



China CITIC Bank International Limited

中信銀行（國際）有限公司

Task Force on Climate-Related
Financial Disclosure (TCFD) Statement 2025

CONTENTS

PART I: OVERVIEW OF CLIMATE RISK..... 3
A. Overview of Climate Risk..... 3
PART II: GOVERNANCE..... 3
A. Governance Structure 3
B. Internal Guideline and Policy 4
C. Key Climate-Related Issues Discussed in the Reporting Period 4
D. Capacity Building 5
PART III: STRATEGY 5
A. Climate-Related Risks 5
B. Climate-Related Opportunities 6
PART IV: RISK MANAGEMENT..... 8
A. Climate Risk Identification Process..... 8
B. Green Taxonomy 9
C. Stress Testing..... 9
D. Risk Monitoring..... 10
PART V: METRICS AND TARGETS 10
A. Operational Emissions 10
i. Scope 1 and 2 GHG Emissions 10
ii. Scope 3 Value Chain Emissions..... 11
B. Financed Emissions (Scope 3 Category 15)..... 12

TCFD Statement

The information contained in this disclosure statement is for China CITIC Bank International Limited, its overseas branches and subsidiaries (“the Bank”), and is prepared in accordance with the Supervisory Policy Manual GS-1 on Climate Risk Management issued by the Hong Kong Monetary Authority (“HKMA”) with reporting period from 1 January 2025 to 31 December 2025.

PART I: OVERVIEW OF CLIMATE RISK

A. Overview of Climate Risk

Climate risks generally refer to the risks posed by climate change, such as damage caused by extreme weather events or a decline in asset value in carbon-intensive sectors. They are broadly classified into:

Transition risk refers to financial risk created during the process of adjustment towards a lower-carbon economy which can be prompted by, for example, changes in climate regulations, technological innovation, or a change in market sentiment, with the purpose of mitigating and adapting to long-term climate change.

Physical risk refers to the risk that may have a direct impact on the Bank's assets and operation management, including acute climate disasters and chronic climate change. Acute risk refers to the risk caused by sudden catastrophic events, including extreme typhoons, hurricanes, or floods. The risk comes from the weather events themselves and increased severity of these events. Chronic risks refer to risks from longer-term changes in global climate patterns, such as global warming, sea level rise, and ocean acidification.

The Bank manages its climate risks by identifying the transmission path to the inherent risks, including credit, market, operational, legal, liquidity, interest rate, reputation, and strategic risks. The respective risk management functions, including the Risk Management Group (“RMG”), the Controls and Compliance Group (“CCG”), the Financial Management Group (“FMG”), and the CEO Office identify and assess the impact of climate risk for each inherent risk regularly.

The objective of climate risk management is to manage the respective inherent risk profile within the Bank's risk appetite by implementing adequate and effective controls and risk mitigation measures, where appropriate and practicable.

PART II: GOVERNANCE

The Bank has established a clear climate-related governance structure, including oversight at the Board level, and roles and responsibilities at the management level. In order to better carry out climate risk governance, the Bank has developed an internal guideline and updated the corresponding policies, and the senior management has discussed climate-related issues in the reporting period.

A. Governance Structure

The governance structure of climate risk management is divided into three levels:

The Board, who delegates authority to the Credit Risk Management Committee (“CRMC”) to assist the Board in fulfilling its responsibilities regarding climate risk governance, including:

- Oversee the development and implementation of the Bank's climate strategy;
- Review and consider whether and how climate risks should be integrated into the risk appetite framework, and recommend the risk appetite statement to the Board for final approval;

TCFD Statement

- Review and approve relevant risk policies related to climate risk, and ensure that those are properly implemented with clear guidance and operating standards;
- Oversee climate risk management information and key initiatives concerning climate-related matters; and
- Ensure that appropriate remedial actions will be promptly taken to address issues of concern when necessary.

