculates the interest rate sensitivity affected by revenue and economic value on the basis of gap analysis. The revenue analysis emphasises the effect of the interest rate fluctuation on short-term income, while the economic value analysis emphasises the effect of the interest rate fluctuation on present value of net cash flow. Currently, the Group has fully carried out the internal capital transfer pricing. The Group determined the transfer pricing by different products and terms, and gradually centralised the interest rate risk to the Head Office, so as to improve the efficiency of management and control the interest rate risk.

For interest rate risk in the trading book, the Group mainly achieves the real-time monitoring of the interest rate risk of the trading book through the quota system, the use of financial transactions and analysis system and the scientific exposure measurement models. According to regulatory requirements, the Group has strengthened the management of market risk measurement models and reviewing process, and built on regular evaluation mechanisms to ensure the accuracy of measurement models. The Group applies the online trading and analysis system to timely measure and control the interest rate risk exposure of transaction book, which provides effective technical support to control the interest rate risk of transaction book.

At the balance sheet date, an analysis of contractual repricing date or maturity date, whichever is earlier, of the financial assets and financial liabilities is as follows:

### The Group

	2025					
	Within 3 months	3 – 12 months	1 – 5 years	Over 5 years	Non-interest bearing	Total
Financial assets:						
Cash and balances with Central Bank	377,610	–	–	–	13,435	391,045
Deposits with banks and other financial institutions	197,537	4,008	183	–	–	201,728
Placements with banks and other financial institutions	204,221	173,146	44,179	–	–	421,546
Derivative financial assets	–	–	–	–	44,692	44,692
Financial assets purchased under resale agreements	332,368	–	–	–	–	332,368
Loans and advances to customers	3,674,359	1,800,592	250,937	95,920	–	5,821,808
Financial investments:						
Trading assets	47,135	93,938	82,272	189,410	517,960	930,715
Debt investments	80,080	258,497	668,807	911,871	–	1,919,255
Other debt investments	75,265	176,014	221,745	224,184	–	697,208
Other equity investments	–	–	–	–	3,619	3,619
Finance lease receivables	49,431	47,086	9,768	4,091	–	110,376
Other assets	9,307	2,610	–	–	52,979	64,896
Total financial assets	5,047,313	2,555,891	1,277,891	1,425,476	632,685	10,939,256
Financial liabilities:						
Borrowing from Central Bank	21,366	81,744	–	–	–	103,110
Deposits from banks and other financial institutions	1,431,997	813,593	–	–	–	2,245,590
Placements from banks and other financial institutions	213,061	112,956	4,345	178	–	330,540
Trading liabilities	15,893	–	–	–	20,654	36,547
Derivative financial liabilities	–	–	–	–	38,273	38,273
Financial assets sold under repurchase agreements	344,576	19,123	–	–	–	363,699
Deposits from customers	3,213,377	1,164,596	1,642,517	9	307	6,020,806
Debt securities issued	292,980	412,384	227,435	5,017	–	937,816
Lease liabilities	672	1,765	5,233	1,026	6	8,702
Other liabilities	2,901	138	–	–	29,391	32,430
Total financial liabilities	5,536,823	2,606,299	1,879,530	6,230	88,631	10,117,513
Net position	(489,510)	(50,408)	(601,639)	1,419,246	544,054	821,743



	2024					
	Within 3 months	3 – 12 months	1 – 5 years	Over 5 years	Non-interest bearing	Total
Financial assets:						
Cash and balances with Central Bank	379,257	–	–	–	15,683	394,940
Deposits with banks and other financial institutions	105,457	1,660	–	–	–	107,117
Placements with banks and other financial institutions	180,701	171,616	25,431	–	–	377,748
Derivative financial assets	–	–	–	–	70,524	70,524
Financial assets purchased under resale agreements	177,518	–	–	–	–	177,518
Loans and advances to customers	3,430,863	1,830,611	257,914	89,471	–	5,608,859
Financial investments:						
Trading assets	41,527	150,213	75,687	160,732	495,030	923,189
Debt investments	90,108	209,968	689,194	906,794	–	1,896,064
Other debt investments	47,910	158,362	251,328	173,316	–	630,916
Other equity investments	–	–	–	–	4,011	4,011
Finance lease receivables	74,545	25,454	11,437	3,477	–	114,913
Other assets	7,924	1,114	–	–	55,429	64,467
Total financial assets	4,535,810	2,548,998	1,310,991	1,333,790	640,677	10,370,266
Financial liabilities:						
Borrowing from Central Bank	43,518	47,901	–	–	–	91,419
Deposits from banks and other financial institutions	1,321,336	510,775	–	–	–	1,832,111
Placements from banks and other financial institutions	215,313	116,717	4,832	–	–	336,862
Trading liabilities	24,928	–	–	–	1,812	26,740
Derivative financial liabilities	–	–	–	–	74,890	74,890
Financial assets sold under repurchase agreements	226,889	35,107	–	–	–	261,996
Deposits from customers	3,138,792	1,097,327	1,393,002	–	1,239	5,630,360
Debt securities issued	338,034	606,262	303,674	5,017	–	1,252,987
Lease liabilities	654	1,840	5,893	917	–	9,304
Other liabilities	3,593	3,281	–	–	27,826	34,700
Total financial liabilities	5,313,057	2,419,210	1,707,401	5,934	105,767	9,551,369
Net position	(777,247)	129,788	(396,410)	1,327,856	534,910	818,897





The following tables are the structure analysis of the relevant financial assets and financial liabilities by currency.

