

China Development Bank– Hong Kong Branch

2025 Annual Results Disclosure Statement

This is the Annual Results Disclosure Statement issued by the Bank for the period ended 31 December 2025. The information stated is not audited. It contains all the disclosures required by the Banking (Disclosure) Rules and the Supervisory Policy Manual: Guideline on the Application of the Banking (Disclosure) Rules issued by the Hong Kong Monetary Authority. This statement is readily accessible at our office located at 32/F, One International Finance Centre, No. 1 Harbour View Street, Central, Hong Kong and our Head Office website (www.cdb.com.cn/xwzx/xxgg/qtgg/).

China Development Bank - Hong Kong Branch
Annual Report for the year ended 31 December 2025

Amount expressed in thousand HKD, unless otherwise stated

I. Income Statement

	For period 1 January 2025 - 31 December 2025	For period 1 January 2024 - 31 December 2024
Interest income	8,316,786	10,443,240
Interest expense	(6,632,577)	(8,715,513)
Other operating income		
- Gains less losses arising from trading in foreign currencies	(147,318)	82,499
- Gains less losses on securities measured at fair value through profit or loss	84,760	364,302
- Net fees and commission income	68,547	41,750
- <i>Fees and commission income</i>	77,502	45,816
- <i>Fees and commission expenses</i>	(8,955)	(4,066)
- Others	(348,604)	124,950
Total operating income	<u>1,341,595</u>	<u>2,341,228</u>
Operating expenses		
- Rental expenses	(63,790)	(65,318)
- Staff expenses	(137,813)	(131,536)
- Other operating expenses	(43,862)	(43,782)
Net charge for impairment allowances	<u>(199,769)</u>	<u>(395,353)</u>
Total operating expenses	<u>(445,234)</u>	<u>(635,989)</u>
Profit before taxation	896,361	1,705,239
Taxation	<u>(76,869)</u>	<u>(319,691)</u>
Profit after taxation	<u>819,492</u>	<u>1,385,548</u>
Other comprehensive expenses		
- Debt instruments at fair value through other comprehensive income reserve	<u>31,067</u>	<u>21,111</u>
Total comprehensive income for the year	<u><u>850,559</u></u>	<u><u>1,406,659</u></u>

China Development Bank - Hong Kong Branch

Amount expressed in thousand HKD, unless otherwise stated

II. Balance Sheet

	As at 31 December 2025	As at 30 June 2025
Assets		
Cash and balances with banks	19,901,758	36,589,643
Placements with banks which have a residual contractual maturity of more than one month but not more than 12 months	19,204,166	12,411,183
Due from Exchange Fund	2,277,437	3,219,182
Loans and receivables and other accounts	140,704,906	116,375,948
Derivative financial instruments	24,911	15,122
Certificates of deposit held	37,495,222	28,265,562
Investment securities	17,444,396	19,241,506
Property, plant and equipment and investment properties	65,513	90,996
Total assets	<u>237,118,309</u>	<u>216,209,142</u>
Equity and liabilities		
Deposits and balances from banks	13,278,018	9,352,531
Deposits from customers	35,582,584	38,126,985
- <i>Savings deposits</i>	7,482,159	19,539,940
- <i>Time, call and notice deposits</i>	28,100,425	18,587,045
Amount due to overseas offices	5,307,075	5,422,094
Certificates of deposit issued	145,017,273	133,700,220
Issued debt securities	36,623,688	26,684,137
Derivative financial instruments	278,533	410,470
Other liabilities	159,467	1,209,463
Total liabilities	<u>236,246,638</u>	<u>214,905,900</u>
Reserves	871,671	1,303,242
Total Equity and Liabilities	<u>237,118,309</u>	<u>216,209,142</u>

Amount expressed in thousand HKD, unless otherwise stated

III. Remuneration of Senior Management and Key Personnel

The remuneration policy and package are approved by Headquarter. They are applicable to China Development Bank Hong Kong Branch.

In determining remuneration policy, the Human Resources Department of the Headquarter will take into account the business objective, people strategy, short-term and long-term performance, business and economic environment conditions, market practices and risk management needs, in order to ensure the remuneration aligns with business and individual performances, promotes effective risk management, facilitates retention of quality personnel and is competitive in the market.