The respective Management Level Committees (“MLCs”) authorized by the CRMC or the Chief Executive Officer (“CEO”) to manage daily business and affairs, including the Credit Committee (“CC”), the Market Risk Committee (“MRC”), the Asset and Liability Committee (“ALCO”), the Operational Risk Management Committee (“ORMC”), the New Product Committee (“NPC”), the Compliance and AML Committee (“CAC”) and the Management Committee (“MC”). The responsibilities of the MLCs on climate risk governance will be determined by the transmission path of climate risk and include:

- Oversee the assessment of the Bank’s climate-related risks, resolve climate risk-related matters, and report to the CRMC for approval for any significant issues and necessary risk mitigation measures;
- Review and concur the climate risk identification and assessment results;
- Identify and evaluate climate-related risks and opportunities in the context of the Bank’s strategic objectives;
- Review climate-related risk strategies and consider integrating them into the Bank’s risk appetite for each of the relevant risk areas; and
- Approve, or review and concur relevant policies and documents related to climate risk.

The respective Risk Management Functions, including RMG, CCG, FMG, and the CEO Office, are responsible for the execution of climate-related risk management under their respective inherent risk area depending on the transmission path.

B. Internal Guideline and Policy

The Bank has set up its internal guideline, aiming to establish an effective climate risk management framework within the Bank, which clarifies the definition of climate risks, the transmission path of climate risks, the division of roles and responsibility, climate risk strategy formulation process and considerations and the risk appetite of climate risk management.

Based on the principles and framework established by the guideline, the Bank has also reviewed and updated its internal policies to ensure appropriate integration of climate change considerations.

C. Key Climate-Related Issues Discussed in the Reporting Period

The ESG Steering Committee (“Committee”) has been founded to pursue sustainable development and fulfil corporate social responsibilities from the perspectives of the environment, society and corporate governance.

The Committee is a standing committee under the Chief Executive Officer of the Bank. It is responsible for implementing the Board’s requirements on ESG-related work and steering the Bank’s ESG-related work.

TCFD Statement

During the reporting period, meetings were held by the Committee to discuss key ESG issues, including formulating ESG strategy, promoting and supervising the ESG-related work, and assessing the effectiveness of the ESG-related work.

D. Capacity Building

The Bank is committed to strengthening its ESG capabilities through continuous training and professional development. In 2025, the Bank organised a dedicated training session “Sustainability Leadership for Banks – Governance, Risk Management and Sustainable Finance Development” for senior management, including members of the Management Committee and the Extended Top Team, to enhance their understanding of climate-related risks and opportunities, as well as the implications for strategy and operations.

To build organisation-wide awareness and capabilities, the Bank conducted and participated in a series of ESG-related training programmes, covering topics such as climate risk, green finance, and sustainable banking practices. In addition, the Bank continued to encourage and support relevant employees to obtain professional qualifications under the HKMA’s Enhanced Competency Framework (ECF). As of December 2025, 80% of the in-scope staff had obtained the required ECF qualifications on Green and Sustainable Finance (GSF). The Bank will continue to enhance ESG capabilities through targeted training and professional development initiatives, supporting the integrations of sustainability into its business strategy and operations.

PART III: STRATEGY

To better facilitate the formulation of climate-related strategy, the Bank identified climate-related risks and opportunities to assess its strategic resilience in the face of climate change. On this basis, the Bank developed its ESG strategy and launched a series of climate-related initiatives and businesses.

A. Climate-Related Risks

Both transition and physical risks will bring significant impact to business entities, the accumulation of such risks will also bring impact to the financial system. Transition risk will lead to an increase in operating costs and lower profitability for business entities. Physical risk will lead to the direct loss of corporate properties, leading to interruption in business operations. These changes ultimately lead to lower loan repayment ability of business entities and higher pricing of insurance products.

The Bank has identified how physical risk and transition risk are transmitted to traditional financial risks, named Climate Risk Identification Process, with the time horizon and significance of impact being assessed, and the significance of impact on each inherent risk is assessed based on the likelihood of occurrence, the magnitude of impact given occurrence, and the organizational resilience. Annual review of Climate Risk Identification Process in 2025 had been performed and it is concluded that Credit risk would have the highest impact among all inherent risks. Please see below the transmission channels and impacted time horizon of each risk type:

