



重庆农村商业银行
CHONGQING RURAL COMMERCIAL BANK

STOCK | 601077.SH
CODE | 03618.HK

2025 ANNUAL REPORT



* *The Bank holds a financial licence number B0335H2500000001 approved by the China Banking and Insurance Regulatory Authority and was authorised by the Market Supervision Administration of Chongqing Municipality to obtain a corporate legal person business licence with a unified social credit code 91500000676129728J. The Bank is not an authorised institution in accordance with the Hong Kong Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorised to carry on banking/ deposit-taking business in Hong Kong.*

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Important Notice ▶▶

1. The Board, the Board of Supervisors and the directors, supervisors and senior management of the Bank warrant the truthfulness, accuracy and completeness of the contents of this annual report, and that there are no false presentations, misleading statements or material omissions herein, and are legally liable jointly and severally.
2. The 2025 annual report and the results announcement of the Bank have been considered and approved at the 68th meeting of the fifth session of the Board of Directors of the Bank convened on 25 March 2026. The number of directors who should attend the meeting is 7 with 7 directors actually attending the meeting. Some supervisors and senior management personnel of the Bank attended the meeting.
3. The 2025 financial report prepared by the Bank in accordance with Chinese Accounting Standards has been audited by KPMG Huazhen LLP, and the 2025 financial report prepared in accordance with International Financial Reporting Standards has been audited by KPMG. Each of the auditors issued an unqualified audit report.
4. The Bank's chairman Liu Xiaojun, vice president in charge of accounting Zhang Jin and head of the accounting department Liu Yi warrant the truthfulness, accuracy and completeness of the financial statements in this annual report.
5. The Bank has distributed the interim dividend for 2025 on ordinary shares of RMB2.0336 per 10 shares (tax inclusive). The Board of Directors of the Bank has recommended a proposed distribution of final dividends for 2025 on ordinary shares of RMB1.1755 per 10 shares (tax inclusive) and a distribution of dividends for 2025 on ordinary shares of a total of RMB3.2091 per 10 shares (tax inclusive), such dividend distribution plan will be submitted to the 2025 annual general meeting for consideration. No capitalisation of the capital reserve to share capital is proposed in this distribution.
6. This report may contain forward-looking statements such as future plans of the Bank. Such statements are made by the Bank based on the current situation and forecast and are related to future events or the Bank's future financial, business or other performance. Possible future plans do not constitute a substantive commitment by the Bank to its investors. Investors and people concerned should be fully aware of the risks and understand the differences between plans, forecast and commitment.
7. There is no misappropriation of the Bank's funds by its controlling shareholders or other related parties for non-operating purposes and no instance of providing external guarantee that is in breach of the established decision-making procedure.
8. The Bank has no significant risks that need to draw special attention of investors. For details of the major risks that the Bank faces in its business operation and various measures adopted by the Bank, please refer to the Risk Management Section in Chapter 3 of this report.

Definitions ►►

Chongqing Rural Commercial Bank, Bank or our Bank	Chongqing Rural Commercial Bank Co., Ltd.* (重慶農村商業銀行股份有限公司)
Group	Chongqing Rural Commercial Bank Co., Ltd.* (重慶農村商業銀行股份有限公司) and its subsidiaries
PBOC or Central Bank	the People's Bank of China
CSRC	China Securities Regulatory Commission
Hong Kong Stock Exchange, or the Stock Exchange	The Stock Exchange of Hong Kong Limited
Hong Kong Listing Rules	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
Shanghai Stock Exchange	Shanghai Stock Exchange
rural commercial bank	a short-hand reference to rural commercial bank (農村商業銀行)
Sannong	a short-hand reference to the Chinese pronunciation of the phrase "agriculture, rural areas and farmers"
village and township banks	bank institutions that are approved by China Banking Regulatory Authority to be incorporated in rural areas to provide services to local farmers or enterprises
CQRC Wealth Management	CQRC Wealth Management Co., Ltd.
CQRC Financial Leasing	CQRC Financial Leasing Co., Ltd.
urban area	8 urban areas in Chongqing city, namely Yuzhong District, Dadukou District, Liangjiang New District, Shapingba District, Jiulongpo District, Nan'an District, Beibei District and Ba'nian District
county area	Regions other than 8 urban areas of Chongqing city, also including 12 village and township banks controlled by the Bank and Qujing Branch established in another province by the Bank
yuan	RMB yuan
Reporting Period	the twelve months period from 1 January 2025 to 31 December 2025
Articles of Association	the articles of association of the Bank currently in force, as amended from time to time

Chairman's Statement

Dear shareholders,

As the seasons turn, a new chapter unfolds. The year 2025 marks the successful conclusion of the “14th Five-Year Plan”. China’s economy has forged ahead amid complex challenges, striving for innovation-driven and high-quality development, and its development resilience has continued to shine through. Faced with profoundly changing external environment and arduous and significant development tasks, Chongqing Rural Commercial Bank has adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly implemented the decisions and plans of the Party Central Committee, the State Council, Chongqing Municipal Party Committee and Chongqing Municipal People’s Government, and closely aligned with the main theme of building a new modernized Chongqing. Focusing on the goal of building a world-class modern rural commercial bank that is “technology-based, industry-oriented and ecology-based”, the Bank has vigorously cultivated “three new momentums” of digitally-driven, industry-chain-driven and scenario-driven and endeavored to form a “1+11+3” transformation and development pattern, striving to write a new chapter of high-quality development.

As of the end of 2025, the Group’s total assets exceeded RMB1.66 trillion, representing an increase of 9.95% as compared with the end of the previous year, with the growth rate hitting a four-year high. The total profit amounted to RMB13.709 billion, representing a year-on-year increase of 6.96%, the non-performing ratio was 1.08% and the provision coverage ratio was 367.26%. The overall operation quality and efficiency continued to improve. The Bank successfully obtained the qualification for securities investment fund custody, filling the gap in this field among Chongqing’s corporate banks. All 16 major targets outlined in the “14th Five-Year Plan” were successfully achieved. The Bank rose to the 112th position among the World Banks in The Banker of the UK, firmly maintaining its position as the top bank in western China and among rural commercial banks nationwide. Our support for the real economy took on a “54321” pattern: we disbursed nearly 1/5 of the manufacturing loans, 1/4 of the inclusive small and micro enterprise loans, 1/3 of the agricultural loans and 1/2 of the farm household loans in Chongqing, and main indicators related to our support for the real economy all ranked first in Chongqing. The Bank has continuously consolidated its market position as the local financial institution with the largest asset scale, strongest capital strength and widest service network in Chongqing, repaying the trust and support of all shareholders with tangible development achievements.

Keeping in mind the country's top priorities, we have deepened our efforts in the “five major areas” of finance and stayed true to our original aspiration of serving the people while supporting national strategies. Finance underpins national strength, and serving the people is where our original aspiration lies. In 2025, we have fully grasped the political and people-centered nature of financial work, resolutely implemented the plans and requirements of the Party Central Committee on advancing the “five major areas” of finance, and earnestly integrated the people-oriented development philosophy into the entire process and all fields of financial services, fulfilling our mission and responsibilities through targeted financial

services. Specifically, **in terms of technology finance**, we have comprehensively optimized our product system, business models and ecological layout, achieving new breakthroughs in sci-tech loans. The loan balance of technology-based enterprises was RMB90.906 billion, ranking first among local corporate banks, effectively empowering the development of new quality productive forces. **In terms of green finance**, we have closely aligned with the “dual carbon” strategic goals and promoted the coordinated development of green credit, transition finance and carbon finance. The balance of green loans amounted to RMB82.817 billion. We successfully implemented Chongqing’s first carbon footprint-linked loan and launched the innovative “carbon labeling of agricultural and sideline products + transition finance” model and supported the low-carbon transformation of agriculture, setting a benchmark for green finance in the region. **In terms of inclusive finance and pension finance**, we have built an inclusive financial ecosystem covering scenarios such as “health care, medical care, shopping and tourism”, promoting to rank first among banks in Chongqing in terms of the scale of inclusive small and micro enterprise loans and agricultural loans. The Bank ranked first among banks in Chongqing in terms of the number of social security cards issued and the number of elderly care customers served. Our pension finance business was rated “Excellent” by the People’s Bank of China, effectively enhancing the public’s sense of gain and happiness from financial services. **In terms of digital finance**, we have adhered to technology empowerment and digital transformation, established 7 new business-technology integration centers and launched 15 intelligent agents. We have deepened the application of digital intelligence in business, operations, risk management and other fields and continued to improve service experience for clients and employees and strengthen digital support capabilities, injecting digital momentum for our high-quality development.

Rooted in the fertile soil of the Bayu area and committed to the well-being of thousands of households, we have demonstrated the responsibility of a state-owned enterprise while integrating into the overall development landscape.

As a main financial force based in Chongqing and dedicated to serving the local community, we have consistently aligned our efforts with local economic and social development, proactively addressing local development needs and providing targeted support to the real economy. We have actively served the national strategy of developing the Chengdu-Chongqing Economic Circle and thoroughly explored new models of trade finance and supply chain finance in the Chengdu-Chongqing region. Proactively integrating into the national strategy of opening up, we have vigorously promoted exclusive products such as “Land-Sea Chain Financing” and “Land-Sea New Channel Loan”. The financing balance for the New International Land-Sea Corridor was RMB71.122 billion, ranking first among local corporate banks. Closely following Chongqing’s requirements for building the “33618” modern manufacturing cluster system, we have proactively engaged and provided targeted services. The loan balance of the manufacturing industry was RMB78.385 billion, maintaining the largest market share among banks in Chongqing. We have fully supported the strategic arrangements to expand domestic demand and boost consumption, with the growth in credit card and consumer loan volumes ranking first in Chongqing, effectively unlocking consumption potential and injecting strong vitality into the recovery of the local economy.

Daring to forge a new path of reform and stimulating innovation momentum, we have accumulated strength for high-quality development while overcoming difficulties and tackling challenges. Only those who reform move forward; only those who innovate grow strong. In 2025, we have remained steadfast in solving development dilemmas through reform and energizing development vitality via innovation, defined the strategic orientation of the “three new momentums” of digitally-driven, industrial-chain-driven and scenario-driven, deepened supporting reforms in areas such as organizational structure, cadre and personnel management, assessment mechanisms and risk control procedures, and delivered a series of exemplary and pioneering reform achievements, advancing our transformation and development with steady and rapid progress. The technology finance customer acquisition platform has been successfully built and put into operation, reshaping traditional marketing models and driving credit supply to grow beyond expectations. The “Yukuai Hui” brand made its debut successfully, and the ecosystem-based “Consumption Festival” ignited the entire city, with the number of merchants exceeding 2 million, achieving the “doubling” target. The “Jiangyu Cultural Tourism Card” was innovatively launched, fully covering the entire chain of “food, accommodation, transportation, travel, shopping and entertainment”, promoting the co-construction and win-win results of a comprehensive ecosystem. Amid a strong atmosphere of reform, all cadres and employees of the Bank have proactively shifted their mindset, optimized work habits, improved marketing and risk control capabilities, and consciously devoted themselves to the practice of transformation and development, injecting a steady stream of endogenous impetus into transformation and development.

Building a solid risk defense line and improving governance efficiency, we have achieved steady and long-term development by balancing development and risk prevention and control. Compliance risk control serves as the “ballast” for sound and steady development. In 2025, we have always adhered to bottom-line thinking, strengthened risk awareness, continuously improved the comprehensive risk management system, attached equal importance to risk control and business empowerment, and reinforced the management of risk sources. We have established a risk control data collaboration and sharing mechanism and a regular consultation mechanism for business lines, shifting risk management from “separate data collection and individual operations” to “shared data utilization and coordinated action”, so as to enhance the synergy of risk prevention and control. We have launched the comprehensive risk monitoring platform and built an enterprise relationship knowledge graph to improve the foresight and penetration of risk identification. We have restructured the credit product management system, promoted the systematic management of products, and developed a product evaluation model, driving risk management to shift from “focusing on risks and post-event tracing” to “integrating management and services and taking proactive initiatives”, thus achieving a virtuous cycle between risk prevention and control and business development. We have thoroughly promoted rigorous Party self-governance, strengthened audit efficiency, formed a joint supervision force of discipline inspection, compliance, inspection and audit, and moved from “individual supervision” to “comprehensive supervision”, building a secure barrier for sound and steady development.

Upholding the sense of responsibility and conveying value and warmth, we have continued to write a brilliant chapter in rewarding shareholders and serving society. We have always adhered to repaying the trust of shareholders with sound and steady development and meeting social expectations with a strong sense of responsibility. With sound operating performance

and governance standards, the Bank’s stock has been successfully included in the CSI 300 Index and the MSCI China H Index, continuously expanding our market influence and further enhancing shareholder value. We have always regarded shareholder returns as a key mission, implementing a stable and sustainable dividend policy. Over the past five years, we have distributed a cumulative total of RMB15 billion of dividends, with a payout ratio consistently at or above 30%, thereby rewarding shareholders for their long-standing trust and support with tangible returns. Meanwhile, we have actively fulfilled social responsibilities, fully supporting development in key areas such as rural revitalization, green and low-carbon development, and inclusive social welfare. We have continuously carried out social welfare activities including public welfare and charity, supporting and assisting farmers, and knowledge dissemination, striving to build a “responsible bank” that is both compassionate and accountable. We have achieved an “A” rating in mainstream ESG assessments by MSCI and others, demonstrating through concrete actions our commitment to the values of finance for good and responsibility first.

The year 2026 marks the opening year of the “15th Five-Year Plan”, a crucial initial year for accelerating the building of a financial powerhouse, and also a pivotal year for breakthroughs in the Group’s transformation and development. We will strengthen the leading role of Party building, enhance development leading capacity and primary-level organizational capacity, and fully implement the strategy of “three momentums, five transformations and one enhancement”. By further building the “three new momentums” of digitally-driven, industrial-chain-driven and scenario-driven, we will promote the five transformations of the Group and drive steady enhancement in benefits, so as to ensure a strong start for the development during the “15th Five-Year Plan” period.

Shifting from scale-driven development to equal emphasis on “volume, price and risk”, we will consolidate the foundation for development in dynamic balance. We will coordinate the relationship between scale, price and risk, take EVA assessment as the core, and promote the Bank to transform into a value-oriented bank through internal price transmission and resource allocation optimization. We will continue to advance the “five major areas” of finance in depth, support the “33618” modern manufacturing cluster system” and “416” scientific and technological innovation layout across Chongqing, integrate industrial chain resources, build application scenarios, expand credit supply and coverage, and maintain reasonable growth in total credit volume. We will strengthen the coordination of deposit volume and price, stabilize the income level of the asset side, and keep the net interest margin within a reasonable range through differentiated pricing, comprehensive services and agile response. Meanwhile, we will integrate risk prevention and control into the entire process and all links of business development, accelerate the launch of the risk control data platform and risk panorama cockpit, build a vertical risk control link from the decision-making level to the execution level, and focus on strengthening risk control in fields such as consumption and small and micro enterprises, so as to achieve high-quality development in the dynamic balance of “volume, price and risk”.

Shifting from product-oriented thinking to ecosystem-based operation, we will break a new path for comprehensive financial services. We will foster an open and win-win financial ecosystem, deeply integrate financial services into core scenarios including community commerce, technology finance and rural revitalization, and drive the Bank to transform into a scenario-based ecosystem operator. We will continue to develop the “Yukuai Hui” community commerce ecosystem, organize diverse and engaging themed consumption festivals

around scenarios such as personal interest consumption, self-improvement consumption, and featured cultural and creative experiences, and form a closed-loop ecosystem that connects different customer segments and merchants across various scenarios. We will deepen the development of technology finance scenarios, engage local government agencies, universities, venture capital institutions and others, and create a “finance + non-finance” service matrix, providing industrial chain entities with one-stop services covering financing support, technology transfer, and achievement commercialization. We will accelerate the development of a distinctive industrial service ecosystem featuring “One County, One Product, One Laboratory, Many Leading Enterprises”, set up empowerment models for characteristic industries including Yunyang Flour Industry and Fengjie Navel Orange, launch a digital service platform for characteristic industries under rural revitalization, and interconnect with online malls and other systems to effectively link agricultural supplies, farmers, agricultural enterprises and merchants.

Shifting from traditional marketing to high-end marketing, we will open up a new space for value symbiosis between the Bank and enterprises. We will adhere to the customer-centered approach, abandon the traditional models of price competition and relationship marketing, gain an in-depth understanding of customers’ core demands in the industrial chain and ecological chain, and commit to providing customers with professional, comprehensive and value-added services. For individual customers, we will provide convenient and cost-effective consumption services, boost customer engagement, optimize customer segmentation, and realize distinctive, sustainable customer acquisition and retention. For merchant customers, we will drive traffic, increase efficiency and reduce operating costs, offer differentiated products and services in assets, liabilities and intermediary business income, and build a strong brand and reputation for “Yukuai Hui”. For corporate customers, we will expand marketing channels: for industrial enterprises, we will integrate merchants’ procurement demands and expand sales channels; for technology-based enterprises, we will provide an innovative service model of “patent matching + financial support”. In addition to traditional financing, we will expand comprehensive services, and enhance the sense of gain and customer loyalty in credit services through the added value of non-financial services.

Shifting from individual operations to synthetic brigade-style collaboration, we will gather strong synergy across the Group as a united whole. We will leverage the integration of “business, technology and digital”, group-wide operation and head office-branch linkage as support to unleash new efficiency of collaborative operations. We will fully empower business development with technology finance capabilities, establish a three-dimensional operational system including business-technology integration centers, special classes for reform and tackling key problems, and temporary Party branches, and implement the “KPI + OKR” assessment model, so as to achieve in-depth integration and agile breakthroughs across

the Group’s business, technology and data. We will adhere to “strategic collaboration between the parent and subsidiaries and integration and sharing of resources”, and unleash the superimposed effect of multiple licenses, including credit, investment banking, financial leasing, wealth management, custody and other businesses. The Head Office and all branches and sub-branches will work in concert: the Head Office will strengthen top-level design and technological support with a focus on empowering the frontline, while branches and sub-branches will explore, innovate and summarize experience in practical implementation, forming a concerted effort with consistent goals and vertical linkage to ensure the effective implementation of strategic deployments.

Shifting from single-point contribution to multi-point profitability, we will build a new landscape of diversified value growth. We will drive a transformation in our profit model from reliance on traditional interest margins to diversified value creation. While consolidating the foundation of deposit and loan businesses, we will focus on expanding the space for intermediary business income to build a more balanced and sustainable system of diversified profit centers. We will deeply engage with key industrial customer groups, increase the coverage of Chongqing’s leading and characteristic industries, and realize value growth while serving the construction of a modern industrial system. We will strengthen outreach to high-net-worth customers and targeted empowerment of branches and sub-branches, enrich multi-asset allocation schemes, and boost interaction with the community ecosystem to elevate the value contribution of the wealth management business. We will optimize the asset allocation structure and investment strategies of financial market businesses, enhance the ability to seize market opportunities, and continuously improve the investment income efficiency. We will make full use of the newly obtained securities investment fund custody license, cooperate with all business lines and subsidiaries of the Group to further explore business scenarios, and drive breakthrough development in intermediary businesses.

With the wind at our backs on this long journey, we set out once more to shoulder a heavy responsibility. In 2026, we will always stay true to our original aspiration of serving the real economy, hold fast to the bottom line of preventing and mitigating risks, and advance further reform in difficult areas and high-quality development in tandem. With higher morale and more pragmatic approach, we will forge ahead with determination and overcome difficulties, strive to advance toward the goal of building a world-class modern rural commercial bank that is “technology-based, industry-oriented and ecology-based”, and make new and greater contributions to serving national strategies and boosting the high-quality economic and social development of Chongqing, so as to live up to the trust and expectations of all shareholders.

Chairman **Liu Xiaojun**

President's Statement

Dear shareholders,

The year 2025 marks the conclusion of the “14th Five-Year Plan” and is a critical year for the Bank’s transformation and development. Faced with a complex and severe external environment and a profoundly evolving industrial landscape, we have thoroughly implemented the spirit of the 20th National Congress of the Communist Party of China and all plenary sessions of the 20th Central Committee of the Communist Party of China, earnestly enforced the decisions and arrangements of the Party Central Committee as well as the work plans of the Municipal Committee and Municipal Government, strictly complied with various regulatory requirements, and closely aligned our efforts with the objectives and tasks set by the Board of Directors. With the strong support of all shareholders, we have confronted challenges and forged ahead with determination. We actively cultivated “three new momentums” of digitally-driven, industrial-chain-driven and scenario-driven, solidly advanced the “five major areas” of finance, and fully promoted the goal of “leading by rural areas and catching up by cities”, thereby successfully fulfilled our objectives during the “14th Five-Year Plan” period.

Forging ahead, we have solidified our core business foundation, achieving growth in both scale and quality. Last year, we have anchored on the goal of high-quality development, and our operation indicators have maintained the sound momentum of “making progress while ensuring stability and improving quality amid progress”. **Our business scale continued to lead the market.** Total assets reached RMB1,666.2 billion, the deposits balance amounted to RMB1,028.7 billion, and the loan balance amounted to RMB797.3 billion, with growth rates of 9.95%, 9.21% and 11.62% respectively. We ranked first among banks in Chongqing in terms of market share of both existing and new deposits and loans, and **our operating profitability achieved steady growth.** The annual operating income reached RMB28.62 billion and net profit recorded RMB12.42 billion, up 1.38% and 5.35% year-on-year respectively, with a return on net assets of 9.15%. While expanding our scale, we continued to optimize our structure, reduce costs and improve efficiency. Loans accounted for 47.85% of total assets, representing an increase of 0.71 percentage point from the end of the previous year; the cost-to-income ratio was 31.25%, representing a year-on-year decrease of 65 basis points, and the interest payment rate on deposits from customers was 1.45%, representing a year-on-year decrease of 28 basis points. The profitability of CQRC Financial Leasing, CQRC Wealth Management, the financial technology company and village and township banks increased steadily, and the effectiveness of synergistic development kept improving. **The asset quality remained stable with a positive trend.** The non-performing loan ratio was 1.08%, representing a decrease of 0.10 percentage point from the end of the previous year. The provision coverage ratio was 367.26% and the capital adequacy ratio was 14.46%, both at a sound level in the industry.

Staying committed to integrity while pursuing innovation, we have made targeted efforts on serving the real economy, living up to our responsibilities. Last year, we have integrated our own development into the broader context of national and regional development, demonstrating our new commitment to serving the economy and society. **We have promoted the high-quality development in the “five major areas” of finance.** We closely focused on supporting “416” scientific and technological innovation layout. The loan of technology-based enterprises accounted for more than 10% of that in Chongqing. We actively seized the opportunities arising from the development of the Chongqing green finance reform and innovation pilot zone with the balance of green loan increasing by 22.2%. We vigorously advanced the implementation of incremental policies for inclusive finance to deliver tangible results. We served nearly 210 thousand customers of inclusive small and micro enterprise loans with the loan balance exceeding RMB144.0 billion. We strove to build a further improved pension finance service system and strongly supported the silver-hair economy, with continuous improvements in the quality and efficiency of aging-friendly financial services. We deeply integrated into the construction of “Digital Chongqing”, accelerated the application of technologies such as big data and artificial intelligence, strengthened technology-empowered business development and solidly built a digital finance ecosystem. **We have acted as a major force in serving major strategies.** We vigorously implemented the “Zhi Rong Hui Chang (智融惠畅)” project, fully leveraged comprehensive service advantages of “commercial banking + investment banking + financial leasing + wealth management + custody”, supported the Chengdu-Chongqing Economic Circle in achieving a higher level of development, facilitated the opening-up of the New International Land-Sea Corridor and enhanced the strengths of modern manufacturing clusters, fully contributing to the development of a new modernized Chongqing.

Driven by reform, the “three new momentums” have gained solid momentum and taken the lead in transformation. Last year, we have reshaped our operational logic with the “three new momentums”, promoted a systematic transformation of the development model, and increasingly highlighted our specialized and differentiated competitive edges. **We have built a digital network and provided efficient empowerment.** The technology and finance customer acquisition platform has reshaped the marketing model and boosted business growth, and the service capabilities of digital platforms including the treasurer system and the “Chongqing Agricultural Assets Intelligent Management” system have continuously strengthened, providing efficient and intelligent service solutions for enterprises and rural collective economic organizations. **We have focused on industries and achieved full-chain development.** We have established “head office – head office” cooperation with large industrial groups, deeply cultivated key industrial chains such as the intelligent connected new energy vehicle industry, and launched special financing services for dealers. Guided by the

concept of “One County, One Product, One Laboratory, Many Leading Enterprises”, we have built demonstration projects for characteristic industries and rolled out a series of exclusive credit products, with the scales of loans to farmers, inclusive agricultural loans and loans to new-type agricultural business entities all ranking first in the municipality. **We have innovated service scenarios and fostered a sound industrial ecosystem.** We have kept building the “Yukuai Hui” community business ecosystem, and effectively activated a large number of dormant customers via consumption festivals, strongly consolidating our service penetration and customer loyalty in the local market with remarkable results in “benefiting people’s livelihoods and promoting consumption”. We have accelerated the development of cultural and tourism scenarios; the issuance of the “Jiangyu cultural tourism cards” has exceeded 14 thousand, injecting financial vitality into the development of rural tourism and characteristic industries.

Sticking to the bottom line, we have strengthened the fundamentals and consolidated the foundation through comprehensive risk management to ensure steady and long-term development. Last year, we have firmly established a correct outlook on operation, performance and risk, and focused on building a comprehensive risk management system of “horizontal to edge, vertical to the end, effective use and management and powerful execution”. We have formulated a three-year development plan for digital risk control, promoted the intelligent upgrading of the risk control system, and improved the digital risk control quality of online products. We have established credit standards for key areas of business, carried out risk screening in key areas and special investigations in high-risk sectors, and promoted collaborative disposal of non-performing loans, achieving remarkable results in risk resolution. We have continuously consolidated the foundation of compliance, internal control and case prevention, carried out in-depth special screening and rectification, strengthened audit supervision, discipline enforcement and accountability, adhered to cross-departmental coordination, integrated various supervision forces, and promoted the closed-loop conversion of results, thereby solidifying the safeguards for our business development.

The year 2026 is the beginning of the “15th Five-Year Plan” and also a critical year for the Bank to further build up the “three new momentums” and promote the reform and development. Looking ahead, we face both opportunities and challenges. We will always take Party building as the overarching guidance, maintain strategic resolve, and earnestly deliver on the operational tasks of **“three momentums, five transformations and one**

enhancement”. We will push forward the Bank’s development shifts in an all-round way: from scale-driven growth to a balanced focus on “volume, price and risk”, from product-oriented thinking to ecological operation, from traditional marketing to high-end marketing, from individual operation to coordinated operations like a synthesis brigade, and from single-point contribution to multi-point profitability, all with the aim of achieving steady improvement in operating efficiency.

We will embrace our “responsibility of the major force” to integrate into the overall development landscape, seizing opportunities in serving the construction of the Chengdu-Chongqing Economic Circle, the New International Land-Sea Corridor and a new modernized Chongqing, while continuously enhancing the support for finance. **We will coordinate our development by “balancing volume, price and risk”**, focusing on steady growth in scale while paying greater attention to structural optimization, stable pricing and risk cost management, so as to drive continuous improvement in operating efficiency. **We will deepen transformation with the “driving force of new momentums”** and unswervingly build the “three new momentums”, so as to make the intelligent engine of digital transformation more powerful, the industrial chain-based services for in-depth development more targeted, and the value network of scenario-based ecosystem closer. **We will pool synergy through “all-round collaboration”**, deepen collaboration across business lines, policies and resources, stimulate organizational vitality, and ensure the strategic blueprint is translated into tangible practice. **We will strengthen guarantee with “high-quality Party building”** and continue to deepen the integration of Party building with business operations, thereby providing a solid political guarantee for the Bank’s steady and long-term development.

Standing at a new starting point and embarking on a new journey, we will strengthen our confidence, build consensus, and forge ahead with greater determination. We will break new ground in reform and transformation with solid work and tangible results. We will strive to build the Bank into a world-class modern rural commercial bank that is technology-based, industry-oriented and ecology-based, faithfully create greater value to our shareholders, employees and society, and make new contributions to the construction of a new modernized Chongqing!

President **Sui Jun**

Chapter 1 Company Information

I. Basic Information

Legal name and abbreviation in Chinese	重慶農村商業銀行股份有限公司 (abbreviated as “重慶農村商業銀行”)
Legal name and abbreviation in English	Chongqing Rural Commercial Bank Co., Ltd. (abbreviated as “Chongqing Rural Commercial Bank”)
Legal Representative	Liu Xiaojun
Authorised Representatives	Sui Jun Leung Wing Han Sharon
Secretary to the Board	Tan Bin
Securities affairs representative	Zhu Guochen
Company Secretary	Leung Wing Han Sharon

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A-share listing stock exchange	H-share listing stock exchange
Shanghai Stock Exchange	The Stock Exchange of Hong Kong Limited
Stock Short Name: Yu Nong Shang Hang	Stock Short Name: CQRC BANK
Stock Code: 601077	Stock Code: 03618

A share registrar

Shanghai branch of China Securities Depository and Clearing Company Limited
Address: No. 188 Yanggaonan Road, Pudong New District, Shanghai

H share registrar

Computershare Hong Kong Investor Services Limited
Address: Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong

Date of first incorporation and registration authority

27 June 2008
Administration for Market Regulation of Chongqing

Unified social credit code of corporate legal person business license

91500000676129728J

Financial license institution number

The Bank holds a financial license number B0335H250000001 approved by the China Banking Regulatory Authority

Auditors

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Note: In November 2025, Chongqing adjusted some administrative districts to dissolve Jiangbei District and Yubei District and establish Liangjiang New District. The Bank will complete the industrial and commercial registration for the change of registered address as soon as possible.

Historical change of the Company's registered address	The registered address of the Bank at the time of its establishment on 27 June 2008 was 10 Yanghe Road East, Jiangbei District, Chongqing, and was changed to the current registered address on 1 April 2017
Principal place of business in Hong Kong	Room 1920, 19th Floor, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong
Company's website	www.cqrcb.com
Email address	cqrcb@cqrcb.com
Name of designated media for information disclosure	Shanghai Securities News, China Daily
Designated website of CSRC for publication of annual report	Website of the Shanghai Stock Exchange (www.sse.com.cn)
Website of the Hong Kong Stock Exchange for publication of annual report	The HKEXnews website of the Hong Kong Stock Exchange (www.hkexnews.hk)
Place for maintenance of annual report	Office of the Board of Directors of the Bank

II. Business Summary ▶▶

The Bank was established in 2008 and listed on the Main Board of H shares in 2010 and on the Main Board of A shares in 2019. The Bank's main businesses include inclusive finance business, corporate finance business and financial market business. Among them, inclusive finance business mainly provides financial services for personal customers, including personal loans and deposits business, bank card and credit card business, wealth management and intermediary business, etc. and provides financial services for small and micro enterprises. The corporate finance business mainly provides financial services for corporate customers and institutional customers, mainly including corporate deposits and loans business, supply chain financing business, foreign currency financing business, trade financing business, bills business and investment banking business. The financial market business mainly includes capital operation business and asset custody business. At the same time, the Bank currently has one wholly-owned non-banking subsidiary and one non-banking holding subsidiary which engage in wealth management business and financial leasing business respectively, and controls 12 village and township banks.

III. The Development Strategy and Core Competitiveness ▶▶

Strategic Vision: Endeavour to become a world-class modern rural commercial bank that is technology-based, industry-oriented and ecology-based.

(I) Development Strategy

The Bank adheres to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly practices the spirit of the 20th National Congress of the Communist Party of China and all plenary sessions of the 20th Central Committee of the Communist Party of China, fully implements the deployment of all plenary sessions of the 6th Municipal Party Committee, enhances the leadership in Party building, forges ahead with gratitude and focuses on further deepening reform in an all-around way. The Bank thoroughly builds "three new momentums" of digitally-driven, industrial-chain-driven and scenario-driven, makes every effort on "five major areas" of finance, integrates into and serves major strategies, forges new competitive capabilities and builds the Bank into a world-class modern rural commercial bank that is technology-based, industry-oriented and ecology-based. On the basis of maintaining the first place in western China and its leading market position in China, the Bank continuously expands its competitive advantages and strives to make greater contribution to the construction of a new modernized Chongqing and a financial center in western China.

(II) Investment Value and Core Competitiveness

A state-owned financial enterprise led by the Party building and brave in taking responsibilities and commitments.

The Bank always adheres to the principle of leading high-quality development with high-quality Party building, and integrates the Party's leadership into all aspects of corporate governance and business operation. The development direction of the Bank resonates with the major policies of the Party and the State. Under the leadership of the Party, the Bank profoundly practices the "political" and "people-oriented" nature of a state-owned financial enterprise, gives full play to the core functions of a state-owned financial enterprise, and accurately focuses on serving the real economy, deepening reform and innovation and preventing financial risks.

Development strategy of sticking to our own business and clear orientation.

The Bank adheres to the main responsibility and business of supporting "agriculture, rural areas and farmers" and supporting small and micro businesses and serving the real economy, complies with the development trend of the new pattern of double circulations, actively integrates into major strategic deployments such as the Chengdu-Chongqing Economic Circle, the New International Land-Sea Corridor, the high-quality development of the Yangtze River Economic Belt and rural revitalization, continues to give full play to the core functions of a state-owned financial enterprise, takes "three new momentums" as the strategic guidance, makes every effort on "five major areas" of finance, strengthens scientific and technological empowerment based on its own resource endowment, builds core competitiveness and strives to realize the reshaping of business system, optimization of asset structure, and transformation of old and new momentums, so as to further deepen reform in an all-around way and promote high-quality and connotative development, and build the Bank into a world-class modern rural commercial bank that is technology-based, industry-oriented and ecology-based.

A realistic, enterprising, innovative and developing corporate culture.

Since its establishment, the Bank has always maintained the fundament of "benchmark bank culture", rooted in Chongqing and faced the whole country, dared to be pioneer, become the first "A + H" share listed bank in western China by overcoming many difficulties, and become the leading rural commercial bank in China. The Bank promotes the work style of "making a clear distinction between public and private interests, being simple and bright, thinking from a different perspective, working together in unity and striving for excellence", and creates an enterprise atmosphere of "want to do, able to do, and do well".

Scientific, efficient, sustainable and complete management system.

As a local corporation institution, the Bank has few management levels and short decision-making chain, which plays a key role in the development of adapting to market changes and seeking innovation. The Bank adheres to refined management, integrates it into the corporate culture, establishes the risk management, operation management, technology management, human resource management and financial management system and their abilities, and constantly promotes the management with advanced enterprises as the benchmark, so as to achieve the benefit from management.

Digital-driven and ecosystem-integrated technology empowerment.

The Bank adheres to digital driving, maintains strategic-level technological investment and develops independent R&D capabilities in key areas to ensure the independent control of core technologies. The Bank builds a three-dimensional business-technology integration organizational system of "7+6+N" to efficiently convert technological capabilities into business value. Through construction of a series of systems and platforms, the Bank builds high-frequency and active scenarios and industrial ecosystems, creating an "ecological moat". The Bank collects, integrates and analyzes the full-chain and multi-dimensional data accumulated in scenarios and industries, implements the innovation of "Scenario Risk Control 2.0" based on ecosystems, gains real-time insights into customer behavior, automatically identifies business opportunities and generates marketing tasks, reshaping the traditional marketing, risk control and management models.

Company Information

Retail finance with significant advantages and potential.

With the help of three traditional advantages including outlets across the urban and rural areas, teams and leading retail and merchant customers base in the city, and by taking customers as the center, the Bank builds an “online, grid-based and digitalized” business system to become a benchmark bank for inclusive finance in the region. The Bank cultivates the underlying gene of digitalized inclusive business, promotes the deep integration of business and technology, and enables data to become the information flow, driving force and decision-making source. By deepening the grid-based management, the Bank establishes product, marketing, benefit and assessment systems oriented to different dimensions and levels such as region, label and scenario. By building the community business scenario as the starting point and the characteristic industries of districts and counties as the entry point, the Bank creates an ecological landscape of inclusive finance scenarios and effectively activates retail customer base. The Bank promotes large retail finance to constantly release potentials and becomes a distinctive feature and the main force of the Bank’s business development, and actively supports and empowers the development of “pension finance” and “inclusive finance”.

Corporate finance with data empowerment and intensive refinement.

By using digitalization to consolidate the foundation and strengthen customer development, the Bank builds a corporate finance digital operation system of “data integration, intelligent selection and top-down structure”, empowering frontline precision marketing. By using the chain-driven transformation of industries to change mindset and integrate resources, the Bank establishes industrial knowledge atlases and industrial brains, draws the “industry map”, and integrates a product matrix of “credit + investment banking + supply chain finance + retail customer service solutions + industrial resource integration and empowerment services”, forming a batch customer acquisition model combining “in-depth single-point cultivation with chain-extension”. By using the circle-driven development of scenarios to deepen services and enhance stickiness, the Bank establishes the core concept of “technology empowers finance, ecology drives innovation”, acts as an industrial resource integrator and ecological scenario operator around scenarios such as technology finance and green finance, builds “one chain one scenario, multiple chains one ecology”, and deeply taps customers’ multi-dimensional value points.

Expertise-driven and value-led financial market business.

The Bank is committed to building itself into a “comprehensive financial market operator” that is the best in the western China and top-tier in the national rural commercial banking system, and deeply serves national strategies and regional economic development. The Bank creates a diversified asset investment matrix, focuses on multi-dimensional upgrades in investment research, pricing, strategy and market making, and enhances value creation efficiency. The Bank focuses on the customers’ diversified service needs, promotes the integration of multiple scenarios of “investment, research, sales, custody, underwriting and exchange”, and continuously improves the ability to obtain non-interest income. Leveraging the Group’s advantage of multi-licence synergy, the Bank strengthens cross-market resource integration and builds a multi-field cooperative ecosystem for the financial market.

Honors and Awards >>>

1. The Bank ranked 22nd in the 2025 China Top 100 Bank issued by China Banking Association.
2. The Bank ranked 462nd in the 2025 Top 500 Chinese Enterprises jointly issued by China Enterprise Confederation and China Enterprise Directors Association, the only banking institution in the central and western regions on the list.
3. The Bank ranked 112th among the “2025 Top 1000 World Banks” in The Banker of the UK, up 7 places from the end of the previous year, reaching a record high.
4. The Bank ranked 310th in the 2025 Fortune China 500, up 4 places from the end of the previous year, ranking 22nd among banks in China, and 1st among rural commercial banks in China and banks in western China.
5. The Bank ranked 869th in the 2025 Forbes Global 2000 list, up 11 places from the end of the previous year.
6. The Bank ranked 255th among the “Banking 500” and 340th among “China’s 500 Most Valuable Banking Brands” in 2025 according to Brand Finance.
7. The Bank (H shares) was newly included in the MSCI China Index in the review results of indexes released by Morgan Stanley Capital International (MSCI).
8. The Bank won the “2025 Outstanding Practice Case Award of the Board of Directors of Listed Companies” by the China Association for Public Companies.
9. The Bank’s “Digital Transformation Project of Retail Credit” was selected as an innovative case of financial industry technology application scenario released by International Data Corporation (IDC) (2025).
10. The Bank was recognized as the typical case of the 4th “Dingxin Cup” digital transformation and application competition and the typical case of 2024-2025 digital and intelligent transformation of central and state-owned enterprises - Innovation Award by the China Academy of Information and Communications Technology
11. The Bank’s “Innovation Practice of Business Self-service Analysis Assisted by Data Asset Package” was included in the outstanding cases of digital intelligence application innovation by the organizing committee for the selection of outstanding cases of scientific and technological innovation of rural financial institutions.
12. The Bank won the second prize in the “2025 National Intelligent Health Insurance Competition” organized by the National Healthcare Security Administration.