The Group

	2025			
	RMB	USD equivalent to RMB	Other currencies equivalent to RMB	Total
Financial assets:				
Cash and balances with Central Bank	383,683	6,571	791	391,045
Deposits with banks and other financial institutions	185,759	10,870	5,099	201,728
Placements with banks and other financial institutions	402,856	18,329	361	421,546
Derivative financial assets	39,483	4,733	476	44,692
Financial assets purchased under resale agreements	327,543	4,825	–	332,368
Loans and advances to customers	5,627,819	93,281	100,708	5,821,808
Financial investments:				
Trading assets	786,286	129,658	14,771	930,715
Debt investments	1,844,077	54,672	20,506	1,919,255
Other debt investments	538,533	121,361	37,314	697,208
Other equity investments	3,511	108	–	3,619
Finance lease receivables	105,082	5,294	–	110,376
Other assets	60,495	4,350	51	64,896
Total financial assets	10,305,127	454,052	180,077	10,939,256
Financial liabilities:				
Borrowing from Central Bank	103,110	–	–	103,110
Deposits from banks and other financial institutions	2,087,322	147,958	10,310	2,245,590
Placements from banks and other financial institutions	214,144	97,624	18,772	330,540
Trading liabilities	36,547	–	–	36,547
Derivative financial liabilities	30,951	7,167	155	38,273
Financial assets sold under repurchase agreements	358,198	5,501	–	363,699
Deposits from customers	5,722,161	188,690	109,955	6,020,806
Debt securities issued	926,947	10,459	410	937,816
Leasing liabilities	8,285	274	143	8,702
Other liabilities	31,245	969	216	32,430
Total financial liabilities	9,518,910	458,642	139,961	10,117,513
Net position	786,217	(4,590)	40,116	821,743


  
Important Notice


  
Message from  
Chairman


  
Message from  
President


  
Definition


  
Company  
Profile


  
Financial  
Highlights

	2024			
	RMB	USD equivalent to RMB	Other currencies equivalent to RMB	Total
Financial assets:				
Cash and balances with Central Bank	389,558	4,951	431	394,940
Deposits with banks and other financial institutions	90,993	10,918	5,206	107,117
Placements with banks and other financial institutions	343,028	34,343	377	377,748
Derivative financial assets	63,511	6,721	292	70,524
Financial assets purchased under resale agreements	177,518	–	–	177,518
Loans and advances to customers	5,438,309	69,588	100,962	5,608,859
Financial investments:				
Trading assets	856,158	59,880	7,151	923,189
Debt investments	1,836,689	52,507	6,868	1,896,064
Other debt investments	516,844	102,780	11,292	630,916
Other equity investments	3,911	100	–	4,011
Finance lease receivables	112,465	2,448	–	114,913
Other assets	61,769	2,661	37	64,467
Total financial assets	9,890,753	346,897	132,616	10,370,266
Financial liabilities:				
Borrowing from Central Bank	91,419	–	–	91,419
Deposits from banks and other financial institutions	1,705,419	120,062	6,630	1,832,111
Placements from banks and other financial institutions	217,048	95,495	24,319	336,862
Trading liabilities	26,740	–	–	26,740
Derivative financial liabilities	66,585	8,182	123	74,890
Financial assets sold under repurchase agreements	250,617	218	11,161	261,996
Deposits from customers	5,430,477	120,805	79,078	5,630,360
Debt securities issued	1,151,915	75,204	25,868	1,252,987
Leasing liabilities	8,781	314	209	9,304
Other liabilities	33,834	388	478	34,700
Total financial liabilities	8,982,835	420,668	147,866	9,551,369
Net position	907,918	(73,771)	(15,250)	818,897



The table below indicates the potential effect of an appreciation or depreciation of RMB spot and forward exchange rate against all other currencies by 5% on the foreign exchange gains or losses:

	The Group	
	2025	2024
	Foreign exchange gains (losses)	Foreign exchange gains (losses)
5% appreciation	720	4,840
5% depreciation	(720)	(4,840)

The above sensitivity analysis is measured on the basis that all assets and liabilities have a static currency risk structure. The relevant assumptions are:

- (1) The exchange rate sensitivity represents the exchange gains or losses arising from a 5% change of the closing exchange rates (middle price) of the different foreign currencies against RMB at the balance sheet date;
- (2) The exchange rate changes of different foreign currencies against RMB move in the same direction simultaneously.

The aforesaid effect on foreign exchange gains or loss is based on the assumption that the Group's net positions of foreign exchange sensitivity and foreign exchange derivative instruments at the end of the reporting period remain unchanged. The Group mitigates its foreign currency risk through active management of its foreign currency exposures and appropriate use of derivative instruments, based on the management expectation of future foreign currency movements, and therefore the above sensitivity analysis may differ from the actual situation.

#### 4.3 Other price risks

Other price risks mainly derive from equity investment, held-for-trading precious metals investment and other bonds and derivatives linked to commodity price.

The Group considers that the market risk of commodity price or stock price from portfolio is insignificant.

## 5. Liquidity risk

Liquidity risk refers to the risk of being unable to acquire sufficient funds in time or failing to acquire sufficient funds at a reasonable cost to meet repayment obligations for asset growth or other business. The Group's liquidity risk is influenced by various factors, including macroeconomic conditions, monetary and regulatory policies, and the behavior of market participants.