TCFD Statement

| Risk type | Transmission channel | Time horizon ¹ |
|--------------------|---|---------------------------|
| Credit risk | Through drivers of both physical risk and transition risk, climate change may reduce the value of collateral, the borrower's repayment ability, as well as the Bank's capability to clear a defaulted loan. | MT - LT |
| Market risk | The market prices or valuation fluctuations could be driven by climate risk factors, either transition risk or physical risk. | ST - LT |
| Operational risk | The occurrence of extreme weather events could lead to disruptions to the Bank's operations and its key outsourcing arrangements, resulting in financial losses. Failure of internal adaptation to climate-related policy changes could also pose operational risk. | ST - LT |
| Liquidity risk | Climate risk may cause the Bank's customers to reduce deposits or increase drawdowns on their credit lines to meet additional expenses in the transition to a low-carbon economy or to meet sudden increases in funding needs following natural disasters. | MT - LT |
| Interest rate risk | The implementation of carbon pricing mechanism, such as carbon emission trading and carbon taxes, will drive up the prices of traditional fossil fuel energy, potentially causing inflation in the economy. Consequently, the central bank will need to raise benchmark interest rate to deal with inflation. | MT |
| Legal risk | Business interruptions due to extreme weather events may result in legal liabilities for the Bank. The introduction of climate-related regulatory measures may cause more legal and regulatory compliance costs over climate-risk sensitive investments and business activities. | MT - LT |
| Reputation risk | The lack of climate awareness may lead to negative public opinion from the market, the public or stakeholders, and ultimately affect the Bank's reputation. | ST - LT |
| Strategic risk | The Bank may lose its competitiveness and market position due to the lack of climate awareness, for example, failing to respond in a timely manner to changing market conditions, etc. | ST - LT |

B. Climate-Related Opportunities

The Bank is dedicated to promoting sustainable development by integrating ESG principles into its operations and offerings. Efforts are focused on expanding green financial products, including green and sustainable finance-related loans, green bonds, etc. The wealth management portfolio is enhanced with diversified ESG funds, bonds, and related solutions, while green mortgages and credit card products are promoted to meet diverse customer needs and encourage low-carbon practices across industries.

In alignment with the Hong Kong government's commitment to achieve carbon neutrality by 2050 and the HKMA's "Net Zero Transformation Plan", priorities are given to addressing transitioning to net-zero emissions in internal operations by 2030 by the Bank. Key measures include adopting paperless workflows, deploying energy-efficient facilities, and implementing sustainable procurement practices. These initiatives highlight a commitment to environmental responsibility and adherence to industry standards for sustainable growth.

Footnotes:

1 Short-term (ST): in next 1-2 years; Medium-Term (MT): in next 3-5 years; Long-term (LT): after 5 years

TCFD Statement

Green Operation

The Bank continues to promote environmentally friendly operating principles. Energy-saving equipment, such as LED lighting and energy-efficient air conditioning, is consistently used in branch and office renovation projects. Smart systems are installed to automatically adjust lighting and temperature, reducing non-work-related energy consumption and striving to create a sustainable and environmentally friendly working environment. Furthermore, we are gradually replacing older gasoline-powered vehicles with new energy electric vehicles, reducing our reliance on traditional fuels.

With the opening of the first ESG concept branch in Tsim Sha Tsui in 2024, and the adoption of smart energy-saving and green paperless operation models, the Bank practices sustainable operation concepts. The relevant experience was successfully replicated to the private banking branch and Wan Chai branch that opened in 2025. In addition, the Group has replaced three old gasoline vehicles with electric vehicles in the same year.

The Bank's sustainability effort was being recognized again in 2025. Swire properties awarded the Bank the Green Efficiency Commitment Platinum award, which is the highest rating and better than the Gold award last year, to recognize the Bank's sustainability effort and sharing of best practices.

In 2026, the Bank will continue to strengthen the promotion of "reduce, reuse and recycle" principle to enhance the green working culture to drive sustainability goal, especially on energy-saving, paper and water management.

Sustainable Finance

Personal and Business Banking Group ("PBG")

For retail customers, the Bank offers green property mortgage loans to promote sustainable finance. The Bank had also distributed ESG funds authorized by Securities and Futures Commission ("SFC") for customers to take advantage of emerging ESG market trends and the Bank is offering 32 SFC-authorized ESG funds at the end of 2025.