Financial Summary

(The financial information and indicators of the Group set forth in this annual report are prepared on a consolidated basis in accordance with the International Financial Reporting Standards and expressed in RMB unless otherwise stated)

(Expressed in RMB million, unless otherwise stated)	2025	2024	Comparison between the year and last year	2023	2022	2021
Operating results			Rate of change (%)			
Net interest income	24,260.7	22,494.5	7.85	23,493.1	25,404.2	26,234.8
Net non-interest income	4,359.3	5,736.8	(24.01)	4,464.1	3,537.1	4,614.8
Among which: Net fee and commission income	1,294.4	1,612.1	(19.71)	1,791.3	1,913.2	2,724.2
Net other non- interest income	3,064.9	4,124.7	(25.69)	2,672.8	1,623.9	1,890.6
Operating income	28,620.0	28,231.3	1.38	27,957.2	28,941.3	30,849.6
Operating expenses	(9,424.9)	(9,393.7)	0.33	(9,820.0)	(9,540.5)	(8,795.7)
Credit impairment losses	(5,444.1)	(5,956.9)	(8.61)	(5,941.3)	(7,840.5)	(10,852.1)
Profit before tax	13,709.4	12,817.4	6.96	12,195.9	11,560.0	11,200.6
Net profit	12,420.0	11,789.1	5.35	11,125.2	10,477.8	9,718.4
Net profit attributable to shareholders of the Bank	12,128.4	11,512.7	5.35	10,902.4	10,275.6	9,559.7
Based on per share (RMB/yuan)			Change in amount			
Net assets per share attributable to ordinary shareholders of the Bank ⁽¹⁾	11.58	11.11	0.47	10.23	9.49	8.89
Basic earnings per share ⁽²⁾	1.05	0.99	0.06	0.94	0.89	0.84
Diluted earnings per share ⁽²⁾	1.05	0.99	0.06	0.94	0.89	0.84
Profitability indicators (%)			Change (percentage point)			
Average return on total assets ⁽³⁾	0.78	0.80	(0.02)	0.80	0.80	0.81
Weighted average return on net assets ⁽²⁾	9.15	9.24	(0.09)	9.55	9.72	9.82
Net interest spread ⁽⁴⁾	1.51	1.51	–	1.64	1.84	2.01
Net interest margin ⁽⁵⁾	1.60	1.61	(0.01)	1.73	1.97	2.17
Net fee and commission income to operating income	4.52	5.71	(1.19)	6.41	6.61	8.83
Cost-to-income ratio ⁽⁶⁾	31.25	31.90	(0.65)	33.94	31.90	27.51

Financial Summary

(Expressed in RMB million, unless otherwise stated)	31 December 2025	31 December 2024	Comparison between the end of the year and the end of last year	31 December 2023	31 December 2022	31 December 2021
Scale indicators			Rate of change (%)			
Total assets	1,666,184.2	1,515,381.8	9.95	1,441,522.1	1,352,301.2	1,266,291.2
Among which: Carrying balance of loans and advances to customers	797,287.0	714,273.0	11.62	676,710.6	632,677.1	582,166.5
Allowances for impairment on loans and advances to customers	(31,394.3)	(30,442.3)	3.13	(29,433.8)	(27,591.7)	(24,831.5)
Total liabilities	1,526,448.3	1,381,332.9	10.51	1,317,580.3	1,236,844.9	1,159,807.1
Among which: Deposits from customers	1,028,727.5	941,946.2	9.21	896,202.2	824,946.8	759,360.2
Share capital	11,357.0	11,357.0	–	11,357.0	11,357.0	11,357.0
Equity attributable to shareholders of the Bank	137,566.8	132,133.7	4.11	122,173.8	113,723.5	104,952.8
Non-controlling interests	2,169.1	1,915.2	13.26	1,768.0	1,732.8	1,531.3
Total equity	139,735.9	134,048.9	4.24	123,941.8	115,456.3	106,484.1
Assets quality indicators (%)			Change (percentage point)			
Non-performing loan ratio	1.08	1.18	(0.10)	1.19	1.22	1.25
Provision coverage ratio	367.26	363.44	3.82	366.70	357.74	340.25
Provision-to-loan ratio	3.96	4.28	(0.32)	4.37	4.36	4.27
Capital adequacy ratio indicators (%)			Change (percentage point)			
Core Tier 1 capital adequacy ratio ⁽⁷⁾	12.67	14.24	(1.57)	13.53	13.10	12.47
Tier 1 capital adequacy ratio ⁽⁷⁾	13.27	14.93	(1.66)	14.24	13.84	12.98
Capital adequacy ratio ⁽⁷⁾	14.46	16.12	(1.66)	15.99	15.62	14.77
Total equity to total assets ratio	8.39	8.85	(0.46)	8.60	8.54	8.41
Other indicators (%)			Change (percentage point)			
Loan-to-deposit ratio	77.50	75.83	1.67	75.51	76.69	76.67

Financial Summary

Notes:

- (1) Calculated by dividing shareholders' equity attributable to ordinary shareholders of the Bank after the deduction of other equity instruments as at the end of the period by the total number of ordinary share capital as at the end of the period.
- (2) Calculated in accordance with the requirements of the "Rules on the Preparation and Submission of Information Disclosed by Companies that Offer Securities to the Public No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings Per Share" (Revision 2010) issued by CSRC.
- (3) Average return on total assets represents the net profit for the period (including profit attributable to non-controlling interests) as a percentage of the average balance of total assets as at the beginning and end of the period.
- (4) Calculated as the difference between the average yield on total interest-bearing assets and the average cost rate on total interest-bearing liabilities.
- (5) Calculated by dividing net interest income by average interest-bearing assets.
- (6) Calculated by dividing total operating expenses (excluding taxes and surcharges and other operating costs) by operating income.
- (7) As of the end of 2025 and 2024, indicators were calculated in accordance with the "Capital Management Method for Commercial Banks" (《商業銀行資本管理辦法》) and as of the end of 2021 to 2023, indicators were calculated in accordance with the "Capital Management Method for Commercial Banks (Provisional)" (《商業銀行資本管理辦法(試行)》).

Basis of Preparation of Certain Financial Indicators

Under the IFRS Accounting Standards, the restructuring of the Bank was accounted for as an acquisition of the business from the 39 Rural Credit Unions and Chongqing Rural Credit Cooperative Union (the "CRCU") by the Bank on 27 June 2008 instead of merger accounting due to the fact that there were no same party or parties ultimately controlling the 39 Rural Credit Unions, CRCU and the Bank before and after the restructuring.

Management Discussion and Analysis

I. Overall Operating Analysis

In 2025, the Bank thoroughly practiced the political and people-oriented nature of financial work, earnestly implemented major national arrangements and regulatory requirements, actively built “three new momentums” of digitally-driven, industrial-chain-driven and scenario-driven, and successfully completed its 2025 operating targets and key tasks, thus achieving a successful conclusion to the 14th Five-Year Plan.

The development efficiency steadily improved. The assets size amounted to RMB1,666.184 billion, representing an increase of RMB150.802 billion as compared to the end of the previous year. The deposit balance amounted to RMB1,028.728 billion, representing an increase of RMB86.781 billion as compared to the end of the previous year. The loan balance amounted to RMB797.287 billion, representing an increase of RMB83.014 billion as compared to the end of the previous year. The scale of assets, deposits and loans ranked first in Chongqing. The benefit indicators continuously improved. The operating income and net profits achieved RMB28.620 billion and RMB12.420 billion, representing a year-on-year increase of 1.38% and 5.35% respectively. The return on net assets was 9.15%.

Served the strategy to demonstrate responsibilities. Focusing on the goal and task of building “Six Zones and One Highland (六區一高地)” in Chongqing, the Bank strengthened the linkage among businesses such as credit, leasing, bonds, wealth management and custody, and enhanced support for the construction of major strategies. The Bank served the construction of the Chengdu-Chongqing Economic Circle in 2025 and 193 municipal major projects, with a loan balance of RMB33.332 billion. The financing balance of the New International Land-Sea Corridor was RMB71.122 billion, ranking first among local corporate banks. The Bank actively supported the high-end, intelligent and green development of manufacturing industry, and invested in the “33618” modern manufacturing industry cluster system, with a loan balance of RMB65.921 billion, and achieved full credit coverage for sub-industries. The Bank provided help in revitalizing the rural areas in an all-round way and cultivated more than 100 institutions with rural revitalization characteristics. The balance of agricultural loans was RMB265.504 billion.

The momentum of “digitally-driven” effectively empowered. The Bank continued to strengthen digital capacity building, established a business technology integration center and a special class for reform and tackling key problems, and pooled resources and advantages to promote the implementation of key projects. The Bank deepened the empowerment of financial technology, launched the technology and finance customer acquisition platform, accurately met the needs of more than 31 thousand enterprises, and drove the addition of credit extension of RMB8.6 billion. The Bank has connected with 22 universities and scientific research institutes, 23 venture capital institutions, 4 industrial parks, 10 intermediaries and more than 100 scientific and technological enterprises to build a technology and finance ecological circle, contributing to the transformation of 8 scientific and technological achievements.

The momentum of “industrial-chain-driven” accurately pooled strengths. The Bank established an industrial knowledge graph and an industrial super brain, improved the industrial chain service system of “One County, One Product, One Laboratory, Many Leading Enterprises”, built an industrial platform with local governments and industry associations, and introduced leading enterprises, farmers, distributors, agricultural research institutes and other entities to realize high-frequency interaction among customers. The Bank actively built the “Model Rooms” for six characteristic industries including Yunyang Flour Industry, Fuling Pickled Mustard, Wuxi Traditional Chinese Medicinal Materials, Wushan Crispy Plum, Fengjie Navel Orange and Shizhu Huanglian, and cumulatively launched nearly 50 characteristic credit products including “Pickled Mustard Loan” and “Crispy Plum Loan”.

The momentum of “scenario-driven” promoted ecological co-prosperity. The Bank created a convenient and efficient “Yukuai Hui” community commercial ecological scenario, and launched the “Yukuai Hui Consumption Festival”. By guiding consumption, organizing surrendering of profits and systematically linking individual customer groups and merchant groups, the Bank established a value loop of “personal financial behavior-point increase-consumer discounts-increase of merchants’ transaction records” to benefit people’s livelihoods and promote consumption. As of the end of 2025, 45 community commercial scenarios have covered all districts and counties in Chongqing, driving a total of 33.62 million transaction orders for 23 thousand merchants, with an amount of RMB3.895 billion. Based on merchants’ transaction records, the Bank launched the “Yukuai Revitalization Loan” with on-demand borrowing and repayment and efficient approval. The loan balance amounted to RMB4.207 billion, representing an increase of 75%. The Bank focused on county-area specific cultural tourism formats, integrated merchant resources such as catering, accommodation, transportation, scenic spots and performing arts, created cultural tourism consumption scenarios, and innovatively launched Jiangyu cultural tourism cards in collaboration with 9 districts and counties, with the number of cards issued exceeding 14 thousand.

Comprehensively strengthened risk prevention and control. The Bank empowered comprehensive risk management with digital technology, and created an active risk control mode of “horizontally and vertically inclusive of all levels and aspects, practical and effective and efficient and well-executed”. The Bank established a comprehensive risk monitoring platform, built a knowledge graph of enterprise relations, accurately analyzed potential risk labels such as transmission of associated risks and allocation of abnormal funds, and enhanced the penetration and foresight of risk identification. The Bank improved the credit product management system, sorted out and built a product tree, brought all credit products into unified management, clarified the evaluation criteria based on the three dimensions of “volume, price and risk”, created quantitative evaluation tools, and promoted the “survival of the fittest” of credit products.

II. Financial Statements Analysis

(I) Income Statement Analysis

(Expressed in RMB million, unless otherwise stated)	2025	2024	Change in amount	Rate of change (%)
Net interest income	24,260.7	22,494.5	1,766.2	7.85
Net non-interest income	4,359.3	5,736.8	(1,377.5)	(24.01)
Among which: Net fee and commission income	1,294.4	1,612.1	(317.7)	(19.71)
Net other non-interest income	3,064.9	4,124.7	(1,059.8)	(25.69)
Operating income	28,620.0	28,231.3	388.7	1.38
Operating expenses	(9,424.9)	(9,393.7)	(31.2)	0.33
Impairment losses on credit	(5,444.1)	(5,956.9)	512.8	(8.61)
Impairment losses on other assets	(41.6)	(63.3)	21.7	(34.28)
Profit before tax	13,709.4	12,817.4	892.0	6.96
Income tax expenses	(1,289.4)	(1,028.3)	(261.1)	25.39
Net profit	12,420.0	11,789.1	630.9	5.35

In 2025, the Group closely focused on the strategic task of building “three new momentums”, actively served the local economy and continuously promoted reform and transformation with steady growth in economies of scale. During the period, the Group recorded an operating income of RMB28.620 billion, representing a year-on-year increase of RMB389 million or 1.38%; recorded a net profit of RMB12.420 billion, representing a year-on-year increase of RMB631 million or 5.35%.

1. Net interest income

The following table sets forth, for the years indicated, the interest income, interest expense and net interest income of the Group:

(Expressed in RMB million, unless otherwise stated)	2025	2024	Change in amount	Rate of change (%)
Interest income	46,465.2	47,087.8	(622.6)	(1.32)
Interest expense	(22,204.5)	(24,593.3)	2,388.8	(9.71)
Net interest income	24,260.7	22,494.5	1,766.2	7.85

In 2025, the Group recorded a net interest income of RMB24.261 billion, representing a year-on-year increase of RMB1.766 billion or 7.85%.

Management Discussion and Analysis

(1) Interest income

In 2025, the interest income of the Group amounted to RMB46.465 billion, representing a year-on-year decrease of RMB623 million or 1.32%, which was mainly due to the impact of decrease in market interest rates. The details are as follows:

① Interest Income from Loans and Advances to Customers

The average balance, interest income and average yield for each component of loans and advances to customers of the Group are set forth as follows:

(Expressed in RMB million, unless otherwise stated)	2025			2024		
	Average balance	Interest income	Average yield (%)	Average balance	Interest income	Average yield (%)
Corporate loans	405,126.2	15,677.8	3.87	348,692.8	14,471.7	4.15
General short-term loans	63,207.8	1,946.6	3.08	48,970.0	1,667.8	3.41
Medium and long-term loans	341,918.4	13,731.2	4.02	299,722.8	12,803.9	4.27
Retail loans	297,850.8	11,333.9	3.81	290,470.6	12,233.1	4.21
General short-term loans	111,802.4	4,511.8	4.04	114,364.6	4,724.8	4.13
Medium and long-term loans	186,048.4	6,822.1	3.67	176,106.0	7,508.3	4.26
Discounted bills	52,970.2	472.5	0.89	62,059.0	799.5	1.29
Total loans and advances to customers	755,947.2	27,484.2	3.64	701,222.4	27,504.3	3.92

In 2025, the interest income from loans and advances to customers amounted to RMB27.484 billion, representing a year-on-year decrease of RMB20 million or 0.07% and basically remaining stable. The Group increased its support for the development of the real economy, resulting in a year-on-year increase of RMB54.725 billion in the average balance of loans and advances to customers. Meanwhile, the Group continuously reduced the financing cost of enterprises, resulting in the decrease in the average yield of loans and advances to customers.

② Interest Income from Financial Investments

The average balance, interest income and average yield for each component of financial investments of the Group are set forth as follows:

(Expressed in RMB million, unless otherwise stated)	2025			2024		
	Average balance	Interest income	Average yield (%)	Average balance	Interest income	Average yield (%)
Financial assets measured at amortised cost	271,476.1	9,051.9	3.33	304,535.6	10,669.7	3.50
Financial assets measured at fair value through other comprehensive income	276,734.3	5,917.7	2.14	208,664.1	5,114.7	2.45
Total financial investments	548,210.4	14,969.6	2.73	513,199.7	15,784.4	3.08

In 2025, interest income from financial investments amounted to RMB14.970 billion, representing a year-on-year decrease of RMB815 million or 5.16%, which was due to the decline in the yield of the Group's financial investments as a result of the decrease in the interest rate of the capital market.

③ Interest Income from Balances with Central Bank

In 2025, the Group's interest income from balances with Central Bank amounted to RMB830 million, representing a year-on-year increase of RMB57 million or 7.31%, mainly due to the fact that the reserve deposits with Central Bank increased driven by the increase in Group's deposits, which resulted in the year-on-year increase of RMB2.628 billion or 5.33% in the average balance in the balances with Central Bank.

Management Discussion and Analysis

④ Interest Income from Due from Banks and Other Financial Institutions

The average balance, interest income and average yield for each component of due from banks and other financial institutions of the Group are set forth as follows:

(Expressed in RMB million, unless otherwise stated)	2025			2024		
	Average balance	Interest income	Average yield (%)	Average balance	Interest income	Average yield (%)
Deposits and placements with banks and other financial institutions	139,381.5	2,753.1	1.98	108,941.5	2,547.0	2.34
Financial assets held under resale agreements	25,099.9	428.4	1.71	25,788.3	478.7	1.86
Total due from banks and other financial institutions	164,481.4	3,181.5	1.93	134,729.8	3,025.7	2.25

In 2025, the Group's interest income due from banks and other financial institutions amounted to RMB3.182 billion, representing a year-on-year increase of RMB156 million or 5.15%, mainly due to the year-on-year increase in the average balance of the Group's interbank assets.

(2) Interest expense

In 2025, the interest expense of the Group was RMB22.205 billion, representing a year-on-year decrease of RMB2.389 billion or 9.71%, which was due to the fact that the Group strengthened the management and control of the deposit interest rate, adjusted its liability structure and lowered liability costs. The details are analyzed as follows:

① Interest Expense on Deposits from Customers

The average balance, interest expense and average cost rate for each component of deposits from customers of the Group are set forth as follows:

(Expressed in RMB million, unless otherwise stated)	2025			2024		
	Average balance	Interest expense	Average cost rate (%)	Average balance	Interest expense	Average cost rate (%)
Demand deposit	92,386.5	456.4	0.49	89,610.0	571.5	0.64
Time deposit	51,465.3	1,131.8	2.20	48,443.5	1,223.4	2.53
Subtotal corporate deposits	143,851.8	1,588.2	1.10	138,053.5	1,794.9	1.30
Demand deposit	155,091.9	98.1	0.06	145,960.9	255.2	0.17
Time deposit	705,464.0	12,895.0	1.83	638,637.3	13,904.6	2.18
Subtotal personal deposits	860,555.9	12,993.1	1.51	784,598.2	14,159.8	1.80
Total deposits						
from customers	<u>1,004,407.7</u>	<u>14,581.3</u>	<u>1.45</u>	<u>922,651.7</u>	<u>15,954.7</u>	<u>1.73</u>

In 2025, the interest expense on deposits from customers amounted to RMB14.581 billion, representing a year-on-year decrease of RMB1.373 billion or 8.61%. The interest payment rate on deposits from customers was 1.45%, representing a year-on-year decrease of 28 basis points. The Group continuously built a classification management system for deposit products and exploited the deposit potential of key customer groups. The average daily scale of deposits from customers increased by RMB81.756 billion year-on-year. At the same time, the Group constantly made good efforts on management and control of the deposit structure, strengthened management and control of the scale of deposit products with relatively high costs, implemented a differentiated pricing strategy and achieved obvious results in managing interest payment costs on deposits.

② Interest Expense on Borrowings from Central Bank

In 2025, interest expense on borrowings from Central Bank amounted to RMB1.907 billion, representing a year-on-year decrease of RMB377 million or 16.52%, which was mainly due to the decrease in cost rate of borrowings from Central Bank.

Management Discussion and Analysis

③ Interest Expense on Due to Banks and Other Financial Institutions

The average balance, interest expense and average cost rate for each component of due to banks and other financial institutions of the Group are set forth as follows:

(Expressed in RMB million, unless otherwise stated)	2025			2024		
	Average balance	Interest expense	Average cost rate (%)	Average balance	Interest expense	Average cost rate (%)
Deposits and placements with banks and other financial institutions	73,829.6	1,308.5	1.77	84,242.0	1,910.3	2.27
Financial assets sold under repurchase agreements	67,044.4	1,024.8	1.53	68,792.5	1,232.1	1.79
Total amount due to banks and other financial institutions	140,874.0	2,333.3	1.66	153,034.5	3,142.4	2.05

In 2025, the Group's interest expense on due to banks and other financial institutions amounted to RMB2.333 billion, representing a year-on-year decrease of RMB809 million or 25.75%. The Group actively adjusted the liability structure, reduced the scale of interbank liability financing and further lowered the overall liabilities cost.

④ Interest Expense on Issued Debt Securities

The average balance, interest expense and average cost rate for each component of issued debt securities of the Group are set forth as follows:

(Expressed in RMB million, unless otherwise stated)	2025			2024		
	Average balance	Interest expense	Average cost rate (%)	Average balance	Interest expense	Average cost rate (%)
Debt securities payable	11,440.3	331.6	2.90	17,502.9	554.0	3.17
Interbank deposit certificate	168,948.3	3,047.4	1.80	123,327.7	2,654.3	2.15
Total issued debt securities	180,388.6	3,379.0	1.87	140,830.6	3,208.3	2.28

In 2025, the interest expense on issued debt securities of the Group amounted to RMB3.379 billion, representing a year-on-year increase of RMB171 million or 5.32%. The Group timely adjusted the structure of debt securities financing and lowered the cost of debt securities financing based on the change of the market situation and the Group's actual situation.

(3) Net interest spread and net interest margin

The table below sets forth, for the years indicated, the summary of the average balances of interest-bearing assets and interest-bearing liabilities of the Group, related interest income or interest expense and average yields (for assets) or average cost rate (for liabilities). The analysis below excludes the impact of lease liabilities on the interest expense and average balances:

(Expressed in RMB million, unless otherwise stated)	2025			2024		
	Average balance	Interest income/ expense	Average yield/cost rate (%)	Average balance	Interest income/ expense	Average yield/cost rate (%)
Assets						
Loans and advances to customers	755,947.2	27,484.2	3.64	701,222.4	27,504.3	3.92
Financial investment	548,210.4	14,969.6	2.73	513,199.7	15,784.4	3.08
Balances with Central Bank	51,897.6	829.9	1.60	49,269.7	773.4	1.57
Due from banks and other financial institutions	164,481.4	3,181.5	1.93	134,729.8	3,025.7	2.25
Total interest-bearing assets	1,520,536.6	46,465.2	3.06	1,398,421.6	47,087.8	3.37
Liabilities						
Deposits from customers	1,004,407.7	14,581.3	1.45	922,651.7	15,954.7	1.73
Borrowings from Central Bank	102,469.1	1,907.0	1.86	103,703.5	2,284.4	2.20
Due to banks and other financial institutions	140,874.0	2,333.3	1.66	153,034.5	3,142.4	2.05
Debt securities issued	180,388.6	3,379.0	1.87	140,830.6	3,208.3	2.28
Total interest-bearing liabilities	1,428,139.4	22,200.6	1.55	1,320,220.3	24,589.8	1.86
Net interest income		24,264.6			22,498.0	
Net interest spread⁽¹⁾			1.51			1.51
Net interest margin⁽¹⁾			1.60			1.61

Note: (1) Net interest spread refers to the difference between the average yield of interest-bearing assets and the average cost rate of interest-bearing liabilities. Net interest margin is the ratio of net interest income to the average balance of interest-bearing assets.

Management Discussion and Analysis

In 2025, the Group's net interest spread was 1.51%, remaining unchanged on a year-on-year basis, and the net interest margin was 1.60%, representing a year-on-year decrease of 1 basis point and basically remaining stable. From the perspective of assets, the Group focused on the "five major areas" of finance to consolidate financial services, continuously increased the support for real economy and achieved steady growth in the credit scale. Due to the comprehensive impact of surrendering profits to the real economy, repricing of existing loans and decline in the interest rate of the capital market, the yield of assets declined. From the perspective of liabilities, the Group continued to strengthen its management in terms of volume and price of deposits, optimized its deposit structure, enhanced the proactive liability management, further promoted the steady decline in financing costs of liabilities and mitigated the impact from the decline of asset yields, facilitating the adjustment in the interest rates of both assets and liabilities sides to be relatively balanced.

The following table sets forth the changes in the Group's interest income and interest expense due to changes in volume and interest rate. Changes in volume are measured by the movement of the average balance, while changes in the interest rate are measured by the movement of the average interest rate:

(Expressed in RMB million, unless otherwise stated)	Volume factor	Interest rate factor	Changes in amount of interest income and expenses
Assets			
Loans and advances to customers	1,992.0	(2,012.1)	(20.1)
Financial investments	955.8	(1,770.6)	(814.8)
Balances with Central Bank	42.0	14.5	56.5
Due from banks and other financial institutions	574.2	(418.4)	155.8
Changes in interest income	<u>3,564.0</u>	<u>(4,186.6)</u>	<u>(622.6)</u>
Liabilities			
Deposits from customers	1,185.5	(2,558.9)	(1,373.4)
Borrowings from Central Bank	(23.0)	(354.4)	(377.4)
Due to banks and other financial institutions	(201.9)	(607.2)	(809.1)
Debt securities issued	739.7	(569.0)	170.7
Changes in interest expense	<u>1,700.3</u>	<u>(4,089.5)</u>	<u>(2,389.2)</u>
Changes in net interest income	<u>1,863.7</u>	<u>(97.1)</u>	<u>1,766.6</u>

The year-on-year increase in the net interest income was mainly due to the fact that the increase of RMB1.864 billion of net interest income was driven by the changes in the average balance of various assets and liabilities, and the decrease of RMB97 million of net interest income was attributable to the changes in the average yield and the cost rate.

2. Net non-interest income

In 2025, the Group's net non-interest income amounted to RMB4.359 billion, representing a year-on-year decrease of RMB1.378 billion or 24.01%, which was mainly due to the impact of market conditions. The net non-interest income accounted for 15.23% of the operating income. The details are analyzed as follows:

(1) Net fee and commission income

The following table sets forth, for the years indicated, net fee and commission income of the Group:

(Expressed in RMB million, unless otherwise stated)	2025	2024	Change in amount	Rate of change (%)
Subtotal fee and commission income	1,659.3	1,976.4	(317.1)	(16.04)
Agency and fiduciary service fees	629.6	736.2	(106.6)	(14.48)
Wealth management fees	339.9	336.5	3.4	1.01
Bank card fees	189.7	293.9	(104.2)	(35.45)
Settlement and clearing fees	155.8	160.0	(4.2)	(2.62)
E-banking business income	180.3	173.9	6.4	3.68
Others	164.0	275.9	(111.9)	(40.56)
Fee and commission expense	(364.9)	(364.3)	(0.6)	0.16
Total net fee and commission income	1,294.4	1,612.1	(317.7)	(19.71)

In 2025, the net fee and commission income of the Group amounted to RMB1.294 billion, representing a year-on-year decrease of RMB318 million or 19.71%. The net fee and commission income accounted for 4.52% of the operating income.

Agency and fiduciary service fees amounted to RMB630 million, representing a year-on-year decrease of RMB107 million, which was mainly due to the fact that the demand for distribution business declined as a result of increased fluctuations in market interest rates, resulting in a year-on-year decrease in related fee income.

Management Discussion and Analysis

Wealth management fees amounted to RMB340 million, representing a year-on-year increase of RMB3 million.

Bank card fees amounted to RMB190 million, representing a year-on-year decrease of RMB104 million, which mainly due to the fact that the Group increased its investment in expansion and cultivation of merchants.

Settlement and clearing fees amounted to RMB156 million, representing a year-on-year decrease of RMB4 million and the E-banking business income amounted to RMB180 million, representing a year-on-year increase of RMB6 million. The business structure continued to transform to online, and digital service capabilities have been further enhanced.

Other fee and commission income amounted to RMB164 million, representing a year-on-year decrease of RMB112 million. Due to the impact of increased fluctuations in the bond market, the bond trading volume decreased, resulting in a year-on-year decrease in related fee income.

(2) Other net non-interest income

The following table sets forth, for the years indicated, other net non-interest income of the Group:

(Expressed in RMB million, unless otherwise stated)	2025	2024	Change in amount	Rate of change (%)
Net trading gain	1,064.3	2,388.2	(1,323.9)	(55.44)
Net other business gain	126.7	302.6	(175.9)	(58.13)
Share of profits from associates	39.4	34.6	4.8	13.87
Net gain resulted from derecognition of financial assets at fair value through other comprehensive income	1,212.7	131.4	1,081.3	822.91
Net gain resulted from derecognition of financial assets measured at amortised cost	621.8	1,267.9	(646.1)	(50.96)
Total other net non-interest income	<u>3,064.9</u>	<u>4,124.7</u>	<u>(1,059.8)</u>	<u>(25.69)</u>

In 2025, the Group's other net non-interest income amounted to RMB3.065 billion, representing a year-on-year decrease of RMB1.060 billion or 25.69%. Due to the impact of fluctuation in the market interest rates, the yield of financial assets measured at fair value through profit and loss including fund investments decreased year-on-year, and the net trading gain was lower than that of the same period of the previous year.

3. Operating expenses

The following table sets forth, for the years indicated, the operating expenses of the Group:

(Expressed in RMB million, unless otherwise stated)	2025	2024	Change in amount	Rate of change (%)
Staff costs	5,623.4	5,532.9	90.5	1.64
Salaries, bonuses and allowances	3,910.5	3,890.1	20.4	0.52
Staff benefits, social insurance premiums and housing provident fund	1,389.6	1,432.9	(43.3)	(3.02)
Others	323.3	209.9	113.4	54.03
Taxes and surcharges	392.9	307.8	85.1	27.65
Depreciation and amortisation	802.6	796.1	6.5	0.82
Other general and administrative costs	2,517.2	2,675.5	(158.3)	(5.92)
Other operating costs	88.8	81.4	7.4	9.09
Total operating expenses	9,424.9	9,393.7	31.2	0.33

In 2025, the Group's operating expenses amounted to RMB9.425 billion, representing a year-on-year increase of RMB31 million or 0.33%.

(1) Staff Costs

Staff costs were the largest component of operating expenses of the Group, accounting for 59.67% and 58.90% of its total operating expenses for 2025 and 2024 respectively.

In 2025, staff costs amounted to RMB5.623 billion, representing a year-on-year increase of RMB91 million or 1.64%. The Group optimized and adjusted the supplemental medical insurance plan with lower staff costs in the same period of the previous year.

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(2) Taxes and Surcharges

Taxes and surcharges mainly relate to revenue generated from loans (interest income), transfer of securities and other financial products and services. In 2025, taxes and surcharges amounted to RMB393 million, which was mainly due to the increase in taxable income of the Group, leading to the increase in taxes including value-added taxes and surcharges.

(3) Depreciation and Amortisation

In 2025, the depreciation and amortisation amounted to RMB803 million, representing a year-on-year increase of RMB7 million, which was basically stable.

(4) Other General and Administrative Expenses

In 2025, other general and administrative expenses amounted to RMB2.517 billion, representing a year-on-year decrease of RMB158 million or 5.92%. Based on zero-based budgeting, the Group has built a practical, replicable and sustainable paradigm for lean cost management through a four-step approach of “identify the target through precise profiling, formulating the methods through in-depth research, enforcing rigorous management through monitoring and evaluation and promoting effectiveness through detailed assessment”.

(5) Other Operating Costs

In 2025, the Group's other operating costs amounted to RMB89 million, representing a year-on-year increase of RMB7 million, which was basically stable.

4. Impairment loss

The following table sets forth, for the years indicated, the impairment loss of the Group:

(Expressed in RMB million, unless otherwise stated)	2025	2024	Change in amount	Rate of change (%)
Impairment loss on credit on loans and advances to customers	5,085.4	5,525.3	(439.9)	(7.96)
Impairment loss on credit on financial investments	147.8	394.1	(246.3)	(62.50)
Impairment loss on other credit	210.9	37.5	173.4	462.40
Impairment loss on other assets	41.6	63.3	(21.7)	(34.28)
Total impairment loss	5,485.7	6,020.2	(534.5)	(8.88)

In 2025, the Group's impairment losses amounted to RMB5.486 billion, representing a year-on-year decrease of RMB535 million or 8.88%. Among which, the credit impairment losses on loans and advances to customers decreased by RMB440 million year-on-year, mainly due to the fact that the Group realized disposal and recovery of large-amount non-performing assets during the period.

The credit impairment losses of financial investments decreased by RMB246 million year-on-year, mainly due to the fact that the Group made forward-looking impairment provision for credit risk. The impairment losses on other credit increased by RMB173 million year-on-year, mainly due to the fact that the Group made forward-looking impairment provision based on the principle of prudence. The impairment losses of other assets decreased by RMB22 million year-on-year, mainly due to the improvement of the quality of the Group's non-financial instrument assets.

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5. Income tax expense

The following table sets forth the profit before tax and income tax expense of the Group for the years indicated:

(Expressed in RMB million, unless otherwise stated)	2025	2024	Change in amount	Rate of change (%)
Profit before tax	13,709.4	12,817.4	892.0	6.96
Tax calculated at applicable statutory tax rate	3,426.1	3,201.9	224.2	7.00
Add/(less) the tax effect of the following items:				
Non-deductible expenses	77.7	105.7	(28.0)	(26.49)
Deductible/Non-taxable income	(2,182.4)	(1,962.4)	(220.0)	11.21
Others	(32.0)	(316.9)	284.9	(89.90)
Income tax expense	<u>1,289.4</u>	<u>1,028.3</u>	<u>261.1</u>	<u>25.39</u>

In 2025, income tax expense amounted to RMB1.289 billion, representing a year-on-year increase of RMB261 million. The effective income tax rate was 9.41%, which was mainly due to the fact that the Group continued to optimize the investment structure of its business and held certain statutory tax-exempt treasury bonds and local government bonds on the basis of balancing risks and returns, thereby reducing the effective income tax rate.

(II) Analysis on Balance Sheet

1. Assets

The following table sets forth, as at the dates indicated, the composition of the Group's total assets:

(Expressed in RMB million, unless otherwise stated)	31 December 2025		31 December 2024		Change in amount	Rate of change (%)
	Amount	Percentage (%)	Amount	Percentage (%)		
Net loans and advances						
to customers	765,892.7	45.97	683,830.7	45.13	82,062.0	12.00
Carrying balance of loans and advances to customers	797,287.0	47.85	714,273.0	47.14	83,014.0	11.62
Allowances for impairment on loans and advances to customers ⁽¹⁾	(31,394.3)	(1.88)	(30,442.3)	(2.01)	(952.0)	3.13
Financial investments	643,628.8	38.63	628,003.1	41.44	15,625.7	2.49
Financial assets measured at fair value through profit and loss	81,118.9	4.87	84,554.8	5.58	(3,435.9)	(4.06)
Financial assets measured at fair value through other comprehensive income	313,611.9	18.82	246,200.3	16.25	67,411.6	27.38
Financial assets measured at amortised cost	248,898.0	14.94	297,248.0	19.61	(48,350.0)	(16.27)
Cash and balances with Central Bank	55,090.6	3.31	51,204.0	3.38	3,886.6	7.59
Deposits and placements with banks and other financial institutions	142,440.9	8.55	111,473.4	7.36	30,967.5	27.78
Financial assets held under resale agreements	34,197.2	2.05	20,937.3	1.38	13,259.9	63.33
Investment in associates	549.0	0.03	509.7	0.03	39.3	7.71
Goodwill	440.1	0.03	440.1	0.03	–	–
Other assets	23,944.9	1.43	18,983.5	1.25	4,961.4	26.14
Total assets	<u>1,666,184.2</u>	<u>100.00</u>	<u>1,515,381.8</u>	<u>100.00</u>	<u>150,802.4</u>	<u>9.95</u>

Note:

- (1) Includes only the provision for impairment on loans and advances to customers measured at amortised cost.

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As of the end of 2025, the Group's total assets amounted to RMB1,666.184 billion, representing an increase of RMB150.802 billion or 9.95% as compared to the end of the previous year. The increase in the asset size of the Group was mainly due to the increase in loans and advances to customers with detailed analysis as below:

(1) Loans and Advances to Customers

The following table sets forth, as at the dates indicated, the composition of the Group's loans and advances to customers:

(Expressed in RMB million, unless otherwise stated)	31 December 2025		31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Corporate loans and advances	434,974.4	54.55	358,133.4	50.14
Short-term loans	69,724.0	8.75	52,027.6	7.28
Medium and long-term loans	365,250.4	45.80	306,105.8	42.86
Retail loans and advances	301,022.4	37.76	292,506.0	40.95
Personal business loans ⁽¹⁾	118,621.9	14.88	123,582.8	17.30
Personal mortgage loans ⁽²⁾	87,452.6	10.97	88,697.5	12.42
Other loans ⁽³⁾	94,947.9	11.91	80,225.7	11.23
Discounted bills	61,290.2	7.69	63,633.6	8.91
Total loans and advances to customers	797,287.0	100.00	714,273.0	100.00

Notes:

- (1) Personal business loans primarily consist of personal loans for business purposes and personal working capital loans.
- (2) Personal mortgage loans primarily consist of residential mortgage loans and commercial property mortgage loans.
- (3) Other loans primarily consist of individual consumption loans and credit card loans.

As of the end of 2025, the carrying balance of loans and advances to customers of the Group amounted to RMB797.287 billion, representing an increase of RMB83.014 billion, or 11.62% as compared to the end of the previous year. Loans and advances to customers accounted for 47.85% of the total assets, representing an increase of 0.71 percentage point as compared to the end of the previous year.

The gross amount of corporate loans and advances was RMB434.974 billion, representing an increase of RMB76.841 billion, or 21.46% as compared to the end of the previous year. Among which, short-term loans increased by RMB17.696 billion, and medium-and long-term loans increased by RMB59.145 billion. The Group served the national major strategy of improving quality and increasing efficiency, strongly supported the construction of the Chengdu-Chongqing Economic Circle, and achieved full coverage of all segments of modern manufacturing cluster system. The Group made solid efforts on “five major areas” of finance, built a new business development model centered on the industrial chain, constructed key scenarios such as technology finance ecosystem and enhanced its layout to achieve a stable growth of the scale of corporate loans.

Total retail loans and advances amounted to RMB301.022 billion, representing an increase of RMB8.516 billion or 2.91% over the end of the previous year. The Group created distinctive service models, and continued to promote the high-quality development of inclusive finance.

Among which, total personal business loans amounted to RMB118.622 billion, representing a decrease of RMB4.961 billion or 4.01% over the end of the previous year. The Group accelerated the innovation of digital products, enhanced the digital and intelligent marketing capacities of its business, promoted the closed-loop management of customers, and improved marketing efficiency.

Total personal mortgage loans amounted to RMB87.453 billion, representing a decrease of RMB1.245 billion or 1.40% over the end of the previous year, mainly supporting the local citizens’ reasonable financing requirement for owner-occupied houses.

Total other loans amounted to RMB94.948 billion, representing an increase of RMB14.722 billion or 18.35% over the end of the previous year. The Group continued to deepen the grid-based marketing, advanced the layout of community commercial and cultural and tourism consumption scenarios, and built a new digital model for consumption service.

Discounted bills amounted to RMB61.29 billion, representing a decrease of RMB2.343 billion or 3.68% as compared to the end of the previous year.

Management Discussion and Analysis

The following table sets forth, as at the dates indicated, the composition of the Group's loans by industry classification:

(Expressed in RMB million, unless otherwise stated)	31 December 2025		31 December 2024	
	Loan amount	Percentage of total amount (%)	Loan amount	Percentage of total amount (%)
Corporate loans and advances	434,974.4	54.55	358,133.4	50.14
Leasing and commercial services	112,105.4	14.06	93,852.9	13.14
Water conservancy, environmental and public utility management	82,317.3	10.32	65,673.1	9.19
Manufacturing	78,384.5	9.83	76,096.3	10.65
Transportation, warehousing and postal services	43,794.5	5.49	34,806.5	4.87
Wholesale and retail	30,826.3	3.87	21,350.0	2.99
Production and supply of electricity, heating, gas and water	30,683.1	3.85	27,601.5	3.86
Construction	18,149.8	2.28	11,911.1	1.67
Real estate	7,226.6	0.91	4,422.4	0.62
Health and social work	6,375.5	0.80	6,828.8	0.96
Agriculture, forestry, animal husbandry and fishery	5,858.1	0.73	3,893.2	0.55
Others	19,253.3	2.41	11,697.6	1.64
Retail loans and advances	301,022.4	37.76	292,506.0	40.95
Discounted bills	61,290.2	7.69	63,633.6	8.91
Total loans and advances to customers	797,287.0	100.00	714,273.0	100.00

In 2025, the Group closely followed national policy guidance, made solid efforts on the “five major areas” of finance, thoroughly built “three new momentums”, increased financial supply, and served local economic development. As of the end of 2025, the balance of the Group's corporate loans invested in leasing and commercial services, water conservancy, environmental and public utility management industries, and manufacturing was RMB112.105 billion, RMB82.317 billion and RMB78.385 billion respectively, accounting for 14.06%, 10.32% and 9.83% of the Group's total loans and advances, respectively.

(2) Financial Investments

The following table sets forth, as at the dates indicated, the composition of the Group's financial investments:

(Expressed in RMB million, unless otherwise stated)	31 December 2025		31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Financial assets measured at fair value through profit and loss	81,118.9	12.60	84,554.8	13.46
Financial assets measured at fair value through other comprehensive income	313,611.9	48.73	246,200.3	39.20
Financial assets measured at amortised cost	248,898.0	38.67	297,248.0	47.34
Total financial investments	643,628.8	100.00	628,003.1	100.00

As of the end of 2025, the financial investments amounted to RMB643.629 billion, representing an increase of RMB15.626 billion or 2.49% as compared to the end of the previous year. Among which, financial assets measured at fair value through profit and loss amounted to RMB81.119 billion, representing a decrease of RMB3.436 billion or 4.06% as compared to the end of the previous year; financial assets measured at amortised cost amounted to RMB248.898 billion, representing a decrease of RMB48.35 billion or 16.27% as compared to the end of the previous year; financial assets measured at fair value through other comprehensive income amounted to RMB313.612 billion, representing an increase of RMB67.412 billion or 27.38% as compared to the end of the previous year. The Group continued to strengthen market research and analysis, deepened the application of multiple strategies, and comprehensively improved the effectiveness of the investment portfolio.