The Group's liquidity risk management organizational structure consists of the Board of Directors and its specialized committee, the senior management, a dedicated management committee, and specific implementation departments. The Board of Directors and its Risk Compliance and Consumer Rights Protection Committee bear ultimate responsibility for liquidity risk management, serving as the decision-making body for liquidity risk management, and ensuring the authenticity and accuracy of liquidity risk disclosures. Senior management and the Assets and Liabilities Management Committee act as the monitoring and management bodies for liquidity risk, responsible for setting liquidity risk preferences, as well as formulating strategies, policies, and procedures for liquidity risk management. The Committee of Audit and Related Transactions supervises and evaluates the performance of the Board of Directors and senior management in liquidity risk management, and regularly reports to the shareholders' meeting (shareholders). Specific implementation departments, in accordance with the responsibilities outlined in the Group's 'Liquidity Risk Management Measures', perform relevant functions in daily liquidity management, risk identification, and indicator measurement.

The Group manages liquidity risk in accordance with the basic principles of unified leadership, hierarchical management, real-time monitoring, and dynamic adjustment. Annually, based on external macroeconomic conditions, market liquidity, business strategy, and operational characteristics, the Group formulates a unified liquidity risk preference and a standardized liquidity risk management strategy. These are incorporated, along with credit risk, interest rate risk, and operational risk, as key components of the comprehensive risk assessment report, which is regularly submitted to the Risk Compliance and Consumer Protection Committee for review. The Group regularly monitors liquidity ratios, liquidity matching ratios, liquidity coverage ratios, and net stable funding ratios, adjusts and optimizes liquidity management measures flexibly, considering both internal and external macroeconomic conditions and liquidity in the money markets.

### 5.1 Undiscounted contractual cash flows classified by the maturity date of contracts

The following tables are the structure analysis of non-derivative financial assets and financial liabilities by contractual maturities at the balance sheet date. The amounts disclosed in each term are the undiscounted contractual cash flows.

#### The Group

	2025							
	On demand	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Past due/ undated	Total
Non-derivative financial assets:								
Cash and balances with Central Bank	77,966	-	-	-	-	-	313,079	391,045
Deposits with banks and other financial institutions	191,755	5,069	1,012	4,424	191	-	-	202,451
Placements with banks and other financial institutions	-	96,293	108,452	173,341	44,179	-	-	422,265
Financial assets purchased under resale agreements	-	332,648	-	-	-	-	-	332,648
Loans and advances to customers	-	568,724	352,953	1,317,070	1,697,731	2,865,859	98,056	6,900,393
Financial investments:								
Trading assets	378,718	5,920	50,992	223,164	205,279	103,149	48,470	1,015,692
Debt investments	-	7,300	23,293	264,178	761,062	1,210,240	6,487	2,272,560
Other debt investments	-	21,887	34,115	179,163	250,972	460,406	91	946,634
Other equity investments	-	-	-	-	-	-	3,619	3,619
Financial lease receivables	500	2,919	7,531	32,377	62,975	23,441	611	130,354
Other non-derivative financial assets	43,718	421	6,155	4,428	6,151	3,475	548	64,896
Total non-derivative financial assets:	692,657	1,041,181	584,503	2,198,145	3,028,540	4,666,570	470,961	12,682,557
Non-derivative financial liabilities:								
Borrowing from Central Bank	-	2,041	19,383	82,624	-	-	-	104,048
Deposits from banks and other financial institutions	1,114,927	175,963	144,068	823,096	-	-	-	2,258,054
Placements from banks and other financial institutions	-	121,809	92,272	114,427	4,601	239	-	333,348
Trading liabilities	20,226	15,900	45	34	93	175	74	36,547
Financial assets sold under repurchase agreements	-	197,886	147,381	19,278	-	-	-	364,545
Deposits from customers	2,270,412	503,336	442,466	1,180,138	1,742,761	10	-	6,139,123
Debt securities issued	-	113,234	180,632	422,762	241,978	5,193	-	963,799
Lease liabilities	-	362	340	1,773	5,643	1,093	6	9,217
Other non-derivative financial liabilities	22,886	641	2,066	3,012	3,369	213	243	32,430
Total non-derivative financial liabilities	3,428,451	1,131,172	1,028,653	2,647,144	1,998,445	6,923	323	10,241,111
Net position	(2,735,794)	(89,991)	(444,150)	(448,999)	1,030,095	4,659,647	470,638	2,441,446