Wholesale Banking Group ("WBG")

The Bank provides a diverse suite of green and sustainable financing products in corporate lending, including but not limited to sustainability-linked loans (SLLs), green loans, transition loans and etc. To further advocate transition financing, the Bank established a monitoring mechanism targeting high-emission and high-pollution sectors, coupled with proactive engagement to steer carbon-intensive borrowers toward green or transition financing solutions. These efforts drove the Bank's green and sustainable loan balance to a new milestone in 2025, representing over 29% year-on-year increase. Alongside this growth, the Bank continues to expand its sustainable finance footprint across Mainland China and Hong Kong, while actively deepening cross-border synergies within its overseas Asia-Pacific markets.

With outstanding performance in green and sustainable finance, the Bank received a total of 11 sustainable related loan awards in 2025 from different reputable organizations, including the The Asset, Hong Kong Quality Assurance Agency ("HKQAA"), Asian Banking and Finance ("ABF"), and the Greaterbay

TCFD Statement

Financier Association (“GFA”), reflecting broad market recognition. Several of these initiatives served as innovative benchmarks for the industry, such as the first transition-themed loan for Hong Kong’s transportation sector and the only one best SLL in South Korea awarded by the Asset in 2026.

Moving forward, the Bank remains committed to pioneering professional and innovative green and sustainable financial solutions that support the transition to a sustainable and low-carbon economy.

Treasury and Markets Group (“TMG”)

The Bank has actively participated in the issuance of Green and Sustainability Bonds. In 2025, green and sustainable public bond underwriting achieved simultaneous growth in both quality and quantity, with double-digit increases recorded in both the number and scale of transactions. Specifically, the number of underwriting rose by 20.0% year-on-year to 78. With the Bank’s continuous efforts in sustainable finance, the Bank was awarded the “Best Sustainable Finance Deal” by FinanceAsia, as well as the “Green and Sustainable Lead Arranger, Outstanding Vision in Green and Blue Bond Framework” by the HKQAA.

PART IV: RISK MANAGEMENT

The Bank actively manages its exposure to climate risk and its potential impacts. The Bank's management of climate risk is embedded in its overall risk management framework. Based on the transmission path identified from climate risk to inherent risks, different risk management functions would enhance their management approach to identifying, managing, monitoring, and reporting climate risk respectively.

In general, the Bank's process for managing climate risk includes climate risk identification, internal Green Taxonomy, policy review and update, climate risk stress testing, and regular monitoring and reporting of climate risk information.

A. Climate Risk Identification Process

The Bank has established an effective mechanism to identify and assess climate risks in products, businesses, processes, and systems based on the definition and the transmission path from climate risk to the inherent risks, including credit, market, interest rate, liquidity, operational, legal, reputation, and strategic risks.

During the risk identification and assessment process, transition risk and physical risk scenarios are constructed for each inherent risk. The risk drivers associated with the transition risk scenarios include climate policies, technology, and population sentiment, while the risk drivers associated with the physical risk scenarios include acute physical risk and chronic physical risk. Each type of inherent risk includes the risk scenarios arising from the risk drivers described above. The significance of impact on each inherent risk is assessed based on the likelihood of occurrence, the magnitude of impact given occurrence, and the organizational resilience.

For details of risk identification assessment, please refer to PART III – A. Climate-Related Risks.

B. Green Taxonomy

To better understand and measure our exposures to climate risk, the Bank has formulated its own green taxonomy to classify each transaction into four climate risk levels, with the degree of “greenness” decreasing based on the use of funds and the economic sectors of the facility, borrower, and guarantor. The classification is based largely on the Green Loan Principles, industry energy production efficiency data published by the National Bureau of Statistics of PRC, and the high carbon emission and high pollution industries defined by the Ministry of Ecology and Environment of PRC. The current industry classifications have been enhanced and embedded in the credit processes and systems to enable the Bank to measure its exposures to climate risks aligning to the green taxonomy. With reference to industry best practices and evolving external environment, the Bank has established risk management quantitative measure, and would regularly review and implement these risk management measures, where appropriate, to manage the exposures from risk concentration to high emission and high pollution industries.