The following factors are considered when determining the remuneration packages of Senior Management and Key Personnel:

- business needs;
- general economic situation;
- market compensation competitiveness;
- individual contribution to the business;
- retention consideration and individual potential.

In this financial year of 2025, the Human Resources Department of the Headquarter has discussed and reviewed the Bank remuneration periodically.

The final remuneration of Senior Management in 2025 is still subject to final confirmation by the Headquarter.

(i) Amount of remuneration for the financial year 2025 and 2024, split into fixed and variable remuneration, and number of beneficiaries:

As at 31 December 2025

	Senior Management	Key Personnel
Number of beneficiaries	5	19
Total fixed remuneration	3,972	15,926
Total variable remuneration	913	5,930
Of which: Deferred	-	1,553
Of which: Non-Deferred	913	4,377

As at 31 December 2024

	Senior Management	Key Personnel
Number of beneficiaries	4	16
Total fixed remuneration	3,949	14,171
Total variable remuneration	2,246	7,946
Of which: Deferred	642	2,244
Of which: Non-Deferred	1,604	5,702

Senior management: The senior executives, including the Branch Chief Executive, the Branch Alternate Chief Executives, who are designated by the Bank and responsible for oversight the branch-wide business and strategy.

Key personnel: The employees, including heads of functional departments and risk control, whose individual business activities involve the assumption of material risk which may be significant impact on risk exposure, or whose individual responsibilities are directly and materially linked to the profit.

(ii) Deferred remuneration

	As at 31 December 2025	As at 31 December 2024
Vested	1,553	2,886
Unvested	-	-
	<u>1,553</u>	<u>2,886</u>
As at 1 January	4,321	4,197
Awarded	1,553	2,886
Paid out	(1,917)	(2,762)
Reduced through performance adjustments	-	-
As at the end of reporting period total outstanding deferred remuneration	<u>3,957</u>	<u>4,321</u>

(iii) According to the existing remuneration policy, both fixed and variable remuneration are paid in cash.

(iv) According to the existing remuneration policy, the Branch has implemented a deferral mechanism on performance bonus with a vesting period of four years. Apart from considering the Branch's business performance, if a staff is found to have committed significant operational incidents, non-compliance, or other serious incidents, the Branch may recalculate the variable remuneration and / or adjust the deferred variable remuneration of the staff.

(v) In relation to the risk management area, we have effective individual performance management system and all staff are required to complete the annual performance review. The assessment factors are not only based on the contribution to business results but also other management factors of the staff.

(vi) No senior management or key personnel has been awarded with new sign-on or severance payment during the financial year 2025.

Amount expressed in thousand HKD, unless otherwise stated

IV. Additional Balance Sheet Information

	As at 31 December 2025	As at 30 June 2025
(i) Loans and receivables and other accounts		
- loans and advances to customers	67,367,569	66,235,027
- loans and advances to banks	86,852,701	61,765,623
- accrued interest and other accounts	410,684	1,485,433
Less: Impairment allowances		
- stage 1	(509,484)	(604,176)
- stage 2	(180,893)	(294,312)
- stage 3	(13,235,669)	(12,211,647)
	<u>140,704,906</u>	<u>116,375,948</u>
(ii) Impaired loans and advances to customers:		
- Loans and advances	3,952,058	4,047,378
- Impairment allowances	(3,634,671)	(3,721,138)
- Collateral value	261,906	49,287
- Percentage to total loans and advances to customers	5.87%	6.11%
(iii) Impaired loans and advances to banks:		
- Loans and advances	11,820,978	11,707,817
- Impairment allowances	(9,600,998)	(8,490,509)
- Collateral value	-	-
- Percentage to total loans and advances to banks	13.61%	18.96%
(iv) Analysis of gross amount of loans and advances to customers:		