	2024							Total
	On demand	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Past due/ undated	
Non-derivative financial assets:								
Cash and balances with Central Bank	70,343	-	-	-	-	-	324,597	394,940
Deposits with banks and other financial institutions	79,146	25,306	1,100	1,667	-	-	-	107,219
Placements with banks and other financial institutions	-	90,801	92,077	173,787	25,491	-	-	382,156
Financial assets purchased under resale agreements	-	177,596	-	-	-	-	-	177,596
Loans and advances to customers	-	570,274	405,699	1,304,038	1,711,921	3,238,921	96,169	7,327,022
Financial investments:								
Trading assets	244,111	14,047	73,038	338,381	227,912	118,876	32,981	1,049,346
Debt investments	-	26,259	43,912	219,638	749,623	1,199,870	3,518	2,242,820
Other debt investments	-	6,508	30,932	161,044	277,128	350,659	19	826,290
Other equity investments	-	-	-	-	-	-	4,011	4,011
Financial lease receivables	161	4,185	7,371	40,023	67,835	12,983	1,029	133,587
Other non-derivative financial assets	48,504	1,102	3,877	1,967	5,239	3,125	673	64,487
Total non-derivative financial assets:	442,265	916,078	658,006	2,240,545	3,065,149	4,924,434	462,997	12,709,474
Non-derivative financial liabilities:								
Borrowing from Central Bank	-	14,498	29,142	48,544	-	-	-	92,184
Deposits from banks and other financial institutions	1,103,881	62,852	156,338	518,948	-	-	-	1,842,019
Placements from banks and other financial institutions	-	125,758	90,465	117,417	5,187	-	-	338,827
Trading liabilities	6,956	19,569	42	104	-	-	69	26,740
Financial assets sold under repurchase agreements	-	190,462	36,572	35,386	-	-	-	262,420
Deposits from customers	2,293,669	410,195	438,407	1,114,582	1,581,265	-	-	5,838,118
Debt securities issued	-	43,346	296,963	620,371	313,632	5,385	-	1,279,697
Lease liabilities	-	387	350	2,196	5,911	1,080	-	9,924
Other non-derivative financial liabilities	19,353	1,907	4,137	7,386	1,665	52	200	34,700
Total non-derivative financial liabilities	3,423,859	868,974	1,052,416	2,464,934	1,907,660	6,517	269	9,724,629
Net position	(2,981,594)	47,104	(394,410)	(224,389)	1,157,489	4,917,917	462,728	2,984,845

## 5.2 Liquidity risk analysis of derivative instruments

### (1) Derivatives settled on a net basis

Derivatives that were settled on a net basis by the Group include: interest rate derivatives, exchange rate derivatives, credit derivatives and precious metal derivatives, etc. The tables below set forth the Group's net derivative financial instruments positions by remaining contractual maturities at the balance sheet date. The amounts disclosed in the tables are the undiscounted contractual cash flows:

#### The Group

	2025					
	Less than 1 month	1 – 3 months	3 – 12 months	1 – 5 years	Over 5 years	Total
Interest rate derivatives	(4)	(26)	(364)	(2,058)	(5)	(2,457)
Exchange rate derivatives	(194)	(158)	(2,875)	(67)	–	(3,294)
Other derivatives	5,663	4,036	622	–	–	10,321
Total	5,465	3,852	(2,617)	(2,125)	(5)	4,570

	2024					
	Less than 1 month	1 – 3 months	3 – 12 months	1 – 5 years	Over 5 years	Total
Interest rate derivatives	26	27	(315)	(4,482)	(11)	(4,755)
Exchange rate derivatives	(13)	613	847	(119)	–	1,328
Other derivatives	501	515	639	–	–	1,655
Total	514	1,155	1,171	(4,601)	(11)	(1,772)

### (2) Derivatives settled on a gross basis

The Group's major derivatives that will be settled on a gross basis refer to exchange rate derivatives. The tables below set forth the Group's positions by remaining contractual maturities at the balance sheet date. The amounts disclosed in the tables are the undiscounted contractual cash flows:

#### The Group

	2025					
	Less than 1 month	1 – 3 months	3 – 12 months	1 – 5 years	Over 5 years	Total
Exchange rate derivatives						
– Cash inflow	1,643,696	1,033,320	1,284,608	112,502	4,488	4,078,614
– Cash outflow	(569,075)	(300,137)	(1,651,781)	(58,448)	(4,488)	(2,583,929)
Total	1,074,621	733,183	(367,173)	54,054	–	1,494,685



	2024					Total
	Less than 1 month	1 – 3 months	3 – 12 months	1 – 5 years	Over 5 years	
Exchange rate derivatives						
– Cash inflow	411,211	281,989	555,145	106,289	4,713	1,359,347
– Cash outflow	(413,119)	(270,920)	(527,486)	(100,920)	(4,713)	(1,317,158)
Total	(1,908)	11,069	27,659	5,369	–	42,189

### 5.3 Liquidity risk analysis of off-balance sheet items

The Group's off-balance sheet items mainly include credit card commitments, letters of credit, letters of guarantee, bank acceptances and irrevocable loan commitments. The tables below set forth the liquidity of the off-balance sheet items:

	The Group							
	2025				2024			
	Less than 1 year	1 – 5 years	Over 5 years	Total	Less than 1 year	1 – 5 years	Over 5 years	Total
Credit card commitments	13,544	213,160	333,832	560,536	12,401	162,204	363,076	537,681
Letters of credit	401,228	430	–	401,658	320,874	914	–	321,788
Letters of guarantee	93,373	40,454	5,648	139,475	77,289	28,910	218	106,417
Bank acceptances	855,405	–	–	855,405	788,291	–	–	788,291
Irrevocable loan commitments	21,282	2,693	15,590	39,565	10,246	10,745	1,754	22,745
Total	1,384,832	256,737	355,070	1,996,639	1,209,101	202,773	365,048	1,776,922

## 6. Capital management

During the reporting period, the Group had conscientiously implemented the capital management policy according to the 'Rules on Capital Management of Commercial Banks'. The Group will ensure capital adequacy ratio and the overall strategic development match with target management requirements, in order to achieve healthy, sustainable and rapid development.

The Group implemented capital-intensive operation and management to continuously improve and optimise risk-weighted asset amount allocation and governing system: oriented by risk-weighted asset yields, the Group makes overall arrangements in operation institutions, risk-weighted assets scale of business lines to reasonably arranged the asset business structure and promote optimal capital allocation.

The Group implements the new capital accord in accordance with the 'Rules on Capital Management of Commercial Banks' and closely monitors the adequacy of the Group's and the Bank's capital and the use of regulatory capital in compliance with regulatory guidelines.