C. Stress Testing

Climate risk stress testing (“CRST”) and scenario analysis are important tools adopted by the Bank to measure and assess the vulnerability and resilience under various short-term and long-term climate scenarios.

The CRST is conducted annually to assess both the transition risk (e.g. policy changes, market shifts towards low-carbon technologies) and the physical risk (e.g. extreme weather events, sea-level rise) across range of climate scenarios.

The transition risk and physical risk impacts as specified in below table are assessed under the CRST.

| | |
|-----------------|--|
| Transition Risk | The transition towards a low-carbon economy prompted by, for example, changes in climate policies, technological changes such as energy-saving technologies, a sharp decline in renewable energy costs, and/or other factors can transmit and impact various inherent risks such as credit risk and market risk of the Bank. |
| Physical Risk | Extreme weather events and climate changes would lead to property damages or adverse impact on property prices which may reduce collateral / self-owned property values, cause operations and business disruptions to the Bank and its counterparties. |

For transition risk, the Bank has methodologies in place to measure and evaluate the impact on credit quality of its counterparties engaging in high carbon-emitting industries under the different transition pathways. For physical risk, the Bank has developed quantitative methods to assess the potential impact on real estate market value, loss driven by business disruptions, and counterparties’ credit quality deteriorations due to extreme weather incidents and climate changes (e.g. tropical cyclone, heavy precipitation and heatwave). The impacts from climate risks are transmitted into the inherent risks, including credit risk, market risk, operational risk, and etc., faced by the Bank.

The Bank will keep abreast of market development and regulatory updates to review the appropriateness of the CRST methodologies.

TCFD Statement

D. Risk Monitoring

The Bank established risk monitoring mechanism for climate risk related indicators. Based on the taxonomy, quantitative indicators have been set up in risk appetite and credit strategy to monitor and control the credit exposures to high emission and high pollution sectors. The Bank will continuously enhance the climate risk related data collection and review the quantitative indicators to actively manage the climate risk related credit exposures and ensure the amount of exposures to be within the Bank's risk appetite, with reference to industry best practices and regulatory direction in ESG and climate risk management.

In 2025, the Bank explored and utilized the HKMA's Physical Risk Assessment Platform to conduct an initial assessment of physical climate risk exposures in the Bank's property-backed loan portfolios.

PART V: METRICS AND TARGETS

As a responsible financial institution, we take our commitment to managing climate-related risks seriously. We aim to mitigate the impact of climate change on our operations and financing activities to support the transition to a low-carbon economy.

In 2025, the Bank expanded the reporting boundary for Scope 1 and Scope 2 emissions to incorporate all overseas branches (New York, Los Angeles, Singapore and Macau) and wholly owned subsidiaries, in addition to the Hong Kong offices, business centers and branch operations. This expanded boundary reflects the Bank's commitment to providing a comprehensive and accurate picture of its operational emissions and aligns with the GHG Protocol's operational control approach. Prior year figures are restated on a comparable basis where data is available.

A. Operational Emissions

The Bank calculates its operational GHG emissions in accordance with the GHG Protocol Corporate Accounting and Reporting Standard, including both direct and indirect emissions from its operations as well as its value chain.

i. Scope 1 and 2 GHG Emissions

The Bank recognizes the increasing needs from relevant stakeholders for transparency regarding climate risk metrics. By disclosing our annual GHG emissions, we are providing our stakeholders with a better understanding of our carbon footprint, and demonstrating our commitment to reducing our impact on the environment.

The Bank will continue to promote green and environmentally friendly practices in all renovation projects for new offices and branches by installing energy-saving devices, including motion sensors and LED lighting. In terms of other measures to reduce carbon emissions, we will continue to replace old fuel vehicles with new energy electric vehicles, aiming to further reduce fuel consumption and fulfill our responsibility for green operations.

In addition, the Bank also takes measures on natural resources management, especially on water management. Tap water filters are applied to office premises to control the water consumption. Reduced ordering of distilled water decreases the water usage and also reduce the carbon emission due to transportation.