Management Discussion and Analysis

The following table sets forth, as at the dates indicated, the composition of the Group's financial investments by product type:

(Expressed in RMB million, unless otherwise stated)	31 December 2025		31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Bond investment	562,308.5	87.37	514,505.2	81.93
Fund	28,428.5	4.42	57,170.0	9.10
Interbank certificates of deposit	47,125.8	7.32	52,466.0	8.35
Others	5,766.0	0.89	3,861.9	0.62
Total financial investments	643,628.8	100.00	628,003.1	100.00

The following table sets forth, as at the dates indicated, the composition of the Group's bond investment by issuer:

(Expressed in RMB million, unless otherwise stated)	31 December 2025		31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Government bonds	210,956.0	37.52	204,125.5	39.68
Public institutions and quasi-government bonds	178,578.5	31.76	156,884.8	30.49
Financial institution bonds	117,477.2	20.89	107,320.6	20.86
Corporate bonds	55,296.8	9.83	46,174.3	8.97
Total bonds investment	562,308.5	100.00	514,505.2	100.00

The Group optimized the structure of financial investments. As of the end of 2025, the public institutions and quasi-government bonds increased by RMB21.694 billion as compared to the end of the previous year and financial institution bonds increased by RMB10.157 billion as compared to the end of the previous year.

(3) Cash and balances with Central Bank

As of the end of 2025, total cash and balances with the Central Bank of the Group amounted to RMB55.091 billion, representing an increase of RMB3.887 billion or 7.59% as compared to the end of the previous year, which was mainly due to the increase in reserve deposits of the Group in line with the increase in deposits from customers.

(4) Deposits and placements with banks and other financial institutions

As of the end of 2025, deposits and placements with banks and other financial institutions of the Group amounted to RMB142.441 billion, representing an increase of RMB30.968 billion or 27.78% as compared to the end of the previous year, which was mainly due to the fact that the Group rationally utilized funds and adjusted its asset structure based on its own business needs.

(5) Financial assets held under resale agreements

As of the end of 2025, financial assets held under resale agreements of the Group amounted to RMB34.197 billion, representing an increase of RMB13.26 billion or 63.33% as compared to the end of the previous year, which was mainly due to the fact that the Group adjusted its capital utilization structure after comprehensively taking into account the needs of asset-liability and liquidity management.

(6) Investment in associates

As of the end of 2025, the Group's investment in associates amounted to RMB549 million, representing an increase of RMB39 million or 7.71% as compared to the end of the previous year.

(7) Other assets

As of the end of 2025, other assets of the Group amounted to RMB23.945 billion, representing an increase of RMB4.961 billion or 26.14% as compared to the end of the previous year. Other assets include fixed assets, deferred income tax assets, right-of-use assets, other receivables and foreclosed assets, etc. Among which, the Group's foreclosed assets were RMB255 million, and the balance of impairment allowances for foreclosed assets was RMB50 million. Foreclosed assets referred to that the Group may obtain the title of the collateral, through legal actions or voluntary delivery of the borrowers, as compensation for the losses on loans and advances and interest receivable, when recovering impaired loans and advances. Please refer to "Other Assets" under Notes to the Financial Statements for details.

Management Discussion and Analysis

2. Liabilities

The following table sets forth, as at the dates indicated, the composition of the Group's total liabilities:

(Expressed in RMB million, unless otherwise stated)	31 December 2025		31 December 2024		Change in amount	Rate of change (%)
	Amount	Percentage (%)	Amount	Percentage (%)		
Deposits from customers	1,028,727.5	67.39	941,946.2	68.19	86,781.3	9.21
Deposits and placements from banks and other financial institutions	74,379.0	4.87	64,597.5	4.68	9,781.5	15.14
Debt securities issued	188,485.3	12.35	171,657.5	12.43	16,827.8	9.80
Borrowings from Central Bank	105,968.3	6.94	103,007.6	7.46	2,960.7	2.87
Financial assets sold under repurchase agreements	95,885.0	6.28	71,937.7	5.21	23,947.3	33.29
Other liabilities	33,003.2	2.17	28,186.4	2.03	4,816.8	17.09
Total liabilities	1,526,448.3	100.00	1,381,332.9	100.00	145,115.4	10.51

As of the end of 2025, the total liabilities of the Group amounted to RMB1,526.448 billion, representing an increase of RMB145.115 billion or 10.51% as compared with the end of the previous year. Deposits from customers are the most core liabilities source of the Group. The increase in the scale of the Group's liabilities was mainly attributable to the increase in the deposits from customers with detailed analysis as below:

(1) Deposits from customers

The following table sets forth, as at the dates indicated, the composition of deposits from customers of the Group:

(Expressed in RMB million, unless otherwise stated)	31 December 2025		31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Subtotal corporate deposits	143,893.1	13.99	129,601.7	13.76
Demand deposit	95,852.3	9.32	92,421.9	9.81
Time deposit	48,040.8	4.67	37,179.8	3.95
Subtotal personal deposits	880,367.0	85.58	808,536.7	85.84
Demand deposit	164,322.0	15.98	153,751.7	16.33
Time deposit	716,045.0	69.60	654,785.0	69.51
Pledged deposits	4,461.8	0.43	3,802.1	0.40
Other deposits	5.6	–	5.7	–
Total deposits from customers	1,028,727.5	100.00	941,946.2	100.00

As of the end of 2025, total deposits from customers amounted to RMB1,028.728 billion, representing an increase of RMB86.781 billion or 9.21% as compared to the end of the previous year. The Group leveraged its deposit advantages, continued to build its classification management system and explored the potential of key customers, resulting in steady growth in deposits from customers.

In terms of customer structure, corporate deposits amounted to RMB143.893 billion, representing an increase of RMB14.291 billion or 11.03% over the end of the previous year, the percentage of total deposits from customers recorded an increase of 0.23 percentage point as compared to the end of the previous year; personal deposits amounted to RMB880.367 billion, representing an increase of RMB71.83 billion or 8.88% over the end of the previous year, the percentage of total deposits from customers recorded a decrease of 0.26 percentage point as compared to the end of the previous year.

In terms of term structure, the demand deposits amounted to RMB260.174 billion, representing an increase of RMB14.001 billion or 5.69% over the end of the previous year, and accounted for 25.30% of total deposits from customers. Time deposits amounted to RMB764.086 billion, representing an increase of RMB72.121 billion or 10.42% over the end of the previous year, with the proportion of total deposits from customers of 74.27%.

Management Discussion and Analysis

(2) Deposits and placements from banks and other financial institutions

As of the end of 2025, the Group's deposits and placements from banks and other financial institutions increased by RMB9.782 billion or 15.14% as compared with the end of the previous year. The Group flexibly arranged interbank funds based on the market trend.

(3) Debt securities issued

As of the end of 2025, the Group's debt securities issued increased by RMB16.828 billion or 9.80%, which was mainly due to the fact that the Group actively optimized its debt structure. The Group has not issued any corporate bonds that are required to be disclosed in accordance with the requirements of the "Rules No. 2 on Contents and Format of Information Disclosure by Companies Publicly Issuing Securities – Contents and Format of Annual Report (Revision 2025)" and the "Administrative Measures on Information Disclosure of Corporate Credit Bonds". For details, please refer to "Debt securities issued" under Notes to the Financial Statements.

(4) Borrowings from Central Bank

As of the end of 2025, the Group's borrowings from Central Bank increased by RMB2.961 billion or 2.87% as compared with the end of the previous year, which basically remained stable. The Group continued to proactively use the Central Bank's funds for monetary policy tools including re-loans in support of agriculture and micro and small enterprises, etc.

(5) Financial assets sold under repurchase agreements

As of the end of 2025, the financial assets sold under repurchase agreements of the Group increased by RMB23.947 billion or 33.29% as compared to the end of the previous year, mainly due to the adjustment of liabilities structure by the Group based on the market condition.

(6) Other liabilities

As of the end of 2025, other liabilities of the Group amounted to RMB33.003 billion, representing an increase of RMB4.817 billion or 17.09% as compared with the end of the previous year. Other liabilities include other payables, dividends payable, deferred income, etc.

(7) Liability quality analysis

The Group attached great importance to liability quality management and has established a liability quality management system corresponding to the scale and complexity of liabilities. The Bank adhered to a steady and prudent liability quality management strategy, continued to strengthen refined management of the total amount, structure and cost of liabilities, and promoted the high-quality development of liability business. The Bank adhered to the balanced development of volume and price of deposit business, strictly implemented quota management on deposits with high interest payment rate, enhanced the pricing guidance of FTP, adjusted and optimized deposit maturity structure, and promoted a steady decline in the interest-bearing rate of deposits. The Bank made flexible use of active liabilities to make a forward-looking plan for active liabilities, formulated the issuance plans for active liabilities such as inter-bank liabilities and financial liabilities on an annual basis, reasonably arranged the total issuance amount, frequency and term structure, so as to meet the needs of liquidity management and business development. At the same time, the Bank maintained reasonable and controllable costs of liabilities.

In 2025, the Group's liability business grew steadily, and the indicators related to liability quality shown a sound performance. In particular, the net stable fund ratio of the Group was 130.88%, and the liquidity coverage ratio was 461.82%, both of which were better than the regulatory requirements and internal limit requirements. The interest-bearing liability cost ratio was 1.55%, representing a decrease of 31 basis points as compared with the same period of the previous year.

Management Discussion and Analysis

3. Shareholders' Equity

The following table sets forth, as at the dates indicated, the composition of shareholders' equity of the Group:

(Expressed in RMB million, unless otherwise stated)	31 December 2025		31 December 2024		Change in amount	Rate of change (%)
	Amount	Percentage (%)	Amount	Percentage (%)		
Share capital	11,357.0	8.13	11,357.0	8.47	–	–
Other equity instruments	5,997.6	4.29	5,997.6	4.47	–	–
Capital reserve	20,893.7	14.95	20,892.6	15.59	1.1	0.01
Investment revaluation reserve	1,999.6	1.43	5,011.0	3.74	(3,011.4)	(60.10)
Actuarial change reserve	(749.2)	(0.54)	(863.5)	(0.64)	114.3	(13.24)
Surplus reserve	16,957.5	12.14	15,872.2	11.84	1,085.3	6.84
General risk reserve	21,536.1	15.41	20,379.7	15.20	1,156.4	5.67
Retained earnings	59,574.5	42.64	53,487.1	39.90	6,087.4	11.38
Equity attributable to shareholders of the Bank	137,566.8	98.45	132,133.7	98.57	5,433.1	4.11
Non-controlling interests	2,169.1	1.55	1,915.2	1.43	253.9	13.26
Total shareholders' equity	139,735.9	100.00	134,048.9	100.00	5,687.0	4.24

As of the end of 2025, total equity of the Group amounted to RMB139.736 billion, representing an increase of RMB5.687 billion as compared to the end of the previous year, mainly attributable to the increase in retained earnings. In particular, investment revaluation reserve decreased by RMB3.011 billion as compared to the end of the previous year, mainly due to the changes in the fair value of financial assets measured at fair value through other comprehensive income invested by the Group; general risk reserve increased by RMB1.156 billion as compared to the end of the previous year, mainly due to provision with an amount of 1.5% of the balance of risk assets at the end of the previous year.

4. Off-Balance-Sheet Items

As of the end of 2025, off-balance-sheet items of the Group mainly include unused credit card limits, acceptances, letters of guarantee issued and letters of credit issued, and their respective balances amounted to RMB29.727 billion, RMB9.892 billion, RMB1.95 billion and RMB2.184 billion, respectively. All the Group's capital expenditure commitments which have been approved but were unnecessary to be presented on the balance sheet were approved but not contracted or unfulfilled contracts with amount of RMB120 million. The operating lease commitments of the Group that are not included in the measurement of lease liabilities were not significant.

(III) Cash Flow Statement Analysis

The following table sets forth, for the years indicated, the Group's cash flow statement:

(Expressed in RMB million, unless otherwise stated)	2025	2024
Net cash flow from operating activities	372.3	4,597.5
Net cash flow from/(used in) investing activities	2,315.1	(53,098.1)
Net cash flow from financing activities	9,623.4	45,251.3

Net cash inflow from operating activities amounted to RMB372 million, representing a year-on-year decrease of RMB4.225 billion. In particular, the cash inflow was RMB165.077 billion, representing a year-on-year increase of RMB61.059 billion, mainly due to a year-on-year increase in the net increase in the deposits from customers and deposits from banks and other financial institutions; and the cash outflow was RMB164.705 billion, representing a year-on-year increase of RMB65.284 billion, mainly due to a year-on-year increase in the net increase in loans and advances to customers.

Net cash inflow from investing activities amounted to RMB2.315 billion, while the net cash outflow amounted to RMB53.098 billion in the previous year. In particular, cash inflow amounted to RMB351.248 billion, representing a year-on-year increase of RMB72.268 billion, which was mainly due to the increase in cash received from recovery of investments; cash outflow amounted to RMB348.933 billion, representing a year-on-year increase of RMB16.855 billion, which was mainly due to the increase in cash paid for investments.

Net cash inflow from financing activities amounted to RMB9.623 billion, representing a year-on-year decrease of RMB35.628 billion. In particular, cash inflow amounted to RMB312.853 billion, representing a year-on-year increase of RMB18.67 billion, which was mainly due to the increase in the cash received from the issuance of debt securities by the Group; cash outflow amounted to RMB303.23 billion, representing a year-on-year increase of RMB54.298 billion, which was mainly due to the increase in the cash paid for repayment of debt securities.

III. Loan Quality Analysis

(I) Breakdown of Loans by the five-category classification

The following table sets forth, as at the dates indicated, the distribution of the Group's loans by the five-category loan classification under which NPLs include those classified into substandard, doubtful and loss categories:

(Expressed in RMB million, unless otherwise stated)	31 December 2025		31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Normal	777,351.2	97.50	695,406.9	97.36
Special mention	11,346.4	1.42	10,446.2	1.46
Substandard	3,759.4	0.47	3,625.7	0.51
Doubtful	2,888.4	0.36	3,581.0	0.50
Loss	1,941.6	0.25	1,213.2	0.17
Total loans and advances to customers	797,287.0	100.00	714,273.0	100.00
Balance of NPLs	8,589.4		8,419.9	
NPL ratio (%)		1.08		1.18

In 2025, the Group adhered to the principle of prudent classification, continuously monitored and controlled the asset quality, further intensified efforts on the recovery and disposal of non-performing assets and comprehensively consolidated the asset quality. As of the end of 2025, balance of NPLs of the Group was RMB8.589 billion, representing an increase of RMB169 million as compared to that of the end of the previous year. The NPL ratio was 1.08%, representing a decrease of 0.10 percentage point as compared to that of the end of the previous year. Among which, the balance of NPLs of urban area and the balance of NPLs of county area accounted for 44.73% and 55.27%, respectively.

(II) Concentration of Loans

1. Concentration by industry and distribution of NPL

The following table sets forth, as at the dates indicated, the loans and non-performing loans by industry:

(Expressed in RMB million, unless otherwise stated)	31 December 2025				31 December 2024			
	Loan amount	Percentage (%)	Non- performing loan amount	Non- performing loan ratio (%)	Loan amount	Percentage (%)	Non- performing loan amount	Non- performing loan ratio (%)
Corporate loans and advances	434,974.4	54.55	2,371.9	0.55	358,133.4	50.14	3,732.9	1.04
Manufacturing	78,384.5	9.83	607.8	0.78	76,096.3	10.65	1,117.9	1.47
Production and supply of electricity, heating, gas and water	30,683.1	3.85	9.4	0.03	27,601.5	3.86	10.5	0.04
Real estate	7,226.6	0.91	-	-	4,422.4	0.62	-	-
Leasing and commercial services	112,105.4	14.06	251.7	0.22	93,852.9	13.14	629.5	0.67
Water conservancy, environment and public utility management	82,317.3	10.32	291.5	0.35	65,673.1	9.19	236.0	0.36
Construction	18,149.8	2.28	124.5	0.69	11,911.1	1.67	248.2	2.08
Wholesale and retail	30,826.3	3.87	473.3	1.54	21,350.0	2.99	543.4	2.55
Others	75,281.4	9.43	613.7	0.82	57,226.1	8.02	947.4	1.66
Retail loans and advances	301,022.4	37.76	6,216.5	2.07	292,506.0	40.95	4,686.0	1.60
Discounted bills	61,290.2	7.69	1.0	0.00	63,633.6	8.91	1.0	0.00
Total loans and advances to customers	797,287.0	100.00	8,589.4	1.08	714,273.0	100.00	8,419.9	1.18

Since 2025, the Group has fully researched and judged regulatory policies, formulated and strictly implemented the guidelines on credit supply, strictly controlled credit access, strengthened post-loan management, and continuously enhanced the risk monitoring of customers in key fields and the key industries, achieving reduction in both the non-performing balance and the non-performing ratio of corporate loans. However, due to the factors such as the complex and severe external environment and insufficiency of demand in China, the non-performing balance and the non-performing ratio of retail loans increased as compared to the end of the previous year.

2. Concentration of borrowers

As of the end of 2025, the Group's loans to its largest single client accounted for 7.00% of its net capital and the loans to its single group client accounted for 7.47% of its net capital, all of which met the regulatory requirements. Loans to its top ten clients accounted for 24.31% of its net capital. All the Group's loans to top ten largest single borrowers were not NPLs as of the end of 2025.

Management Discussion and Analysis

① Indicators of concentration

Major Regulatory Indicators (%)	Regulatory standard	31 December 2025	31 December 2024	31 December 2023
Percentage of the loans to largest single client to the net capital	≤10	7.00	3.20	3.72
Percentage of the loans to single group client to the net capital	≤15	7.47	6.75	6.29
Percentage of the loans to top ten clients to the net capital	-	<u>24.31</u>	<u>22.83</u>	<u>22.98</u>

As at the end of 2025, the Group's loans to largest single client accounted for 7.00% of its net capital, representing an increase of 3.80 percentage points as compared to the end of the previous year, mainly due to the further advancement of the reform process of local state-owned enterprises, leading to the merger and consolidation of some subsidiary enterprises by some parent companies of the groups and an increase in the concentration of loans to largest single clients.

② Top ten largest single borrowers

(Expressed in RMB million, unless otherwise stated)		31 December 2025	
		Balance	Percentage of total loans (%)
Client A	Transportation, warehousing and postal services	10,465.4	1.31
Client B	Leasing and commercial services	4,007.7	0.50
Client C	Leasing and commercial services	3,737.7	0.47
Client D	Leasing and commercial services	3,046.8	0.38
Client E	Water conservancy, environment and public utility management	2,892.4	0.36
Client F	Leasing and commercial services	2,776.0	0.35
Client G	Manufacturing	2,456.7	0.31
Client H	Production and supply of electricity, heating, gas and water	2,347.1	0.29
Client I	Water conservancy, environment and public utility management	2,340.5	0.29
Client J	Water conservancy, environment and public utility management	2,298.3	0.29

(III) Distribution of Loans and NPLs by Product Type

The following table sets forth, for the dates indicated, the loans and NPLs of the Group by product type:

(Expressed in RMB million, unless otherwise stated)	31 December 2025			31 December 2024		
	Loan amount	Non- performing loan amount	Non- performing loan ratio (%)	Loan amount	Non- performing loan amount	Non- performing loan ratio (%)
Corporate loans and advances	434,974.4	2,371.9	0.55	358,133.4	3,732.9	1.04
Short-term loans	69,724.0	631.0	0.90	52,027.6	1,013.1	1.95
Medium and long-term loans	365,250.4	1,740.9	0.48	306,105.8	2,719.8	0.89
Retail loans and advances	301,022.4	6,216.5	2.07	292,506.0	4,686.0	1.60
Personal mortgage loans	87,452.6	1,402.6	1.60	88,697.5	1,018.5	1.15
Personal business loans	118,621.9	2,332.5	1.97	123,582.8	2,059.0	1.67
Other loans	94,947.9	2,481.4	2.61	80,225.7	1,608.5	2.00
Discounted bills	61,290.2	1.0	0.00	63,633.6	1.0	0.00
Total loans and advances to customers	797,287.0	8,589.4	1.08	714,273.0	8,419.9	1.18

As of the end of 2025, the non-performing balance of corporate loans of the Group decreased by RMB1.361 billion as compared to the end of the previous year and the non-performing ratio decreased by 0.49 percentage point as compared to the end of the previous year, whereas the non-performing balance of retail loans increased by RMB1.530 billion as compared to the end of the previous year, and the non-performing ratio increased by 0.47 percentage point as compared to the end of the previous year.

(IV) Restructured Loans and Advances to Customers

The following table sets forth, for the dates indicated, the Group's restructured loans and advances to customers:

(Expressed in RMB million, unless otherwise stated)	31 December 2025		31 December 2024	
	Amount	Percentage of the total amount of loans and advances (%)	Amount	Percentage of the total amount of loans and advances (%)
Restructured loans and advances to customers	3,508.9	0.44	3,631.0	0.51

Management Discussion and Analysis

(V) Overdue Loans and Advances to Customers

The following table sets forth, for the dates indicated, the aging analysis of the Group's overdue loans and advances to customers:

(Expressed in RMB million, unless otherwise stated)	31 December 2025		31 December 2024	
	Amount	Percentage of the total amount of loans and advances (%)	Amount	Percentage of the total amount of loans and advances (%)
Overdue within 3 months	3,699.8	0.46	2,991.3	0.42
Overdue for 3 months to 1 year	3,362.6	0.42	3,743.3	0.52
Overdue for over 1 year and within 3 years	1,963.9	0.25	1,943.2	0.27
Overdue for more than 3 years	442.8	0.06	773.7	0.11
Total overdue loans and advances to customers	9,469.1	1.19	9,451.5	1.32

As of the end of 2025, the total overdue loans of the Group amounted to RMB9.469 billion, representing an increase of RMB18 million from the end of the previous year; overdue loans accounted for 1.19%, representing a decrease of 0.13 percentage point from the end of the previous year.

(VI) Changes in Provision for Loans Impairment

The following table sets forth, for the periods indicated, the changes in the Group's provision for loans impairment:

(Expressed in RMB million, unless otherwise stated)	Stage 1	Stage 2	Stage 3	Total
Balance as at 31 December 2024	17,930.6	5,278.8	7,232.9	30,442.3
Transfer:				
To stage 1	772.5	(579.7)	(192.8)	–
To stage 2	(491.1)	753.1	(262.0)	–
To stage 3	(258.4)	(895.2)	1,153.6	–
Provision for the period	875.9	1,063.9	3,153.4	5,093.2
Write-off and others for the period	–	–	(6,619.1)	(6,619.1)
Recovery of loans written-off for the period	–	–	2,477.9	2,477.9
Balance as at 31 December 2025	18,829.5	5,620.9	6,943.9	31,394.3

(VII) Distribution of Loans by Type of Collateral

The following table sets forth, for the dates indicated, the Group's distribution of loans and advances to customers by type of collateral:

(Expressed in RMB million, unless otherwise stated)	31 December 2025		31 December 2024	
	Amount	Percentage of the total amount of loans and advances (%)	Amount	Percentage of the total amount of loans and advances (%)
Credit loans	200,860.2	25.19	158,929.8	22.26
Guaranteed loans	240,454.9	30.16	183,530.0	25.69
Collateralised loans	253,135.7	31.75	260,280.2	36.44
Pledged loans	102,836.2	12.90	111,533.0	15.61
Total loans and advances to customers	797,287.0	100.00	714,273.0	100.00

(VIII) Loan Migration Ratios

Items (%)	31 December 2025	31 December 2024	31 December 2023
Migration ratios of normal loans	1.31	1.73	1.43
Migration ratios of special-mentioned loans	19.73	31.39	26.60
Migration ratios of substandard loans	73.54	41.55	51.25
Migration ratios of doubtful loans	36.21	19.75	16.98

Loan migration ratio is calculated according to 1104 statement of the National Financial Regulatory Administration and is the data of the Group.

IV. Capital Management

The Group implemented comprehensive capital management, including the formulation of capital management policies, capital planning, capital adequacy ratio management plans, capital measurement, internal capital adequacy assessment, capital allocation and capital assessment management. The goal of the Group's capital management is to mainly accumulate internal capital, with external capital as supplement, to effectively balance capital supply and demand, to strengthen capital restrictions and guidance to the business, so as to maintain a capital level that is in excess of the regulatory minimum, and to reserve capital buffers as risk absorber for ensuring a more resilient financial system.

The Group has comprehensively complied with the requirements of the Capital Management Method for Commercial Banks, formulated the Capital Planning for 2025-2027, set planning target values for capital adequacy ratios at each tier and developed an internal and external capital replenishment plan with a focus on endogenous replenishment supplemented by exogenous sources. The Group formulated the 2025 Capital Adequacy Ratio Management Plan, implemented a risk-weighted asset limit management and dynamic adjustment mechanism, and developed business with capital constraints as the guidance to ensure that the capital tolerance threshold is not exceeded. The Group coordinated and promoted the construction of the second pillar and has established an Internal Capital Adequacy Assessment Process (ICAAP). The Group conducted an internal capital adequacy assessment annually. On the basis of comprehensive risk assessment, the Group quantified and aggregated the capital requirements of primary risks, evaluated the matching of capital and risk in combination with the internal capital adequacy stress test, and prepared for potential capital shortfalls through capital planning. The Group formulated the capital cost assessment mechanism, allocated capital cost quarterly based on business objectives, enhanced assessment guidance, strengthened the concept of capital constraint and incentivized institutions to focus on input and output to enhance value returns.

In 2025, the Group continued to promote the refinement of capital management, implemented the capital planning and capital adequacy ratio management plan, rationally arranged risk-weighted asset limits, adjusted business structure, improved capital utilization efficiency, maintained continuous growth of capital, further consolidated capital strength of the Bank, and constantly enhanced the capability for serving real economy. During the year, various capital indicators performed well, providing a strong guarantee for the Group's stable business development and strategic implementation.

(I) Capital Adequacy Ratio

The Group has calculated the core tier 1 capital adequacy ratios, tier 1 capital adequacy ratios, and capital adequacy ratios in accordance with the Capital Management Method for Commercial Banks and relevant provisions, among which, the credit risk was measured at weight method, the market risk was measured at simplified standard method and the operational risk was measured at standard method. The calculation range of capital adequacy ratio includes all branches of the Bank, its subsidiary village and township banks, CQRC Financial Leasing and CQRC Wealth Management.

As at the end of 2025, the Group's capital adequacy ratio was 14.46%, representing a decrease of 1.66 percentage points from the end of the previous year; the core tier 1 capital adequacy ratio and the tier 1 capital adequacy ratio were 12.67% and 13.27%, respectively, representing a decrease of 1.57 percentage points and 1.66 percentage points respectively from the end of the previous year. In 2025, the Group's asset size continued to grow, the investment in credit business increased, and the capital was consumed accordingly. The growth rate of net capital was lower than that of risk-weighted assets, and the capital adequacy ratio at each tier decreased from the end of the previous year.

The following table sets forth, for the dates indicated, the relevant information about the Group's and the Bank's capital adequacy ratio:

Calculation results of capital adequacy ratio of the Group and the Bank

(Expressed in RMB million, unless otherwise stated)	31 December 2025		31 December 2024	
	The Group	The Bank	The Group	The Bank
Core tier 1 capital, net	131,118.9	115,301.9	126,455.9	112,123.4
Net tier 1 capital	137,274.9	121,299.5	132,591.9	118,121.1
Net capital	149,588.9	132,405.0	143,120.0	127,600.0
Risk-weighted assets	1,034,810.7	956,963.6	888,052.6	820,287.5
Include: Credit risk				
weighted assets	971,761.3	899,542.9	830,354.1	767,797.8
Market risk				
weighted assets	11,955.1	11,947.6	5,924.0	5,923.9
Operational risk				
weighted assets	51,094.3	45,473.1	51,774.5	46,565.8
Core tier 1 capital adequacy ratio (%)	12.67	12.05	14.24	13.67
Tier 1 capital adequacy ratio (%)	13.27	12.68	14.93	14.40
Capital adequacy ratio (%)	14.46	13.84	16.12	15.56

Management Discussion and Analysis

Capital Adequacy Ratio of the Group

(Expressed in RMB million, unless otherwise stated)	31 December 2025	31 December 2024
Core tier 1 capital	132,757.6	127,174.0
Portion of paid-in capital that may be included	11,357.0	11,357.0
Portion of capital reserve that may be included	20,893.7	20,892.6
Surplus reserve and general risk reserve	38,493.6	36,251.9
Retained earnings	59,574.5	53,487.1
Non-controlling interests	1,188.4	1,037.9
Others	1,250.4	4,147.5
Core tier 1 capital deductible items	(1,638.7)	(718.1)
Goodwill, net of relevant deferred tax liabilities	(440.1)	(440.1)
Other intangible assets (excluding land use rights), net of relevant deferred tax liabilities	(282.1)	(283.2)
Threshold deduction items	(919.1)	–
Total of others that should be deducted from core tier 1 capital	2.6	5.2
Core tier 1 capital, net	131,118.9	126,455.9
Other tier 1 capital	6,156.0	6,136.0
Undated capital bonds	5,997.6	5,997.6
Non-controlling interests	158.4	138.4
Net tier 1 capital	137,274.9	132,591.9
Tier 2 capital	12,314.0	10,528.1
Tier 2 capital instruments and related premium that may be included	–	–
Excessive loss allowances	11,997.1	10,251.3
Non-controlling interests	316.9	276.8
Net capital	149,588.9	143,120.0
Total risk-weighted assets	1,034,810.7	888,052.6
Core tier 1 capital adequacy ratio (%)	12.67	14.24
Tier 1 capital adequacy ratio (%)	13.27	14.93
Capital adequacy ratio (%)	14.46	16.12

The following table shows, for the dates indicated, the credit risk exposures of the Group as measured by weighting method:

(Expressed in RMB million, unless otherwise stated)	31 December 2025		31 December 2024	
	Risk exposure	Unmitigated risk exposure	Risk exposure	Unmitigated risk exposure
On-balance sheet credit risk	1,642,497.3	1,602,066.9	1,503,484.9	1,461,019.5
Off-balance sheet credit risk	47,295.0	30,520.8	48,854.1	26,837.7
Counterparty credit risk	15,885.7	15,885.7	1,509.7	1,509.7
Total	1,705,678.0	1,648,473.4	1,553,848.7	1,489,366.9

(II) Leverage Ratio

The Group calculates the leverage ratio in accordance with the Capital Management Method for Commercial Banks and relevant requirements. As at the end of 2025, the Group's leverage ratio was 8.02%, representing a decrease of 0.46 percentage point from the end of the previous year, mainly because the growth rate of net tier 1 capital was lower than the growth rate of the scale of on-balance sheet and off-balance sheet assets.

The following table sets forth, for the dates indicated, the relevant information about the Group's leverage ratio.

(Expressed in RMB million, unless otherwise stated)	31 December 2025	31 December 2024
Tier 1 capital, net	137,274.9	132,591.9
The balance of assets on and off-balance sheet after adjustments	1,712,008.8	1,563,557.2
Leverage ratio (%)	8.02	8.48

According to the requirements of the Capital Management Method for Commercial Banks, more details of the regulatory consolidation, key prudential regulatory indicators, the main characteristics of the capital instruments and the leverage ratio of the Reporting Period will be further disclosed in the "investor relations – capital supervision" column on the website of the Bank (www.cqrcb.com).

V. Segment Information

(I) Summary of Geographical Segment

(Expressed in percentage)	31 December 2025		31 December 2024	
	County Area	Urban Area	County Area	Urban Area
Deposits	73.30	26.70	73.53	26.47
Loans	50.78	49.22	48.38	51.62
Assets	52.60	47.40	52.77	47.23
Deposit-loan ratio	53.68	142.91	49.89	147.87

As of the end of 2025, the Group's deposits in county area accounted for 73.30%, representing a decrease of 0.23 percentage point over the end of the previous year. The loans in county area accounted for 50.78%, representing an increase of 2.40 percentage points over the end of the previous year, and the assets in county area accounted for 52.60%, representing a decrease of 0.17 percentage point over the end of the previous year; county-level deposit to loan ratio was 53.68%, representing an increase of 3.79 percentage points over the end of the previous year. Taking root in Chongqing, the Group made solid efforts on supporting small and micro businesses, continuously increased the loans, insisted on improving the county's financial service capabilities, and facilitated the development of county economy.

(II) Summary of Business Segment

(Expressed in RMB million, unless otherwise stated)	2025		2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Corporate banking business	9,351.1	32.67	8,633.8	30.58
Retail banking business	12,138.5	42.42	11,832.4	41.92
Financial market business	7,027.0	24.55	7,699.2	27.27
Unallocated	103.4	0.36	65.9	0.23
Total operating income	28,620.0	100.00	28,231.3	100.00

In 2025, the Group's operating income of corporate banking business was RMB9.351 billion, accounting for 32.67%, representing a year-on-year increase of 2.09 percentage point; operating income of retail banking business was RMB12.139 billion, accounting for 42.42%, representing a year-on-year increase of 0.50 percentage point; operating income of financial market business was RMB7.027 billion, accounting for 24.55%, representing a year-on-year decrease of 2.72 percentage point. Focusing on the in-depth implementation of the "three new momentums", the Group fully supported the cultivation of new quality productivity, deepened inclusive small and micro enterprise financial services and united the efforts of various businesses, promoting high-quality development.

VI. Business Overview

(I) Inclusive Finance Business

1. *Personal Deposit and Loan Business*

Personal deposit business. The Bank continued to build a “functional, characteristic and scenario-based” deposit product classification management system, optimized the deposit structure, tapped key customer groups, and created characteristic deposit products to enhance the customers’ sense of exclusivity and inject strong momentum into precision marketing. As at the end of 2025, the balance of personal deposits amounted to RMB880.367 billion, representing an increase of RMB71.83 billion or 8.88% over the end of the previous year. Total personal deposits and increment market share ranked the first in Chongqing. The interest payment rate of personal deposits was 1.51%, representing a year-on-year decrease of 29 basis points.

Personal loan business. The digital operation of personal consumption loan products achieved initial results, achieving the conversion of more than 35% potential customers. The grid marketing of “Yukuai Zhenhao Loan” was successfully implemented, achieving addition of more than 80,000 new credit customers. The Bank became the first institution among local corporate banks to offer financial subsidy services for personal consumption loans, helping to unleash the vitality of the consumer market. As at the end of 2025, the loan balance of the “ten billion-level” hit product, “Yukuai Zhenhao Loan”, reached a new high, with a net increase of RMB3.602 billion as compared to the end of the previous year, continuing to lead similar products in Chongqing.

2. *Bank Card Business*

Debit card business. The Bank continued to enrich the product system of “Jiangyu Debit Card”, launching products including “Jiangyu Kaiyan Card” and “Jiangyu Salary Enjoyment Card” around the reality of migrant workers and payroll agency payment customers. The Bank enhanced the customer’s card use experience and boosted the steady growth of debit card business by offering the preferential rights and interests such as fee reduction and high-speed rail VIP room. As at the end of 2025, the total number of issued debit cards reached 31,454.7 thousand, representing a net increase of 972.4 thousand debit cards compared to the end of the previous year.

Credit card business. The Bank rebuilt a new model of credit card finance ecology around the “three new momentums”. The Bank established a system of “visiting Chongqing with one card”, and launched the “one district/county, one characteristic” Jiangyu Cultural and Tourism Credit Card, issuing more than 14 thousand cards in the whole year. The Bank mobilized more than 4,000 merchants of “Yukuai Life Payment” to participate in cultural and tourism right and interest activities, forming a symbiotic and win-win new situation of customer expansion, merchant operation and industry development in the scene. The Bank successfully issued “Jiangyu Zhenxiang Card” and “Rural Revitalization • Village Card”, effectively improving the service quality and efficiency for high-value customers and grassroots rural institutions. The Bank cooperated with Chongqing Zhongbai Commercial Electrical Appliance Co., Ltd. and JD.COM Electric Co., Ltd. and other national subsidy merchants to carry out the activity of “State Subsidy for Renewal · Boosting Consumption” to benefit the people, covering more than 3,000 merchants enjoying state subsidy, which effectively boosted consumption. The Bank innovatively launched a product, “Jiangyu Credit Card Privileged Member”, effectively broadening the source of income.

Merchant business. The Bank built a product iteration and feedback mechanism, optimized the product structure based on merchants’ operation data and users’ demands, promoted the transformation of product supply from singularity to comprehensiveness, and upgraded the service model from functional platform to ecological scenario. The Bank focused on the community ecological scenario to build a merchant alliance system, covering high-frequency consumption areas such as catering, retail and convenience services. Through the strategy of “stratified operation of merchants + accurate activation of customer groups + coordinated linkage of policies”, the Bank built a tripartite win-win ecosystem where “merchants have transaction records, customers have benefits, and banks have conversions”. As at the end of 2025, the total number of merchants of the Bank exceeded 2 million, representing a net increase of 1,018.3 thousand merchants as compared to the end of the previous year, and the average daily contribution balance of merchants AUM+LUM reached RMB275.367 billion.

3. *Wealth Management Business*

Sales of key products continued to grow. The Bank actively expanded external sale agency cooperation institutions, with an addition of eight cooperative institutions including CITIC Wealth and Guomin Pension, and carried out all-round cooperation in product customization, employee empowerment and professional think tanks. The Bank continuously optimized the product structure and strategy. In 2025, the Bank added and launched 430 wealth management products, 87 fund products, 89 precious metal products and 64 insurance products, launched foreign currency, fixed income enhancement and multi-asset strategic products for the first time, launched wealth management service trust business, and realized the implementation of the first insurance trust of the Bank.

Customer value-added services have been iteratively upgraded. The Bank benchmarked advanced banks in the industry and improved the three standardized rights and interests of “business travel + health and medical care + field experts”. The Bank gave full play to our advantages to create three distinctive rights and interests of “family service + children’s education + leisure and entertainment”. The Bank explored new formats in cultural and tourism scenes, created the exclusive route for high-net-worth customers of “Yu Yue Zhen Travel · Secret Realm Private Tour” and 51 boutique punch-in routes in beautiful countrysides, and carried out 16 events, reaching customers more than 390,000 times through “online + offline” channels.

The scale of key customer groups reached a higher level. As at the end of 2025, the Bank had issued 7,751.9 thousand social security cards, and in 2025, newly issued 643.3 thousand social security cards, ranking first among banks in Chongqing. The Bank has made issued a total of 57.8166 million payments for pension and work-related injury benefits and other funds, totaling RMB44.363 billion, and served over 4,600 thousand customers, ranking first among banks in Chongqing. The Bank’s pension finance was rated as “excellent” by the PBOC Chongqing Branch in terms of service quality and efficiency. The number of high-net-worth customers was nearly 110 thousand representing a net increase of 7,004 or 6.81% as compared to the end of the previous year; the average daily balance of AUM amounted to RMB138.430 billion, representing a net increase of RMB15.276 billion or 12.40% as compared to the end of the previous year.

4. *Small and Micro Businesses*

The inclusive small and micro businesses of the Bank continued to consolidate the good development trend of incremental expansion, quality improvement and efficiency enhancement. As at the end of 2025, the number of loan customers of inclusive small and micro enterprises was nearly 210 thousand, and the loan balance increased by RMB4.715 billion as compared to the end of the previous year to RMB144.644 billion, ranking first in Chongqing, and the comprehensive service capacity in the field of inclusive small and micro enterprises continued to improve.

Deepened the “digitally-driven” momentum and empowered service process reengineering and accurate access. The Bank promoted the restructuring of the finance service model system for small and micro enterprises by taking digital transformation as the core engine. On the one hand, relying on big data and artificial intelligence technology, the Bank integrated internal and external data resources to build a “white list” customer system covering five major customer groups and over 370 thousand customers, realized accurate distribution and closed-loop management of customers through the “digital grid management platform”, and formed an efficient service model of “online data processing + offline street canvassing”. On the other hand, the Bank accelerated the innovation of emerging digital products and the integration and transformation of existing products, accelerated the iterative pace of product innovation, deepened data cooperation with medical insurance bureaus and other departments, innovated online auxiliary approval of “Medical Insurance Loan”, and won the second prize of the National Intelligent Medical Insurance Competition, promoting the implementation of data empowerment credit scenarios.