By industry categories:	As at 31 December 2025		As at 30 June 2025	
	Outstanding Balance	Covered by Collateral	Outstanding Balance	Covered by Collateral
<i>Loans and advances for use in Hong Kong</i>				
Industrial, commercial and financial sectors:				
- Property development	1,557,731	-	1,556,771	-
- Financial concerns	24,017,402	-	25,733,869	-
- Wholesale and retail trade	3,952,057	261,906	4,047,378	49,287
- Manufacturing	445,340	-	485,530	-
- Transport and transport equipment	1,634,111	-	1,521,439	-
- Others	13,669,853	-	18,073,542	-
<i>Loans and advances for use outside Hong Kong</i>	22,091,075	-	14,816,498	-
Total	<u>67,367,569</u>	<u>261,906</u>	<u>66,235,027</u>	<u>49,287</u>

By geographical areas:

The gross amount of loans and advances to customers by countries or geographical segment is in accordance with the location of the counterparties after taking into account the transfer of risk. In general, a transfer of risk arises if the loans or advances of a customer are guaranteed by a party in a country which is different from that of the customer. A country or geographical segment, to which not less than 10% of the Branch's total amount of loans and advances to customers are attributable after taking into account any recognised risk transfer, is disclosed at below:

	As at 31 December 2025	As at 30 June 2025
China	8,030,887	20,681,411
Hong Kong	53,736,799	45,553,616
Other Countries	5,599,882	-
	<u>67,367,569</u>	<u>66,235,027</u>

China Development Bank - Hong Kong Branch
Additional Information

Amount expressed in thousand HKD, unless otherwise stated

IV. Additional Balance Sheet Information (cont'd)

(v) Impaired loans by geographical areas

	As at 31 December 2025		As at 30 June 2025	
	Gross amount	Impairment allowances	Gross amount	Impairment allowances
Loans and advances to customers:				
China	3,173,864	(2,856,477)	3,262,401	(2,936,161)
Hong Kong	778,194	(778,194)	784,977	(784,977)
	<u>3,952,058</u>	<u>(3,634,671)</u>	<u>4,047,378</u>	<u>(3,721,138)</u>
Loans and advances to banks:				
Venezuela	11,820,978	(9,600,998)	11,707,817	(8,490,509)

(vi) Overdue or rescheduled assets

	As at 31 December 2025		As at 30 June 2025	
	Gross amount	% to total loans and advances to customers	Gross amount	% to total loans and advances to customers
(a) Loans and advances to customers:				
Overdue more than 1 month but not more than 3 months	-	-	-	-
Overdue more than 3 months but not more than 6 months	-	-	-	-
Overdue more than 6 months but not more than 1 year	-	-	-	-
Overdue more than 1 year	3,952,058	5.87%	4,047,378	6.11%
Total	<u>3,952,058</u>	<u>5.87%</u>	<u>4,047,378</u>	<u>6.11%</u>

Collateral value:

Market value of collateral held against overdue loans and advances	261,906	49,287
Secured portion of overdue loans and advances	261,906	49,287
Unsecured portion of overdue loans and advances	3,690,152	3,998,091

By geographical areas:

China	3,173,864	3,262,401
Hong Kong	778,194	784,977
	<u>3,952,058</u>	<u>4,047,378</u>

Impairment allowances

	<u>(3,634,671)</u>	<u>(3,721,138)</u>
--	--------------------	--------------------

	As at 31 December 2025		As at 30 June 2025	
	Gross amount	% to total loans and advances to banks	Gross amount	% to total loans and advances to banks
(b) Loans and advances to banks:				
Overdue more than 1 month but not more than 3 months	-	-	-	-
Overdue more than 3 months but not more than 6 months	-	-	-	-
Overdue more than 6 months but not more than 1 year	-	-	-	-
Overdue more than 1 year	11,820,978	13.61%	11,707,817	18.96%
Total	<u>11,820,978</u>	<u>13.61%</u>	<u>11,707,817</u>	<u>18.96%</u>

Collateral value:

Market value of collateral held against overdue loans and advances	-	-
Secured portion of overdue loans and advances	-	-
Unsecured portion of overdue loans and advances	11,820,978	11,707,817

By geographical areas:

Venezuela	<u>11,820,978</u>	<u>11,707,817</u>
-----------	-------------------	-------------------

Impairment allowances

	<u>(9,600,998)</u>	<u>(8,490,509)</u>
--	--------------------	--------------------

Amount expressed in thousand HKD, unless otherwise stated

V. International Claims

The information on international claims discloses exposures to foreign counterparties on which the ultimate risk lies, and is derived according to the location of the counterparties after taking into account any recognised risk transfer. In general, such transfer of risk takes place if the claims are guaranteed by a party in a country which is different from that of the counterparty or if the claims are on an overseas branch of a bank whose head office is located in another country. Only regions constituting 10% or more of the aggregate international claims after taking into account any recognised risk transfer are disclosed.