TCFD Statement

| | Category | 2025 | 2024 | Comparison |
|---|-----------------------|---------------------------|---------------------------|------------|
| Scope I (Direct Emissions) | Mobile Combustion | 69.06 tCO ₂ | 75.02 tCO ₂ | -7.94% |
| | Total Scope I | 69.06 tCO ₂ | 75.02 tCO ₂ | -7.94% |
| Scope II (Indirect Emissions) | Purchased Electricity | 2,537.34 tCO ₂ | 2,743.73 tCO ₂ | -7.52% |
| | Total Scope II | 2,537.34 tCO ₂ | 2,743.73 tCO ₂ | -7.52% |
| Paper Consumption ¹ | | 10,705,000 pcs | 11,502,500 pcs | -6.93% |
| Distilled Bottled Water Consumption ¹ | | 4,776 bottles | 6,195 bottles | -22.91% |
| Recycled Food Waste for the Two Taikoo Place office | | 1,416.4 kg | 1,176.8 kg | +20.36% |

Note 1: The figures cover offices, business centers and branch operations in Hong Kong only.

To ensure the accuracy of our GHG emissions reporting, we benchmarked global standard *GHG protocol* for GHG calculation and adopted standardized emission factors based on our geographical location and electricity suppliers.

We have also established robust data collection and processing methods to ensure the completeness and accuracy of our GHG emissions data. The Bank's Scope 1 emission covers GHG emissions directly generated from mobile combustion. Scope 2 emission covers GHG emission generated through the purchase of electricity for our premises.

ii. Scope 3 Value Chain Emissions

In 2024, the Bank commenced its assessment of Scope 3 value chain emissions and began the data collection process. The assessment includes 5 relevant categories, highlighting the Bank's proactive commitment to managing and disclosing its value chain emissions. The methodologies referenced align with those outlined in the GHG Protocol Corporate Value Chain (Scope 3) Standard.

(in tCO₂e)

| Categories | 2025 | 2024 | Methodology |
|---------------------------------------|--------------------|---------------|---|
| 1 Purchased Goods and Services | 9,294 | 9,459 | Spend-based method |
| 2 Capital Goods | 4,803 ¹ | 4,613 | Spend-based method |
| 3 Fuel- and Energy-Related Activities | 87 | 96 | Supplier-specific and national/global average T&D loss rates |
| 6 Business Travel | 465 | 444 | Hybrid method: both distance-based and spend-based approaches |
| 7 Employee Commuting | 1,366 | 1,354 | Distance-based method |
| Total Emissions | 16,015 | 15,966 | |

Note 1: Emissions increased mainly due to increase in renovation costs / fixtures & furniture in 2025 for branches relocations.

TCFD Statement

B. Financed Emissions (Scope 3 Category 15)

The Bank has proactively initiated the measurement of Category 15 – financed emissions associated with its lending and investment activities. To calculate and disclose these financed emissions, the Bank has adopted the Partnership for Carbon Accounting Financials (PCAF) methodology. Emissions were evaluated across 7 asset classes, aiming to develop a more holistic view of its financed emissions footprint.

Business loans, unlisted equity and corporate bonds accounted for approximately 91% of total financed emissions in 2025. Total financed emissions decreased by approximately 8.2%, mainly driven by improvements in the data quality of the business loan portfolio.

While the availability of counterparty-level GHG emissions data remains limited across the market, the Bank is committed to progressively enhancing the data quality and coverage to support robust risk management and informed decision-making processes. Collaborative efforts with clients and stakeholders are underway to improve data transparency. By establishing and analyzing the GHG emissions metrics, the Bank aims to provide clear visibility into its performance and progress in climate risk management. Through these initiatives, the Bank actively contributes to Hong Kong's transition to a low-carbon economy.

Financed Emissions by Asset Class

(in ktCO_{2e})

| Asset Classes | 2025 | 2024 |
|------------------------------------|---------------|---------------|
| Corporate Bonds | 3,676 | 3,762 |
| Business Loans and Unlisted Equity | 6,426 | 7,111 |
| Project Finance | 0.4 | 2 |
| Commercial Real Estate | 47 | 47 |
| Mortgages | 26 | 28 |
| Motor Vehicle Loans | 0.18 | 0.20 |
| Sovereign Debt | 910 | 1,131 |
| Total | 11,086 | 12,081 |