Focused on the “industrial-chain-driven” momentum to help the development of manufacturing clusters and science and technology innovation enterprises. Focusing on the “33618” modern manufacturing industry cluster system in Chongqing and the “416” scientific and technological innovation layout, the Bank drew a map of key industrial chains such as intelligent networked new energy vehicles, covering more than 68 thousand core enterprises and multi-level suppliers. Focusing on the “specialized, specialized, refined, differential, and innovative” enterprises, innovative small and medium-sized enterprises and other scientific and technological innovation customer groups, the Bank customized financing service plans, and adopted the “one enterprise leading one chain, one chain forming one piece” approach to extend our service reach to small and micro enterprises upstream and downstream of scientific and technological innovation enterprises. In the field of inclusive small and micro enterprises, the Bank has served one-third of the “specialized, refined, differential, and innovative” small and medium-sized enterprises and one-fifth of the high-tech enterprises in Chongqing, effectively promoting the deep integration of technology finance and industrial finance.

Expanded the “scenario-driven” momentum and built a diversified ecological service network. The Bank deeply embedded financial services in diverse scenarios such as community commerce, professional markets, rural farms and towns, and cultural tourism homestays, creating a “scenario + finance” ecology. Focusing on high-frequency production and living nodes such as agricultural supply stores, lifestyle supermarkets, professional markets and e-commerce logistics points, the Bank created a comprehensive financial solution covering “payment, credit and value-added services”, and provided scenario-based credit loans to more than 40 thousand merchants by relying on “Yukuai Revitalization Loan 2.0”, enhancing the comprehensive service capability of scenario-based ecology.

(II) Corporate Financial Business

1. Corporate Business

As at the end of 2025, the balance of corporate loans of the Group amounted to RMB434.974 billion, representing an increase of RMB76.841 billion as compared to the end of the previous year. The balance of corporate deposit was RMB143.893 billion, representing an increase of RMB14.291 billion as compared to the end of the previous year.

Served national and local major strategies to improve quality and efficiency. The Bank supported the Chengdu-Chongqing Economic Circle and a total of 193 municipal key projects, with a loan balance of RMB33.332 billion, providing strong support for regional coordinated development. The Bank served the high-end, intelligent and green development of the manufacturing industry, with a manufacturing loan balance of RMB78.385 billion and the market share ranking first in Chongqing, among which, the number of loan customers of the “33618” modern manufacturing industry cluster was 4,591, with a loan balance of RMB65.921 billion, achieving full credit coverage for all sub-industries.

Focused on the “five major areas” of finance to break the situation and gain momentum. The leading position of technology finance was consolidated, and the loan balance of technology-based enterprises was RMB90.906 billion, accounting for over 10% in Chongqing, ranking first among local corporate banks. With the “ice-breaking” development of pension finance and the innovation of “Kangyang Loan” to solve industry problems, the Bank won the highest grade in the evaluation by the PBOC, “Excellent Grade”, and became the only local financial institution winning an award in Chongqing. The Bank initially established a “system” development path for inclusive finance and digital finance, established a basic product system for “Growth Loan” and “Scientific and Technological Achievements Conversion Loan”, and completed systematic marking and statistics for digital industry loans.

Further promoted the optimization and upgrading of the structure of key customer groups. The service mode was changed from “product-oriented” to “demand-oriented”, deepening customer relationship management, enriching the index database of “customer demand-centered” and fully optimizing the structure of key customer groups. The Bank realized the full-scale management of customers through FPA, achieving “four ones”: doing the local and foreign currency businesses of customers together, doing the deposit, loan, debt, investment and lease together, doing the asset, liability and intermediary businesses together, and doing the corporate and personal businesses together. As of the end of 2025, the number of VIP, full-product and active customers, all being key customer groups of the corporate business line, recorded a net increase of 58, 3,142 and 1,475 as compared with the end of the previous year, with a growth rate of 4.10%, 8.10% and 3.51% respectively. Among corporate customers, the number of new individual customers of valid payroll agency payment reached 68.7 thousand, the valid payroll agency payment amounted to RMB31.389 billion, and AUM of RMB43.218 billion was derived from the individual customers of payroll agency payment.

2. *Institutional Business*

Leveraged the central resources, introduced funds from cities other than Chongqing and strengthened financial support. The Bank actively participated in the bidding for cash management of the central treasury, and introduced a total of RMB58.1 billion from cities other than Chongqing for Chongqing.

Implemented the national strategy, served the private economy and stimulated market vitality. The Bank thoroughly implemented the state’s strategic plan to support the development of the private economy, deepened channel cooperation, jointly issued the Document No.1 of 2025 with the Chongqing Federation of Industry and Commerce, put forward 18 special policies to support the development of the private economy, and built a new ecology of coordinated development of “government, banks and enterprises”. By establishing a normalized communication mechanism, the Bank accurately met the financing needs of private enterprises.

Focused on people's livelihood scenarios, innovated service models and helped social development. Focusing on scenario building, channel collaboration and customer value enhancement, the Bank actively built an organic ecosystem. In terms of medical care, the Bank made every effort to promote the intelligent construction of primary medical and health institutions, continuously optimized and promoted the "Yukuai Smart Medicine" system, and improved the efficiency and quality of primary medical services through informatization technology. The Bank simultaneously iterated the intelligent medical treatment system of "diagnosis and treatment before payment", added the "Kinship Payment" function to serve the "the elderly and children" groups, simplified the whole settlement process, and improved the patient satisfaction and the capability to acquire customers. In terms of the elderly care, the Bank actively connected with the national elderly care service system, successfully obtained the qualification to undertake prepayment escrow services for elderly care institutions from Chongqing Civil Affairs Bureau, prevented the risk of misappropriation of funds by standardizing the prepayment escrow mechanism of elderly care institutions, promoted the compliant development of the elderly care industry, and strengthened financial support in the field of people's livelihood.

3. *Transaction Banking Business*

Accurately empowered the treasurer system and made breakthroughs in key businesses. The Bank launched the first integrated solution of "supervision platform + treasurer system" in Chongqing to promote the scenario-based marketing of property public income funds supervision. The Bank deeply integrated fund management and regulatory needs, and innovatively supported the multi-level linkage regulatory framework of the housing and urban-rural development commission, the sub-district office and the community to help expand new customers and new deposits. As at the end of 2025, the Bank signed contracts to serve 107 district-level state-owned enterprise groups, and the coverage rate of state-owned enterprise groups in Chongqing was 58%, with the highest coverage rate in the treasurer market of state-owned enterprises at the municipal and district levels in Chongqing.

Practiced the “three new momentums” to improve the quality and efficiency of supply chain finance. By taking digital transformation as the key starting point, the Bank fully promoted the construction of supply chain financial service platform and built a series of supply chain financing product matrix of “Yukuai e-Loan”. By continuously enriching product types, optimizing product processes and improving product risk control models, the Bank gradually formed a digital product system of supply chain financing covering the whole industrial chain and adapting to multiple scenarios, effectively improving availability and convenience, and supporting the stable development and energy level upgrade of the industrial chain and the supply chain.

Anchored the national strategic direction and accelerated the promotion of cross-border finance. As of the end of 2025, the financing balance of the New International Land-Sea Corridor was RMB71.122 billion, representing an increase of RMB16.566 billion or 30.36% as compared to the end of the previous year. For the four exclusive financing products, “Land-Sea Chain Financing, Land-Sea New Channel Loan, Green Cross-Border Loan for Land-Sea New Channel, and Channel Iron Financing”, the Bank granted loans totaling RMB810 million. In 2025, the multimodal transport “one bill-of-lading system” digital bill of lading financing for the land-sea new channel was RMB264 million, ranking first in Chongqing.

Deeply cultivated the overseas expansion scenario of Chongqing enterprises, and improved the quality of financial services to provide support. The Bank served 380 Chongqing enterprises expanding overseas through grid marketing services. As of the end of 2025, the Bank recorded the international settlement of USD3.153 billion and the foreign exchange settlement and sale of USD1.209 billion in total, and granted a total of RMB7.208 billion of trade financing, with a financing balance of RMB4.966 billion. Among them, the Bank served 41 enterprises of “Chongqing-Made Cars Going Global”, handled USD1.611 billion of cross-border settlement, and granted RMB1.123 billion of trade financing; the Bank handled cross-border settlement for enterprises of “Agricultural Products Going Global” such as soybeans, preserved mustard tuber, cured meat and citrus, with the amount exceeding USD100 million.

4. *Investment Banking Business*

In 2025, the Bank continued to deeply cultivate and make precise efforts in the field of bond underwriting business, promoting significant growth in the market share and further expanding the industry influence. In 2025, the Bank led underwriting of 65 debt financing instruments of non-financial enterprises, with an underwriting scale of RMB16.929 billion, representing an increase of 40.15% as compared with the same period of last year. The Bank thoroughly implemented the strategic deployment of “scenario-driven”, fully implemented the construction of technology finance ecosystem, set up a platform for the transformation of scientific and technological achievements, built a full chain service system for the transformation of scientific and technological achievements, connected with 22 universities and scientific research institutes, 23 venture capital institutions, 4 industrial parks, 10 intermediary institutions and more than 100 technology-based enterprises, integrated more than 65 million patent achievements into the technology finance ecosystem, achieved the transformation of 8 scientific and technological achievements, accelerated the integration of scientific and technological innovation and industrial innovation.

(III) Financial Market Business

1. *Financial Inter-bank Business*

During the Reporting Period, the Bank steadily improved market influence and brand awareness. The Bank continued to obtain the first-class dealer qualification in open market business in 2025 and was the only corporate institution in Chongqing that was granted this qualification. The Bank was successfully approved to be a special member of Shanghai Gold Exchange. The Bank has won awards such as Outstanding Underwriter of CDB Bonds and “Top 100 Proprietary Settlement” in Bond Trading and Investment Category selected by China Central Depository & Clearing Co., Ltd.

Bond investment. As of the end of 2025, the investment balance of the Group’s bonds amounted to RMB562.309 billion, of which government bonds, public institutions and quasi-government bonds amounted to RMB389.535 billion in total, representing an increase of RMB28.525 billion as compared with the end of the previous year. Among other bonds, AAA¹ rated bonds were RMB129.95 billion, representing an increase of RMB10.862 billion as compared to the end of the previous year. Among other bonds, AA+ rated bonds were RMB27.304 billion, representing an increase of RMB2.42 billion as compared to the end of the previous year. Among other bonds, AA rated bonds were RMB9.241 billion, representing a decrease of RMB190 million as compared to the end of the previous year.

¹ Bond rating: Debt rating is prioritized. If there is no debt rating, the subject rating is used.

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Holding of financial bonds. As of the end of 2025, the carrying value of the Group's financial institution bonds amounted to RMB296.056 billion which consisted of debt securities issued by policy banks of RMB177.67 billion, commercial banking debts of RMB93.486 billion, asset securitization products of RMB8.369 billion and securities issued by other financial institutions of RMB16.531 billion. The breakdown of the top ten financial bonds held is as follows:

Unit: RMB million

Name of debt securities	Nominal value	Annualised interest rate (%)	Maturity date	Impairment provision
Debt securities issued by policy banks in 2022	10,389.4	2.97	2032-10-14	–
Debt securities issued by policy banks in 2021	10,334.8	3.66	2031-03-01	–
Debt securities issued by policy banks in 2019	10,000.0	3.48	2029-01-08	–
Debt securities issued by policy banks in 2025	9,448.1	1.78	2035-05-15	–
Debt securities issued by policy banks in 2022	7,655.4	2.90	2032-08-19	–
Debt securities issued by policy banks in 2025	6,138.9	1.80	2035-04-02	–
Debt securities issued by policy banks in 2025	4,988.7	1.57	2035-01-03	–
Debt securities issued by policy banks in 2024	4,929.9	2.63	2034-01-08	–
Debt securities issued by policy banks in 2025	4,605.4	1.65	2035-06-18	–
Debt securities issued by policy banks in 2018	4,290.0	4.88	2028-02-09	–

Note: "Impairment provision" excludes stage 1 impairment provision made in accordance with the expected credit loss model.

2. *Asset Management Business*

CQRC Wealth Management actively built many product brands such as rural revitalization, construction of the Chengdu-Chongqing Economic Circle and the New International Land-Sea Corridor. Focusing on the “five major areas” of finance, the Bank deeply cultivated inclusive finance, adhered to the characteristic development path and created differentiated brand advantages. The scale of inclusive wealth management products accounted for 40%. The Bank explored green finance and technology finance, and invested a total of RMB2.655 billion in environmental protection theme assets such as green bonds and a total of RMB435 million in scientific and technological innovation assets such as science and technology notes, and promoted the implementation of the first ESG theme account. The Bank participated in pension finance, and developed and launched “Anyi” series of “quasi pension” products, and the cumulative fundraising scale was RMB5.120 billion. The Bank practiced digital finance, and digital technology covered product operation, investment transaction, sales management, risk prevention and control and other sectors. The Bank independently developed the “Wealth Management Think Tank” system and officially put it into operation this year, providing digital marketing tool support and effectively promoting the improvement of the quality and efficiency of customer-centered financial services. As of the end of 2025, the balance of wealth management products was RMB172.758 billion, representing an increase of RMB34.944 billion or 25.36% as compared to the end of the previous year. There was a total of 139 sales agencies outside the Bank, and the market was expanded effectively, significantly enhancing its market influence.

3. *Asset Custodial Business*

During the Reporting Period, the Bank obtained securities investment fund custody qualification, and actively conducted relevant preparation work. After obtaining the Operation License of Securities and Futures Business (《經營證券期貨業務許可證》), the Bank will carry out fund custody business in a prudent and compliant manner, perform all duties of the custodian in accordance with the laws, and earnestly safeguard the legitimate rights and interest of the fund unit holders.

(IV) Financial Technology

Reform the organizational structure of digital finance. The Bank strengthened the integration of “Business Technology” and “Technology Technology”, vertically established 7 business technology integration centers serving inclusive finance, corporate finance, rural revitalization, financial market, scenario ecology, risk management and internal management in the leading department of the Fintech Head Office, and horizontally established 6 support and guarantee divisions for organizational efficiency, architecture and security, digital credit risk control, artificial intelligence, data value and omni-channel operation, comprehensively breaking down the barrier between business and technology collaboration.

Promote the innovation in scenarios and industrial ecosystems. The Bank established the first community business ecosystem scenario called “Yukuai Hui” from scratch, pioneered the three-dimensional breakthrough mode of “Party Building + Business + Assessment”, and integrated the mechanism of OKR and “Business Technology Synthesis Brigade” to achieve large-scale implementation. The Bank established and operated ecosystems such as “Yukuai Intelligent Cashiering System”, “Jiangyu Kuaiji” intelligent fiscal and taxation platform, enterprise salary service platform, and “Chongqing Rural Assets Intelligent Management” three-capital management platform. The Bank established vertical systems in education, medical care, elderly care and other industries, serving the chain owners such as schools, hospitals and elderly care institutions, laying a foundation for expanding the upstream and downstream of the industrial chain, among which the Fengjie Project of “Yukuai Smart Medicine” in the medical industry has been launched.

Innovate digital products and marketing business development models. The Bank launched 6 new products and had 17 products in operation. The Bank established the “Yukuai Intelligent Companion” platform, and built a new “six simultaneous” business development mode of “simultaneous visit, collection, verification, labeling, handling and conclusion”. The platform automatically obtained and distributed preliminary potential customer clues from various business systems, realizing the standardization and intellectualization of operation procedures, and at the same time embedding risk control into the whole process of business business development to form a three-dimensional protective net, building a solid risk bottom line while improving the efficiency.

Strengthen the construction and operation of digital channels. In terms of personal channels, the Bank launched the “Wealth Edition” mobile banking, providing exclusive services for high-net-worth customers, and created the “Yukuai Hui” lifestyle scene, reshaping the online process of inclusive loans, and completing the application of new features of mobile banking in HarmonyOS. At the same time, the Bank opened up multi-channel service links, supported the addition of customer managers with just one click, and assisted customers in layered operations. In terms of corporate channels, the Bank upgraded the mobile office and digital intelligence service capabilities of corporate online banking, added a number of practical functions, customized industrial chain services for group customers, and strengthened cross-channel collaboration. In addition, the Bank actively promoted the barrier-free aging transformation, upgraded the “Caring Edition” of mobile banking, introduced intelligent voice and dialect interaction, and optimized the contract signing process and risk control protection. As of the end of 2025, the Bank had 15,695,700 mobile banking users, with an annual transaction amount of RMB1,354.111 billion, and 182,500 corporate online banking customers, with an annual transaction amount of RMB1,082.818 billion, and the service capacity and operational effectiveness of digital channels were significantly improved.

Implement “artificial intelligence + action”. The Bank built an integrated system of “computing power-model-agent application” to promote the large-scale implementation of AI technology. In terms of the construction of a platform, the Bank built a zero-code visual AI agent development platform, and built an AI computing power base from 0 to 1, forming a unified artificial intelligence service infrastructure for the Bank. In terms of the application of scenarios, the Bank launched 15 agent applications, including R&D code assistant, enterprise WeChat customer assistant and intelligent classification of credit images. Among them, the average conversation time of a single customer in the question-and-answer scenario of the enterprise WeChat customer service was shortened by 20-30%, and the knowledge retrieval efficiency was improved by 50%. The code assistant realized the AI code generation rate of 15-20%, and the efficiency of code review was improved by nearly 30%, significantly reducing the research and development cost.

Consolidate the scientific and technological base of banks. Through the Level 3 certification of Data Management Capability Maturity Model (DCMM), the Bank became one of the five provincial-level rural credit institutions in China that have obtained Level 3 or above certification. The Bank completed the seamless migration of the full volume of 2 million all core customer data records for distributed credit card core system, and realized the switching verification of business flow from dual-track parallel to single-track operation on the new system based on information technology application innovation, achieving the first breakthrough in the industry. The Bank built a heterogeneous management system of “One Cloud and Multiple Cores”, and completed 30 sets of applications connected to the cloud throughout the year, and relevant practices obtained three authoritative industry certifications.

Improve the featured “patent pool” and “standard library” and enhance the core competitiveness of financial technology. As of the end of 2025, the Group applied for 120 invention patents in total, with 23 authorized invention patents and 49 software copyrights. The Bank participated in the formulation of 2 national financial standards, achieving a breakthrough of “nil” participation in the formulation of national standards, participated in the formulation of a total of 19 industry standards, 6 of which have been published, participated in the formulation of 30 group standards, 28 of which have been published, and completed the formulation and updating of 11 corporate standards.

(V) Financial Business in County Area

The Group adhered to the market positioning of “serving Sannong, serving small and medium-sized enterprises and serving county-level economy”, actively build “three new momentums”, adopted differentiated business strategies and service measures, and strove to meet the increasingly diversified financial service needs in the county area by improving professional working mechanism, building digital service platforms, promoting industrial chain-based services, constructing financial ecosystem scenarios, and promoting the precise implementation of policies, the precise access to customers and precise response with services. As of the end of 2025, the balance of agricultural loans of the Group amounted to RMB265.504 billion. Personal deposits in county areas were RMB692.593 billion, representing a net increase of RMB56.467 billion as compared with the end of the previous year, accounting for 78.67% of the Group’s personal deposits balance.

1. Channel Construction

As of the end of 2025, the Group had established 5 branches, 26 first-class sub-branches, 139 second-class sub-branches, 1,254 branch offices and 12 village and township banks in county areas. Meanwhile, in order to constantly deepen basic financial services in rural areas and increase the support for rural revitalization, the Group established 2,443 smart integrated counters and 2,512 automatic teller machines, and built and put into operation 298 rural convenience financial self-service outlets in county areas, effectively extending the reach of financial services of the Bank while providing convenience for people and benefiting agriculture. The Bank intensified the construction and delivery of electronic channels in the county area. As of the end of 2025, the Bank had issued a total of 24,841.0 thousand debit cards in county areas, accounting for 78.97%, of which 1,166.4 thousand were rural revitalization cards. 12,434.2 thousand users opened mobile banking with the Bank, accounting for 79.22% and representing a net increase of 488.1 thousand.

2. *Business Support*

The Bank built a digital business model of “social banking” customer groups, sank the coverage of customer groups, broadened the service radius, and fully practiced the inclusiveness and popularity of financial services. The Bank continued to carry out the live broadcast goods-bringing activities of “there are good things in rural areas, and Yukuai helps revitalization”, boosted consumption through “providing subsidies, distributing coupons and providing welfare lottery”, continuously broadened the sales channels of agricultural and sideline products, polished the brand of Chongqing’s local special products, and improved the quality and efficiency of supporting agriculture. In 2025, the Bank carried out 14 live broadcast goods-bringing activities, helping sales of agricultural products and rural featured goods with an amount of RMB5,006.5 thousand. CQRC Financial Leasing focused on supporting culture and tourism, ecological engineering, rural revitalization, modern agriculture and other projects, innovated products and business models and precisely connected with micro, small and medium-sized entity enterprises and Sannong customers. The balance of leased assets in Chongqing amounted to RMB20.038 billion with the proportion of 78.12% in county areas. In 2025, the amount of newly invested rental projects in Chongqing amounted to RMB9.146 billion, with the proportion of 77.48% in county areas. CQRC Wealth Management took the lead in launching the “rural revitalization” series wealth management products in the industry and created a new model of “wealth management + rural revitalization”, with the number of series products released ranking among the top in the industry, providing rural customers with the caring services of “investing in the wealth management products during the slack season, and providing support with gains from investment for the busy season”. The historical performance compliance rate of series products expired maintained 100%. As at the end of 2025, the scale of inclusive wealth management products exceeded RMB69 billion, accounting for 40%.

(VI) Principal Controlled and Investee Companies

1. *Information on Controlled Subsidiaries*

CQRC Village and Township Bank. CQRC Village and Township Bank is a general name for the village and township banks established by the Bank as the major promoter. The establishment of village and township banks is of great significance for the Bank to practice the Rural Revitalization Strategy, fulfill social responsibility, further broaden and deepen the service to new rural construction. As of the end of the Reporting Period, the Bank has established 12 CQRC Village and Township Banks in 12 counties (districts/cities) across 5 provinces, of which the shareholding ratio is not less than 51% for all, with aggregate registered capital amounting to RMB1.662 billion, total assets amounting to RMB4.924 billion, net assets amounting to RMB1.956 billion, the respective balance of deposits and loans amounting to RMB2.489 billion and RMB4.194 billion, NPL ratio and provision coverage rate of 1.55% and 325.98%, respectively, and net profits amounting to RMB24 million.

CQRC Financial Leasing Co., Ltd. CQRC Financial Leasing is a controlling subsidiary of the Bank. It was established in December 2014 with a registered capital of RMB2.5 billion. It is mainly engaged in financial leasing business, assign and transfer of finance lease assets, fixed income securities investment business, interbank lending, borrowing from financial institutions, sales and disposals of leased property business, brokerage consulting, and establishment of project companies in domestic bonded districts to conduct leasing business, etc. The Bank held 80% equity interests in CQRC Financial Leasing. As of the end of the Reporting Period, the total assets and net assets of CQRC Financial Leasing were RMB77.329 billion and RMB9.545 billion, respectively, recording a net profit of RMB1.436 billion during the Reporting Period.

CQRC Wealth Management Co., Ltd. CQRC Wealth Management is a wholly-owned subsidiary of the Bank. It was established in June 2020. It is the first wealth management subsidiary of rural commercial banks in China and corporate banks in western China, with a registered capital of RMB2 billion. It is primarily engaged in public offering of wealth management products to the general public, investment and management of properties entrusted by investors; private placement of wealth management products to qualified investors, investment and management of properties entrusted by investors; wealth management advisory and consulting services; and other businesses approved by the banking supervisory authorities of the State Council. As of the end of the Reporting Period, the total assets and net assets of CQRC Wealth Management were RMB3.155 billion and RMB3.081 billion, respectively, recording a net profit of RMB302 million during the Reporting Period.

2. *Principal Investee Companies*

Chongqing Xiaomi Consumer Finance Co., Ltd. is the second licensed consumer finance company in Chongqing. It was established in May 2020 and is mainly engaged in granting personal consumption loans business. Its registered capital was RMB1.5 billion. The Bank held its 30% equity interests. As of the end of the Reporting Period, the total assets and net assets of Chongqing Xiaomi Consumer Finance Co., Ltd. were RMB20.807 billion and RMB1.83 billion, respectively, recording a net profit of RMB131 million. (Unaudited financial information)

VII. Key Concerns of Investors

(I) About Net Interest Margin

During the Reporting Period, the Group's net interest margin decreased by 1 basis point year-on-year and the decline was narrowed by 11 basis points compared with the previous year, mainly attributable to the balanced development of quantity, price and structure, leading to the continuous improvement of the narrowing of net interest margin.

Looking forward to 2026, it is expected that the interest rate center will continue to move down, and the low interest rate environment will bring great pressure on the operation of net interest margin. The Group will continue to strengthen the management of asset-liability portfolio, optimize the price guidance mechanism, and take various measures to promote the reasonable and stable operation of net interest margin. **On the asset side, firstly, the Group will continuously optimize the allocation of large-scale assets.** The Group will actively serve the real economy, accelerate the release of credit assets, continuously optimize the asset structure, and strengthen the resilience of asset business. In terms of corporate loans, the Group will closely follow the policy orientation of the "five major areas" of finance, increase loans to key areas, industries and customers of the real economy, and promote steady growth of corporate loans by building a new corporate finance ecosystem of "elements-chain-scenarios". In terms of retail loans, relying on the traditional advantages of network layout and offline access, the Group will integrate the construction of scenarios and ecological operation, and make "online + offline" collaborative efforts to promote low-cost and systematic customer acquisition, effectively consolidate the customer base and promote the high-quality development of retail credit business. **Secondly, the Group will continuously improve the level of differentiated pricing.** The Group will continue to strengthen the pricing guidance of stratified and classified customers, deepen the comparative analysis of customers' intrinsic values, and match differentiated prices based on customer profiles. At the same time, the Group will constantly optimize the portfolio strategy, expand the allocation of high-yield assets, and maintain a reasonable level of financial market business income. **On the liability side, firstly, the Group will continue to consolidate the basic foundation of the quantity and price advantages of deposits.** Based on the advantages of territorial physical layout and in combination with the construction of channels and the building of scenarios, the Group will jointly promote the steady growth of deposit scale, and at the same time, continue to strengthen the management and control of time deposit limit and term guidance, expand demand deposits by the "scenario-driven" and promote the improvement of the volume and prices of deposits. **Secondly, the Group will continue to strengthen the management of active liabilities.** In combination with the Bank's asset-liability portfolio, the Group will flexibly and dynamically arrange the absorption pace of active liabilities, focus on the core goal of "adjusting structure and reducing costs", optimize the active liability products and term structure, and further control and reduce the overall cost of liabilities.

(II) About the Return on Net Assets

During the Reporting Period, the Group implemented the requirements of high-quality development. The return on net assets was 9.15%, representing a slight decrease from the previous year, but the decrease was narrowed by 22 basis points as compared with the same period of the previous year, which was due to the fact that the net profit attributable to ordinary shareholders of the Bank during the year increased by 5.46%, lower than the increase of the weighted average net assets of 6.49%. Of the increase in weighted average net assets, the increase of 5.96% was due to the growth in retained earnings, and the increase of 0.53% was mainly due to the growth in weighted average investment revaluation reserves driven by the change in valuation of financial investments measured at fair value through other comprehensive income.

Looking forward to 2026, the Group will deeply build the “three new momentums”, further promote the comprehensive deepening of reform to break through bottlenecks and create momentum, make every effort to promote the steady improvement of operating performance, strive to maintain an overall stable return on net assets and continuously enhance the ability to return to shareholders.

(III) About Asset Quality

In 2025, the domestic economy forged ahead under pressure, moving towards innovation-driven and higher-quality development. The Group actively implemented the deployment of the central and local governments, solidly made good efforts on the “five major areas” of finance, deeply built the “three new momentums”, continuously increased its support for the local economy, consistently optimized the asset structure, strengthened credit risk monitoring and assessment, and prudently and dynamically implemented classification management, thus the asset quality steadily improved and the main indicators showed a good trend of “three decreases and one increase”:

Firstly, the non-performing loan ratio continued to decline. As of the end of 2025, the Group’s non-performing loan ratio was 1.08%, representing a decrease of 0.10 percentage point over the end of the previous year, which maintained a decline trend for five consecutive years.

Secondly, the percentage of loans of concern steadily declined. As of the end of 2025, the percentage of loans of concern of the Group was 1.42%, representing a decrease of 0.04 percentage point over the end of the previous year.

Thirdly, the overdue ratio decreased year-on-year. As of the end of 2025, the percentage of the overdue loans of the Group was 1.19%, representing a decrease of 0.13 percentage point over the end of the previous year.

Fourthly, the provision level steadily improved. As of the end of 2025, the provision coverage ratio of the Group was 367.26%, representing an increase of 3.82 percentage points over the end of the previous year, which showed strong risk replenishment capability.

In particular, the asset quality performance of the Group in 2025 is set out as below:

The quality of corporate loans assets remained sound, achieving a “double reduction” in both the non-performing loan balance and the non-performing ratio. As of the end of 2025, the non-performing loan balance and the non-performing loan ratio of corporate loans of the Group were RMB2.372 billion and 0.55%, representing a decrease of RMB1.361 billion or 0.49 percentage point over the end of the previous year.

The pressure on the retail loan asset quality control still existed. Due to factors such as the prominent domestic contradiction between strong supply and weak demand, the income of some individual customers fell short of expectations and their solvency declined. At the same time, the weakened credit demand resulted in the contraction in the scale of certain business segments. As of the end of 2025, the Group’s non-performing ratio of retail loans was 2.07%, representing an increase of 0.47 percentage point over the end of the previous year, however, the overall risk was controllable. On the one hand, there were sufficient secondary repayment sources for retail loans of the Group. Secured loans accounted for 77.92% of the non-performing loans, of which, collateralised and pledged loans accounted for 68.00% of the non-performing retail loans. The collateral value covered 1.68 times of the principal of loans, with good risk mitigation capabilities. On the other hand, focusing on the “three new momentums”, the Group has built a new generation of digital and intelligent risk control system based on data integration of industrial chains and ecological scenarios, and at the same time reconstructed the credit product management system to proactively respond to the downward pressure on asset quality.

Looking forward to 2026, the supporting conditions and basic trend for China’s long-term economic growth will remain unchanged. The Group will take the initiative to continue to build “three new momentums”. Focusing on advancing the “Three-Year Development Plan for Digital Risk Control”, the Group will devote efforts in both directions of pre-loan approval and post-loan management, continuously enhance the risk evaluation and monitoring of key sectors and major customers, adhere to prudent and dynamic classification management and make forward-looking impairment provisions and consistently consolidate the asset quality. The Group will also improve the coordinated linkage mechanism for non-performing asset disposal, and continuously enhance disposal efficiency and quality. Overall, it is expected that the quality of the assets of the Group will remain stable and relevant indicators will remain controllable and maintain a good level in 2026.

VIII. Risk Management

In 2025, the Group has adhered to seeking progress while maintaining stability, focused on the “five major areas” of finance, implemented the development strategy of “three new momentums”, actively responded to external risk situation and changes in industry trend and strove to build a comprehensive risk management system which is “horizontally and vertically inclusive of all levels and aspects, practical and effective and efficient and well-executed”. The Group set the unified risk appetite across the Group, transmitted the risk appetite to various business activities through risk limit, risk strategy and process and urged operating institutions to adjust their operating activities according to the risk status of the Group through performance evaluation and management supervision. During the Reporting Period, the Group focused on the implementation of following risk management work:

Optimized the system and mechanism and consolidated the foundation of the whole-process risk control. The Bank amended systems and improved risk management frameworks; formulated annual credit supply guidelines, improved the tiered approval system, implemented tiered and categorized customer management and strengthened risk front-end control. The Bank improved the credit product management system, built a product tree and launched the system to create a closed-loop management. The Bank established a standardized risk control system for online credit business and promoted the improvement of digital risk control quality for online products. The Bank restructured the operational risk management system, deepened the application of management tools, and enhanced management capabilities. The Bank established a market risk management system for financial market business and strengthened risk monitoring and early warning.

Enriched management measures and enhanced business support and risk control quality and efficiency. The Group improved the credit approval operation mechanism, established credit standards for key areas of business, and improved the efficiency of approval; carried out customer evaluation and analysis of industrial chain to support the construction of the industrial chain approval system; and implemented a differentiated approval strategy for small and micro enterprises to help increase volume and reduce risks. The Group realized the management of financial market business list system, implemented the control of off-site delivery quota at the group level, and built the bottom line of risk control. The Group implemented refined management of overdue loans, carried out special investigations in high-risk areas, and strengthened post-loan management. The Group built a benign interaction between internal and external factors, promoted collaborative disposal of non-performing loans, and built a system to improve management standardization, achieving remarkable results in risk resolution.

Strengthened monitoring and analysis and focused on preventing and controlling risks in key areas. The Bank strictly implemented risk preference and limit control, and strengthened risk target constraints. The Bank carried out risk screening in key areas and properly made risk pre-judgment. The Bank steadily promoted the normalization of asset quality budget management and screening and carried out special analysis on small and micro enterprise loans. The Bank conducted credit product evaluations to promote the survival of the fittest among products. The Bank updated model parameters, carried out attribution analysis, and steadily improved the implementation level of the expected credit loss method. The Bank optimized the forward-looking monitoring mechanism of liquidity indicators and pushed the advancement of the risk prevention and control checkpoints. The Bank carried out various risk assessments and analyses in multiple dimensions and frequency, ensuring the stable operation of the Bank. The results of stress tests indicated that the Group's overall risks remained under control.

Focused on digital driving and created a digital risk control empowerment engine. The Group formulated a “Three-Year Development Plan for Digital Risk Control”, and focused on improving “risk prevention and control, strategic support and business service”. The reform actions achieved initial results. The Group made every effort to promote the construction of important systems and intelligent platforms in the credit field, improved the foresight and accuracy of risk identification and monitoring, and strengthened the prevention and control of credit risks; actively promoted the application of intelligent agents in the field of risk control; steadily promoted the whole life cycle management of model risks, launched the system and built a model of digital assets to ensure the “effectiveness” of the Bank’s digital risk control system; orderly promoted the systematic projects in key areas such as liquidity risk and interest rate risk in the banking book; and put into operation the management systems for capital, market risk, operational risk, etc. to help improve the management level.

(I) Risk Management Structure

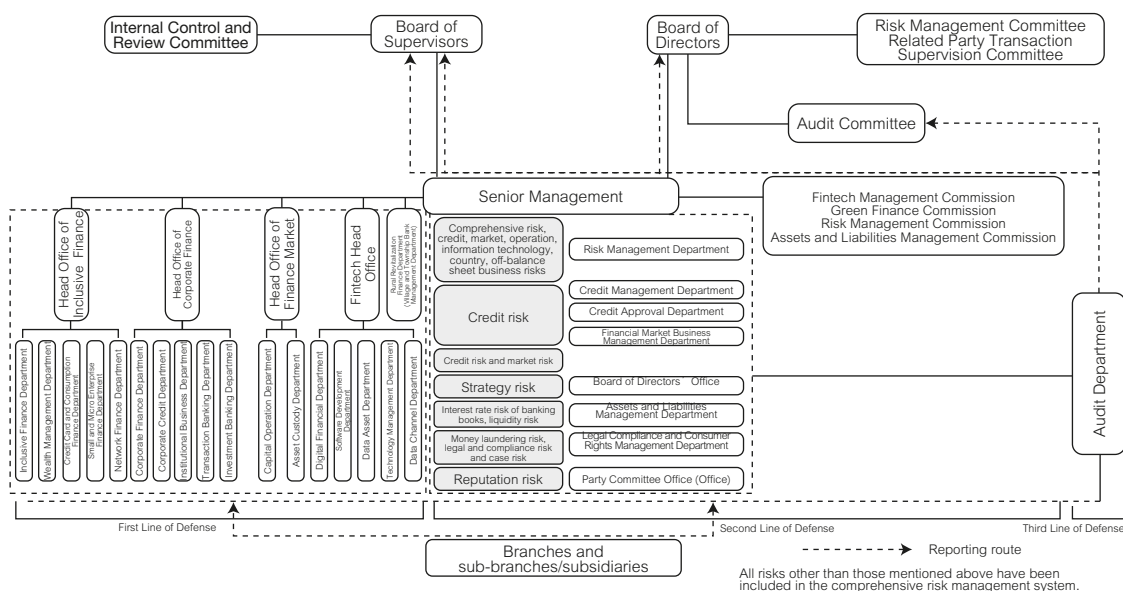
The Board of Directors assumed the ultimate responsibility for comprehensive risk management, set up a risk management committee to perform responsibilities related to comprehensive risk management with the Board’s authorization, reviewed the risk appetite statement of the Group on a regular basis and transmitted it through appropriate policies. The senior management assumed the responsibilities for implementing comprehensive risk management, implementing the risk strategy formulated by the Board, and setting up risk management commission to make collective decisions on major matters related to risk management. The Board of Supervisors assumed the responsibilities for overseeing comprehensive risk management, supervising and inspecting the due diligence performance of the Board of Directors and senior management in respect of risk management and supervising their rectification.

Management Discussion and Analysis

The Head office's risk management department is the leading department of comprehensive risk management, and is responsible for leading the implementation of comprehensive risk management system and timely reporting to the senior management on the Group's comprehensive risks and various major risks. Each department of the Head office assumed direct responsibility for the risk management of the line and the department, and managed various risks of the Bank including credit risk, market risk, liquidity risk, and operational risk in accordance with the division of responsibilities. The audit department of the Head office is responsible for performing internal audits on relevant performance of duties. Each branch is responsible for the daily management of comprehensive risks of the branch. Each subsidiary institution establishes the risk appetite and risk management policy that is appropriate to the business nature, scale and complexity of its business, focuses on its main business and high-quality development, improves the "three lines of defense" mechanism of its own risk management and reports risks to the promoter according to the prescribed route and frequency.

Risk Management Structure

The Bank's comprehensive risk management structure consists of the Board of Directors, the Board of Supervisors, senior management and special committees authorized by it, the Head office's risk management department, other relevant functional departments, the audit department and branches and sub-branches and subsidiaries.



(II) Credit Risk Management

Credit risk refers to the risk of losses of banking business arising from the failure of the borrower or the counterparty of the Bank to fulfill relevant obligations as per the contract for various reasons.

During the Reporting Period, the Group actively implemented national policy guidance, focused on the “five major areas” of finance, promoted the strategic transformation of “three new momentums” and continuously improved the quality and effectiveness of risk prevention and control, and its overall asset quality remained stable. The Group consolidated the foundation of credit risk management, improved the internal management system and made the management system more perfect. The Group continued to improve the credit product management system, established the full life cycle management mechanism for credit products, built the credit product tree, created unified evaluation standards for credit products, conducted regular evaluations, and used the evaluation results to promote the integration and optimization of credit products and improve management level. The Group has enhanced the credit approval capabilities to support business, optimized the “tiered and categorized” assessment model for technology finance, and implemented the business scenario of the “one policy for one chain”. The Group strictly implemented risk preference and limit control, strengthened risk target constraints, carried out risk screening in key areas, conducted special analysis on retail business, properly made risk judgment, steadily promoted the mechanism of asset quality screening normalization and strengthened the depth and intensity of overdue loan management. The Group focused on the digitally-driven, continuously promoted the construction of important systems and platforms in the credit field such as the comprehensive risk monitoring platform, deepened data application, refined the early warning and post-loan intelligent risk control system and empowered the credit risk prevention and control. The Group regularly conducted stress tests related to credit risk to assess its risk level under various stress scenarios. The Group intensified the efforts on recovery of non-performing assets, and adopted multiple measures to improve the disposal efficiency and optimized the asset quality. The Group strictly controlled the concentration risk and carried out the large-amount risk exposure management. As of the end of 2025, the relevant indicators of large-amount risk exposure of the Group were better than the regulatory standards.

(III) Market Risk Management

Market risk refers to the risk of losses from on-balance-sheet and off-balance-sheet businesses of the Group arising from adverse changes in the market price (such as interest rate, exchange rate, stock price and commodity price, etc.). The market risks faced by the Group primarily include interest rate risk and exchange rate risk. The purpose of market risk management is to control potential market risk losses through identification, measurement, evaluation, monitoring and other measures to the extent that the Group can bear, thus achieving reasonable balance between risks and returns.

The Group has established a complete market risk management system, forming a market risk management organizational structure that separates the front, middle and back offices, and clarified the responsibilities, division of labor and reporting routes of the Board of Directors, the Board of Supervisors, senior management, special committees and relevant departments, so as to ensure the compliance and effectiveness of market risk management. The Group proactively managed the interest rate risk and exchange rate risk in accordance with the regulatory requirements and based on the actual operation and management, and formulated a management system for market risks through regulations on authorization, credit extension and risk appetite and risk limit, monitoring and reporting.