The Group's capital management includes three key aspects: capital adequacy ratio management, capital financing management, and economic capital management. Among them, capital adequacy ratio management is the primary focus of capital management. The Group calculates the capital adequacy ratio in accordance with regulatory guidelines. The Group's capital is divided into three components: common equity tier 1 capital, additional tier 1 capital, and tier 2 capital.

In accordance with the 'Rules on Capital Management of Commercial Banks' and relevant regulations issued by National Financial Regulatory Administration, commercial banks are required to meet the minimum capital requirements. Specifically, the common equity tier 1 capital adequacy ratio must not be lower than 5%, the tier 1 capital adequacy ratio must not be lower than 6%, and the capital adequacy ratio must not be lower than 8%. In addition, banks must also comply with reserve capital requirements and additional capital requirements for global and domestic systemically important banks.

Capital adequacy ratio management is at the core of the Group's capital management. The capital adequacy ratio reflects the Group's ability to operate prudently and withstand risks. The Group's capital adequacy ratio management objective is to prudently set the capital adequacy ratio target based on factors such as regulatory requirements, market conditions, strategic and business development plans, and risk trends, while ensuring compliance with statutory regulatory requirements.

The Group's common equity tier 1 capital adequacy ratio, tier 1 capital adequacy ratio, and capital adequacy ratio all meet the requirements of the 'Rules on Capital Management of Commercial Banks' and other relevant provisions. As of 31 December 2025, the table below sets forth the calculation of the Bank's net equity tier 1 capital:

	The bank	
	2025	2024
Common equity tier 1 capital	764,329	714,164
Additional equity tier 1 capital	80,000	115,776
Less: deductions	(31,135)	(21,200)
Net Value	813,194	808,740

For more information regarding capital, please refer to the 'Industrial Bank Capital Management Pillar III Annual Report 2025' published on the Bank's official website.

## 7. Fair value of financial instruments

### 7.1 Method of fair value recognition

Part of the financial assets and financial liabilities of the Group is measured at fair value. Fair values are measured through appropriate methods and parameters, and the valuation policy is subject to the approval by the Board of Directors to keep applicability. The Group determined and disclosed the fair value of financial instruments based on:

Level 1 inputs: Unadjusted public quoted prices in active markets that are observable at the measurement date for identical assets or liabilities;

Level 2 inputs: All parameters that have a significant impact on the valuation results are market information that can be directly or indirectly observable with the utilisation of valuation techniques; and

Level 3 inputs: Part of the parameters that have a significant impact on the valuation results are market information that is not observable with the utilisation of valuation techniques.

When recognising the fair value of the financial instrument, which can obtain unadjusted price of same assets and liabilities in the active market, the Group regards the unadjusted price in the active market as the best evidence of fair value. And then the Group recognises the fair value and classifies it to level 1. The financial instruments of the Group divided into level 1 include equity securities and public funds listed on the exchange.

If the parameters of the estimation are observable and acquirable in the active market, such financial instruments (including equity instrument and derivative financial instrument) should be classified to level 2. Financial instruments classified as level 2 by the Group were mainly bond investment, bill business, foreign exchange forwards and swaps, interest rate swaps, foreign exchange options and precious metal contracts, etc. In terms of the fair value of RMB bonds, the Group mainly adopted the valuation results issued by China Central Depository & Clearing Co., Ltd. or China Securities Depository and Clearing Corporation Limited according to the different bond exchange markets; the fair value of foreign currency bonds was mainly based on the valuation results published by Bloomberg; bill business was discounted by a discounted cash flow model which uses the inter-bank lending rate Shibor as a benchmark to adjust the spread based on credit risk and liquidity factors; non-derivative financial instruments and some derivative financial instruments (including interest rate swaps, foreign exchange forwards, etc.) that cannot obtain quotes from active markets were valued using a cash flow discount model which includes main parameters such as recent transaction price, relevant yield curve, exchange rate and credit spread; and option derivative valuation valued using the Black-Scholes option pricing model which includes the relevant yield curve, exchange rate, volatility, and counterparty credit spread etc.. All significant valuation parameters are based on observable market information.

## 7.2 Financial assets and financial liabilities at fair value on a recurring basis

For financial assets and financial liabilities at fair value on a recurring basis, three levels of fair value measurement are analysed as follows:

	The Group							
	2025				2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets:								
Placements with banks and other financial institutions	-	-	-	-	-	-	-	-
Trading assets	317,428	559,304	53,983	930,715	221,903	668,872	32,414	923,189
Other debt investments	-	693,878	3,330	697,208	-	609,021	21,895	630,916
Other equity investments	325	-	3,294	3,619	670	-	3,341	4,011
Loans and advances to customers								
At fair value through profit or loss	-	35,536	-	35,536	-	19,578	-	19,578
At fair value through other comprehensive income	-	286,774	-	286,774	-	303,534	-	303,534
Derivative financial assets	-	44,692	-	44,692	-	70,524	-	70,524
<b>Total</b>	<b>317,753</b>	<b>1,620,184</b>	<b>60,607</b>	<b>1,998,544</b>	<b>222,573</b>	<b>1,671,529</b>	<b>57,650</b>	<b>1,951,752</b>
Financial liabilities:								
Trading liabilities	25	36,370	152	36,547	1,598	25,073	69	26,740
Derivative financial liabilities	-	38,273	-	38,273	-	74,890	-	74,890
Placements from banks and other financial institutions	-	51,529	-	51,529	-	41,637	-	41,637
<b>Total</b>	<b>25</b>	<b>126,172</b>	<b>152</b>	<b>126,349</b>	<b>1,598</b>	<b>141,600</b>	<b>69</b>	<b>143,267</b>

In 2025 and 2024, the Group did not transfer the fair value of financial instruments from level 1 and level 2 to level 3, nor did it transfer the fair value of financial instruments from level 1 to level 2.