	<u>Banks</u>	<u>Official Sector</u>	<u>Non-bank private sector</u>		<u>Others</u>	<u>Total</u>
			Non-bank financial institutions	Non-financial private sector		
HK\$ million eqvi.						
As at 31 December 2025						
Developed countries	7,376	-	-	-	-	7,376
Offshore centres	631	-	10,585	29,641	-	40,858
- of which: Hong Kong	631	-	10,585	29,641	-	40,857
Developing Europe	3,851	-	-	-	-	3,851
Developing Latin America and Caribbean	43,639	-	-	391	-	44,030
Developing Africa and Middle East	33,176	-	-	-	-	33,176
Developing Asia and Pacific	88,762	801	4,430	8,060	-	102,052
- of which: China	87,662	801	-	8,060	-	96,523
International Organisations	-	779	-	-	-	779
Total	177,434	1,580	15,015	38,092	-	232,122

As at 30 June 2025						
Developed countries	706	-	-	-	-	706
Offshore centres	13,655	1,381	9,105	22,981	-	47,121
- of which: Hong Kong	13,654	1,381	9,105	22,981	-	47,121
Developing Latin America and Caribbean	39,685	-	-	-	-	39,685
Developing Africa and Middle East	21,217	-	-	-	-	21,217
Developing Asia and Pacific	73,893	687	-	20,745	-	95,326
- of which: China	72,623	687	-	20,745	-	94,056
Total	149,155	2,068	9,105	43,727	-	204,055

VI. Currency Risk

Foreign currency exposures other than reporting currency

	As at 31 December 2025					
	<u>USD</u>	<u>GBP</u>	<u>EUR</u>	<u>CNY</u>	<u>Others</u>	<u>Total</u>
HK\$ million eqvi.						
Spot assets	137,402	552	11,679	59,455	16	209,104
Spot liabilities	(124,152)	(226)	(11,102)	(67,709)	-	(203,189)
Forward purchases	162	-	-	1,008	-	1,170
Forward sales	(4,599)	-	-	(3,435)	-	(8,034)
Net option position	-	-	-	-	-	-
Net long (net short) position	8,813	326	577	(10,681)	16	(949)
Net structural position	-	-	-	-	-	-

	As at 30 June 2025					
	<u>USD</u>	<u>GBP</u>	<u>EUR</u>	<u>CNY</u>	<u>Others</u>	<u>Total</u>
HK\$ million eqvi.						
Spot assets	129,808	5,247	12,887	39,507	16	187,465
Spot liabilities	(117,160)	(4,913)	(12,948)	(47,739)	-	(182,760)
Forward purchases	106	-	645	735	-	1,486
Forward sales	(4,669)	-	-	(1,948)	-	(6,617)
Net option position	-	-	-	-	-	-
Net long (net short) position	8,085	334	584	(9,445)	16	(426)
net structural position	-	-	-	-	-	-

Amount expressed in thousand HKD, unless otherwise stated

VII. Non-Bank Mainland Exposures

	On-balance sheet exposure	Off-balance sheet exposure	Total
	HK\$ million equi.		
As at 31 December 2025			
(a) Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	54,986	17,816	72,802
(b) Local governments, local government-owned entities and their subsidiaries and JVs	2,918	2,000	4,918
(c) PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	35	-	35
(d) Other entities of central government not reported in item (a)	287	-	287
(e) Other entities of local governments not reported in item (b)	-	-	-
(f) PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	-	-	-
(g) Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	58,226	19,816	78,042
Total assets after provision	238,270		
On-balance sheet exposures as percentage of total assets	24.44%		
	On-balance sheet exposure	Off-balance sheet exposure	Total
	HK\$ million equi.		
As at 30 June 2025			
(a) Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	54,906	23,437	78,343
(b) Local governments, local government-owned entities and their subsidiaries and JVs	7,491	-	7,491
(c) PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	70	-	70
(d) Other entities of central government not reported in item (a)	287	-	287
(e) Other entities of local governments not reported in item (b)	-	-	-
(f) PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	-	-	-
(g) Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	62,754	23,437	86,191
Total assets after provision	218,717		
On-balance sheet exposures as percentage of total assets	28.69%		