During the Reporting Period, the Group continuously improved proactive market risk management capabilities and steadily advanced various management work. Taking into account the business expansion and risk control, the Group formulated an annual market risk appetite and limit plan. The market risk management system has been put into operation and applied to enhance information-based support. Relying on the system, the Group properly conducted daily valuation and measurement monitoring, and conducted analysis with different frequencies on a regular basis. The Group formulated stress test scenarios for the market risk on an annual basis, assessed the impact of extreme scenarios on capital through sensitivity analysis, scenario analysis and other methods and conducted tests on a quarterly basis. The results of the stress tests showed that the overall market risk was controllable. The Group strengthened the research and judgement of interest rates and exchange rates, and regularly conducted analysis on national and international economic fundamentals and financial data to improve the foresight of market risk analysis. According to the Measures for the Administration of Market Risks of Commercial Banks (《商業銀行市場風險管理辦法》), the Group revised relevant market risk systems. The Group carried out market risk emergency drills to further enhance awareness of risk prevention and the ability to identify and handle risks in the event of an emergency.

1. *Trading Book Interest Rate Risk Management*

The Group continued to strengthen the trading book interest rate risk management and conducted risk assessment mainly through sensitivity analysis and scenario analysis. The Group has established a relatively complete limit management system, mainly including risk limit and stop-loss limit. The Group monitors the valuation and quota implementation of the bond business of trading books on a daily basis. During the Reporting Period, no limit was triggered.

2. *Exchange Rate Risk Management*

Exchange rate risk primarily results from mismatches in the currency denomination of the Group's assets and liabilities and currency position mismatches caused by currency mismatched between capitals and foreign exchange transactions. The Group mainly adopts foreign exchange exposure analysis, sensitivity analysis and other means to measure exchange rate risk. The Group is mainly engaged in the Renminbi business with certain transactions related to USD, Euro and HKD, but seldom conducts transactions in other currencies. Transactions in foreign currencies are mainly the Group's self-operated and agency spot business, self-operated and agency swaps business and agency forward business.

The Group will continuously pay attention to global economic situation and policies, strengthen the study and judgment on the trend of foreign exchange rate and reasonably allocate local and foreign currency assets. The Group will strengthen its management capability of its exposure to foreign exchange risks and the management standard of foreign exchange assets and liabilities by enhancing the dynamic management of the deposits and loans of foreign exchange and arranging the utilization of foreign exchange capital reasonably, so as to maintain the exchange rate risk at the reasonable level.

Management Discussion and Analysis

As of the end of 2025, the position of foreign currencies on the Group's balance sheet denominated in RMB is as follows:

(Expressed in RMB million)	RMB	US dollars RMB equivalent	HK dollars RMB equivalent	Other currencies RMB equivalent	Total
Net position as at 31 December 2025	<u>115,060.2</u>	<u>9,578.8</u>	<u>183.9</u>	<u>(5.2)</u>	<u>124,817.7</u>
Net position as at 31 December 2024	<u>121,887.4</u>	<u>721.3</u>	<u>187.0</u>	<u>25.4</u>	<u>122,821.1</u>

3. Exchange Rate Sensitivity Analysis

The following table illustrates the exchange rate sensitivity analysis of the Group on the assumption that the RMB spot and forward exchange rate against USD in the market moves and not considering any risk management actions the management may take to mitigate exchange rate risk:

Exchange rate changes (Expressed in RMB million)	31 December 2025 Impact on net profit	31 December 2024 Impact on net profit
5% appreciation	(359.2)	(27.0)
5% depreciation	<u>359.2</u>	<u>27.0</u>

(IV) Banking book interest rate risk management

Banking book interest rate risk refers to risks of losses in economic value and overall income of the banking book arising from adverse changes in interest rate level, term structure and other factors. The Group's banking book interest rate risk arises from the mismatches between the repricing periods of assets and liabilities as well as the inconsistent changes in their pricing basis.

The Group has incorporated banking book interest rate risk into its comprehensive risk management framework and established a banking book interest rate risk management system that is appropriate to the Group's risk profile and business complexity. The Group measured and monitored its banking book interest rate risk primarily by adopting methods such as repricing gap analysis, sensitivity analysis and scenario analysis and managed its banking book interest rate risk by strengthening limit management, adjusting asset-liability structure and optimizing internal and external pricing strategies.

Management Discussion and Analysis

The structure of the Group's interest rate risk gap on the contract re-pricing date or maturity date (whichever was earlier) is as follows:

(Expressed in RMB million)	Within 3 months	3 months- 1 year	1-5 years	Over 5 years	Non- interest bearing	Total
Interest rate gap as at 31 December 2025	<u>(188,743.8)</u>	<u>(135,970.6)</u>	<u>197,805.5</u>	<u>225,061.8</u>	<u>26,664.8</u>	<u>124,817.7</u>
Interest rate gap as at 31 December 2024	<u>(174,763.7)</u>	<u>(99,031.5)</u>	<u>164,970.2</u>	<u>195,895.7</u>	<u>35,750.4</u>	<u>122,821.1</u>

As of the end of 2025, the Group's accumulated gaps of interest rate risk for all maturities amounted to RMB124.82 billion, representing an increase of RMB2.0 billion over the end of the previous year.

The following table illustrates the interest rate sensitivity analysis of the Group on the assumption that the overall interest rate in the market moves in parallel and not considering any risk management actions the management may take to mitigate interest rate risk:

Change in interest rate basis points (Expressed in RMB million)	31 December 2025		31 December 2024	
	Impact on net profit	Impact on other comprehensive income	Impact on net profit	Impact on other comprehensive income
Increase in 100 basis points	(165.4)	(8,220.2)	(57.2)	(4,199.4)
Decrease in 100 basis points	<u>165.4</u>	<u>8,933.6</u>	<u>57.2</u>	<u>4,439.5</u>

(V) Liquidity Risk Management

Liquidity risk refers to the risk of inability in getting sufficient funds at reasonable costs in a timely manner to meet the due liabilities or other obligations for payments or other capital needs required for the conduction of normal business. The objective of liquidity risk management of the Group is to meet the liquidity needs of asset, liability and off-balance sheet activities and meet its payment obligation to external parties on a timely basis, to maintain stable operation with overall security, to protect the interests of depositors, and to effectively balance fund profitability and overall security no matter during the normal operation or at a highly stressed condition through the development of a scientific and comprehensive liquidity risk management mechanism and the implementation of effective identification, measurement, monitoring and reporting measures on liquidity risk. The Board of Directors of the Group is ultimately responsible for liquidity risk management. The Asset and Liability Management Commission and Risk Management Commission under senior management are responsible for establishing policies and strategies relating to the Group's overall management of liquidity risk. The Assets and Liabilities Management Department, the Risk Management Department, the Capital Operation Department and other related departments cooperate with each other to form an organizational structure of liquidity risk management with division of work and cooperation, clear responsibilities and efficient operation. The Group ensured payment through continuous monitoring and management of positions across the Bank. The Group, leveraging its unremitting efforts in strengthening liquidity monitoring as well as the application of the FTP, a system for internal fund transfer pricing, had improved the management of internal fund allocation under the system. The Group updated liquidity pressure tests scenarios annually and carried out liquidity pressure tests quarterly to examine the ability of the Group to withstand risks under extreme pressure. The results showed that the management of liquidity risks under pressure, though more difficult, was controllable.

In 2025, the Group adhered to the prudent and compliant business philosophy, set the liquidity risk preference for 2025, evaluated and revised the annual liquidity risk limit control plan according to the Detailed Rules for the Management of Liquidity Risk Limits of Chongqing Rural Commercial Banks, and continuously carried out forward-looking liquidity risk indicator measurement with the limit control as the guidance; in addition, the Group made arrangements in advance and dynamically adjusted the liquidity risk management strategy according to the forward-looking measurement results, continuously monitored various liquidity risk indicators, and regularly conducted internal notification to ensure the liquidity risk indicators continuously meet the standards. The Group strengthened daytime liquidity risk management, ensured the security of payment and settlement, and continuously optimized the liquidity risk management information system, so as to promote the implementation of refined management. The Group organized bank-wide liquidity risk emergency exercises, and constantly reviewed and improved the emergency response mechanism.

Management Discussion and Analysis

1. Liquidity risk analysis

In 2025, the global economic growth was weak, the policies of different economies were obviously divided, geopolitical conflicts continued, and trade protectionism rose, bringing external risks. The domestic economy showed strong resilience, but there were also challenges of insufficient demand, and the endogenous power needed to be strengthened. During the Reporting Period, the PBOC implemented a moderately loose monetary policy, used a variety of monetary policy tools flexibly and efficiently, strengthened countercyclical adjustment, and maintained sufficient liquidity. The Group strictly implemented the liquidity risk limit management mechanism and maintained satisfactory liquidity. As of the end of 2025, the main indicators reflecting liquidity status of the Group met regulatory requirements. The Group appraised the liquidity risk conditions by means of liquidity gap analysis. As of the end of 2025, the liquidity gap analysis of the Group is as follows:

(Expressed in RMB million)	Undiscounted contractual cash flows categorised by contractual maturities							Total
	Overdue/ Indefinite	On demand	Within 1 month	1-3 months	3 months- 12 months	1-5 years	Over 5 years	
Net position of assets and liabilities as at								
31 December 2025	<u>58,372.9</u>	<u>(250,953.1)</u>	<u>(137,350.2)</u>	<u>(195,467.8)</u>	<u>(104,869.1)</u>	<u>391,774.7</u>	<u>656,858.5</u>	<u>418,365.9</u>
Net position of assets and liabilities as at								
31 December 2024	<u>52,409.8</u>	<u>(229,080.0)</u>	<u>(101,555.5)</u>	<u>(168,882.5)</u>	<u>(81,762.1)</u>	<u>345,788.3</u>	<u>563,524.0</u>	<u>380,442.0</u>

The Group measured and disclosed its liquidity ratio, net stable funding ratio and liquidity coverage ratio in accordance with the relevant requirements of Measures for the Liquidity Risk Management of Commercial Banks (《商業銀行流動性風險管理辦法》). As at the end of 2025, the liquidity ratio of the Group is as follows:

Liquidity ratio (%)	31 December 2025	31 December 2024	31 December 2023
RMB	<u>92.98</u>	93.99	91.42
Foreign currency	<u>63.62</u>	<u>53.58</u>	<u>87.62</u>

Liquidity ratio is calculated by dividing liquid assets by liquid liabilities.

As of the end of 2025, the net stable funding ratio of the Group is as follows:

Expressed in RMB million	31 December 2025	30 September 2025
Available stable funding	1,145,404.8	1,135,214.7
Required stable funding	875,152.1	855,454.0
Net stable funding ratio (%)	130.88	132.70

Net stable funding ratio is calculated by dividing available stable funding by the required stable funding. It is used to evaluate whether commercial banks have sufficient and stable funding sources to meet the needs of stable funding from various assets and off-balance sheet risk exposures.

As of the end of 2025, the liquidity coverage ratio of the Group is as follows:

Expressed in RMB million	31 December 2025
Qualified and high-quality liquid assets	161,016.0
Net cash outflows in future 30 days	34,865.3
Liquidity coverage ratio (%)	461.82

The qualified and high-quality liquid assets mean various assets which can be cashed quickly in the financial market through sale or mortgage (pledge) without loss or with minimal loss in the pressure scenarios set by the liquidity coverage ratio. The net cash outflow in future 30 days means the balance between the expected total cash outflow and the expected total cash inflow in the future 30 days in the pressure scenarios set by the liquidity coverage ratio. The expected total cash outflow is the sum of the products of the balance of the relevant liabilities and off-balance-sheet items and its expected churn rate or extraction rate in the pressure scenarios set by the liquidity coverage ratio. The expected total cash inflow is the sum of the products of the balance of the relevant on and off-balance-sheet contractual receivables and its expected inflow rate in the pressure scenarios set by the liquidity coverage ratio. The expected total cash inflow which can be included shall not exceed 75% of the expected total cash outflow.

(VI) Operational Risk Management

Operational risk refers to the risk of loss due to errors in internal procedures, personnel and information technology systems or external events. Adhering to the principle of comprehensiveness and prudence and based on a comprehensive risk management system, the Group implements an operational risk management strategy that matches the asset size and business complexity in compliance with the overall risk appetite.

During the Reporting Period, the Group continued to strengthen its operational risk management, and the overall operational risk remained under control. The Group continued to improve its operational risk management system and advanced the iteration and refinement of the operational risk management policies, process, tools and system. The Group deepened the application of fundamental management tools of operational risk, focused on business and management process to identify and assess operational risk, and promoted the dynamic optimization of control measures. The Group also implemented daily monitoring of key indicators of operational risks, timely warned of risk changes, strengthened the collection of loss data, strengthened data cross-verification, improved the quality of loss data, and continued to carry out operational risk stress test to quantitatively analyze the impact of operational risk losses on capital and profitability. Meanwhile, the Group advanced special inspection, deepened the special investigation on case risks and employee behaviors, and strengthened risk prevention in key areas.

(VII) Reputation Risk

Reputation risk refers to the risk of negative evaluation of the Group by the stakeholders, the public and the media due to the Group's operations, management and other actions, external events or vicious interpretation by the media, thereby damaging the brand value of the Group, adversely affecting the normal operation of the Group, or even affecting the stability of the market value of the Group and social stability.

During the Reporting Period, the Group further clarified the "dual-way" reporting mechanism for reputation risk events, strengthened the reputation risk emergency drills, and further enhanced the classification management of reputation risks, customer emergency and complaint handling, emergency handling of sudden public opinion, information release process management, and standardized management of publicity work, etc. At the same time, the Group implemented the 7×24 hours public sentiment monitoring mechanism, kept an eye on and analyzed the emerging trends of public sentiment in real time, dynamically adjusted the response and handling plan, made every effort to eliminate potential negative public sentiment or reputation risk events at their nascent stages, and actively protected the Bank's good market image to achieve the overall goal of reputation risk management.

(VIII) Information Technology Risk

Information technology risk refers to operational, legal, and reputational risks arising from the use of information technology due to natural factors, human factors, technical loopholes, and management defects.

During the Reporting Period, the Group continued to improve the information technology risk management system and enhance the efficiency of information technology risk management, and there were no major information technology risk emergencies. The Group deepened the information technology governance, established a financial technology security governance working group to coordinate and promote the network and information security governance work of the Bank, strengthened guidance, supervision and inspection of the Bank's information technology security work, and solidified the fulfillment of responsibilities to improve the Group's information security management level. The Group implemented operation and maintenance management and control, strengthened the 7×24 hours operation and maintenance on-duty management, strove to maintain network security at important points such as Spring Festival and National Day, and effectively maintained the stable operation of important businesses. The Group strengthened risk indicator threshold management in accordance with regulatory requirements and management practices, conducted regular information technology risk monitoring, and ensured early detection, early warning and early resolution of problems through comparative analysis, special seminars, etc., to comprehensively improve the accuracy and effectiveness of information technology risk prevention and control. The Group applied the expert team review mechanism to implement the risk assessment links before the construction of important information system projects, carried out the projects such as overall information technology risk assessment, information technology outsourcing risk management assessment and self-assessment on business continuity management, fully identified the shortcomings in the information technology outsourcing risk management and continuously improved risk control measures to enhance the information technology outsourcing risk management level of the Group. The Group conducted a comprehensive business impact analysis, formulated a business continuity plan, and promoted collaborative drills among multiple departments such as risk, technology and business departments to comprehensively verify the effectiveness of emergency response plan and enhance the overall emergency response and effectiveness of cross-departmental coordination of the Group.

(IX) Anti-Money Laundering Risk

The Group improved the anti-money laundering management mechanism around the goal of “improving the effectiveness of anti-money laundering work”, further promoted the organic combination of anti-money laundering compliance and business development, and improved risk identification and response capabilities. During the Reporting Period, the Group strictly enforced anti-money laundering laws, regulations and various regulatory regulations, revised the internal control system of anti-money laundering, formulated annual opinions on anti-money laundering, conducted training and publicity on the new Anti-Money Laundering Law, and promoted risk assessment, so as to consolidate and enhance the awareness of anti-money laundering work by organizations at all levels. The Group was connected to the beneficial owner information inquiry and management system, launched the information technology application innovation transformation of the anti-money laundering system, optimized the monitoring model and rules, stably operated the artificial intelligence model, and promoted the deep integration of scientific and technological innovation and money laundering risk management. The Group conducted risk screening on high-risk business areas such as virtual currency and gold trading, and conducted special anti-money laundering inspections through “off-site + on-site” approach to rectify potential risks and strengthen risk control measures from point to area.

(X) Internal Audit

The Group has established a sound internal audit system according to laws and regulations. The internal audit team works under the leadership of the Party Committee and the Board, and is accountable to and reports to the Party Committee and the Board. The Articles of Association clearly states that the Board is responsible for establishing and maintaining an effective internal audit system to ensure that internal audit had sufficient independence. The internal audit departments were equipped with designated audit personnel, which was in compliance with the regulatory requirements.

During the Reporting Period, the internal audit department adhered to the goal of serving organizations, fully performed its audit supervision duties, and carried out audit supervision around major decisions, state-owned enterprise reform, regulatory policies and the Group’s development, strongly and effectively promoting the implementation of the superiors’ policies and the Group’s strategies. The internal audit department insisted on maintaining integrity and innovation, improved the efficiency of audit supervision, iteratively optimized the audit model, continuously deepened audit research, and improved the farsightedness and accuracy of audit with digitally-driven and research-based audit. The Bank adhered to cross-departmental collaboration, actively explored effective paths for the integration of various types of supervision, established a supervision synthesis brigade, and promoted the closed-loop governance of achievements transformation, adding new momentum to the high-quality development of the Bank.

(XI) Related Party Transactions

During the Reporting Period, the Bank continued to improve its management of related party transactions. The Bank strengthened the management of the list of related parties. It communicated with shareholders, directors, supervisors and senior management and other persons about the importance and principles of related party transaction management, regularly collected information on related parties, conducted dynamic management and timely update of the list, and strengthened identification of related parties, thereby laying a solid foundation for related party transaction management. The Bank strictly examined and approved related party transactions, controlled the compliance risks of related party transactions, standardized the implementation of the review and disclosure standards of related party transactions, and performed the obligation of filing or submitting transactions in a timely manner. The Bank strengthened the concentration management and control of related party transactions, and regularly monitored its concentration indicators to prevent concentration risk. During the Reporting Period, all relevant indicators met the regulatory requirements.

1. *Related party transactions during the ordinary course of business*

During the Reporting Period, the Bank conducted related party transactions by following the regulatory requirements and the Administrative Measures for the Related Party Transactions (《關聯交易管理辦法》) of the Bank, the related party transactions were priced fairly and in line with the overall interests of the Bank and shareholders.

- (1) In accordance with the relevant regulations of the regulatory authority of the banking industry, a total of 29 significant related party transactions were approved during the Reporting Period, including 7 transactions involving the group and its related parties, 21 transactions involving credit extension to a single legal person and change in credit and 1 transaction involving cooperation of guarantee business. The credit balance was RMB37.213 billion and the outstanding guarantee balance of the cooperation of guarantee business was RMB2.568 billion as at the end of the Reporting Period, as follows:

Management Discussion and Analysis

Unit: RMB100 million

No.	Name of related party	Credit/ outstanding guarantee balance	Percentage of net capital (%)
1	Chongqing Yufu Holding Group Co., Ltd. (重慶渝富控股集團有限公司) and group members	109.43	8.26
2	CQRC Financial Leasing Co., Ltd.	72.60	5.48
3	Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司) and group members	54.92	4.15
4	Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司) and group members	51.98	3.93
5	Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司)	47.09	3.56
6	Chongqing Yufu Holding Group Co., Ltd. (重慶渝富控股集團有限公司)	40.45	3.05
7	Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司)	31.57	2.38
8	Chongqing Machinery and Electronic Holding (Group) Co., Ltd. (重慶機電控股(集團)公司) and group members	29.15	2.20
9	Chongqing Water Conservancy Investment Group Co., Ltd. (重慶市水利投資(集團)有限公司)	25.86	1.95
10	Chongqing Sanxia Financing Guarantee Group Corporation (重慶三峽融資擔保集團股份有限公司)	25.68	1.94
11	Chongqing Machinery and Electronic Holding (Group) Co., Ltd. (重慶機電控股(集團)公司)	24.55	1.85
12	China Resources YuKang Asset Management Co., Ltd. (華潤渝康資產管理有限公司) and group members	20.60	1.56
13	China Resources YuKang Asset Management Co., Ltd. (華潤渝康資產管理有限公司)	20.60	1.56
14	Bank of Chongqing Co., Ltd. (重慶銀行股份有限公司) and group members	20.19	1.52
15	Chongqing Xinyu Financial Leasing Co., Ltd. (重慶鈞渝金融租賃股份有限公司)	20.00	1.51
16	Chongqing Airport Group Co., Ltd. (重慶機場集團有限公司)	13.25	1.00
17	Chongqing Yufu Capital Operation Group Company Limited (重慶渝富資本運營集團有限公司)	9.94	0.75
18	Chongqing Railway Investment Group Company Limited (重慶鐵路投資集團有限公司)	6.94	0.52
19	Chongqing Water & Environment Holdings Group Ltd. (重慶水務環境控股集團有限公司)	6.86	0.52
20	Bank of Chongqing Co., Ltd.	0.19	0.01
21	Chongqing Caifu Real Estate Management Co., Ltd. (重慶財賦置業管理有限公司)	0.00	0.00
22	HPI Chongqing Luohuang Power Generation Co., Ltd. (華能重慶珞璜發電有限責任公司)	0.00	0.00

Note: The credit extension to a single legal person and change in credit that involved multiple approvals were only listed once.

- (2) In accordance with the relevant regulations of the Shanghai Stock Exchange, during the Reporting Period, related party transactions that occurred between the Bank and related parties under the relevant regulations of the Shanghai Stock Exchange considered by the Board or general meetings are as follows:

The 53rd meeting and 56th meeting of the fifth session of the Board of Directors of the Bank and the 2024 annual general meeting of the Bank considered and approved “the resolution in relation to the related party transactions with Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司) and its related parties”, “the resolution in relation to the related party transactions with Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司) and its related parties” and “the resolution in relation to the related party transactions with Chongqing Yufu Capital Operation Group Company Limited (重慶渝富資本運營集團有限公司) and its related parties” on 25 March 2025, 25 April 2025 and 21 May 2025 respectively, agreeing on the group comprehensive credit limit of RMB19.0 billion to Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司) with a credit period of 1 year, and the group comprehensive credit limit of RMB19.0 billion to Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司) with a credit period of 1 year and the group comprehensive credit limit of RMB19.4 billion to Chongqing Yufu Holding Group Co., Ltd. (重慶渝富控股集團有限公司) with a credit period of 1 year. For details, please refer to the “Announcement on Related Party Transactions of Chongqing Rural Commercial Bank Co., Ltd.” (Announcement No.: 2025-011, 2025-019) published by the Bank on the website of the Shanghai Stock Exchange.

The 60th meeting of the fifth session of the Board of Directors of the Bank considered and approved “the resolution in relation to the credit related party transactions with Zhejiang E-Commerce Bank Co., Ltd.” and “the resolution in relation to the non-credit related party transactions with Zhejiang E-Commerce Bank Co., Ltd.” on 26 August 2025, agreeing on the interbank comprehensive credit limit of RMB1.2 billion to Zhejiang E-Commerce Bank Co., Ltd. with a credit period of 1 year and conducting non-credit related party transactions. For details, please refer to the “Announcement on Related Party Transactions of Chongqing Rural Commercial Bank Co., Ltd.” (Announcement No.: 2025-033) published by the Bank on the website of the Shanghai Stock Exchange.

The 63rd meeting of the fifth session of the Board of Directors of the Bank considered and approved “the resolution in relation to the non-credit related party transactions with Chongqing Sanxia Financing Guarantee Group Corporation (重慶三峽融資擔保集團股份有限公司)” on 28 October 2025, agreeing on carrying out the cooperation of guarantee business with Chongqing Sanxia Financing Guarantee Group Corporation (重慶三峽融資擔保集團股份有限公司) with a guarantee cooperation limit of RMB6.0 billion and a term of 2 years. For details, please refer to the “Announcement on Related Party Transactions of Chongqing Rural Commercial Bank Co., Ltd.” (Announcement No.: 2025-039) published by the Bank on the website of the Shanghai Stock Exchange.

2. *Related party transactions in connection with purchase or sale of assets or equity interests*

During the Reporting Period, the Bank was not involved in significant related party in connection with purchase or sale of assets or equity interests.

3. *Related party transactions in connection with joint external investment*

During the Reporting Period, the Bank was not involved in significant related party transaction in connection with joint external investment.

4. *Claims, Debt Transactions with Related Parties*

During the Reporting Period, the Bank was not involved in significant claims or debt transactions of a non-operating nature with related parties.

5. *Business transactions with related finance companies*

During the Reporting Period, there was no finance company controlled by the Bank. The Bank was not involved in significant related party transactions in connection with deposits, loans, credit or other financial business with related finance companies.

6. *Other significant related party transactions*

During the Reporting Period, apart from the transactions mentioned above, the Bank did not have any other significant related party transactions that met the requirements of the securities regulatory authorities.

IX. Differences between the Financial Statements Prepared in accordance with Chinese Accounting Standards and IFRSs

(I) Differences between the Financial Statements prepared in accordance with Chinese Accounting Standards and IFRSs

As a financial institution incorporated in the People's Republic of China, the Group prepares consolidated financial statements of the Bank and its subsidiaries in accordance with the Accounting Standards for Enterprises promulgated by the Ministry of Finance of the People's Republic of China, relevant regulations issued by the CSRC and other regulatory agencies (collectively referred to as "Accounting Standards for Enterprises").

The Group also compiles consolidated financial statements in accordance with the International Financial Reporting Standards and their interpretations issued by the International Accounting Standards Board and the disclosure regulations applicable to the Hong Kong Listing Rules. There are some differences between the financial statements in this report and the Group's financial statements prepared in accordance with Accounting Standards for Enterprises. The differentiated items and amounts are listed below:

(Expressed in RMB million, unless otherwise stated)	Net Assets (Consolidated)		
	31 December 2025	31 December 2024	31 December 2023
In accordance with Accounting Standards for Enterprises	139,295.8	133,608.8	123,501.7
Differentiated items and amount			
– Goodwill from acquisitions	440.1	440.1	440.1
In accordance with IFRSs	139,735.9	134,048.9	123,941.8

(II) Reasons for the Differences between the Financial Statements prepared in accordance with Chinese Accounting Standards and IFRS Accounting Standards

The Bank was incorporated on 27 June 2008 as a limited company by shares, and the newly incorporated company acquired the assets and liabilities of 38 County/District Rural Credit Cooperative Unions, including the former Chongqing Rural Credit Cooperative Union (重慶市農村信用合作社), Chongqing Yuzhong District Rural Credit Cooperative Union (重慶市渝中區農村信用合作社聯合社) and Chongqing Wulong Rural Cooperative Bank (重慶武隆農村合作銀行) (“Acquisition”). The Bank first implemented the Accounting Standards for Enterprises on 1 January 2009 and was not required to recognize the goodwill generated from the Acquisition. The Bank made an initial public offering of overseas listed foreign shares (H shares) on the Hong Kong Stock Exchange on 16 December 2010 and adopted IFRS Accounting Standards for the first time in the same year. The goodwill generated from the Acquisition was retrospectively recognized in accordance with the relevant requirements of the first implementation of IFRS Accounting Standards.

X. Changes in Material Accounting Policies and Critical Accounting Estimates and Judgments

In determining the carrying amounts of some assets and liabilities and the related profit or loss during the Reporting Period in accordance with its accounting policies, the Group makes estimates and judgments in certain aspects. The Group makes estimates and assumptions based on historical experience and expectations of future events, and reviews them on a regular basis. In addition, the Group needs to make further judgments in respect of the application of accounting policies. The Group’s management believes that the estimates and judgments made by the Group reflect appropriately the economic context which the Group was subject to. The major areas affected by the estimates and judgments include expected credit loss measurement, fair value of financial instruments, judgement on control over structured entities, and income taxes. For changes in material accounting policies during the Reporting Period, please refer to Note II. 1.1 to financial statements.

XI. Outlook

(I) Industry Pattern and Trend

In 2025, China's economy operated steadily and highlighted the resilience in the complicated and severe internal and external environment. The gross domestic product for the year amounted to approximately RMB140 trillion, representing a year-on-year increase of 5.0%. The economic structure continued to optimize, and potentials of domestic demand were released gradually, laying a solid foundation for the successful conclusion of the "14th Five-Year" Plan. The year 2026 is the first year of the "15th Five-Year" Plan. China will closely follow the main line of high-quality development, implement positive and promising macro policies, focus on expanding domestic demand and cultivating new quality productive forces, promote the modernization of industrial system and high-standard opening up, make efforts on boosting the confidence in development and improving the quality and efficiency of development, and help the economy continue to maintain a trend of steady improvement and achieve a good start in a new round of development.

As far as Chongqing's regional economy is concerned, in 2025, Chongqing's total output value was approximately RMB3.38 trillion, representing a year-on-year increase of 5.3% and with a growth rate exceeding the national average. The economy will operate steadily and improve in quality, and the development momentum will continue to gather. In 2026, Chongqing will firmly implement the "Two Major Orientations" and give play to the "Three Roles", accelerate the construction of pioneer zone for high-quality development in the western region, continue to strengthen the "33618" modern manufacturing industry cluster system, cultivate new quality productive forces and digital economy, expand domestic demand in all directions, deepen reform and innovation, and continuously enhance the regional development momentum and comprehensive competitiveness. The growth rate of the regional GDP is expected to exceed 5%.

(II) Development Strategy and Operating Plan of the Company

In 2026, the Bank will further build the “three new momentums” and achieve breakthroughs in key capabilities. Firstly, the Bank will make every effort to properly implement the “five major areas” of finance. By taking the “three new momentums” as the engine, the Bank will closely follow the key direction of serving the real economy, build a high-quality financial service matrix, create technology finance featuring coordinated development, green finance with industrial empowerment, inclusive finance with supporting agriculture, rural areas and farmers and supporting small and micro enterprises, pension finance with warmth and respect for the elderly and digital finance with business technology integration, and promote the coordinated improvement of the five major financial businesses. Secondly, the Bank will deeply build the “three new momentums”. Based on the “digitally-driven”, the Bank will deepen the integration of “business, technology and digital”, support the reconstruction of marketing and risk control series production processes, and better empower employees, decision-making and customer service. Based on the “industrial-chain-driven”, the Bank will acquire customers in batches, stabilize stocks, expand increments and control risks through comprehensive services in the industrial chain, and empower the development of industry with professional financial solutions and non-financial value-added services. Based on the “scenario-driven”, the Bank will enrich diversified financial service scenarios and link such scenarios to chains by taking “Yukuai Hui” community business ecosystem scenario as the starting point to promote the transformation of the Bank from a financial network operator to a scenario ecosystem operator, so as to realize the value symbiosis between the Bank and customers. Thirdly, the Bank will stick to the main business and deeply cultivate local development. The Bank will adhere to the market positioning of “serving agriculture, rural areas and farmers, serving small and medium-sized enterprises and serving county-area economy”, deepen the grid management and the whole village credit extension, support agricultural industries and characteristic industries in districts and counties with “One Policy for One Industry”, and strive to serve rural revitalization, becoming the main force of providing financial services for private small and micro enterprises. Fourthly, the Bank will build a whole digital risk control defense line. The Bank will build a new-generation digital risk control system that is comprehensive, penetrating, efficient and robust, coordinate the management and control of various risks such as credit, cases and compliance risks, promote the symbiosis of risk control and business, and safeguard the bottom line of preventing systemic financial risks.

Corporate Governance Report

I. Corporate Governance Structure

For details of the corporate governance structure of the Bank, please refer to the “Organization Chart” in this report.

II. Overview of Corporate Governance

During the Reporting Period, the Bank strengthened the system construction and improved the system mechanism in the areas of party leadership, shareholder governance, board governance, board of supervisors and senior management, stakeholder and social responsibility, incentive and restraint mechanism, information disclosure, risk management and internal control. The Board of Directors performed the function of inspection and evaluation of corporate governance, and carefully examined and evaluated the construction of corporate governance, so as to further enhance the scientificity, robustness and effectiveness of the governance system. The Bank continued to improve the transparency of corporate governance to ensure a high level of corporate governance, so as to protect shareholders’ rights and interests and enhance corporate value.

Save as disclosed in this report, the Bank has strictly complied with the principles and code provisions in Part 2 of Appendix C1 to the Hong Kong Listing Rules (the “CG Code”) and also complied with most of the recommended best practices therein. During the Reporting Period, the legal action which the directors of the Bank may face is basically covered in the internal risk management and control scope of the Bank. Meanwhile, the Bank purchased the “liability insurance for directors, supervisors and senior management” for all directors.

The Bank also strictly complied with the requirements under the relevant laws and regulations, and the Hong Kong Listing Rules in respect of management of inside information. There is no material difference between the corporate governance of the Bank and that as required by the laws including the Company Law of the People’s Republic of China and administrative regulations and the relevant requirements to the corporate governance for listed companies of the CSRC and Hong Kong Stock Exchange.

The Bank will continue to review and enhance its corporate governance to ensure that it will continue to meet the requirements of the CG Code and the rising expectations of shareholders and investors.

For details about the Bank’s corporate culture, the basis for generating or retaining value in the long term, and strategies for achieving the Bank’s goals, please refer to “Chairman’s Statement”, “President’s Statement” and “Chapter 3 Management Discussion and Analysis”.

III. Details of the General Meeting

The general meetings shall be an organ of power of the Bank and shall exercise relevant powers in accordance with the law. During the Reporting Period, the Bank convened and held the general meetings in strict accordance with relevant laws and regulations and the Articles of Association. Details are as follows:

Session of meeting	Convening date	Resolutions	Website to publish resolutions
2024 annual general meeting	21 May 2025	15 resolutions and 3 reports including the 2024 work report of the Board of Directors of Chongqing Rural Commercial Bank Co., Ltd.	Official website of the Bank (www.cqrcb.com), website of Shanghai Stock Exchange (www.sse.com.cn) and the HKEXnews website of the Hong Kong Stock Exchange (www.hkexnews.hk)
2025 first extraordinary general meeting	10 December 2025	4 resolutions including the resolution in relation to amendments to the Articles of Association of Chongqing Rural Commercial Bank Co., Ltd.	

IV. Information on Directors, Supervisors and Senior Management

(I) Basic information on Directors, Supervisors and Senior Management

I. Information on Existing Directors, Supervisors and Senior Management

(1) Directors:

Name	Position	Gender	Age	Term of office ¹
Liu Xiaojun	Secretary to the Party Committee, Chairman, Executive Director	Male	49	January 2026 –
Sui Jun	Deputy Secretary to the Party Committee, President, Executive Director	Male	57	July 2023 –
Ma Bao	Non-executive Director	Male	40	December 2025 –
Dong Bin	Non-executive Director	Male	55	December 2025 –
Yuan Gang	Non-executive Director	Male	51	December 2025 –
Lee Ming Hau	Independent Non-executive Director	Male	47	June 2019 –
Bi Qian	Independent Non-executive Director	Female	57	December 2020 –

¹ The term of office of directors shown in this table was the duty performance date approved by the regulatory authority of the banking industry.

(2) Supervisors²:

Name	Position	Gender	Age	Term of office
Huang Qingqing	Shareholder Representative Supervisor	Female	41	October 2020 –
Zhang Jinruo	External Supervisor	Male	45	October 2020 –
Hu Yuancong	External Supervisor	Male	51	October 2020 –
Zhang Yingyi	External Supervisor	Male	52	October 2020 –
Zheng Yi	Employee Representative Supervisor	Male	60	November 2011 –
Le Xiaoming	Employee Representative Supervisor	Male	49	June 2019 –
Zhou Wei	Employee Representative Supervisor	Female	48	November 2021 –

(3) Senior Management:

Name	Position	Gender	Age	Term of office ³
Sui Jun	Deputy Secretary to the Party Committee, President, Executive Director	Male	57	March 2023 –
Zhou Guohua	Member of the Party Committee, Vice President	Male	60	October 2023 –
Tan Bin	Member of the Party Committee, Vice President, Secretary to the Board	Male	51	December 2023 –
Zhang Jin	Member of the Party Committee, Vice President	Male	54	March 2024 –
Tang Li	Member of the Party Committee, Vice President	Female	50	December 2024 –

² The resolution in relation to the cancellation of the establishment of the Board of Supervisors has been considered and approved by the Board of Directors and the Board of Supervisors of the Bank in June 2025, and has been approved at the general meeting of the Bank held in December 2025, which shall take effect upon the date of approval on the amended Articles of Association by the National Financial Regulatory Administration Chongqing Office. Prior to that, Supervisors of the Bank shall still perform duties in accordance with relevant requirements.

³ The term of office of the senior management in this table was the time appointed or nominated by superior departments.

2. *Changes in Directors, Supervisors and Senior Management*

(1) Engagement and resignation

Mr. Liu Xiaojun was elected as the executive director and the chairman of the Bank at the 55th meeting of the fifth session of the Board in April 2025 and at the general meeting in May 2025, and obtained the qualification approval for appointment as the director and the chairman from the National Financial Regulatory Administration Chongqing Office and officially performed his duty in January 2026. Mr. Liu Xiaojun has obtained the legal advice referred to in Rule 3.09D of the Hong Kong Listing Rules on 7 January 2026 before his appointment becoming effective, and has confirmed that he understood his obligations as a director of the Bank.

Due to job transfer, Mr. Zhang Peizong ceased to be the member of the Party Committee of the Bank since December 2024, and ceased to be the vice president, the Secretary to the Board, the executive director and a member of relevant special committees of the Board of the Bank since January 2025.

Mr. Ma Bao, Mr. Dong Bin and Mr. Yuan Gang were elected as the non-executive directors of the Bank at the general meeting in May 2025, and obtained the qualification approval for appointments as the directors from the National Financial Regulatory Administration Chongqing Office and officially performed their duties in December 2025. Mr. Ma Bao, Mr. Dong Bin and Mr. Yuan Gang have obtained the legal advice referred to in Rule 3.09D of the Hong Kong Listing Rules on 5 December 2025 before their appointments becoming effective, and have confirmed that they understood their obligations as a director of the Bank.

Due to personal work arrangement, Ms. Hu Chun and Mr. Yin Xianglin ceased to act as the non-executive directors and hold the positions of relevant special committees of the Board of the Bank since December 2025.

Since Mr. Zhang Qiaoyun has consecutively served as an independent non-executive director of the Bank for six years, he ceased to act as the independent non-executive director and hold positions of relevant special committees of the Board of the Bank since December 2025 pursuant to the regulatory requirements regarding the term of office of independent directors.

Due to personal work arrangement, Mr. Peng Yulong ceased to act as the non-executive director and hold positions of relevant special committees of the Board of the Bank since January 2026.

Mr. Li Jiaming unfortunately passed away in March 2026 and ceased to act as the independent non-executive director and hold positions of relevant special committees of the Board of the Bank.

Ms. Tang Li has served as a member of the Party Committee of the Bank since December 2024 and was appointed as the vice president of the Bank by the Board in December 2024 and obtained the qualification approval for appointment as the vice president from the National Financial Regulatory Administration Chongqing Office and officially performed her duty in May 2025.

(2) Change in information

Ms. Bi Qian ceased to be the independent director of Senci Mechatronic Co., Ltd. (神馳機電股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 603109) since March 2025.

Mr. Zhang Jinruo has served as the independent director of Chongqing Sansheng Industrial Co., Ltd. (重慶三聖實業股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 002742) since December 2025.

3. *Particulars of Changes in Shareholdings of Directors, Supervisors and Senior Management during the Reporting Period*

Unit: Share

Name	Position	Number of shares held at the beginning of the period	Number of shares held at the end of the period	Increase/ (Decrease) in the number of shares	Reasons for change
Existing					
Sui Jun	Deputy Secretary to the Party Committee, President, Executive Director	75,400	75,400	0	-
Zhou Guohua	Member of the Party Committee, Vice President	10,000	10,600	600	Increase in shareholding
Resigned					
Zhang Peizong	Member of the Party Committee, Vice President, Executive Director, Secretary to the Board	39,300	39,300	0	-
Yin Xianglin	Non-executive Director	2,900	2,900	0	-

Note: Some directors and members of senior management of the Bank purchased 192,000 A shares of the Bank from the secondary market with their own funds during the period from 5 January 2026 to 7 January 2026. For details, please refer to the Announcement on the Increase in Shareholding of the Bank by Some Directors and Members of Senior Management of Chongqing Rural Commercial Bank Co., Ltd. (Announcement No.: 2026-002) issued by the Bank on the website of the Shanghai Stock Exchange.