Movement in level 3 financial instruments measured at fair value:

#### The Group

	Trading assets	Other debt investment	Other equity investment	Trading liabilities	Total
At 1 January 2025	32,414	21,895	3,341	(69)	57,581
Gains or losses					
– in profit or loss	360	(310)	–	–	50
– in other comprehensive income	–	229	–	–	229
Purchase	28,881	–	–	(83)	28,798
Sold and settle	(7,672)	(18,484)	(47)	–	(26,203)
At 31 December 2025	53,983	3,330	3,294	(152)	60,455
Unrealised gains or losses as at 31 December 2025 included in profit or loss for assets held at 31 December 2025	417	–	–	–	417

	Trading assets	Other debt investment	Other equity investment	Trading liabilities	Total
At 1 January 2024	33,168	7,195	3,217	(45)	43,535
Gains or losses					
– in profit or loss	(2,512)	1,378	–	–	(1,134)
– in other comprehensive income	–	(2,118)	124	–	(1,994)
Purchase	8,019	16,054	–	(24)	24,049
Sold and settle	(6,261)	(614)	–	–	(6,875)
At 31 December 2024	32,414	21,895	3,341	(69)	57,581
Unrealised gains or losses as at 31 December 2024 included in profit or loss for assets held at 31 December 2024	(2,377)	–	–	–	(2,377)



Information of Level 3 financial instruments:

Items	The Group		
	Fair value on 31 December 2025	Fair value on 31 December 2024	Value Tech
Trading assets			
Equity investments	28,441	10,843	Net asset value method
Trust beneficiary rights and asset management plans	17,313	11,832	Discounted cash flow method
Debt	4,906	5,222	Discounted cash flow method
Others	3,323	4,517	Discounted cash flow method
Other debt investments			
Debt	3,109	21,812	Discounted cash flow method
Trust beneficiary rights and asset management plans	221	83	Discounted cash flow method
Other equity investments	3,294	3,341	Net asset value method
Trading liabilities	(152)	(69)	Note
Total	60,455	57,581	

Note: Trading liabilities are the equity of other shareholders in the consolidated structured entity, and the fair value is the amount attributable to the investors of the structured entity calculated based on the net value of the structured entity.

### 7.3 Financial assets and liabilities measured not by fair value

All financial instruments not measured at fair value are carried at amounts which are not materially different from the fair value except as follows:

#### The Group

	2025				
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets:					
Debt investments	1,919,255	1,964,698	–	1,521,485	443,213
Total	1,919,255	1,964,698	–	1,521,485	443,213
Financial liabilities:					
Debt securities issued	937,816	943,371	–	943,371	–
Total	937,816	943,371	–	943,371	–

	2024				
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets:					
Debt investments	1,896,064	1,990,431	–	1,552,411	438,020
Total	1,896,064	1,990,431	–	1,552,411	438,020
Financial liabilities:					
Debt securities issued	1,252,987	1,268,277	–	1,268,277	–
Total	1,252,987	1,268,277	–	1,268,277	–

Quantitative information of level 2, 3 at fair value:

Items	The Group			
	Fair value at 31 December 2025	Fair value at 31 December 2024	Valuation Technique	Inputs
Debt investments	<b>1,964,698</b>	1,990,431	Discounted cash flow method	Yield rate of bonds, default rate, loss given default, discount rate
Debt securities issued	<b>943,371</b>	1,268,277	Discounted cash flow method	Yield rate of bonds

All of the above-mentioned assumptions and methods provide a consistent basis for the calculation of the fair values of the Group's assets and liabilities. However, other institutions may use different assumptions and methods. Therefore, the fair values disclosed by different financial institutions may not be entirely comparable.

## XII. Other significant events

### 1. Financial assets and financial liabilities measured at fair value

#### The Group

	2025				
	Opening balance	Profit or loss arising from changes in fair value for the year	Accumulated changes in fair value included in other comprehensive income	Reversal for impairment losses for the year	Closing balance
Financial assets:					
Placements with banks and other financial institutions	-	-	-	-	-
Derivative financial assets	70,524	(25,832)	-	-	44,692
Loans and advances to customers measured at fair value through profit or loss	19,578	(14)	-	-	35,536
Loans and advances to customers measured at fair value through other comprehensive income	303,534	-	(7)	36	286,774
Trading assets	923,189	1,614	-	-	930,715
Other debt investments	630,916	148	1,043	277	697,208
Other equity investments	4,011	-	119	-	3,619
Total financial assets	1,951,752	(24,084)	1,155	313	1,998,544
Financial liabilities (1)	(143,267)	29,708	-	-	(126,349)

#### The Bank

	2025				
	Opening balance	Profit or loss arising from changes in fair value for the year	Accumulated changes in fair value included in other comprehensive income	Reversal for impairment losses for the year	Closing balance
Financial assets:					
Placements with banks and other financial institutions	-	-	-	-	-
Derivative financial assets	70,508	(25,869)	-	-	44,639
Loans and advances to customers measured at fair value through profit or loss	19,578	(14)	-	-	35,536
Loans and advances to customers measured at fair value through other comprehensive income	303,534	-	(7)	36	286,774
Trading assets	939,207	2,218	-	-	974,869
Other debt investments	625,335	148	1,096	296	689,173
Other equity investments	3,307	-	(4)	-	2,915
Total financial assets	1,961,469	(23,517)	1,085	332	2,033,906
Financial liabilities (1)	(141,455)	29,708	-	-	(125,896)

- (1) Financial liabilities include placements with banks and other financial institutions, trading liabilities and derivative financial liabilities.
- (2) The items of assets and liabilities listed in the above tables have no inevitable relationship.