Amount expressed in thousand HKD, unless otherwise stated

VIII. Off-balance Sheet Exposures (other than derivative transactions)

	As at 31 December 2025	As at 30 June 2025
Contractual or notional amounts of other commitments		
Direct credit substitutes	-	-
Trade-related contingencies	-	-
Other commitments	26,216,668	25,875,737
	<u>26,216,668</u>	<u>25,875,737</u>

IX. Derivative Transactions

	As at 31 December 2025	As at 30 June 2025
<i>Total contractual or notional amounts</i>		
Exchange rate-related derivative contracts	8,948,279	6,517,066
Interest rate derivative contracts	7,441,172	8,009,643
	<u>16,389,451</u>	<u>14,526,709</u>
<i>Total fair value asset</i>		
Exchange rate-related derivative contracts	11,731	11,562
Interest rate derivative contracts	13,180	3,560
	<u>24,911</u>	<u>15,122</u>
<i>Total fair value liability</i>		
Exchange rate-related derivative contracts	(46,231)	(80,313)
Interest rate derivative contracts	(232,302)	(330,157)
	<u>(278,533)</u>	<u>(410,470)</u>

The fair values of derivatives do not take into account the effects of bilateral netting arrangements.

X. Liquidity Risk Management

The Bank has many policies in place to manage its liquidity risk. The senior management and the functional departments perform their responsibilities to ensure the policies are effectively implemented in daily operation. The bank uses various tools for measurement of liquidity risk including liquidity ratio, stress testing, liquidity gap analysis, dynamic liquidity cashflow model and maturity ladder to monitor the risk.

The Bank maintains diverse sources of liquidity to facilitate flexibility in meeting funding requirements. It is primarily funded by debt capital market issuances, interbank borrowings and borrowing from the head office.

The Bank has implemented a forecast model and assumptions to perform cash flow analysis under normal and stressed scenarios. A contingency plan is established to assign procedures and responsibility of relevant departments to take appropriate actions based on stress test results. The Bank has also obtained consent to get ultimate fundings from the head office under severe liquidity crisis.

Amount expressed in thousand HKD, unless otherwise stated

X. Liquidity Risk Management (cont'd)**(i) Liquidity maintenance ratio and the core funding ratio**

	Year ended 31 December 2025	Year ended 31 December 2024	Quarter ended 31 December 2025	Quarter ended 30 September 2025
Average liquidity maintenance ratio	83.82%	82.09%	89.02%	89.76%
Average core funding ratio	108.22%	114.31%	114.15%	110.48%

The average liquidity maintenance ratio is the arithmetic mean of each calendar month's average value of its liquidity maintenance ratio as reported in Part I(2) of the "Return of Liquidity Position of an Authorized Institution". The average core funding ratio is the arithmetic mean of each calendar month's average value of its core funding ratio as reported in Part I of the "Stable Funding Position of an Authorized Institution".

The liquidity information can also be accessed at our website (www.cdb.com.cn/xwzx/xxgg/qtgg/).