(II) Biographies of Existing Directors, Supervisors and Senior Management

1. *Biographies of the Directors*

LIU Xiaojun Secretary to the Party Committee, Chairman, Executive Director

Primary positions: he has served as the secretary to the Party Committee of the Bank since March 2025 and the chairman and the executive director of the Bank since January 2026.

Professional background: he is an economist and obtained a master's degree in economics from Fudan University in 2002.

Work experience: he served as the secretary to the party committee and the chairman of Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司), the non-executive director of China Hongqiao Group Limited (a company listed on the main board of the Hong Kong Stock Exchange, stock code: 01378), the business director, the deputy general manager, the deputy general manager of the eighth division (preparation) of trust business (in charge of work), the deputy general manager and the general manager of the second division of trust business of CITIC Trust Co., Ltd. (中信信託有限責任公司).

SUI Jun Deputy Secretary to the Party Committee, President, Executive Director

Primary positions: he has served as the deputy secretary to the Party Committee and the president of the Bank since March 2023 and the executive director of the Bank since July 2023.

Professional background: he is a professor-level senior economist and obtained a doctoral degree of economics from Southwestern University of Finance and Economics in 2020.

Work experience: he served as a member of the Party Committee and vice president of Bank of Chongqing Co., Ltd., the secretary to the Party Committee and the chairman of Chongqing Automotive Finance Co., Ltd., a member of the Party Committee, vice president, executive director, the secretary to the Board and general manager of the sales department of the Bank, the secretary to the Party Committee and the president of Jiangjin sub-branch, the secretary to the Party Committee and chairman of Jiangjin Rural Credit Cooperatives Union and general manager of the sales department of Nanchong branch of China Construction Bank, etc.

MA Bao Non-executive Director

Primary positions: he has served as the non-executive director of the Bank since December 2025 and the chairman of Chongqing Yufu Capital Private Equity Investment Fund Management Co., Ltd. (重慶渝富資本私募股權投資基金管理有限公司) since January 2025.

Professional background: he is a senior political engineer and economist, obtained a bachelor's degree in management and a bachelor's degree in law from Southwest University of Political Science and Law in 2009, and obtained a master's degree in agricultural promotion from Southwest University in 2017.

Work experience: he served as the chairman of Chongqing Yufu Capital Operation Group Company Limited (重慶渝富資本運營集團有限公司), the secretary to the board, the director of the Office, the director of the Safety Supervision Office, the director of the Automobile and Intelligent Manufacturing Division, the director of the Automobile Division of Chongqing Yufu Holding Group Co., Ltd. (重慶渝富控股集團有限公司), the deputy director of the Office of Chongqing Yufu Assets Management Group Co., Ltd. (重慶渝富資產經營管理集團有限公司) and the deputy director of the Office of Shuangqiao District Branch of Chongqing Administration for Industry and Commerce, etc..

DONG Bin Non-executive Director

Primary positions: he has served as the non-executive director of the Bank since December 2025 and the member of the Party Committee, the financial director and the director of Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司), a shareholder of the Bank since July 2023.

Professional background: he is a senior accountant, a certified public accountant and an international certified internal auditor, and obtained a master's degree in accounting from Chongqing University in 2017.

Work experience: he served as the member of the Party Committee, the director, the financial director and the general counsel of Chongqing Expressway Group Co., Ltd. (重慶高速公路集團有限公司), the secretary of the Party Branch and the chairman of Chongqing Expressway Investment Holding Co., Ltd. (重慶高速公路投資控股有限公司), the executive director of Chongqing Expressway Group (Hong Kong) Co., Ltd. (重慶高速集團(香港)有限公司), the member of the Party Committee and the financial director of Chongqing Financial Assets Exchange Co., Ltd. (重慶金融資產交易所有限責任公司), the head of the Planning and Development Department, the director of the Supervisory Office and the director of the Office of Chongqing Yufu Assets Management Group Co., Ltd. (重慶渝富資產經營管理集團有限公司), the dean of the Commerce and Trade Audit Division and the dean of the Economic and Trade Audit Division of Chongqing Audit Bureau, and the member of the Party Group and the deputy director of Chongqing Jiangbei District Audit Bureau, etc..

YUAN Gang Non-executive Director

Primary positions: he has served as the non-executive director of the Bank since December 2025, and a member of the Party Committee and the deputy general manager of Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司) (a shareholder of the Bank), and the secretary of the Party Committee and the chairman (concurrently) of Chongqing Security Group Co., Ltd. (重慶安保集團有限責任公司) since December 2019.

Professional background: he is a professor-level senior researcher (audit) and obtained a bachelor's degree in economics from Yuzhou University (now renamed as Chongqing Technology and Business University) in 1996.

Work experience: he has served as the secretary of the Party Committee and the chairman (concurrently) of Chongqing Human Resources Development Co., Ltd. (重慶人力資源發展有限公司), the dean of the Audit Division and the deputy director of the Office of Chongqing Municipal Public Security Bureau, and the deputy director of Northern New District Branch of Chongqing Municipal Public Security Bureau. He concurrently served as the vice chairman of Chongqing Institute of Internal Auditors.

LEE Ming Hau Independent Non-executive Director

Primary positions: he has served as an independent non-executive director of the Bank since June 2019 and a partner of Ares Management since January 2024.

Professional background: he obtained a master's degree in business administration from the Wharton School of the University of Pennsylvania in 2009.

Work experience: he served as the managing director of The Carlyle Group, an investment director of Clearwater Capital Partners and a project manager of The Boston Consulting Group, etc.

BI Qian Independent Non-executive Director

Primary positions: she has served as an independent non-executive director of the Bank since December 2020. She has been a professor and a doctoral supervisor of the College of Economics and Management, Southwest University since July 2018 and October 2018, respectively.

Professional background: she obtained a doctoral degree in management from Southwest University in 2010.

Work experience: she served as an associate professor and the head of the accounting department of the College of Economics and Management of Southwest University and was awarded a scholarship by the China Scholarship Council to visit and study in Oregon State University in the United States. She successively served as a lecturer at the College of Basic Science and Technology, a lecturer and associate professor at the College of Economics and Management, Southwest Agricultural University and the independent director of Senci Mechatronic Co., Ltd. (神馳機電股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 603109), etc.

2. *Biographies of the Supervisors*

HUANG Qingqing Shareholder Representative Supervisor

Primary positions: she has served as the shareholder representative supervisor of the Bank since October 2020 and legal person, the executive director and general manager of Xiamen Huishanghong Equity Investment Co., Ltd., a shareholder of the Bank, since March 2022.

Other positions: she serves as a director of Zhongshan Securities Co., Ltd. (中山證券有限責任公司).

Professional background: she is an intermediate economist and obtained a master's degree in Finance from Xiamen University in 2010.

Work experience: she served as a supervisor of Zhongshan Securities Co., Ltd. (中山證券有限責任公司), the investment director, the investment manager and a senior analyst of Xiamen Gaoxinhong Equity Investment Co., Ltd. (currently renamed as Xiamen Huishanghong Equity Investment Co., Ltd. (廈門市匯尚泓股權投資有限公司)).

ZHANG Jinruo External Supervisor

Primary positions: he has served as an external supervisor of the Bank since October 2020. He has also served as the professor, a doctoral supervisor and head of the accounting department of the School of Economics and Business Administration, Chongqing University since September 2014, September 2015 and November 2018, respectively.

Other positions: he serves as the part-time professor of Center for Accounting Studies of Xiamen University, the consulting experts on accounting of Chongqing Finance Bureau and the independent director of Chongqing Zhenbao Technology Co., Ltd. and Chongqing Sansheng Industrial Co., Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 002742).

Professional background: he is listed in the Excellent Talent – Outstanding Individual (accounting) (重慶市英才–名家名師(會計類)) and is an Academic Pioneer of Accounting of the Ministry of Finance and a Chinese certified public accountant. He obtained a doctoral degree in accounting from Xiamen University in 2008 and was a student of Professor Ge Jiashu, an accounting expert.

Work experience: he served as the associate professor at School of Economics and Business Administration, Chongqing University and the external independent director of Chongqing Iron & Steel Company Limited.

HU Yuancong External Supervisor

Primary positions: he has served as the external supervisor of the Bank since October 2020. He has been a master tutor of Southwest University of Political Science and Law since July 2009 and a professor, doctoral supervisor and postdoctoral co-advisor at the Economic Law School of Southwest University of Political Science and Law since September 2013, July 2015 and July 2018, respectively.

Professional background: he obtained a doctoral degree in economic law from Southwest University of Political Science and Law in 2009.

Work experience: he served as a lecturer and associate professor at the Economic Law School of Southwest University of Political Science and Law.

ZHANG Yingyi External Supervisor

Primary positions: he has served as an external supervisor of the Bank since October 2020. He has also served as the partner of Chongqing Zhongding Certified Public Accountants (Special General Partnership) (重慶中鼎會計師事務所(特殊普通合夥)) since March 2012.

Other positions: he is a member of the Disciplinary Committee of the Chongqing Institute of Certified Public Accountants and an off-campus tutor for the master of accounting in Chongqing University of Technology.

Professional background: he is a Certified Public Accountant, lawyer and asset appraiser and obtained a bachelor's degree in accounting from Southwestern University of Finance and Economics in 1995.

Work experience: he served as the manager of the audit department and the deputy director of Chongqing Zhongding Certified Public Accountants Co., Ltd. (重慶中鼎會計師事務所有限責任公司) (now renamed as Chongqing Zhongding Certified Public Accountants (Special General Partnership) (重慶中鼎會計師事務所(特殊普通合夥))), a certified public accountant and manager of the audit department of Chongqing Yuzhong Certified Public Accountants (重慶渝中會計師事務所) and the chief accountant of Chongqing Automobile Standard Parts Factory (重慶汽車標準件廠).

ZHENG Yi Employee Representative Supervisor

Primary positions: he has been an employee representative supervisor of the Bank since November 2011.

Professional background: he is an economist and graduated from the Correspondence College of the Party School of the Chongqing Municipal Committee of the Communist Party of China in December 1999.

Work experience: he served as the senior credit approval specialist, the chief credit officer, the chief credit review officer, a general manager of the credit approval department, a general manager of the credit management department and a general manager of the compliance management department of the Bank. He also served as a general manager, a vice general manager of the operation management department, a vice general manager of the risk management department and a deputy director of the credit management division of Chongqing Rural Credit Cooperative Union.

LE Xiaoming Employee Representative Supervisor

Primary positions: he has been an employee representative supervisor of the Bank since June 2019 and the Deputy Chief of the Discipline Inspection and Supervision Team of Municipal Commission for Discipline Inspection and Supervision stationed in Chongqing Rural Commercial Bank Co., Ltd. since May 2020.

Professional background: he obtained a master's degree in agricultural extension from Southwest University in 2012.

Work experience: he served as the director of the Party Committee office, the director of the party-masses work department and the director of the security department of the Bank. He also served as the division chief of the Personnel Secretariat, deputy division chief of the Personnel Secretariat and deputy division chief of the General Division of the Research Office of Chongqing Municipal People's Government.

ZHOU Wei Employee Representative Supervisor

Primary positions: she has served as an employee representative supervisor of the Bank since November 2021; and the director of the party-masses work department of the Bank since January 2024.

Professional background: she obtained a bachelor's degree of arts from Sichuan International Studies University in 1999 and a bachelor's degree in economics from Southwestern University of Finance and Economics in 2008.

Work experience: she served as a director of office of the Board of Supervisors, the director of the training center and the deputy director of office of the Board of Supervisors (being responsible for overall work), a member of the Party Committee and a vice president of Beibei Branch, a vice general manager of the risk management department and a vice general manager of the credit management department of the Bank.

3. *Biographies of the Senior Management*

SUI Jun Deputy Secretary to the Party Committee, President, Executive Director

Please refer to the section headed “Biographies of the Directors” of this annual report for biographic details of Mr. Sui Jun.

ZHOU Guohua Member of the Party Committee, Vice President

Primary positions: he has served as a member of the Party Committee and vice president of the Bank since October 2023.

Professional background: he is an assistant economist and graduated from Sichuan Agricultural University in 1991 with a major in agricultural and animal husbandry economic management.

Work experience: he served as a member of the Party Committee, the vice president and chief operating officer, the president of great hall sub-branch, the president of Hi-tech industrial development zone branch of Bank of Chongqing Co., Ltd., the vice president of Yubei sub-branch (in charge) and the chief of the office of the Board of Supervisors of Chongqing Commercial Bank (now renamed as Bank of Chongqing Co., Ltd.).

TAN Bin Member of the Party Committee, Vice President, Secretary to the Board

Primary positions: he served as a member of the Party Committee and vice president of the Bank since December 2023, and the secretary to the Board of the Bank since March 2026.

Professional background: he is a professor-level senior economist and obtained a bachelor’s degree in engineering from Chongqing University in 1998.

Work experience: he has served as the general manager of the rural revitalization finance department, the Sannong business management department, the small and micro financial business department, the village and township bank management department and the personal business department, the secretary to the Party Committee and the president of Zhong County branch, the deputy general manager of the corporate business department and a member of the Party Committee and vice president of Wanzhou branch of the Bank, the deputy director of Chongqing Wanzhou District Rural Credit Cooperative Union and the assistant to the director of Chongqing Tongliang District Rural Credit Cooperative Union, etc.

ZHANG Jin Member of the Party Committee, Vice President

Primary positions: he served as a member of the Party Committee and vice president of the Bank since March 2024.

Professional background: he is an economist and obtained an executive master of business administration degree from Chongqing University in 2011.

Work experience: he has served as the general manager of the digital banking department, the general manager of the internet finance department, the director of board office of Bank of Chongqing Co., Ltd., the general manager of the personal banking department, the general manager of the personal business department, the general manager and the deputy general manager of the market development department (in charge of work), the deputy Director and the assistant to the director of the international business department of Chongqing Commercial Bank (now renamed as Bank of Chongqing Co., Ltd.), etc.

TANG Li Member of the Party Committee, Vice President

Primary positions: she has served as the member of the Party Committee and vice president of the Bank since December 2024.

Professional background: she is an assistant economist, and obtained a master's degree in business administration from Chongqing University in 2005.

Work experience: She has served as the secretary of the Party Committee and the president of Chongqing Yubei Sub-branch of the Industrial and Commercial Bank of China, the secretary of the Party Committee and the president of Chongqing New North Zone sub-branch of the Industrial and Commercial Bank of China, the director of the key accounts service department, the deputy general manager of the corporate business department and the manager of the corporate business division I of Chongqing Branch of the Industrial and Commercial Bank and the president of Chongqing Yangjiaping Sub-branch of the Industrial and Commercial Bank of China, etc.

(III) Remuneration of Directors, Supervisors and Senior Management in 2025

1. Remuneration

Unit: RMB0'000

Name	Position	Paid Remuneration (before tax)	Social Insurance, Housing Provident Fund, Supplementary Medical Insurance, Corporate Annuity Unit Payment Part	Other Monetary Income	Part-time Fee	Total Salary Before Tax in 2025	Whether to get paid from Associated Company
Existing							
Liu Xiaojun	Secretary to the Party Committee, Chairman, Executive Director	31.70	10.37	-	-	42.07	No
Sui Jun	Deputy Secretary to the Party Committee, President, Executive Director	42.28	13.76	4.80	-	60.84	No
Ma Bao	Non-executive Director	-	-	-	-	-	Yes
Dong Bin	Non-executive Director	-	-	-	-	-	Yes
Yuan Gang	Non-executive Director	-	-	-	-	-	Yes
Lee Ming Hau	Independent Non-executive Director	-	-	-	18.00	18.00	Yes
Bi Qian	Independent Non-executive Director	-	-	-	18.00	18.00	Yes
Huang Qingqing	Shareholder Representative Supervisor	-	-	-	7.50	7.50	Yes
Zhang Jinruo	External Supervisor	-	-	-	12.00	12.00	Yes
Hu Yuancong	External Supervisor	-	-	-	12.00	12.00	No
Zhang Yingyi	External Supervisor	-	-	-	12.00	12.00	Yes
Zheng Yi	Employee Representative Supervisor	-	-	-	-	-	No
Le Xiaoming	Employee Representative Supervisor	-	-	-	-	-	No
Zhou Wei	Employee Representative Supervisor	-	-	-	-	-	No
Zhou Guohua	Member of the Party Committee, Vice President	33.82	13.76	3.84	-	51.42	No
Tan Bin	Member of the Party Committee, Vice President, Secretary to the Board	33.82	13.76	3.84	-	51.42	No
Zhang Jin	Member of the Party Committee, Vice President	33.82	13.76	3.84	-	51.42	No
Tang Li	Member of the Party Committee, Vice President	31.00	12.64	3.52	-	47.16	No

Corporate Governance Report

Name	Position	Paid Remuneration (before tax)	Social Insurance, Housing Provident Fund, Supplementary Medical Insurance, Corporate Annuity Unit Payment Part	Other Monetary Income	Part-time Fee	Total Salary Before Tax in 2025	Whether to get paid from Associated Company
Resigned							
Zhang Peizong	Member of the Party Committee, Vice President, Executive Director, Secretary to the Board	-	-	-	-	-	No
Hu Chun	Non-executive Director	-	-	-	9.00	9.00	Yes
Yin Xianglin	Non-executive Director	-	-	-	9.00	9.00	Yes
Peng Yulong	Non-executive Director	-	-	-	-	-	Yes
Zhang Qiaoyun	Independent Non-executive Director	-	-	-	18.00	18.00	Yes
Li Jiaming	Independent Non-executive Director	-	-	-	18.00	18.00	Yes

Notes:

- (1) According to relevant regulations, from 1 January 2015, the remuneration of the Chairman, Head of Supervisors, President and other responsible persons of the Bank will be implemented in accordance with the opinions on the supervision of the remuneration system reform of the responsible persons of relevant enterprises.
- (2) The 2025 final assessment of remuneration for the Chairman, and senior management of the Bank are still in the process of confirming. The Bank will issue a separate announcement.
- (3) Paid remuneration refers to paid remuneration to directors, supervisors, and senior management in the current year approved by the regulatory body in accordance with internal and external regulatory requirements, including the basic annual salary and advance performance salary for 2025 that was issued in accordance with external regulatory requirements.
- (4) The employee representative supervisors of the Bank do not receive remuneration as employee representative supervisors.
- (5) Other monetary income is the business transportation subsidy issued to senior management in the form of currency in accordance with the regulations of relevant authorities.
- (6) The director Mr. Peng Yulong issued the written commitments, stating that he is voluntary to waive his allowance or remuneration as the director during his term of office as the director of the Bank.

2. *Salary decision-making procedure and basis*

The Bank provides remuneration to non-executive directors, independent directors, shareholder representative supervisors and external supervisors according to the Proposal on Directors' Remuneration of Chongqing Rural Commercial Bank Co., Ltd. and the Proposal on Supervisors' Remuneration of Chongqing Rural Commercial Bank Co., Ltd., which were considered and adopted at the 2017 annual general meeting of shareholders, provides remuneration to executive directors and other senior management personnel according to the Management Measures for the Remuneration of the Heads of Chongqing Rural Commercial Bank, and provides remuneration to employee representative supervisors according to the Management Measures for Remuneration of Chongqing Rural Commercial Bank.

The Board of Directors of the Bank assesses the senior management personnel according to the Measures for Performance Evaluation of Financial Enterprises, the Measures for Assessment of Operating Results of Responsible Persons of Municipal State-owned Key Enterprises, and the Management Measures for Salaries of Responsible Persons of Chongqing Rural Commercial Bank. The Board of Supervisors conducts daily supervision on the performance of duties by directors, supervisors and senior management according to the Evaluation Method for the Performance of Duties by Directors, Senior Management and Members of Chongqing Rural Commercial Bank Co., Ltd., and the Evaluation Method for the Performance of Duties by Supervisors of Chongqing Rural Commercial Bank Co., Ltd. At the same time, the Board of Supervisors evaluates the annual performance of duties by directors, supervisors and senior management by attending the meetings of the Board of Supervisors, attending the meetings of the Board of Directors as non-voting members, consulting the annual duty performance evaluation summary, and reviewing the information in the annual personal debriefing reports (including but not limited to attending meetings, participating in investigation and research, training and learning, expressing opinions and suggestions, working hours of performing duties in the company, etc.), and reports to the general meeting of shareholders and the regulatory authorities.

V. Board of Directors and Special Committees

(I) Responsibility and operation of the Board

The Board shall be responsible for the general meeting of shareholders, bear the ultimate responsibility for operation and management, and exercise its functions and powers within the scope of laws, regulations, regulatory requirements, the Articles of Association and the powers granted by the general meeting of shareholders to safeguard the legitimate rights and interests of the Bank and its shareholders. The major responsibilities is as follows: convening the general meeting of shareholders and make a report on work to the meeting; implementing the resolutions adopted by the shareholders' general meeting; determining our business plans and development strategies and overseeing their implementation; formulating the Bank's profit distribution, financial budget and final accounts; determining such matters as the Bank's significant external investment, significant mergers & acquisitions, significant acquisition of assets, significant assets disposal, significant assets cancellation after verification and significant external guarantee within the authorization limits of the general meeting of shareholders; formulating the proposal program for amending the Articles of Association, the Rules and Procedures of the General Meetings and the Rules and Procedures of the Meetings of the Board; and hearing the work report of the President.

Pursuant to the CG Code and the Articles of Association, the Board Meetings are divided into regular meetings and interim meetings. The regular meetings of the Board shall be held for at least once each quarter, and shall be convened by the chairman. A meeting notice should be delivered in writing to all directors and supervisors fourteen days before the meeting. At Board meetings, directors can put forward their opinions freely, and major decisions are made after detailed discussions. If any director has material interests in a proposal to be reviewed by the Board of Directors, the director concerned must abstain from discussion and voting on the relevant proposal, and is not counted in the quorum of the relevant proposal. Detailed minutes of the board meetings are kept, and minutes are circulated to all attending directors for review after the meeting. Directors who have attended the meetings will provide comments for modification after receiving the minutes. According to relevant requirements, the minutes will be circulated to all directors in time as it is finalised. Minutes of the board meetings are kept according to the requirements of document management stipulated by the Bank, and are available for inspection by directors at any time.

All directors maintain communication with the secretary to the Board of Directors so as to ensure the compliance with board procedures and all applicable rules and regulations. Communication and reporting mechanisms have been established between the Board of Directors, directors and senior management. The president of the Bank reports his work to the Board of Directors on a regular basis, and under its supervision. Relevant senior management is invited to attend board meetings from time to time to give explanations or reply to enquiries.

The Board of Directors has set up a Board office as its acting agency, which is responsible for preparation of the general meetings, board meetings, and meetings of the special committees under the Board of Directors, information disclosure and other daily work.

(II) The Board of Directors' Implementation of Resolutions of the General Meeting

In 2025, the Board of Directors strictly implemented the resolutions passed at the 2024 annual general meeting and the 2025 first extraordinary general meeting, earnestly implemented the resolutions regarding, among others, the 2024 profit distribution plan, the 2025 financial budget, the appointment of the accounting firm for 2025, the related party transactions regarding to group credit limits of Chongqing Yufu Capital Operation Group Company Limited (重慶渝富資本運營集團有限公司), Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司) and Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司), election of Mr. Liu Xiaojun as the executive director of the Bank, election of Mr. Ma Bao, Mr. Dong Bin and Mr. Yuan Gang as the non-executive directors of the Bank and amendments to the Articles of Association considered and passed at the general meetings.

(III) Composition of the Board of Directors

As of the date of this report, the Board of Directors comprised 7 directors, including 2 executive directors, namely, Mr. Liu Xiaojun (chairman) and Mr. Sui Jun (president); 3 non-executive directors, namely, Mr. Ma Bao, Mr. Dong Bin and Mr. Yuan Gang; 2 independent non-executive directors, namely, Mr. Lee Ming Hau and Ms. Bi Qian.

The list of directors (by category) is disclosed in all corporate communications issued by the Bank pursuant to the Hong Kong Listing Rules. Directors shall be elected or replaced at the shareholders' general meeting and may be dismissed by the shareholders' general meeting prior to the expiration of their term of office. The term of office of a director shall be three years. Upon the expiry of the term, a director shall be eligible for re-election and re-appointment. The office term of a re-elected and re-appointed director is effective upon approval by the general meeting while the term of office of a new director is effective upon approval by the banking regulatory agency until expiration of the term of the current session of the Board of Directors.

The Board of Directors is responsible for the performance of the functions of corporate governance. During the year ended 31 December 2025, the Board of Directors performed the functions of corporate governance as set out in code provision A.2.1 in the CG Code.

(IV) Board Meetings

During the Reporting Period, the 52nd meeting (24 January), the 53rd meeting (25 March), the 54th meeting (28 March), the 55th meeting (16 April), the 56th meeting (25 April), the 57th meeting (13 June), the 58th meeting (27 June), the 59th meeting (6 August), the 60th meeting (26 August), the 61st meeting (8 September), the 62nd meeting (17 October), the 63rd meeting (28 October), the 64th meeting (20 November), the 65th meeting (15 December) and the 66th meeting (23 December) of the fifth session of the Board of Directors of the Bank were convened. The Bank convened a total of 15 Board meetings including 9 on-site meetings and 6 meetings by way of resolutions. 186 resolutions and reports were considered and reviewed at such meetings including those regarding 2024 annual report, 2025 interim report, 2024 environmental, social and governance compliance work report and 2024 work report of the Board of Directors. Special committees under the Board of Directors convened 40 meetings and 131 resolutions and reports were considered and reviewed at such meetings. During the Reporting Period, the directors of the Bank did not raise any objection to the Board resolutions.

During the Reporting Period, the attendance of the directors of the Bank at the general meetings, Board meetings and meetings of the special committees under the Board of Directors (directors who are involved in related party transactions and required to be abstained from the meetings of the special committees under the Board of Directors are also deemed to be present) are set out as follows:

Attendances in person/meetings required to attend during the term of office

Directors	Special Committees of the Board of Directors									
	General meeting	Board meeting	Strategic Development Committee	Risk Management Committee	Audit Committee	Nomination Committee	Remuneration Committee	Related	Sannong Financial Services Committee	Consumer Rights Protection Committee
								Party Transaction Supervision Committee		
Executive Director										
Sui Jun	2/2	15/15	8/8	7/7		4/4	2/2		2/2	0/0
Non-executive Directors										
Ma Bao	0/0	2/2	0/0		0/0					
Dong Bin	0/0	2/2			0/0				0/0	
Yuan Gang	0/0	2/2		1/1			0/0			
Peng Yulong	2/2	15/15				0/0				0/0
Independent Non-executive Directors										
Lee Ming Hau	2/2	15/15			5/5	4/4	2/2	10/10		2/2
Li Jiaming	2/2	15/15			5/5	4/4	2/2	10/10	2/2	
Bi Qian	2/2	15/15	8/8	7/7	5/5	0/0	2/2	10/10	2/2	0/0
Resigned Directors										
Zhang Peizong	0/0	0/0		0/0				0/0		0/0
Hu Chun	1/2	13/13	8/8		5/5	3/3			2/2	
Yin Xianglin	1/2	13/13						9/9	2/2	2/2
Zhang Qiaoyun	2/2	13/13	8/8	6/6	5/5	3/3				2/2

Notes:

- (1) “Attendances in person” refers to attending meetings in person or on telephone or by video conference.
- (2) For details of the change of directors and their positions in the relevant special committees of the Board of Directors, please refer to the sections headed “Information on Directors, Supervisors and Senior Management” and “Board of Directors and Special Committees”.

(V) Independent Non-executive Directors

As of the end of the Reporting Period, the Bank has 3 independent non-executive directors, and the qualifications are in compliance with domestic and overseas regulatory requirements. The independent non-executive directors of the Bank do not have any business or financial interests in the Bank and its subsidiaries, nor do they hold any management positions in the Bank, so as to ensure their independence. The Bank has received from each of the independent non-executive directors an annual confirmation of his/her independence. Upon assessment, the Board of Directors considers that all of the independent non-executive directors still meet the independence requirements and are independent.

All of the existing independent non-executive directors of the Bank are elected for a term of three years. They are eligible for re-election as the Bank's independent non-executive directors upon expiry of the three-year term of office, provided that their terms of office shall not exceed six consecutive years. For details of the duty performance of independent non-executive directors of the Bank during the Reporting Period, please refer to the 2025 Work Report of the Independent Non-executive Directors of Chongqing Rural Commercial Bank Co., Ltd. published on the website of Shanghai Stock Exchange and the HKEXnews website of the Hong Kong Stock Exchange.

The Bank has established a relevant mechanism to ensure that the Board of Directors can obtain independent views and opinions, including but not limited to reviewing from time to time if the independent non-executive directors have appropriate qualifications and expertise and sufficient time devoted to the Group, and if the number of independent non-executive directors complies with the requirements of the Hong Kong Listing Rules. The Board of Directors will review the implementation and effectiveness of such mechanism annually.

(VI) Directors' Responsibility for the Preparation of Financial Reports

The directors of the Bank acknowledge their responsibility for preparing the financial statements of the Bank for the year ended 31 December 2025. Directors are responsible for monitoring financial reports of each accounting or fiscal period to make sure such financial reports give a true and fair view of the Bank's financial conditions, operation results and cash flows. The directors adopted and implemented the applicable accounting policies and exercised prudent and reasonable judgment when preparing financial reports for the year ended 31 December 2025.

(VII) Continuous Professional Development Programme for Directors

Each newly appointed director should be given official, comprehensive and tailor-made information for his/her respective appointment upon his/her first appointment for the assurance of his/her appropriate understanding on the business and operation of the Bank and sufficient knowledge of the duties and responsibilities under the Hong Kong Listing Rules, laws and relevant regulatory requirements.

The training for directors shall be carried out on an ongoing basis. The Bank encourages all directors to participate in continuous professional development for developing and updating their knowledge and skills. During the Reporting Period, the Bank continued to improve directors' capabilities to perform their duties, and organized all directors to participate in diversified training: completing the follow-up training for independent directors organized by the Shanghai Stock Exchange, the special training on "Anti-gambling, Anti-fraud, and Anti-money Laundering Risk Prevention and Control", the special training on "State-owned Enterprise Reform: Risks, Opportunities, and Coping Strategies for Banks", the special training on financial consumer rights protection, the special training on the "Rich Connotation and Practical Path of Financial Culture with Chinese Characteristics" and the special training on anti-money laundering.

The Bank also from time to time provided information to all directors on the latest development of the Hong Kong Listing Rules and other applicable regulatory requirements, so as to ensure the directors are equipped with comprehensive information and are in line with the actual needs for their continuous contribution to the Board of Directors and satisfactorily comply with the CG Code, as well as to enhance their sense of the corporate governance practices.

(VIII) Special Committees of the Board

There are eight special committees established under the Board of Directors of the Bank, namely the strategic development committee, risk management committee, audit committee, nomination committee, remuneration committee, related party transaction supervision committee, Sannong financial services committee and consumer rights protection committee. As at the date of this report, compositions of the special committees of the Board of Directors are set out as follows:

Directors	Strategic Development Committee	Risk Management Committee	Audit Committee	Nomination Committee	Remuneration Committee	Related Party Transaction Supervision Committee	Sannong Financial Services Committee	Consumer Rights Protection Committee
Executive Directors								
Liu Xiaojun	Chairman						Chairman	
Sui Jun		Chairman						Chairman
Non-executive Directors								
Ma Bao	Member		Member			Member		
Dong Bin				Member			Member	Member
Yuan Gang		Member			Member			
Independent Non-executive Directors								
Lee Ming Hau	Member		Member	Member	Chairman	Member		Member
Bi Qian		Member	Chairwoman	Chairwoman	Member	Chairwoman	Member	

Notes:

- (1) Ms. Hu Chun ceased to serve as a member of the strategic development committee, a member of the audit committee, a member of the nomination committee and a member of Sannong financial services committee, with effect from 11 December 2025.
- (2) Mr. Yin Xianglin ceased to serve as a member of the related party transaction supervision committee, a member of Sannong financial services committee and a member of the consumer rights protection committee, with effect from 11 December 2025.
- (3) Mr. Zhang Qiaoyun ceased to serve as a chairman of the nomination committee, a member of the strategic development committee, a member of the risk management committee, a member of the audit committee and a member of the consumer rights protection committee, with effect from 11 December 2025.
- (4) With effect from 23 December 2025, Ms. Bi Qian served as a chairman of the nomination committee and a member of the consumer rights protection committee and ceased to serve as a member of Sannong financial services committee and a member of the remuneration committee, and Mr. Peng Yulong served as a member of the nomination committee and a member of the consumer rights protection committee.

- (5) Mr. Ma Bao served as a member of the strategic development committee and a member of the audit committee, with effect from 23 December 2025.
- (6) Mr. Dong Bin served as a member of the audit committee and a member of the Sannong financial services committee, with effect from 23 December 2025.
- (7) Mr. Yuan Gang served as a member of the risk management committee and a member of the remuneration committee, with effect from 23 December 2025.
- (8) Mr. Sui Jun served as a chairman of the consumer rights protection committee and ceased to be a chairman of the nomination committee and a member of the remuneration committee, with effect from 23 December 2025.
- (9) Mr. Peng Yulong ceased to serve as a member of the nomination committee and a member of the consumer rights protection committee, with effect from 23 January 2026.
- (10) With effect from 29 January 2026, Mr. Liu Xiaojun served as a chairman of the strategic development committee and a chairman of Sannong financial services committee and Mr. Sui Jun ceased to serve as the chairman of the strategic development committee and a chairman of Sannong financial services committee.
- (11) With effect from 25 March 2026, Ms. Bi Qian served as a chairwoman of the audit committee, a member of the remuneration committee, a member of Sannong financial services committee and ceased to be a member of the strategic development committee and a member of the consumer rights protection committee; Mr. Lee Ming Hau served as a chairman of the remuneration committee and a member of the strategic development committee; Mr. Ma Bao served as a member of the related party transaction supervision committee; Mr. Dong Bin served as a member of the nomination committee, a member of the consumer rights protection committee and ceased to be a member of the audit committee.

During the Reporting Period, the special committees of the Board of Directors agreed with various resolutions and gave advice and recommendations to our related work without objection in accordance with the regulatory regulations and the terms of reference. The duty performance of the special committees is set out as follows:

1. *Strategic Development Committee*

The primary responsibilities of the strategic development committee include: formulating the strategies and development plans and annual operation plans of the Bank; reviewing the annual financial budgets; making a study on the significant reorganizations and agency arrangement of the Bank as well as the structure plan for its controlled subsidiaries and make recommendations; reviewing significant investment, financing, acquisition and merger plans of the Bank; formulating the green finance development strategy, green finance goals of the Bank, and monitoring and evaluating the implementation of the green finance development strategy.

During the Reporting Period, the strategic development committee held eight meetings on 20 January, 18 March, 24 June, 27 June, 20 August, 16 October, 23 October and 10 December, respectively, and considered and reviewed 21 proposals and reports of the Bank, including the work report of the president for 2024, the investment plan for 2025, planning of institutional outlets in 2025, the work report of green finance in 2024, the medium-term capital plan for 2025-2027, the capital adequacy management plan for 2025, cancellation of the establishment of the board of supervisors, the financial budget for 2025, the three-year reform action plan for inclusive finance business, the three-year reform action plan for technology finance, the three-year reform action plan for pension finance, the three-year reform action plan for corporate financial business, the three-year reform action plan for capital business, the three-year development planning for digital risk control, the three-year action plan for promoting the reform and development of village and township banks and the summary and evaluation report on the “14th Five-Year” strategic plan.

2. *Risk Management Committee*

The primary responsibilities of the risk management committee include: reviewing the risk management policy, risk preference and overall structure of risk management of the Bank based on the overall strategy of the Bank; guiding the construction of risk management and compliance management system; monitoring and evaluating the legal construction, risk management, risk tolerance and anti-money laundering of the Bank; evaluating risks and compliance of the Bank on a regular basis; putting forward the overall requirements for risk prevention and making assessment on the effectiveness of risky cases management of the Bank; assessing and supervising the development of new products and major changes to existing products; and supervising and evaluating the annual financial innovation plan and the performance.

During the Reporting Period, the risk management committee held 7 meetings on 17 March, 24 April, 11 June, 27 June, 20 August, 8 December and 29 December, respectively, and considered and reviewed 27 proposals and reports of the Bank, including the compliance management evaluation report for 2024, the internal capital adequacy evaluation report for 2024, the anti-money laundering work report for 2024, the risk management evaluation report for 2024, the report on write-off of doubtful debts for 2024, the risk appetite statement for 2025, information technology risk management report for 2024, consolidated management report for 2024, the case prevention and employee behavior evaluation report for 2024, opinions on the case prevention and control work for 2025 and market risk limit management plan for 2025.

3. *Audit Committee*

During the Reporting Period, members of the audit committee consist of three independent non-executive directors and two non-executive directors and meet the requirements of Rule 3.21 of the Hong Kong Listing Rules. The primary responsibilities of the audit committee include: supervising the internal control of the Bank, and examining and evaluating the compliance of significant operating activities of the Bank; reviewing the major financial policies of the Bank and their implementation and supervising the financial operation; supervising and evaluating the internal audit work of the Bank; proposing to appoint or change the external auditor; reviewing the annual audit report, interim report on financial review and other financial and accounting reports of the Bank and other disclosable financial information prepared by the external auditor; reviewing important regulations and reports such as the internal audit charter, medium and long-term audit plans and annual audit plans; coordinating between the internal audit department and the external auditor; ensuring that attention will be drawn to the improprieties of the employees of the Bank that may occur in financial reporting, internal control or other areas, and procuring the Bank to carry out fair and independent investigation and take appropriate actions in respect of such matters; reviewing the financial information of the Bank and its disclosure; and supervising and evaluating the internal control of the Bank.

During the Reporting Period, the audit committee held 5 meetings on 13 January, 24 March, 24 April, 25 August and 27 October, respectively, and considered and reviewed 26 proposals and reports, including the internal audit work report for 2024, the internal audit work plan for 2025, the financial final accounts plan for 2024, the engagement of accounting firm for 2025, the annual report for 2024 and its summary and results announcement, the first quarter report for 2025, the interim report for 2025 and its summary and results announcement, and the third quarter report for 2025. According to the provisions of the CG Code, the Bank held three meetings between the audit committee and auditors during the Reporting Period.

The audit committee of the Board of Directors of the Bank considered the unaudited financial statements of the Bank for 2025 in the course of preparing its 2025 annual report. In the course of audit and after the issue of a preliminary audit opinion by the auditors in charge of annual audit, the audit committee listened to the report on the operation of the Bank for 2025, exchanged opinions on the significant matters and audit progress with the auditors in charge of annual audit and reviewed the financial statements of the Bank. Before the convening of the annual meeting of the Board of Directors, the audit committee reviewed the Bank's 2025 annual report and agreed to submit the same to the Board of Directors for consideration.

4. *Nomination Committee*

The primary responsibilities of the nomination committee include: assessing the structure, and composition of the Board of Directors; formulating the standard and procedures for the selection of directors and senior management members of the Bank; selecting and reviewing suitable candidates with relevant qualifications for directors and senior management members; formulating, reviewing and discussing the diversity policy of the Board of Directors and supervising the implementation of the diversity policy of the Board of Directors; and assessing the independence of independent directors.

During the Reporting Period, the nomination committee held 4 meetings on 16 April, 24 April, 4 September and 19 December, respectively, and considered and reviewed 6 proposals, including the nomination of Mr. Liu Xiaojun as a candidate for an executive director, the nomination of Mr. Ma Bao, Mr. Dong Bin and Mr. Yuan Gang as candidates for non-executive directors, the engagement of the secretary to the Board and the engagement of the vice president.

The Bank adopted the diversity policy of the Board of Directors. In determining the composition of members, the Board of Directors considers the diversity of members from various aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. The Board of Directors consists of executive directors, non-executive directors and independent non-executive directors, proportion of which shall satisfy domestic laws and regulations, administrative rules and the requirements of the Hong Kong Listing Rules. The nomination committee will evaluate the structure, size and composition of the Board of Directors from time to time to ensure the achievement of the objectives of diversity and the implementation of diversity policy. As of the disclose date of this report, the Board of Directors of the Bank has 2 executive directors, 3 non-executive directors and 2 independent non-executive directors (including 1 female independent non-executive director), and the number of independent non-executive directors is less than 3 and accounts for less than one third of the total members of the Board of Directors. The Bank will complete the election of independent non-executive directors as soon as possible in accordance with relevant procedures. The current composition of the Board of Directors of the Bank has complied with the Hong Kong Listing Rules regarding gender diversity of members of the Board and the diversity policy of the Board of the Bank.