## 2. Financial assets and financial liabilities denominated in foreign currencies

### The Group

	2025				
	Opening balance	Profit or loss arising from changes in fair value for the year	Accumulated changes in fair value included in other comprehensive income	Provision for impairment losses for the year	Closing balance
Cash and balances with Central Bank	5,382	-	-	-	7,362
Deposits with banks and other financial institutions	16,124	-	-	-	15,969
Placements with banks and other financial institutions	34,720	-	-	-	18,690
Derivative financial assets	7,013	(1,804)	-	-	5,209
Financial assets purchased under resale agreement	-	-	-	-	4,825
Loans and advances to customers	170,550	-	-	(492)	193,989
Financial investments:					
Trading assets	67,031	2,218	-	-	144,429
Debt investments	59,375	-	-	(128)	75,178
Other debt investments	114,072	-	(2)	(69)	158,675
Other equity investments	100	-	-	-	108
Finance lease receivables	2,448	-	-	(26)	5,294
Other financial assets	2,698	-	-	-	4,401
Total of financial assets	479,513	414	(2)	(715)	634,129
Financial liabilities (1)	(568,534)	(983)	-	-	(598,603)



## The Bank

	2025				
	Opening balance	Profit or loss arising from changes in fair value for the year	Accumulated changes in fair value included in other comprehensive income	Provision for impairment losses for the year	Closing balance
Cash and balances with Central Bank	5,382	–	–	–	7,362
Deposits with banks and other financial institutions	15,998	–	–	–	15,755
Placements with banks and other financial institutions	34,720	–	–	–	18,690
Derivative financial assets	7,013	(1,804)	–	–	5,209
Financial assets purchased under resale agreement	–	–	–	–	4,825
Loans and advances to customers	170,550	–	–	(492)	193,989
Financial investments:					
Trading assets	67,031	2,218	–	–	144,429
Debt investments	59,375	–	–	(128)	75,178
Other debt investments	114,072	–	(2)	(69)	158,675
Other equity investments	100	–	–	–	108
Other financial assets	2,332	–	–	–	3,616
Total of financial assets	476,573	414	(2)	(689)	627,836
Financial liabilities (1)	(561,922)	(983)	–	–	(589,430)

(1) Financial liabilities include Borrowing from Central Bank, Deposits from banks and other financial institutions, Placements from banks and other financial institutions, Trading liabilities, Derivative financial liabilities, Financial assets sold under repurchase agreements, Deposits from customers and Debt securities issued, etc.

(2) The items of assets and liabilities listed in the above tables have no inevitable relationship.

### 3. Transfer of financial assets

#### 3.1 Assets-securitised

The Group conducts asset-backed securities transactions during normal operations. The Group sells part of its financial assets to the special purpose trust established by the Group as an originating institution and then the special purpose trust issues asset-backed securities to investors. The Group determines whether it consolidates the special purpose trust based on whether it has power over such special purpose trust and whether it is involved in related activities of the special purpose trust to enjoy variable returns, and whether the Group has the ability to use its power over the special purpose trust to affect its returns.

Once a special purpose trust is established, it shall be distinguished from other property for which the Group has not set up a trust. When the Group is dissolved or revoked according to law, and declared bankrupt, if the Group is the sole beneficiary, the special purpose trust shall be terminated and the trust property shall be deemed as the liquidation property; if the Group is not the sole beneficiary, the special purpose trust shall survive and the trust property shall not be deemed as the liquidation property; however, the trust beneficial rights held by the Group is its liquidation property.

The Group analyses and judges if the relevant financial assets transferred to be derecognised based on the degree of transfer of risk and return:

- When the Group transfers substantially all the risks (mainly including credit risk, early repayment risk and interest rate risk of the transferred assets) and rewards of ownership of the financial assets to other investors in the course of the transfer of the underlying financial assets, the Group derecognises the transferred financial assets. The Group has RMB28,818 million securitised financial assets in 2025 (2024: RMB20,728 million). Meanwhile, the Group subscribed for a

certain percentage of asset-backed securities. As at 31 December 2025, the above asset-backed securities held by the Group amounted to RMB120 million (31 December 2024: RMB98 million).

- In 2025, the Group transferred assets include financial assets with carrying amount of RMB18,904 million (2024: Nil), where the Group neither transferred nor retained substantially all the risks (mainly including the credit risk, early repayment risk and interest rate risk of the transferred assets) and rewards of the ownership, and retained the control and has continuing involvement in these financial assets. As at 31 December 2025, the Group continued to recognise the financial assets with carrying amount of RMB8,277 million (31 December 2024: RMB9,081 million) based on its extent of continuing involvement in the assets, and recognised assets and liabilities with continuing involvement as other assets and other liabilities.