(ii) Maturity Analysis

	Next day	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Indefinite
HK\$ million eqvi.							
As at 31 December 2025							
Amount receivable arising from derivative contracts	544	3,354	69	5,442	1,069	1,202	-
Due from MA for a/c of Exchange Fund	2,278	-	-	-	-	-	-
Due from banks	5,157	20,360	12,002	17,646	55,794	3,237	11,821
Debt securities held	54,939	-	-	-	-	-	-
Loans and advances to non-bank customers	-	636	179	20,274	40,909	1,418	3,952
Other assets	-	-	-	-	-	-	1,630
Total assets	62,918	24,350	12,250	43,362	97,772	5,857	17,403
Off-balance sheet claims	11,673	11,673	-	-	-	-	-
Deposits from non-bank customers	7,482	6,144	11,764	9,464	728	-	-
Amount payable arising from derivative contracts	545	3,362	66	5,467	1,128	1,262	-
Due to banks	9	876	9,510	2,942	4,858	-	389
Debt securities issued and outstanding	389	10,904	50,246	63,663	50,373	6,910	-
Other liabilities	-	-	-	-	-	-	466
Capital and reserves	-	-	-	-	-	-	872
Total liabilities	8,425	21,286	71,586	81,536	57,088	8,172	1,727
Off-balance sheet obligations	-	-	389	7,135	18,692	-	-
Net liquidity gap	66,166	14,737	(59,725)	(45,310)	21,991	(2,315)	15,676

Amount expressed in thousand HKD, unless otherwise stated

(ii) Maturity Analysis (cont'd)

	Next day	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Indefinite
HK\$ million eqvi.							
As at 31 December 2024							
Amount receivable arising from derivative contracts	2,329	9,631	103	1,097	1,573	1,651	-
Due from MA for a/c of Exchange Fund	972	-	-	-	-	-	-
Due from banks	13,279	21,249	1,529	382	37,180	1,987	11,530
Debt securities held	47,747	-	-	-	-	-	-
Loans and advances to non-bank customers	-	9,610	950	33,600	29,936	2,025	4,002
Other assets	-	-	-	-	-	-	1,988
Total assets	64,327	40,490	2,582	35,079	68,689	5,663	17,520
Off-balance sheet claims	11,644	11,644	-	-	-	-	-
Deposits from non-bank customers	14,434	13,351	8,854	2,308	704	-	-
Amount payable arising from securities financing tra	-	-	-	-	-	-	-
Amount payable arising from derivative contracts	2,329	9,466	115	1,201	1,773	1,688	-
Due to banks	722	1,202	5,792	3,244	4,803	84	388
Debt securities issued and outstanding	-	6,716	41,625	62,944	27,683	6,893	-
Other liabilities	-	-	-	-	-	-	894
Capital and reserves	-	-	-	-	-	-	1,407
Total liabilities	17,485	30,735	56,386	69,697	34,963	8,665	2,689
Off-balance sheet obligations	-	471	2,106	8,445	28,826	-	-
Net liquidity gap	58,486	20,928	(55,910)	(43,063)	4,900	(3,002)	14,831

XI. Consolidated Bank InformationAs at
31 December 2024¹As at
31 December 2023²

(i) Capital and Capital adequacy

	RMB million	RMB million
Consolidated Amount of Shareholders' funds	1,745,439	1,652,741
Consolidated Capital Adequacy Ratio *	12.37%	11.65%

(ii) Other Financial Information

	As at 31 December 2024 ¹	As at 31 December 2023 ²
Total assets	18,618,341	18,654,522
Total liabilities	16,844,398	16,974,792
Total loans and advances, gross	15,398,359	14,904,502
Total customer deposits	787,725	863,254
Pre-tax Profit	105,579	102,377

¹ The figures for year ended 31 December 2024 are extracted from the audited Consolidated Financial Statements of Head Office.² The figures for year ended 31 December 2023 are extracted from the audited Consolidated Financial Statements of Head Office.

* The consolidated capital adequacy ratio is calculated in accordance with relevant regulations including the Provisional Rule on Capital Management of Commercial Banks issued by the National Financial Regulatory Administration. All figures relating to capital adequacy ratios are presented on a consolidated basis.

Amount expressed in thousand HKD, unless otherwise stated

XII. Statement of Compliance

This 2025 Annual Financial Disclosure Statement contains all disclosures required by the Banking (Disclosure) Rules and the Supervisory Policy Manual: Guideline on the Application of the Banking (Disclosure) Rules issued by the Hong Kong Monetary Authority.

The information contained in the disclosure statement is not false or misleading in any respect, and that the operations of the Bank are clearly explained.



LIU HONG

Chief Executive

China Development Bank - Hong Kong Branch