Working procedures of the nomination committee: the nomination committee shall, in accordance with relevant laws, regulations, administrative rules, and provisions of the Articles of Association, and in consideration of the Bank's actual conditions, review the procedures and criteria for electing the Bank's directors and senior management members, and their terms of office; and shall submit such resolution to the Board of Directors; and implement such resolution if it is considered by the Board of Directors.

Procedures for electing directors and senior management members: the nomination committee shall, in consideration of the Bank's actual conditions, present the Bank's requirements for new directors and senior management members; the nomination committee shall collect the information about the candidates' occupations, education backgrounds, professional titles, work experiences and their part-time jobs, etc.; the nomination committee shall seek the nominated persons' agreement of the nomination, or they may not be selected as candidates for directors or senior management members; the nomination committee shall call a meeting of the nomination committee to review the qualifications of the preliminary elected candidates for the positions of directors and senior management members according to their credentials, and make recommendation to the Board of Directors; the nomination committee shall carry out other subsequent work according to the Board of Directors' decision and feedback. During the Reporting Period, the Nomination Committee has nominated candidates for directors and senior management to the Board in compliance with the diversity policy of the Board of the Bank and the above-mentioned procedures for electing directors and senior management. The Nomination Committee and the Board have reviewed the diversity policy of the Board and the director nomination policy, and considered the diversity policy of the Board and the director nomination policy were effective.

5. *Remuneration Committee*

The primary responsibilities of the remuneration committee include: reviewing and considering the Bank's fundamental system and policy of remuneration management; studying and reviewing the remuneration policies and remuneration package for the directors and senior management; reviewing the appraisal of performance of duties of directors and senior management and making recommendation on remuneration allocation of directors and senior management.

During the Reporting Period, the remuneration committee held 2 meetings on 14 March and 19 December, respectively, and considered and reviewed 4 proposals and reports, including the report of the Board of Directors on the evaluation of directors, senior executives and mutual evaluation of independent directors in 2024, the appraisal on the head of the Head Office in 2024, incentive income for the term of the head of the Head Office from 2021 to 2023 and the appraisal indicators for business performance of the head of the Head Office in 2025.

Working procedures of the remuneration committee: the office of the Board of Directors shall be responsible for the preparation for the remuneration committee's decision-making, providing the key financial indicators and achievement in reaching the business objectives of the Bank, the information about achievement of performance targets of directors and senior management and their business innovation ability and operation performance based on such ability and the basis of calculation in the formulation of the remuneration allocation plans and method in accordance with the performance of the Bank, studying, discussing and reviewing the information submitted by the office of the Board one by one, submitting to the Board of Directors for consideration the recommendation on the remuneration for the directors and senior management, and the rewarding method in accordance with the result of appraisal of performance of duties and the remuneration allocation policy, after it is passed by voting.

6. *Related Party Transaction Supervision Committee*

The primary responsibilities of the related party transaction supervision committee include: formulating the fundamental system of related transaction management; identifying the related parties of the Bank, reviewing the significant related party transactions of the Bank and reporting to the Board of Directors and the Board of Supervisors; and receiving filings of general related party transactions.

During the Reporting Period, the related party transaction supervision committee held 10 meetings on 20 February, 24 March, 24 April, 11 June, 24 June, 4 August, 20 August, 27 October, 18 November and 19 December, respectively, and considered and reviewed 39 proposals and reports, including the list of related parties of the Bank, the funds occupied by the controlling shareholders and other related parties in 2024, the related party transaction report in 2024, the related party transaction with CQRC Wealth Management Co., Ltd., the related party transaction with Chongqing Yufu Capital Operation Group Company Limited (重慶渝富資本運營集團有限公司) and its related parties, the related party transaction with Chongqing City Construction Investment (Group) Co., Ltd. (重慶市城市建設投資(集團)有限公司) and its related parties, the related party transaction with Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司) and its related parties, and the filing report of general related party transactions.

7. *Sannong Financial Services Committee*

The primary responsibilities of the Sannong financial services committee include: examining and approving the Bank's Sannong financial services development strategy planning and annual Sannong financial services development goal; examining and approving the Bank's Sannong financial services resource allocation plan; and supervising and evaluating the implementation situation of Sannong financial services by the Bank's operation and management layer.

During the Reporting Period, the Sannong financial services committee held 2 meetings on 14 March and 20 August, respectively, and considered and reviewed 3 proposals and reports, including the Bank's opinions on promoting rural revitalization in all aspects with financial support in 2025, the report on rural revitalization financial service work for 2024 and the work report on the rural revitalization financial services in the first half of 2025.

8. *Consumer Rights Protection Committee*

The primary responsibilities of the consumer rights protection committee include: reviewing the administrative measures for the consumer rights protection of the Bank; reviewing and evaluating the Bank's plan on consumer rights protection; reviewing the report on the consumer rights protection, the audit of consumer rights protection and the rectification report on consumer rights protection problem.

During the Reporting Period, the consumer rights protection committee held 2 meetings on 14 March and 11 June, respectively, and considered and reviewed 5 proposals and reports, including the opinions on financial consumer rights protection in 2025, the assessment results of consumer rights protection in 2024, the report on consumer rights protection in 2024 and the special audit report on consumer rights protection in 2024.

VI. Board of Supervisors and Special Committees

(I) Composition of the Board of Supervisors

The Board of Supervisors as the internal supervisory body in the Bank, shall be responsible to the shareholders' general meeting, and exercise the following powers: supervising and checking the Bank's financial matters; supervising the Bank's directors, president and other senior managers when they perform their duties in the Bank; reviewing the periodic reports prepared by the Board of Directors and submitting written audit opinions; conducting an outgoing audit for directors and senior managers; supervising the Board of Directors in establishing sound operating philosophy, value criterion and setting development strategies that meet requirement of the practices of the Bank; supervising the Bank's business decision-making, risk management and internal control and urging its rectification; supervising the procedure of the election and appointment of directors; conducting a comprehensive evaluation for duty performance of directors, supervisors and senior management; and supervising the compensation management system and policy of the Bank and whether the compensation program for senior management is scientific and appropriate.

Our supervisors are elected for a term of three years and may be subject to re-election upon expiration of their terms of office. Our external supervisors are elected for a term of three years and are eligible for re-election, provided that their terms of office shall not exceed six consecutive years.

As at the end of the Reporting Period, the Board of Supervisors comprised 7 supervisors, including 1 shareholder representative supervisor, namely Ms. Huang Qingqing, 3 external supervisors, namely Mr. Zhang Jinruo, Mr. Hu Yuancong and Mr. Zhang Yingyi; 3 employee representative supervisors, namely Mr. Zheng Yi, Mr. Le Xiaoming and Ms. Zhou Wei. Ms. Huang Qingqing was nominated by Xiamen Huishanghong Equity Investment Co., Ltd. (廈門市匯尚泓股權投資有限公司).

(II) Special Committees of the Board of Supervisors

The Board of Supervisors may set up a nomination committee, an audit committee, a due diligence supervision committee, and an internal control and review committee. The Board of Supervisors may establish other special committees or adjust the existing committees based on its work needs. Each special committee under the Board of Supervisors shall be responsible to the Board of Supervisors and assist the Board of Supervisors in performing its duties.

Among which, Zhang Jinruo serves as the chairman of the nomination committee and Zhang Yingyi and Le Xiaoming serve as members. The nomination committee is primarily responsible for preparing the selection and appointment procedures and criteria of non-employee supervisors, making a preliminary review for qualification of candidates for non-employee supervisors and proposing suggestions to the Board of Supervisors.

Zhang Yingyi serves as the chairman of the audit committee and Huang Qingqing and Zheng Yi serve as members. The audit committee is primarily responsible to formulate inspection and supervision programs for the financial activities of the Bank; to formulate an audit program for the business decision-making, risk management and internal control of the Bank.

Hu Yuancong serves as the chairman of the due diligence supervision committee and Le Xiaoming and Zhou Wei serve as members. The due diligence supervision committee is primarily responsible to supervise due diligence situations of the Board of Directors, the Board of Supervisors and senior management and their members, conducting a comprehensive evaluation and reporting to the Board of Supervisors.

Hu Yuancong serves as the chairman of the internal control and review committee and Zheng Yi and Zhou Wei serve as members. The internal control and review committee is primarily responsible for organizing the audit and assessment of the Bank's business decision-making, risk management and internal control.

(III) Meetings of the Board of Supervisors

During the Reporting Period, the Board of Supervisors held 8 meetings at which proposals and reports mainly including annual conclusion of the Board of Supervisors, report on centralized supervision and inspection, special investigation reports on core business, financial budgets and accounts, profit distribution and report on internal control evaluation were considered and heard. During the Reporting Period, the supervisors of the Bank did not raise any objection to various supervisory matters.

Attendance records of the supervisors at general meetings, meetings of the Board of Supervisors and meetings of special committees of the Board of Supervisors during the Reporting Period are set out as follows:

Supervisors	General Meeting	Board of Supervisors	Special Committees of the Board of Supervisors			
			Due Diligence Supervision Committee	Internal Control and Review Committee	Audit Committee	Nomination Committee
Shareholder Representative Supervisor						
Huang Qingqing	2/2	8/8			4/4	
External Supervisors						
Zhang Jinruo	2/2	8/8				0/0
Hu Yuancong	2/2	8/8	1/1	1/1		
Zhang Yingyi	2/2	8/8			4/4	0/0
Employee Representative Supervisors						
Zheng Yi	2/2	8/8		1/1	4/4	
Le Xiaoming	2/2	8/8	1/1			0/0
Zhou Wei	2/2	8/8	1/1	1/1		

Notes:

- (1) “Attendances in person” refers to attending meetings in person or on telephone or by video conference.
- (2) For the change of supervisors, please refer to the section headed “Information on Directors, Supervisors and Senior Management”.

VII. Senior Management

The senior management, as the executive body of the Bank, shall report to the Board of Directors and the Board of Supervisors the Bank's operating performance, important contracts, financial conditions, risk status and business prospects in a timely, accurate and complete manner as required.

The Bank implements the president responsibility system under the leadership of the Board of Directors. The president is appointed by the Board of Directors and is responsible to the Board of Directors. The president has the right to organize operating and management activities in accordance with laws and regulations, the Articles of Association and the authorization of the Board of Directors. His/her main responsibilities include: presiding over the daily administrative, business and financial management of the Bank, and reporting to the Board of Directors; organizing and implementing the resolutions of the Board of Directors, the annual plan and investment plan of the Bank; formulating the internal management and organization establishment plans, basic management systems and specific regulations and rules of the Bank; establishing the accountability system of the president, and assessing the heads of business departments, functional departments and branches; authorizing the members of the senior management and the heads of internal functional departments and branches to engage in operating activities, etc.

VIII. Information on Employees and Institutes

(I) Employees

As of the end of 2025, the Group had 14,266 regular employees, among which, the Bank had 13,853 employees and subsidiaries had 413 employees.

Number of regular employees of the Bank

Position Structure

Business development	10,411
Technical information	583
Risk control	1,025
Operation and general management	1,834

Age Structure

30 and below	1,515
31-40	6,431
41-50	3,351
Above 51	2,556

Academic Background Structure

Master's degree and above	1,228
Bachelor's degree	10,413
College's degree and below	2,212

Notes:

- (1) In addition, the Bank had 376 dispatch workers, 171 internally retired employees and 8,135 retired employees;
- (2) The ratio of male to female employees in the Bank is approximately 1.1:1. The Bank has realized diversity in 2025, with a relatively balanced gender ratio, and there are no other factors and circumstances that are challengeable or irrelevant to the diversity.

(II) Overall Situation of Human Resources Management Work

In 2025, the Bank adhered to the Party's management of cadres and talents, optimized the talent construction system of "selection, cultivation, management and employment" and promoted to accurately "select" talents, systematically "cultivate" talents, intelligently "manage" talents and rationally "employ" talents, providing talent guarantee and intellectual support for the construction of "three new momentums".

Optimized the organizational structure. The Bank adhered to the principle that "Party building has vitality, doing it well is productivity, and doing it carefully is competitiveness", optimized the setting of Party building departments, adjusted the functions and responsibilities of institutional business, rural revitalization, village and township banks and trade union management, and formed a framework system that was compatible with the construction of the "three new momentums".

Strengthened the construction of the teams of cadres and talents. The Bank has iterated the cadre management system and mechanism and advanced the competitive selection of cadres, multi-position exchanges and performance-based promotion and demotion. The Bank has conducted five rounds of open recruitment for seven categories of positions in a tiered and categorized manner and firmly established the orientation of "training personnel in multiple positions, using personnel based on actual performance, and dispatching personnel to the front line of operation". The Bank has innovated the talent introduction and development mechanism and held more than 1,100 sessions of special trainings with more than 190,000 participants. The Bank vigorously introduced high-level professional talent and won the "Outstanding Contribution Enterprise Award for Attracting Talents" by the SASAS system.

Created a good atmosphere of actively performing responsibilities and commitments. The Bank insisted on taking the reform as the "touchstone" to test leading cadres at all levels, built a "composite brigade" of business, and improved the "work efficiency" of the team. The Bank took the work style of "making a clear distinction between public and private interests, being simple and bright, thinking on alternate position, working together in unity and striving for excellence" as the content that employees must learn and research, and guided employees to actively participate in the practice of building the "three new momentums".

(III) Employee Remuneration Policy

The Bank strictly complies with relevant national regulations, regulatory requirements and corporate governance procedures, and adheres to the principle of combining remuneration management with enterprise strategic goals and linking it to operating performance. The Bank refines and improves the restraint mechanism and build a stable, fair and efficient remuneration system, so as to guarantee the basic lives of employees with basic remuneration and closely link performance-based remuneration with operating performance and risk management and control and make payment based on the operating efficiency and the assessment of work performance. In order to promote the balance between risks and incentives, the Bank continued to optimize the internal allocation structure and took into account the short-term incentive and long-term stable development. The Bank established a sound mechanism for deferred payment, recourse and deduction of performance remuneration in accordance with regulatory requirements and based on the needs of operation and management. During the Reporting Period, the recovered and deduced performance remuneration amounted to RMB2.9093 million in total.

(IV) Training Plan

The Bank thoroughly implemented the regulations on education and training of cadres, adhered to the unity of problem orientation, goal orientation and result orientation, took the improvement of the quality and efficiency of education and training as the core, deepened the dual-wheel drive of the practice of Party's innovative theory and the training of business capabilities, and promoted the reform and innovation of the education and training system. The Bank focused on job performance requirements, optimized the design of training contents, carried out practical project-based training closely in line with actual business scenarios, and tested the effectiveness of training transformation through evaluation of project results, promoting the comprehensive improvement of the political ability, professional competence and duty performance level of the employees of the Bank.

(V) The Distribution of Branches

Operating outlets are the primary distribution channels of the Bank. By the end of 2025, the Bank had 1,727 branches, including the Head Office and the business department, 7 branches, 35 first-class sub-branches, 172 second-class sub-branches, and 1,511 branch offices. Among which, Yunnan Qujing Branch is the first off-site branch of a rural commercial bank in China. The network of sub-branches covers all the 37 administrative districts and counties with 1,422 distribution outlets in the county area of Chongqing and 303 outlets in the city's urban area. The Bank intensified efforts to optimize and adjust the layout of outlets to improve its service coverage, service capabilities and operational efficiency.

To expand the scope of customer services and provide customers with more convenient services, by the end of 2025, the Bank established 49 24-hour self-service banking centers, 6,276 self-service equipment (3,064 smart counters and 3,212 automatic teller machines), and the proportion of machine to outlet was 3.63:1. The Bank continued to deepen the basic financial services in rural areas, increased the support for rural revitalization. 301 convenient rural financial service centers had been established and put into use. The Bank extended its financial service coverage whilst bringing convenience and benefits to the people in rural area. It won widespread recognition from the local government and the general public.

Corporate Governance Report

Name	Address	Number of Outlet	Number of staff	Assets Size (RMB100 million)
Head Office and Business Department	No. 36 Jinshamen Road, Jiangbei District, Chongqing City	2	1,771	3,836.73
Yuzhong Branch	No. 142 Xinhua Road, Yuzhong District, Chongqing City	9	145	225.62
Dadukou Branch	1-3, 1-4-1-1, Block 1; 1-4-1-2, 1-4-2-2, Block 1, 11 Tianchenhuafu, Chunhui Road Street, Dadukou District, Chongqing City	13	157	152.48
Jiangbei Branch	1-1, No. 10, Yanghe Road East, Jiangbei District, Chongqing City	28	276	276.14
Shapingba Branch	Annex 37, 38, 39, No. 118 Xiaoyanggong Bridge, Shapingba District, Chongqing City	28	271	305.11
Jiulongpo Branch	Annex 1, No. 2 Xijiao Road, Yang Jia Ping, Jiulongpo District, Chongqing City	40	308	354.89
Kexuecheng Branch	No. 28, Xiyong Avenue, High-tech Zone, Chongqing City	16	315	189.31
Nan'an Branch	No. 24 Jiangnan Avenue, Nanping, Nan'an District, Chongqing City	30	250	277.09
Beibei Branch	No. 20 Beixia West Road, Beibei District, Chongqing City	27	293	284.02
Yubei Branch	1-1, Block 1, No. 91 Shuanglong Avenue, Shuanglonghu Street, Yubei District, Chongqing City	37	238	319.23
Liangjiang Branch	No. 21, 23, 25 Jintong Road, New North Zone, Chongqing City	17	146	298.96
Ba'nian Branch	No. 145 Longzhou Avenue, Ba'nian District, Chongqing City	56	347	374.54
Wansheng Branch	No. 36 Wandong North Road, Wansheng District, Chongqing City	13	123	97.08
Fuling Branch	Block 1, Hongfu Building No. 55 Xinghua Middle Road, Fuling District, Chongqing City	71	391	390.31
Changshou Branch	No. 13 Xiangyang Road, Fengcheng Street Office, Changshou District, Chongqing City	44	305	293.95
Jiangjin Branch	Annex 6, 7, No. 183, Xijiang Avenue, Shengquan Street, Jiangjin District, Chongqing City	83	462	570.49
Hechuan Branch	No. 2 Jiuchang Road, Hechuan District, Chongqing City	88	525	642.47
Yongchuan Branch	No. 399, Honghe Middle Road, Yongchuan District, Chongqing City	55	326	340.52
Nanchuan Branch	No. 24 Jinfa Avenue, Nanchuan District, Chongqing City	40	263	218.58
Qijiang Branch	No. 34 Jiulong Avenue, Wenlong Street, Qijiang District, Chongqing City	42	274	250.03
Tongnan Branch	No. 4, Xingtong Avenue, Guilin Street Office, Tongnan District, Chongqing City	39	246	227.29
Tongliang Branch	No. 102 Zhongxing Road, Bachuan Street, Tongliang District, Chongqing City	50	321	295.98
Dazu Branch	Annex 1, No. 227 Middle Section of Wuxing Avenue, Tangxiang Street, Dazu District, Chongqing City	38	273	252.78
Rongchang Branch	No. 106 Haitang Avenue, Changzhou Street, Rongchang District, Chongqing City	36	256	220.73
Bishan Branch	No. 91 Jianshan Road, Biquan Street, Bishan District, Chongqing City	40	302	298.57
Wanzhou Branch	No. 91 Taibai Road, Wanzhou District, Chongqing City	89	605	626.91
Liangping Branch	No. 1, Block 26, Minghao Commercial Area, Liangshan Street, Liangping District, Chongqing City	44	314	322.59
Chengkou Branch	No. 30 South Street, Gecheng Town, Chengkou County, Chongqing City	25	151	88.34
Fengdu Branch	No. 187 2nd Shangye Road, Sanhe Street, Fengdu County, Chongqing City	47	300	295.96
Dianjiang Branch	No. 371 Renmin East Road, Guixi Street, Dianjiang County, Chongqing City	47	293	250.00
Zhong County Branch	No. 49 Ba Wang Road, Zhongzhou Town, Zhong County, Chongqing City	57	345	302.33
Kaizhou Branch	(Shimin Plaza) Kaizhou Avenue, Hanfeng Street Office, Kaizhou District, Chongqing City	63	432	555.85
Yunyang Branch	No. 1335 Yunjiang Avenue, Qinglong Street, Yunyang County, Chongqing City	68	423	417.27
Fengjie Branch	No. 32 Gongping Lane, Yufu Street, Fengjie County, Chongqing City	46	325	271.58
Wushan Branch	No. 258 Guangdong Middle Road, Wushan County, Chongqing City	31	230	144.98
Wuxi Branch	Unit 1-1, No. 7 Yanghe Garden, No. 25 Binhe Zhilu, Boyang Street, Wuxi County, Chongqing City	38	261	154.06
Qianjiang Branch	No. 217 Jiefang Road, Chengdong Street, Qianjiang District, Chongqing City	35	263	149.00
Wulong Branch	No. 36 Furong Middle Road, Furong Street, Wulong District, Chongqing City	33	245	181.81
Shizhu Branch	Annex 6, No. 10 Wanshou Avenue, Nanbin Street, Shizhu Tujia Autonomous County, Chongqing City	33	209	201.88
Xiushan Branch	No. 35, Yuxiu Avenue, Zhonghe Street, Xiushan Tujia and Miao Autonomous County, Chongqing City	34	239	163.81
Youyang Branch	No. 6, Middle Section of Taohuayuan Avenue, Taohuayuan Street, Youyang Tujia and Miao Autonomous County, Chongqing City	47	286	214.12
Pengshui Branch	Annex 4, No. 2 Shizui Street, Hanjia Street, Pengshui Miao and Tujia Autonomous County, Chongqing City	46	293	180.73
Qujing Branch	No. 460, Qilin West Road, Qilin District, Qujing City, Yunnan Province	2	55	57.80
Total		1,727	13,853	15,571.94

IX. Profit and Dividends

(I) Formulation and implementation of the cash dividend policy

According to the Articles of Association, the Bank may distribute dividend in the form of cash, share, or a combination of cash and share. The profit distribution policy of the Bank shall be focused on generating reasonable return for investors. The profit distribution policy shall maintain its continuity and stability and, meanwhile, give consideration to the long-term interests of the Bank, the interests of the shareholders as a whole and the sustainable development of the Bank. Cash shall be the main form of dividend distributed by the Bank. If required under the regulatory requirements of the securities regulatory authorities at the places where the shares of the Bank are listed, the Bank shall provide online voting platform when the profit distribution plan is considered and deliberated. Except under special circumstances, the Bank shall distribute profit to shareholders of ordinary shares in the form of cash every year with an aggregate amount not less than 10% of the net profit attributed to shareholders of the Bank.

During the Reporting Period, the Bank's profit distribution plan for 2024 was strictly implemented in accordance with the relevant provisions of the Articles of Association, and the standard and proportion for dividend distribution were clear and distinct. The Bank implemented the interim profit distribution plan in 2024. According to the resolution passed at the 2024 first extraordinary general meeting of the Bank held on 16 December 2024, the interim cash dividend of RMB0.1944 per share (tax inclusive) for 2024 will be distributed to all shareholders with a total of RMB2.208 billion (tax inclusive) distributed, based on the total share capital of 11.357 billion shares. Specifically: cash dividend of RMB1.719 billion (tax inclusive) was distributed for A shares on 23 January 2025; cash dividend of RMB489 million (tax inclusive) was distributed for H shares in HKD on 23 January 2025.

According to the resolution passed at the 2024 annual general meeting of the Bank held on 21 May 2025, a final cash dividend of RMB0.1102 per share (tax inclusive) for 2024 was distributed to all shareholders with a total of RMB1.252 billion (tax inclusive) distributed, based on the total share capital of 11.357 billion shares. Specifically: cash dividend of RMB975 million (tax inclusive) was distributed for A shares on 27 June 2025; cash dividend of RMB277 million (tax inclusive) was distributed for H shares in HKD on 27 June 2025. A cash dividend of RMB0.3046 per share (tax inclusive) for the whole year was distributed to all the shareholders with an aggregate amount of RMB3.459 billion (tax inclusive).

The Bank implemented the interim profit distribution plan in 2025. As authorized by the 2024 annual general meeting of the Bank held on 21 May 2025 and according to the resolution passed at the 66th meeting of the fifth session of the Board of the Bank, the interim cash dividend of RMB0.20336 per share (tax inclusive) for 2025 will be distributed to all shareholders with a total of RMB2.310 billion (tax inclusive) distributed, based on the total share capital of 11.357 billion shares. Specifically: cash dividend of RMB1.798 billion (tax inclusive) was distributed for A shares on 23 January 2026; cash dividend of RMB511 million (tax inclusive) was distributed for H shares in HKD on 23 January 2026.

The Bank's profit distribution plan for 2025 will also be implemented in strict accordance with the relevant provisions of the Articles of Association of the Bank and will be submitted to the Bank's 2025 annual general meeting for consideration upon consideration and approval by the Bank's Board of Directors. The independent directors of the Bank have issued concurring independent opinions on the profit distribution plans for 2024 and 2025 and the interim profit distribution plan for 2024 and 2025, and the Bank has fully protected the legitimate rights and interests of small and medium-sized investors during the process of equity distribution plans and implementation of plans.

(II) 2025 Profit Distribution Plan

On the basis of the audited after tax profit of the Bank for 2025 in the amount of RMB10.853 billion, 10% of such profit (being RMB1.085 billion) was appropriated for statutory surplus reserve. On the basis of the remaining amount of risk assets, RMB1.914 billion was provided for the general risk reserve. The cash dividends of RMB2.310 billion (tax inclusive) have been distributed to all the shareholders at a par value of RMB2.0336 per 10 shares (tax inclusive) during the 2025 interim period. The Board of Directors recommended a distribution of final cash dividends for 2025 to all the shareholders at a par value of RMB1.1755 per 10 shares (tax inclusive) with an aggregate amount of RMB1.335 billion (tax inclusive) and a distribution of cash dividends for the whole year to all the shareholders at a par value of RMB3.2091 per 10 shares (tax inclusive) with an aggregate amount of RMB3.645 billion (tax inclusive), and the remaining profit after tax will be transferred to undistributed profit. Subject to approval, the final cash dividends for 2025 are expected to be distributed to all shareholders whose names appeared on the register of members of the Bank after the closing of the stock market on 15 June 2026. The dividends for A shares are expected to be distributed on Tuesday, 16 June 2026 and the dividends for H shares are expected to be distributed on Monday, 27 July 2026. Such proposed dividends will be denominated in RMB. Dividends payable to holders of A shares shall be paid in RMB, whereas holders of H shares will be provided with the option of dividend distribution in RMB. Holders of H shares have the right to choose to receive the final dividends of H shares in RMB or HKD in whole (HKSCC Nominees Limited may choose to receive the dividends in whole or in part). The translation exchange rate for final dividends of H shares shall be determined based on the average of the reference rates of RMB against HKD published daily at 11:00 a.m. by the China Foreign Exchange Trade System for the five working days prior to the commencement date for the shareholders to select currency (excluding the commencement date).

(III) Profit distribution in the past three years

Year of dividend distribution	Dividend per 10 shares (RMB, Tax inclusive)	Total cash dividends (RMB100 million, Tax inclusive)	As a percentage of net profit attributable to shareholders of listed company (%)
2025	3.2091	36.45	30.05
2024	3.046	34.59	30.05
2023	2.885	32.76	30.05

Note: The profit distribution plan for 2025 shall be subject to the consideration and approval at the 2025 annual general meeting.

X. Incentive Measures

During the Reporting Period, the Bank had no equity incentive plan, employee stock ownership plan or other employee incentives.

XI. Risk Management and Internal Control

The Bank formulated the Outline of Internal Control Management of Chongqing Rural Commercial Bank Co., Ltd. (《重慶農村商業銀行內部控制管理大綱》) and Basic System of Risk Management of Chongqing Rural Commercial Bank Co., Ltd. (《重慶農村商業銀行風險管理基本制度》), etc. With a sound organizational structure and clear levels of responsibilities and reporting procedures, the Bank has established a risk management and internal control framework. Among them, the Board of Directors is responsible for the establishment, improvement and effective implementation of the risk management and internal control system. The Board of Supervisors supervises the establishment and implementation of risk management and internal control by the Board of Directors and senior management. The senior management is responsible for the ordinary operation of risk management and internal control of the Bank. Meanwhile, the Board of Directors established committees, such as Audit Committee, Risk Management Committee and Related Party Transaction Supervision Committee to assist the Board of Directors in performing its supervisory and corporate governance duties, covering the Group's compliance management, risk management, internal control, financial resources and internal audit functions. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

During the Reporting Period, the Bank carried out the construction, supervision and evaluation of internal control system, the activity of “Year of Establishing and Strengthening the Compliance System”, case risk investigation, employee abnormal behavior investigation, consumer protection special inspection, etc. according to the regulatory requirements and in combination with the Bank's actual situation, continuously improving the duty performance capabilities and effect of lines, continuously enhancing employees' compliance awareness, and further improving the compliance of business development and the effectiveness of internal control management.

During the Reporting Period, the Bank evaluated the internal control status in 2025, and no major defects were found in the internal control of the Bank after review by the Board of Directors of the Bank. For details, please refer to the 2025 Internal Control Evaluation Report of Chongqing Rural Commercial Bank Co., Ltd. published on the websites of Shanghai Stock Exchange and the HKEXnews website of the Hong Kong Stock Exchange and the 2025 Internal Control Audit Report of Chongqing Rural Commercial Bank Co., Ltd. issued by KPMG Huazhen LLP with standard unqualified opinion.

The Bank has established a risk management system of “comprehensive, full-service, all-staff” to achieve full coverage management of all kinds of risks, all kinds of institutions and all kinds of product risks, and regularly conducts comprehensive evaluations on the risk management at the group level, the contents of which include the construction of risk management system, implementation of risk preference and limit, capital management, stress test, emergency response mechanism, consolidated management, credit/liquidity/market/banking book interest rate/operational/information technology/reputation/money laundering risk, etc., as well as information system and data quality, covering the management situation, development trend and next step plan, etc. The evaluation results shall be reported to the senior management and the Board of Directors.

The Group adhered to the risk management concept of “risk-oriented and capital constraint”, implemented prudent risk culture, and promoted the understanding and implementation of all employees through trainings, appraisal, supervision and other mechanism. For branches and sub-branches, compliance management indicators and risk management indicators outweighed other indicators, which guided employees to adhere to compliance bottom line and strengthened risk management.

Please refer to the “Chapter 3 Management Discussion and Analysis – VIII. Risk Management” of this report for information about the Bank’s risk management in 2025.

During the Reporting Period, the Board of Directors of the Bank have completed overall assessment on the effectiveness of the risk management systems of the Bank for 2024 and the first half year of 2025. The Board of Directors believes that, the overall operation of the Bank’s risk management and internal control systems is sufficient and effective. No major issues should be especially concerned with during the year.

XII. Chairman and President

Pursuant to the code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. In 2025, Mr. Sui Jun served as the president of the Bank, and was elected by the Board of Directors to act on behalf of the chairman temporarily. Under the supervision of the Board, the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Bank and its shareholders. In addition, the Board of Directors of the Bank is the decision-making organ, and the senior management is the executive organ, the main body of governance featured clear responsibilities, and all major events are decided by collective decision-making at relevant meetings. Meanwhile, the duties of the chairman and the president of the Bank are clearly defined. The chairman is responsible for leading the Board of Directors so as to ensure that it functions efficiently and discusses all material matters in a timely manner. The president is responsible for the operation and management of the Bank and discharges his duties in accordance with the Articles of Association and the authorization of the Board of Directors. The Board of Directors and senior management of the Bank assumed their respective positions and fulfilled their respective responsibilities, and the Group operated in an orderly and efficient manner. Therefore, the Bank considers that the above arrangements will not affect the balance of rights among the governance entities of the Bank and can ensure the effective operation of the Bank under a sound corporate governance structure. On 8 January 2026, the National Financial Regulatory Administration Chongqing Office approved the qualification of Mr. Liu Xiaojun to serve as the director and the chairman of the Bank, with a term ending on the expiration date of the 5th session of the Board of the Bank. At present, the Bank has complied with the code provision C.2.1 of the CG Code.

XIII. Securities Transactions by Directors and Supervisors

The Bank has adopted, in respect of securities transactions by directors and supervisors, the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Hong Kong Listing Rules. Having made specific enquiries with all directors and supervisors, all directors and supervisors confirmed that they have complied with the Model Code for the year ended 31 December 2025.

XIV. External Auditors’ and Auditors’ Remuneration

As considered and approved by the 2022 annual general meeting of the Bank, the Bank re-appointed KPMG Huazhen LLP and KPMG as external auditors of the Bank for 2023. As considered and approved by the 2023 annual general meeting of the Bank, the Bank re-appointed KPMG Huazhen LLP and KPMG as external auditors of the Bank for 2024. As considered and approved by the 2024 annual general meeting of the Bank, the Bank appointed KPMG Huazhen LLP and KPMG as external auditors of the Bank of 2025. The Bank’s 2025 financial statements prepared by the Bank in accordance with the Chinese Accounting Standards and internal control in 2025 have been audited by KPMG Huazhen LLP, and signed by certified public accountants Xue Chenjun and Wang Weishun. The 2025 financial statements prepared in accordance with the International Financial Reporting Standards have been audited by KPMG, and signed by accountant Pang Shing Chor Eric. KPMG Huazhen LLP and KPMG served as the external auditors of the Bank for the fourth consecutive year. Xue Chenjun acted in the capacity of undersigning accountants of the Bank for the fourth consecutive year, Wang Weishun acted in the capacity of undersigning accountant of the Bank for the third consecutive year, and Pang Shing Chor Eric acted in the capacity of undersigning accountant of the Bank for the second consecutive year. The Bank has not changed its auditors in the last three years.

The remuneration for the auditors of 2025 amounted to RMB5.655 million (tax inclusive), including internal control audit expenses of RMB605,000.

XV. Company Secretary

The Bank appointed Ms. Leung Wing Han Sharon of Tricor Services Limited, an external service provider, as the company secretary of the Bank. Ms. Leung Wing Han Sharon complied with the requirements under Rule 3.29 of the Hong Kong Listing Rules by receiving relevant professional training for not less than 15 hours during the Reporting Period.

Mr. Tan Bin, the secretary to the Board of the Bank, was the primary contact person for the external company secretary.

XVI. Rights of Shareholders

(I) Rights of shareholders to request the convening of an extraordinary general meeting

Upon the requisition in writing of shareholders, individually or jointly, holding more than 10% of the Bank's issued shares carrying the voting rights, the Bank shall convene an extraordinary general meeting within 2 months.

The Board of Directors shall make a written feedback within ten days from the date of receiving the request. Where the Board agrees to convene the meeting, it shall issue a notice regarding the convening within five days from the date of the resolution concerned. Where the Board disagrees with the convening, or makes no feedback, the Shareholders who propose to convene the meeting shall make a written request to the Board of Supervisors. Where the Board of Supervisors agrees with the convening, it shall release a notice regarding the convening within five days from the date of receiving the request. Where Board of Supervisors fails to issue such a notice, the shareholders individually or jointly having more than 10 percent of the Bank's shares carrying the voting rights for more than 90 consecutive days may convene and preside over an extraordinary general meeting.

(II) Rights of shareholders to make provisional proposals for the general meeting

As for the general meeting in the Bank, the shareholders individually or jointly holding more than 1% of the total voting shares in the Bank, shall all have the right to present new proposals in writing to the Bank, and the Bank shall place into the agenda of the meeting the matters in such proposals falling within the functions of the general meeting.

The shareholders individually or jointly holding more than 1% of the total voting shares in the Bank, may make written provisional proposals to the Bank ten days before the meeting, and submit such proposals to the convener. The convener shall, within two days after receiving such proposals, issue a supplementary notice to the general meeting, stating such provisional proposals.

(III) Shareholder's inquiry right

After a shareholder provides the Bank with written documents certifying the class and number of shares of the Bank he/she held and verifying his/her identity, he/she shall have the right to inspect the relevant information of the Bank in accordance with the Articles of Association, including the Articles of Association, the minutes or resolutions of the general meeting, the resolutions of the Board of Directors, the resolutions of the Board of Supervisors, and the periodic reports announced by the Bank.

XVII. Information Disclosure and Investor Relations

(I) Information Disclosure

During the Reporting Period, the Bank strictly complied with relevant laws and regulations on information disclosure, and earnestly performed its obligation of information disclosure. The Bank continued to standardize the information disclosure acts of the Bank and relevant information disclosure obligors to ensure that information disclosure was true, accurate, complete and timely, and operated in accordance with the law, effectively safeguarding the legitimate rights and interests of the Bank, investors and other stakeholders.

At the same time, the Bank formulated the Management Measures for Registration of Insiders of Inside Information, and strictly implemented the management of confidentiality and registration of insiders of inside information according to such Measures. During the Reporting Period, no insider was found to use insider information to buy or sell the shares of the Bank.

(II) Investor Relations

The Bank strictly complied with relevant requirements of the “Shareholder Communication Policy” of the Hong Kong Listing Rules and formulated the shareholder communication policy of the Bank. During the Reporting Period, the Bank communicated with investors many times about the Bank’s development strategy, business situation, financial conditions and other matters through performance briefing, analyst meeting, acceptance of investor research, SSE e-interaction, IR email, investor hotline, etc., keeping good information transparency and effectively meeting the communication needs of domestic and foreign investors. Based on the above, during the Reporting Period, the Bank has reviewed the implementation of the shareholder communication policy and considered such policy was effective.

(III) Amendments to the Articles of Association

On 10 December 2025, the resolution in relation to amendments to the Articles of Association of Chongqing Rural Commercial Bank Co., Ltd. was considered and approved at the 2025 first extraordinary general meeting of the Bank, at which the Board was authorized to make corresponding adjustments to the Articles of Association in accordance with the opinions or requirements of the regulatory authorities, the stock exchanges in which the Bank’s shares are listed and the relevant authorities. The Board delegated the senior management to handle the application for approval of the amendments to the Articles of Association and the filing with the market supervision and regulatory authorities, and other related matters. On 15 December 2025, the Board of the Bank made further minor amendments to the Articles of Association in accordance with the opinions from the regulatory authorities and upon authorization at the general meeting (For details of the amendments, please refer to the relevant announcements of the Company).

(IV) Shareholders' Enquiries

Any enquiries related to the shareholding, including the transfer of shares, change of address, loss of share certificates and dividend warrants, should be sent in writing to the following address:

A Shares:

Shanghai branch of China Securities Depository and Clearing Company Limited
No.188, Yanggao South Road, Pudong New District, Shanghai
Tel: (86) 4008058058 (customer service center)

H Shares:

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong
Telephone: (852) 2862 2863
Facsimile: (852) 2865 0990/(852) 2529 6087

(V) Investor Relations Contact Information

Shareholders and investors may send enquiries to the Board of Directors to the following:

Office of the Board of Directors of the Bank
Address: No. 36 Jinshamen Road, Jiangbei District, Chongqing, China
Telephone: (86) 23-6111 0637
Facsimile: (86) 23-6111 0844
Email: ir@cqrcb.com

Principal Place of Business in Hong Kong of the Bank:
Room 1920, 19th Floor, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong

This report is available on the website of the Bank (www.cqrcb.com), the HKEXnews website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the website of Shanghai Stock Exchange (www.sse.com.cn).

XVIII. Evaluation of the “Improving Quality, Increasing Efficiency and Enhancing Returns” Action Plan

In order to thoroughly implement the requirements of the Opinions on Further Improving the Quality of Listed Companies issued by the State Council, promote the high-quality development and improvement of investment value of the Company, and effectively protect the legitimate rights and interest of investors, especially small and medium-sized investors, the Bank disclosed the “Improving Quality, Increasing Efficiency and Enhancing Returns” Action Plan on the website of the Shanghai Stock Exchange on 7 March 2025. In 2025, the Bank deeply practiced the political and people-oriented nature of financial work, conscientiously implemented the requirements of major national deployment and supervision work, actively constructed the “three new momentums”, achieved steady improvement in development benefits, made remarkable achievements in serving major strategies, focused on the “five major areas” of finance to make precise efforts, and comprehensively strengthened risk prevention and control measures. For details of the Bank’s operation, please refer to the “Chapter 3 Management Discussion and Analysis” of this Report. In order to further enhance the sense of gain of investors, the Bank continued to implement interim dividend in 2025 and completed the distribution in January 2026. The final dividend in 2025 is expected to be distributed to holders of A shares and holders of H shares on Tuesday, 16 June 2026 and Monday, 27 July 2026, respectively. The Bank continued to fulfill its information disclosure obligations in accordance with laws and regulations, and continued to strengthen communication and exchange with investors and actively conveyed the corporate value by making full use of diversified forms such as results presentation and characteristic survey activities of rural revitalization branches and sub-branches.