#### 3.2 Repurchase agreements

Repurchase agreements refer to agreements made by the Group and the counter-parties that financial assets (or financial assets that share the same substance) are settled at a fixed price of repurchasing when they are sold at a fixed date. Due to the fixed repurchasing price, the Group retains almost all the credit and market risks and benefits of the assets. The sold financial assets (cannot be used within the period) should not be recognised in the financial statement, but should be regarded as guarantees because the Group retains all the risks and returns. Besides, the Group recognises the financial liabilities by the price received. In these trading, the right of counter-parties to the Group is not limited to the transferred financial assets.

As at 31 December 2025 and 31 December 2024, the Group conducted trading of bonds and bills under repurchase agreements. The price of selling these financial assets is called financial assets sold under repurchase agreements price (Note VII, 19).



Included in the repurchase agreement, the book value of the financial assets which had been transferred but continued to be recognised by the Group and relevant liabilities are as follows:

Items	The Group			
	2025		2024	
	Bond	Bill	Bond	Bill
Assets book value	368,138	1,083	261,110	9,768
Liabilities book value	362,159	1,082	252,170	9,723

### 3.3 Securities lending transactions

The counterparties are allowed to sell or repledge those securities sold under agreements to repurchase in the absence of default by the Group, but has an obligation to return the securities at the maturity of the contract. The Group determines that it retains substantially all the risks and rewards of these securities and therefore does not derecognise them.

## XIII. Comparative figures

Certain comparative figures have been re-presented by the Group to meet the presentation of the financial reporting.

## XIV. Events after balance sheet date

For the year 2025, the Bank recognized a trading financial asset acquired through debt settlement in accordance with an enforcement ruling issued by the Beijing Financial Court. In 2026, the judgment debtor filed an objection to the enforcement. On 12 March 2026, the Bank's entrusted institution received an enforcement objection ruling from the Beijing Financial Court, which revoked the aforesaid enforcement ruling in respect of the debt-settled asset. The Bank has instructed its entrusted institution to apply for reconsideration to Beijing's High People's Court on 19 March 2026, which is currently under review. The Bank assesses that the event will not have a material adverse impact on its financial position and operating results.

The Shanghai Free Trade Zone Branch of the Bank issued RMB3.0 billion bonds in Hong Kong under its US\$5.0 billion Medium Term Note Programme. The details of the issuance are as follows: the bonds are senior unsecured bonds denominated in RMB, with an issue size of RMB3.0 billion, an annual interest rate of 1.95% and a maturity of 3 years.

The Hong Kong Branch of the Bank completed the issuance of US\$800 million bonds overseas under its US\$5 billion Medium Term Note Programme. The details of the issuance are as follows: the bonds are senior unsecured bonds denominated in US dollars, with an issue size of US\$800 million, an annual interest rate of SOFR + 41 basis points and a maturity of 3 years.

As at the approval date of the financial statements, there are no material post-balance-sheet date events which should be disclosed by the Group, except for aforesaid events as well as dividend distribution described in Note VII.32.

## XV. Financial statements approved

The financial statements were approved by the Board of Directors of the Bank on 26 March 2026.

## Supplementary Financial Information

(Expressed in millions of RMB, unless otherwise stated)

### I Breakdown of non-recurring profit or loss

The following table is in accordance with the requirement of Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No.1 – Non-recurring Profit or Loss (2023) (ZJHGG [2023] No.65) issued by CSRC.

	The Group	
	2025	2024
Gains and losses on the disposal of non-current assets	66	115
Government grants recognised in profit or loss	597	661
Other non-operating income and expenses	(17)	(84)
Subtotal	646	692
Impact on income tax expenses	(226)	(241)
Total	420	451
Total non-recurring profit or loss attributable to ordinary shareholders of the Bank	405	433
Total non-recurring profit or loss attributable to non-controlling interests	15	18
Net profit attributable to ordinary shareholders of the Bank, after deduction of non-recurring profit or loss	72,331	72,560

Non-recurring profit or loss refers to the profit or loss not related to normal business or the profit or loss which is related to normal business but affects the user of financial statements to make correct judgement for the Bank's financial position and financial performance because of its distinctiveness and non-recurring. Considering the nature of its normal business, Industrial Bank Co., Ltd. (hereinafter referred to as "the Group") does not include "Trading assets, Debt investments, Other debt investments and Other equity investments" in non-recurring profit or loss.

## II Return on net assets (“ROE”) and earnings per share (“EPS”)

The related data is calculated in accordance with the provisions in Rule No.9 for the Preparation of Information Disclosure of Companies with Public Offering- the Calculation and Disclosure of ROE and EPS (revised in 2010). In the related period, basic EPS is calculated by dividing net profit by weighted average ordinary shares issued.

### The Group

	2025		
	Weighted average ROE (%)	Basic EPS (RMB)	Diluted EPS (RMB)
Net profit attributable to ordinary shareholders of the Bank	9.15	3.46	3.21
Net profit attributable to ordinary shareholders of the Bank, after deduction of non-recurring profit or loss	9.10	3.44	3.19

	2024		
	Weighted average ROE (%)	Basic EPS (RMB)	Diluted EPS (RMB)
Net profit attributable to ordinary shareholders of the Bank	9.89	3.51	3.23
Net profit attributable to ordinary shareholders of the Bank, after deduction of non-recurring profit or loss	9.83	3.49	3.21



398 Jiangbin Middle Avenue, Taijiang District, Fuzhou, Fujian

Tel: (86)591-87839338

P.C: 350014

[www.cib.com.cn](http://www.cib.com.cn)