XIX. Other Information

The Bank holds a financial license number B0335H250000001 approved by the regulatory authority of the banking industry, and was authorized by the Market Supervision Administration of Chongqing Municipality to obtain a corporate legal person business license with a unified social credit code 91500000676129728J. The Bank is not an authorized institution in accordance with the Hong Kong Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorized to carry on banking and deposit-taking business in Hong Kong.

Environmental and Social Responsibilities

The Bank and its subsidiaries are not the key pollutant discharge units announced by the environmental protection department, and there was no environmental violation information during the Reporting Period. For details of the performance of social responsibilities of the Bank, please refer to the 2025 Sustainability Report of Chongqing Rural Commercial Bank Co., Ltd. published on the website of Shanghai Stock Exchange, the HKEXnews website of the Hong Kong Stock Exchange and the website of the Bank.

I. Develop Green Finance

In 2025, the Bank anchored itself on the strategic direction of “ecological priority and green development”, driving sound progress in all aspects of green finance through multi-pronged efforts.

Total scale reached new heights. The Bank thoroughly implemented the 2025 Catalog of Projects Supported by Green Finance, vigorously guiding branches and sub-branches to increase financial support for green industries. As of the end of 2025, the balance of green credit¹ was RMB82.817 billion, representing a net increase of RMB15.064 billion or 22.23% as compared to the end of the previous year. The Bank provided key support to such critical areas as green upgrading of infrastructure, ecological protection, restoration and utilization, as well as green and low-carbon energy transformation, which injected robust green momentum into the Bank’s asset structure optimization.

Quantifiable results were achieved in carbon reduction. The Bank actively utilized national carbon emission reduction support tools and granted carbon emission reduction loans of RMB3.759 billion to a total of 64 projects, driving an annual carbon emission reduction of 2.4395 million tCO₂e, delivering tangible results in supporting the achievement of the “dual carbon” goals and promoting the improvement of regional ecological environment. The Bank successfully implemented the first “product carbon footprint” linked loan in Chongqing, enriching its carbon financial product matrix, and innovated the service model of “carbon labeling of agricultural and sideline products + transition finance”, supporting the low-carbon transformation of the traditional agricultural processing industry. With solid practical results, the Bank was recognized as “Annual Green Finance Pioneer” in NetEase Finance’s 2025 Excellent Corporate ESG Practice Cases, establishing a regional benchmark in green finance.

Breakthroughs were made in multiple areas of transition finance. The Bank strictly complied with regulatory requirements, formulated and implemented a transition loan plan, focused on the green and low-carbon transformation needs of high-carbon industries. In 2025, the Bank cumulatively issued RMB487 million in transition loans compliant with new standards, prioritizing support for enterprises in non-ferrous metals, agricultural breeding, chemical industry and other fields to achieve low-carbon transformation, providing strong financial support for the optimization and upgrading of the industrial structure.

¹ For the statistical criteria, please refer to the Notice of the People’s Bank of China, the China’s National Financial Regulatory Administration, and the China Securities Regulatory Commission on Issuing the Catalog of Projects Supported by Green Finance (2025 Edition)

II. Facilitate Rural Revitalization

The Bank focused on the main responsibility and business of supporting “agriculture, rural areas and farmers”, fully supported the deepening of urban-rural integration and comprehensive rural revitalization, and provided financial services for the high-quality development of local economy.

Promoted reform, optimized mechanisms, and enhanced the quality and efficiency of rural financial services. At the beginning of the year, the Bank issued the opinions on financial support to promote the comprehensive rural revitalization with the No.1 Document of the Bank, targeted key areas of rural reform, and thoroughly implemented the fixed-point contact, special class work, assessment and incentive and other working mechanisms. The Bank reformed and reorganized the rural revitalization department, constructed a new “ecological characteristic industry” service model, and further deepened and solidified industrial resource integration and scenario-based, ecological operation. The Bank supported the consolidation and expansion of poverty alleviation achievements, and fully met the loan demands for “Yukuai Zhunong Loan” and “Microcredit for Poverty-Alleviated Population”. As of the end of 2025, the balance of agricultural loans stood at RMB265.504 billion.

Highlighted characteristics, optimized services, and empowered rural characteristic industries to regain vitality. The Bank implemented industrial chain-based agricultural services, consolidated the industrial data foundation, connected characteristic industrial chains, selected 6 industrial pilots including Yunyang Flour Industry and Wuxi Chinese Herbal Medicine, and built a comprehensive service ecological scenario for characteristic industries. The Bank focused on characteristic agricultural industries such as alpine vegetables and characteristic fruits, the innovative and distinctive credit product service solution of “One Policy for One Industry”, and utilized the decentralization advantage of more than 100 rural revitalization characteristic institutions to accurately meet customer needs. As of the end of 2025, the Bank has accumulated nearly 50 characteristic credit product service schemes such as “Zanthoxylum Bungeanum Loan”, “Crispy Plum Loan” and “Braised Goose Loan”. At the same time, the Bank created three new models: “living creatures + credit”, “living creatures + supply chain” and “living creatures + technology empowerment”, promoted living livestock and poultry mortgage loans, and supported the activation of rural assets and resources, releasing new momentum for rural industrial development.

Strengthened innovation, optimized platforms, and helped upgrade the building of a beautiful and harmonious countryside. The Bank completed the iteration and upgrading of the Digital Financial Service Platform for Rural Revitalization, launched the “Yukuai Zhiban” Platform, introduced intelligent agent capabilities, innovated the interactive business handling model of “customer manager pre-filling forms + customer confirmation”, upgraded the “technology, data, intelligence and human” four-in-one collaborative risk control system, and promoted the optimization of traditional credit production processes. The Bank launched “whole village credit extension” in 100% administrative villages in Chongqing, providing pre-credit extension of RMB25.684 billion to 1.4929 million farmers. The Bank upgraded and promoted the “Chongqing Rural Assets Intelligent Management” system, empowering the digitization of grassroots governance such as collective asset management and rural property rights transfer. The Bank actively integrated itself into the “trinity” reform, promoted the “Jiangyu Kuaiji” intelligent finance and tax service platform in the city, and took this platform as the unified financial software for farmers’ cooperative service centers in collaboration with the Municipal Supply and Marketing Cooperative, realizing full coverage of farmers’ cooperative service centers in 36 districts and counties in Chongqing.

Delivered tangible benefits and warmed hearts to promote the precise implementation of agriculture-assisting and farmer-benefiting activities. The Bank co-organized the 1st “Chongqing Rural Commercial Bank Cup” Bayu New Farmers Entrepreneurship Financing Competition with the Chongqing Municipal Agriculture and Rural Committee, attracting projects in fields such as e-commerce for agriculture, ecological breeding and agricultural product processing. This competition drove capability enhancement, facilitated financing agreements, and promoted high-quality employment, effectively advancing urban-rural industrial integration and talent convergence. The Bank built an industrial technology exchange platform, creating a database of over 150 agricultural experts to facilitate cross-regional agricultural technology assistance and promote agricultural technology in the countryside. The Bank continuously promoted activities such as agriculture-assisting live-streaming event and beautiful countryside sightseeing, enhancing the quality and efficiency of multidimensional, broad-coverage and deeply penetrating financial services for “agriculture, rural areas and farmers”.

III. Protection of Consumer Rights and Interests

Improved the management system and focused on the main responsibility. The Board of Directors of the Bank bore the ultimate responsibility for protection of consumer rights and interests, and the Consumer Rights and Interests Protection Committee of the Board of Directors was established. The Bank established the Leading Group for Consumer Rights and Interests of the senior management, and established the Legal Compliance and Consumer Rights and Interests Management Department to take the lead in coordinating the protection of consumer rights and interests for the whole Bank. By continuously improving systems such as review, assessment, publicity, training, appropriateness management, marketing and cooperative institution supervision, and dispute mediation, the Bank has formed a three-level linkage management system featured by Head Office leadership, department coordination and branch and sub-branch implementation, providing a solid guarantee for law-abiding and compliant operation.

Strengthened publicity and education to improve the public's financial literacy. The Bank implemented centralized, regular and thematic financial literacy work, actively participated in centralized publicity activities on consumer rights and interests protection, and set up special publicity and education zones on platforms such as its official website, official WeChat account and mobile banking APP. For the elderly group, the Bank implemented the “Glimmer of Protection of Consumers’ Rights and Interests” activity, popularizing knowledge on pension fraud prevention through community lectures, cooperation with senior universities and other forms; for the youth group, the Bank promoted the “Growth of Protection of Consumers’ Rights and Interests” activity, carrying out “Financial Literacy on Campus” activities to cultivate young people’s financial literacy; for new urban residents and rural residents, the Bank launched the “Escort of Protection of Consumers’ Rights and Interests” activity, combining inclusive financial services to explain financial security knowledge in fields, rural areas, business districts and industrial parks. During the Reporting Period, the Bank organized about 20,000 various financial knowledge publicity activities with more than 3.92 million person-time audiences.

Promoted diversified dispute resolution and strengthened the substantive resolution of disputes. The Bank established a five-in-one dispute resolution system featuring “priority negotiation, coordinated mediation, judicial connection, traceable governance and process optimization”, strengthened assessment and guidance, and promoted full mediation where applicable. Relying on professional mediation institutions such as the Chengdu-Chongqing Financial Consumer Rights Protection Center (Chongqing), the Bank included high-frequency complaints including credit card installment and early repayment into the scope of batch mediation. The Bank formulated the Letter of Notification on Consumer Rights Protection, and took the initiative to remind customers of risks and internal complaint channels during key business links such as card opening, wealth management purchase and loan application, so as to advance the popularization of financial knowledge. Through the above measures, the Bank decreased the proportion of complaints transferred by regulatory agencies in 2025 by 24.87 percentage points year on year, effectively improving the capability of independent dispute resolution.

During the Reporting Period, the Bank accepted 2,602 consumer complaints (excluding repeated complaints, etc.) through various channels, involving 12 business categories including loans, debit cards and credit cards, 12 handling channels including business sites, middle and back office business channels and third-party channels, and 12 complaint reasons including service attitude and quality, business systems and equipment facilities, and institutional rules and business processes. These complaints involved the Head Office, its business departments and 42 branches and sub-branches, among which 1 branch is located in Yunnan Province and the rest are all located in Chongqing.

Major Events

I. Performances of Undertakings

During the Reporting Period, the Bank and its Shareholders, directors, supervisors and senior management strictly fulfilled various obligations and responsibilities undertaken in the Prospectus for Initial Public Offering disclosed on 20 September 2019 and the Announcement on the Listing of the Shares under Initial Public Offering disclosed on 28 October 2019.

Undertaking background	Type of undertaking	Undertaking party	Contents of the undertaking	Effective date of undertaking	Duration of undertaking
Undertakings in relation to the initial public offer	Limited sales of shares	Chongqing Yufu Capital Operation Group Company Limited (重慶渝富資本運營集團有限公司), Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司), Chongqing Development and Real Estate Management Company Limited (重慶發展置業管理有限公司) and Loncin Holdings Co., Ltd. (隆鑫控股有限公司) ¹	Within 36 months from the listing of the shares issued by Chongqing Rural Commercial Bank, the company shall not transfer or entrust others to manage the domestic shares issued by Chongqing Rural Commercial Bank directly or indirectly held by the company before the initial public offering of A shares, and the part of those shares held by the company will not be repurchased by Chongqing Rural Commercial Bank. Shareholders' intention to hold shares and undertakings in relation to reducing their holdings: 1. Within 6 months from the listing date of shares issued by Chongqing Rural Commercial Bank, if the closing price of A shares of Chongqing Rural Commercial Bank is lower than the issue price for 20 consecutive trading days, or the closing price is lower than the issue price as at the end of the 6-month period upon the listing (if the day is not a trading day, it will be the first trading day after that day), the lock-up period of the shares of Chongqing Rural Commercial Bank held by it will be automatically extended for another 6 months on the basis of 36 months. If Chongqing Rural Commercial Bank has any ex-rights and ex-dividend events such as dividend distribution, bonus shares of issue, and capitalisation of capital reserves after the issuance and listing, the issue price will be adjusted by ex-rights and ex-dividend. 2. Within 2 years after the expiry of the above lock-up period (including the extended lock-up period), if it reduces its holdings in Chongqing Rural Commercial Bank's A shares which were directly or indirectly held by it before this issuance of Chongqing Rural Commercial Bank (excluding A shares newly purchased from the public market after this issuance of Chongqing Rural Commercial Bank), the reduction price shall not be lower than the issue price of the issuance. If Chongqing Rural Commercial Bank has any ex-rights and ex-dividend events such as dividend distribution, bonus shares of issue, and capitalisation of capital reserves after the issuance and listing, the issue price will be adjusted by ex-rights and ex-dividend. 3. After the expiry of the lock-up period (including the extended lock-up period) of the shares of Chongqing Rural Commercial Bank held by it, when it reduces its holdings of Chongqing Rural Commercial Bank's A shares, it will notify Chongqing Rural Commercial Bank in writing of the intention to reduce its holdings and the amount of its proposed reduction and Chongqing Rural Commercial Bank shall perform the announcement obligation (if required) in accordance with the rules in force at that time. After 3 trading days from the date of the announcement of Chongqing Rural Commercial Bank, it can reduce its holdings of Chongqing Rural Commercial Bank's A shares.	29 October 2019	29 October 2019 - 29 April 2025

¹ 522 million shares and 48 million shares of the Bank held by Loncin Holdings Co., Ltd. (隆鑫控股有限公司) were judicially transferred by Chongqing No. 5 Intermediate People's Court to Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司) and Chongqing Land Properties Group Co., Ltd. (重慶市地產集團有限公司). The transferees will continue to fulfill the above commitments regarding such transferred shares.

Major Events

Undertaking background	Type of undertaking	Undertaking party	Contents of the undertaking	Effective date of undertaking	Duration of undertaking
Undertakings in relation to the initial public offer	Limited sales of shares	Individuals of the Bank who hold more than 50,000 internal employee shares of the Bank	The shares of Chongqing Rural Commercial Bank that I hold will not be transferred within 3 years from the listing date of the A shares of Chongqing Rural Commercial Bank. After the expiry of the above 3-year lock-up period, the shares of Chongqing Rural Commercial Bank sold by me in each year shall not exceed 15% of my total shareholdings in Chongqing Rural Commercial Bank. The total number of shares of the Chongqing Rural Commercial Bank transferred by me within 5 years from the expiry of the above 3-year lock-up period shall not exceed 50% of my total shareholdings in Chongqing Rural Commercial Bank.	29 October 2019	29 October 2019 - 29 October 2027
Undertakings in relation to the initial public offer	Shareholding reduction	Domestic Shareholders holding over 1% of shares of the Bank ²	The company will comply with Several Provisions on the Reduction of Shares Held by the Shareholders, Directors, Supervisors, and Senior Executives of the Listed Company (《上市公司股東、董監高減持股份的若干規定》) issued by the CSRC, and relevant requirements under the Rules Governing the Listing of Stocks (《股票上市規則》) and the Detailed Implementing Rules of the Shanghai Stock Exchange for Shareholding Reduction by Shareholders, Directors, Supervisors and Senior Executives of Listed Companies (《上海證券交易所上市公司股東及董事、監事、高級管理人員減持股份實施細則》) issued by the Shanghai Stock Exchange. ³	29 October 2019	29 October 2019 – permanent

² Prior to the initial public offering of A Shares of the Bank, domestic Shareholders holding over 1% of shares of the Bank include Chongqing Yufu Capital Operation Group Company Limited (重慶渝富資本運營集團有限公司), Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司), Chongqing Development and Real Estate Management Company Limited (重慶發展置業管理有限公司), Loncin Holdings Co., Ltd. (隆鑫控股有限公司), Chongqing Casin Group Co., Ltd. (重慶財信企業集團有限公司), Beijing Jiuding Real Estate Development Co., Ltd. (北京九鼎房地產開發有限責任公司), Xiamen Huishanghong Equity Investment Co., Ltd. (廈門市匯尚泓股權投資有限公司), Chongqing Yerui Property Development Co., Ltd. (重慶業瑞房地產開發有限公司), Jiangsu Huaxi Group Co., Ltd. (江蘇華西集團有限公司), Chongqing Water Group Co., Ltd. (重慶水務集團股份有限公司), Panhua Group Co., Ltd. (攀華集團有限公司), Chongqing Guanghua Holding (Group) Co., Ltd. (重慶光華控股(集團)有限公司) and Chongqing Jinyuan Times Shopping Mall Co., Ltd. (重慶金源時代購物廣場有限公司).

³ On 24 May 2024, the Several Provisions on the Reduction of Shares Held by the Shareholders, Directors, Supervisors, and Senior Executives of the Listed Company (《上市公司股東、董監高減持股份的若干規定》) issued by the CSRC was replaced by the Provisional Measures for the Management of Reduction of Shareholding by Shareholders of Listed Companies (上市公司股東減持股份管理暫行辦法), and on 24 May 2024, the Detailed Implementing Rules of the Shanghai Stock Exchange for Shareholding Reduction by Shareholders, Directors, Supervisors and Senior Executives of Listed Companies (《上海證券交易所上市公司股東及董事、監事、高級管理人員減持股份實施細則》) was replaced by the Guidelines for Self-regulation of Listed Companies on the Shanghai Stock Exchange No. 15 – the Reduction of Shareholdings by Shareholders, Directors, Supervisors and Senior Management (《上海證券交易所上市公司自律監管指引第15號—股東及董事、監事、高級管理人員減持股份》). The shareholding reduction by shareholders will comply with new regulatory rules.

Major Events

Undertaking background	Type of undertaking	Undertaking party	Contents of the undertaking	Effective date of undertaking	Duration of undertaking
Undertakings in relation to the initial public offer	Resolution of horizontal competition	Chongqing Yufu Capital Operation Group Company Limited (重慶渝富資本運營集團有限公司)	1. The existing main business of the company and its subsidiaries (including wholly-owned, holding subsidiaries and enterprises that the company has actual controls over them) does not involve commercial banking business, and has no horizontal competition with Chongqing Rural Commercial Bank. 2. During the period of the company as a substantial shareholder of Chongqing Rural Commercial Bank, the company and its subsidiaries (including wholly-owned, holding subsidiaries and enterprises that the company has actual controls over them) will not, directly or indirectly, engage in business activities that compete with or may compete with the main business of Chongqing Rural Commercial Bank in any way. The company will supervise its subsidiaries in accordance with this undertaking and exercise necessary rights to ensure them to comply with this undertaking. 3. Notwithstanding Articles 1 and 2 above, considering that the company is a wholly state-owned company whose establishment has been approved by Chongqing Municipal People's Government and engaged in comprehensive investment and management of state-owned asset and carries out businesses including financial businesses such as investment in securities companies, banks and insurance companies, and manages relevant financial assets, the company and the enterprises controlled by the company may invest in enterprises engaged in commercial banking business, to the extent authorized by Chongqing Municipal People's Government, in any form permitted by laws and regulations (including but not limited to sole proprietorship, joint venture, cooperative operation and direct or indirect ownership of shares or other interests in other companies or enterprises). As at the date of giving the undertakings, the company invested in Bank of Chongqing Co., Ltd. and held 13.02% of shares of the bank, in addition to investment in Chongqing Rural Commercial Bank Co., Ltd. 4. The company undertakes to fairly treat the commercial banks in which the company and the enterprises controlled by the company invest, and will not grant or provide to any commercial banks, government approval, authorization, license or business opportunities obtained or possibly obtained by the company and the enterprises controlled by the company for carrying out commercial banking business, or use the status as a major shareholder of Chongqing Rural Commercial Bank or the information obtained with such status, to make any decision or judgment which is adverse to Chongqing Rural Commercial Bank but beneficial to other commercial banks in which the company or the enterprises controlled by the company invest, and will make efforts to avoid the occurrence of such event. In exercising the rights of a shareholder of Chongqing Rural Commercial Bank, the company will act in the best interests of Chongqing Rural Commercial Bank as if the Chongqing Rural Commercial Bank is the sole commercial bank in which the company invests, and the business judgment of the company as a shareholder of Chongqing Rural Commercial Bank to seek the best interests for Chongqing Rural Commercial Bank will not be affected as a result of the investment of the company and the enterprises controlled by the company in other commercial banks. 5. The company warrants that it will strictly comply with relevant rules and regulations of CSRC and the stock exchange where Chongqing Rural Commercial Bank is listed, the Articles of Association of Chongqing Rural Commercial Bank, measures for management of related party transactions and other corporate management policies, exercise the rights of a shareholder and perform obligations of a shareholder equally with other shareholders, and will not use the status as a major shareholder to seek improper advantage, or damage the legitimate rights and interests of Chongqing Rural Commercial Bank and other shareholders.	20 September 2019	20 September 2019 – permanent

II. Misappropriation of the Funds by Controlling Shareholder or Other Related Parties

During the Reporting Period, the Bank had no misappropriation of the Bank's funds by controlling shareholders or other related parties for non-operating purposes.

III. Matters Relating to Insolvency or Restructuring

During the Reporting Period, the Bank had no matters relating to insolvency or restructuring.

IV. Material Legal Proceedings and Arbitrations

During the Reporting Period, there were no material legal proceedings or arbitrations which had substantial impact on the operating activities of the Group.

As of the end of the Reporting Period, pending legal proceedings in which the Group was a defendant or a third party involved an amount of RMB8.8923 million. In the view of the Bank, these will not have any material effect on the Bank's operating activities.

V. Penalties Imposed on the Bank and Directors, Supervisors and Senior Management of the Bank

During the Reporting Period, none of the Bank or its directors, supervisors and senior management was investigated or subject to compulsory measures in accordance with the law, subject to criminal penalties, investigated by the CSRC or subject to administrative penalties, significant administrative penalties by other competent authorities, subject to detention measures by disciplinary inspection and supervision authorities and affecting the performance of their duties, subject to disciplinary punishment by the stock exchanges, or subject to compulsory measures by other competent authorities and affecting the performance of their duties.

VI. Integrity

During the Reporting Period, the Bank did not exist the situations neither of refusing the execution of effective court judgments nor unsettling significant due debts.

VII. Material Related Party Transactions

During the Reporting Period, for details of material related party transactions of the Bank, please refer to the section headed "Chapter 3 Management Discussion and Analysis – VIII. Risk Management – (XI) Related Party Transactions" of this report

VIII. Material Contracts and their Performance

During the Reporting Period, the Bank did not have any major custody, contracting or leasing of the assets of other companies or other custody, contracting or leasing of the assets of the Bank. The guarantee business is the daily business of the Bank. During the Reporting Period, except for the financial guarantee business within the business scope approved by the regulatory authorities, the Bank had no other major guarantee matters that needed to be disclosed.

IX. Acquisition and Disposal of Assets and Merger of Enterprises

During the Reporting Period, the Bank had no material acquisition and disposal of assets and merger of enterprises.

As of 31 December 2025, the Bank did not have any significant investments as required to be disclosed in accordance with paragraph 32(4A) of Appendix D2 to the Hong Kong Listing Rules.

X. Others

This report was prepared in both Chinese and English versions, where there is a discrepancy between the Chinese and English versions, the Chinese version shall prevail.

Changes in Shares and Particulars of Shareholders

I. Changes in Share Capital

(I) Table of Changes in Shares

Unit: share

	31 December 2024		Changes for the Reporting Period	31 December 2025	
	Number of shares	Percentage (%)		Number of shares	Percentage (%)
I. Shares with selling restrictions	5,963,705	0.05	(542,155)	5,421,550	0.05
1. State-owned shares	-	-	-	-	-
2. Shares held by state-owned legal persons	0	0.00	0	0	0.00
3. Shares held by other domestic investors	5,963,705	0.05	(542,155)	5,421,550	0.05
Among which: Shares held by domestic non-state-owned legal persons	0	0.00	0	0	0.00
Shares held by domestic natural persons	5,963,705	0.05	(542,155)	5,421,550	0.05
4. Shares held by foreign investors	-	-	-	-	-
II. Tradable shares without selling restrictions	11,351,036,295	99.95	542,155	11,351,578,450	99.95
1. RMB-denominated ordinary shares	8,837,700,254	77.82	542,155	8,838,242,409	77.82
2. Domestic listed foreign shares	-	-	-	-	-
3. Overseas listed foreign shares	2,513,336,041	22.13	0	2,513,336,041	22.13
4. Others	-	-	-	-	-
III. Total ordinary shares	11,357,000,000	100.00	0	11,357,000,000	100.00

(II) Explanation of Changes in Shares

During the Reporting Period, there was no change in the total share capital of the Bank. The number of shares with selling restrictions decreased by 542,155 shares and number of shares without selling restrictions increased by 542,155 shares, which was due to the lawful releasing of 542,155 shares with selling restrictions under the Bank's initial public offering of A shares and the listing and trading thereof from 30 October 2020 upon the expiration of the 72-month lock-up period.

II. Securities Issuance and Listing

(I) Securities Issuance during the Reporting Period

During the Reporting Period, the Bank has not issued new ordinary shares or publicly issued any corporate bonds listed on the stock exchanges.

On 3 December 2025, the Bank issued the sci-tech innovation bonds of Chongqing Rural Commercial Bank Co., Ltd. for 2025 (referred to as "25 Chongqing Rural Commercial Sci-tech Innovation Bonds 01", bond code: 332580023) through book-building process and filing. The term of such bonds is 5 years with an issuing scale of RMB1 billion and the coupon rate of 1.88%. The proceeds from the bonds will be used for the sci-tech innovation sector as specified in the Overall Statistical System for the "Five Major Areas" of Finance (Trial) 《金融 (「五篇大文章」總體統計制度(試行))》), including the issuance of sci-tech loans and investment in bonds issued by sci-tech innovation enterprises, providing special support for business in the field of sci-tech innovation.

(II) Existing Internal Employee Shares

Existing A shares held by internal employees of the Bank are mainly obtained through the following methods: (1) at the time of the establishment of the Bank, shares obtained by the former 39 districts and counties' on-the-job full-time employees or short-term contract workers in the business category when participating in the establishment of the Bank as promoters and shareholders; (2) after the establishment of the Bank, the Bank's shares obtained through agreement transfer, inheritance and judicial judgments. On 30 October 2020, part of the restricted shares of the Bank have been released and issued and traded. It's unable to accurately verify the shareholdings after trading of the domestic employee shares.

Changes in Shares and Particulars of Shareholders

III. Particulars of Shareholders

(I) Total Number of Shareholders

As at the end of the Reporting Period, the total number of shareholders of the Bank was 116,634 holders. Of which, 115,547 was the shareholders of A shares and 1,087 was the shareholders of H shares. As of 28 February 2026 (i.e. the end of the previous month on the publication date of the Bank's A-share annual report), the total number of shareholders of the Bank was 112,716 holders. Of which, 111,633 was the shareholders of A shares and 1,083 was the shareholders of H shares.

(II) Shareholdings of the Top Ten Shareholders

1. Particulars of shareholdings of the top ten shareholders

Unit: share

Name of shareholder (Full name)	Particulars of shareholdings of the top ten shareholders				Pledged or frozen		
	Increase/ (Decrease) during the Reporting Period	Number of shares held at the end of the period	Percentage (%)	Type of shares	Condition of shares	Number of shares	Nature of shareholder
HKSCC Nominees Limited	791,399	2,507,100,930	22.08	H shares	Unknown		Overseas legal person
Chongqing Yufu Capital Operation Group Company Limited (重慶渝富資本運營集團有限公司)	0	988,000,000	8.70	A shares	Nil		State-owned legal person
Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司)	0	797,087,430	7.02	A shares	Pledged	91,100,000	State-owned legal person
Chongqing Development and Real Estate Management Company Limited (重慶發展置業管理有限公司)	0	589,084,181	5.19	A shares	Nil		State-owned legal person
Chongqing Water Conservancy Investment Group Co., Ltd. (重慶市水利投資(集團)有限公司)	0	566,714,256	4.99	A shares	Nil		State-owned legal person
Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司)	52,000,000	522,000,000	4.60	A shares	Nil		State-owned legal person
Hong Kong Securities Clearing Company Limited	0 (116,560,157)	23,814,000 316,597,145	0.21 2.79	H shares A shares	Unknown		Overseas legal person
Chongqing Water Group Co., Ltd. (重慶水務集團股份有限公司)	0	125,000,000	1.10	A shares	Nil		State-owned legal person
Chongqing Casin Group Co., Ltd. (重慶財信企業集團有限公司)	(47,500,000)	112,500,000	0.99	A shares	Pledged, judicial freezing	112,500,000	Domestic non-state-owned legal person
National Social Security Fund 116 Portfolio	32,831,032	93,832,280	0.83	A shares	Nil		Others

Changes in Shares and Particulars of Shareholders

Name of shareholder (Full name)	Particulars of shareholdings of the top ten shareholders				Pledged or frozen		
	Increase/ (Decrease) during the Reporting Period	Number of shares held at the end of the period	Percentage (%)	Type of shares	Condition of shares	Number of shares	Nature of shareholder
Statement on specific repurchase accounts of top ten shareholders	Nil						
Statement on aforesaid shareholder's entrusted voting rights, trusted voting rights and abandoned voting rights	Nil						
Statement on the related relations or concerted actions among the shareholders above	HKSCC Nominees Limited is a wholly-owned subsidiary of Hong Kong Securities Clearing Company Limited; Chongqing Development and Real Estate Management Company Limited (重慶發展置業管理有限公司) is the person acting-in-concert with Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司); Chongqing Water Conservancy Investment Group Co., Ltd. (重慶市水利投資(集團)有限公司) and Chongqing Water Group Co., Ltd. (重慶水務集團股份有限公司) are the persons acting-in-concert with Chongqing Yufu Capital Operation Group Company Limited (重慶渝富資本運營集團有限公司).						
Statement on preference shareholders with resumed voting right and their number of shares held	Nil						

Notes:

- (1) The number of shares held by HKSCC Nominees Limited refers to the total number of H shares of the Bank held by all institutional and individual investors who maintained an account with it as at the end of the Reporting Period, which includes the H shares of the Bank held by Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司) as set out in the above table.
- (2) The number of shares held by Hong Kong Securities Clearing Company Limited represents the total number of A shares of the Bank (northbound shares under Shanghai-Hong Kong Stock Connect) held by it as a nominee designated by and on behalf of investors from Hong Kong and overseas.
- (3) The shares held by above shareholders are shares without selling restrictions.
- (4) As at the record date of the 2025 first extraordinary shareholders' meeting, the total number of shares of the Bank pledged by the shareholders who have pledged 50% or above of A shares they held was 284,929,307 in total, and such shareholders held a total of 318,146,515 shares, representing 2.80% of the total share capital of the Bank. The Bank restricted the voting rights of the above shareholders at general meetings in accordance with the Articles of Association. The above shareholders did not nominate directors to the Bank.
- (5) The top ten shareholders did not participate in securities margin trading and refinancing business during the Reporting Period.

Changes in Shares and Particulars of Shareholders

2. Number of shares held by and selling restriction of the top ten shareholders with selling restrictions

Unit: share

No.	Name of shareholder with selling restrictions	Number of shares held with selling restrictions	Details of approved tradable shares with selling restrictions		
			Time available for trading	Additional number of approved tradable shares	Selling restrictions
1	Zhang Li	131,900	October 2027	13,190	96 months from the date of the Bank's listing
2	Chen Kaiming	117,700	October 2027	11,770	96 months from the date of the Bank's listing
3	Xu Min	78,150	October 2027	7,815	96 months from the date of the Bank's listing
4	Zhu Jingmei	68,750	October 2027	6,875	96 months from the date of the Bank's listing
5	Wang Shaoji	66,100	October 2027	6,610	96 months from the date of the Bank's listing
6	Luo Jing	65,650	October 2027	6,565	96 months from the date of the Bank's listing
7	Xu Xiaohong	62,500	October 2027	6,250	96 months from the date of the Bank's listing
8	Zeng Lifeng	60,000	October 2027	6,000	96 months from the date of the Bank's listing
9	Yang Hongkun	56,900	October 2027	5,690	96 months from the date of the Bank's listing
10	Liang Shuang	56,250	October 2027	5,625	96 months from the date of the Bank's listing
Statement on the related relations or concerted actions among the shareholders			Not aware of related relations or concerted actions existing among the shareholders above		

(III) Explanation of the Absence of Controlling Shareholders and Actual Controllers of the Company

The shareholding structure of the Bank is diversified and no controlling shareholders and actual controller existed. As of the end of the Reporting Period, the Bank does not have any shareholders whose voting rights in respect of their shares are sufficient to make a material influence to resolutions approved at general meetings. The Bank does not have any person who can actually control the Bank through investment relations, agreements or other arrangements.

(VI) Particulars of Major Shareholders

1. Major shareholders holding more than 5% of the shares

- (1) Chongqing Yufu Capital Operation Group Company Limited (重慶渝富資本運營集團有限公司) (hereinafter referred to as the “Yufu Capital”) was established in February 2004 with a registered capital of RMB10 billion. It is a state-owned assets operation company organized under the approval of Chongqing Municipal Government and mainly engaged in the acquisition and disposal of assets and relevant property investment, investment advisory, financial consultancy, consultancy and agency for corporate reorganizations and mergers, custody of enterprises and assets under the authority of the municipal government.

As at the end of the Reporting Period, Yufu Capital held 988,000,000 A shares of the Bank, representing 8.70% of the total share capital of the Bank, and has nominated the director Mr. Ma Bao to the Bank. Yufu Capital and its parties acting in concert, namely Chongqing Water Conservancy Investment Group Co., Ltd. (重慶市水利投資(集團)有限公司), Chongqing Water Group Co., Ltd. (重慶水務集團股份有限公司), Chongqing Agriculture Investment Group Company Limited (重慶市農業投資集團有限公司) and Chongqing Yufu (Hong Kong) Co., Ltd. (重慶渝富(香港)有限公司) jointly held 1,782,860,887 shares of the Bank, representing 15.70% of the total share capital of the Bank. The shares of the Bank have not been pledged by Yufu Capital.

Note: On 31 December 2025, the Chongqing State-owned Assets Supervision and Administration Commission approved the transfer of 15,000,454 shares of the Bank held by Chongqing Sanxia Financing Guarantee Group Corporation (重慶三峽融資擔保集團股份有限公司), a related party of Yufu Capital, and 2,000,000 A shares of the Bank held by Chongqing River & Holiday Hotel Management Co., Ltd. (重慶兩江假日酒店管理有限公司), a related party of Yufu Capital to Chongqing Guochuang Investment and Management Co., Ltd. (重慶國創投資管理有限公司) (the transfer procedure has not been completed). Therefore, the aforementioned shares were not included in the calculation of the total shareholding of Yufu Capital.

Changes in Shares and Particulars of Shareholders

- (2) Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司) was established in February 1993 with a registered capital of RMB20 billion. It is a state-owned large group specializing in urban construction, development, investment and operation.

As at the end of the Reporting Period, Chongqing City Construction Investment (Group) Company Co., Ltd. (重慶市城市建設投資(集團)有限公司) held 797,087,430 A shares of the Bank, representing 7.02% of the total share capital of the Bank, and has nominated the director Mr. Dong Bin to the Bank. Chongqing City Construction Investment (Group) Company Co., Ltd. (重慶市城市建設投資(集團)有限公司) and its related party, Chongqing Yukaifa Co., Ltd. (重慶渝開發股份有限公司) jointly held 827,087,430 shares of the Bank, representing 7.28% of the total share capital of the Bank. 91,100,000 shares of the Bank have been pledged by Chongqing City Construction Investment (Group) Company Co., Ltd. (重慶市城市建設投資(集團)有限公司).

- (3) Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司) was established in August 2018 with a registered capital of RMB20 billion. It is a solely state-owned enterprise established under the approval of the Chongqing Municipal People's Government. The company focuses on its main businesses of major infrastructure investment and financing operations, energy investment and operations, and state-owned asset management and operations, and engages in investment and financing, energy investment, asset management, industrial investment, comprehensive security, human resources services, etc.

Chongqing Development and Real Estate Management Company Limited (重慶發展置業管理有限公司) was established in December 2002 with a registered capital of RMB5.287 billion. It is a wholly-owned subsidiary of Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司). It is responsible for coordinating the full-chain operation and management of business and parking space assets of municipal public rental housing and engages in operational asset investment and operation management, as well as financial equity investment.

As at the end of the Reporting Period, Chongqing Development and Real Estate Management Company Limited (重慶發展置業管理有限公司) held 589,084,181 A shares of the Bank, representing 5.19% of the total share capital of the Bank, and has nominated the director, Mr. Yuan Gang. Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司) held 545,814,000 shares of the Bank, representing 4.81% of the total share capital of the Bank. Chongqing Development and Real Estate Management Company Limited (重慶發展置業管理有限公司) and Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司) jointly held 1,134,898,181 shares of the Bank, representing 9.99% of the total share capital of the Bank. The shares of the Bank have not been pledged.

2. Other major shareholders under regulations

- (1) Shanghai Yuyuan Tourist Mart (Group) Co., Ltd. (上海豫園旅遊商城(集團)股份有限公司) was established in November 1987 with a registered capital of RMB3,894 million. It is an A-share listed company. Its business segments include: jewellery and fashion, business management, cultural catering, food and beverage, Chinese fashion watches, beauty and health, and real estates with composite functions, etc.

As at the end of the Reporting Period, Shanghai Yuyuan Tourist Mart (Group) Co., Ltd. (上海豫園旅遊商城(集團)股份有限公司) held 150,549,000 H shares of the Bank, representing 1.33% of the total share capital of the Bank. Shanghai Yuyuan Tourist Mart (Group) Co., Ltd. (上海豫園旅遊商城(集團)股份有限公司) and its related parties have nominated the Director Mr. Peng Yulong to the Bank as a major shareholder of the Bank. Shanghai Yuyuan Tourist Mart (Group) Co., Ltd. (上海豫園旅遊商城(集團)股份有限公司) and its related parties Fosun International Limited, Fidelidade-Companhia de Seguros, S.A., Shanghai Fosun High Technology (Group) Co., Ltd., Peak Reinsurance Company Limited, Fosun Hani Securities Limited, Hong Kong Xinmao Investment Co., Limited (香港鑫茂投資有限公司) and Hainan Mining Co., Ltd. jointly held 340,719,000 H shares of the Bank, representing 3.00% of the total share capital of the Bank. As at the end of the Reporting Period, 130,000,000 H shares of the Bank held by Shanghai Yuyuan Tourist Mart (Group) Co., Ltd. (上海豫園旅遊商城(集團)股份有限公司) have been pledged.

Note: The director nominated by the shareholder resigned on 23 January 2026 and shall no longer be managed as a major shareholder after his resignation.

- (2) Xiamen Huishanghong Equity Investment Co., Ltd. (廈門市匯尚泓股權投資有限公司) was established in May 2001 with a registered capital of RMB0.1 billion, and is engaged in private fund equity investment, investment management, asset management and other activities.

As at the end of the Reporting Period, Xiamen Huishanghong Equity Investment Co., Ltd. (廈門市匯尚泓股權投資有限公司) held 57,303,332 A shares of the Bank, representing 0.50% of the total share capital of the Bank, and has nominated Ms. Huang Qingqing, a supervisor and a major shareholder of the Bank to the Bank. The shares of the Bank have not been pledged.

Changes in Shares and Particulars of Shareholders

Name of shareholder	Controlling shareholder	Actual controller	Ultimate beneficiary
Chongqing Yufu Capital Operation Group Company Limited (重慶渝富資本運營集團有限公司)	Chongqing Yufu Holding Group Co., Ltd. (重慶渝富控股集團有限公司)	Chongqing SASAC	Chongqing Yufu Capital Operation Group Company Limited (重慶渝富資本運營集團有限公司)
Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司)	Chongqing SASAC	Chongqing SASAC	Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司)
Chongqing Development and Real Estate Management Company Limited (重慶發展置業管理有限公司)	Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司)	Chongqing SASAC	Chongqing Development and Real Estate Management Company Limited (重慶發展置業管理有限公司)
Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司)	Chongqing SASAC	Chongqing SASAC	Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司)
Shanghai Yuyuan Tourist Mart (Group) Co., Ltd. (上海豫園旅遊商城(集團)股份有限公司)	Shanghai Fosun High Technology (Group) Co., Ltd. (上海複星高科技(集團)有限公司)	Guo Guangchang	Shanghai Yuyuan Tourist Mart (Group) Co., Ltd. (上海豫園旅遊商城(集團)股份有限公司)
Xiamen Huishanghong Equity Investment Co., Ltd. (廈門市匯尚泓股權投資有限公司)	Xiamen Huishangcheng Trade Co., Ltd. (廈門匯尚成貿易有限公司)	Zhou Yongwei, Zhou Shaoxiong and Zhou Shaoming	Xiamen Huishanghong Equity Investment Co., Ltd. (廈門市匯尚泓股權投資有限公司)

(V) Substantial Interests and Short Positions

As at the end of the Reporting Period, to the knowledge of the Bank, the following individuals (other than the directors, supervisors and chief executives) had an interest and short position in the shares of the Bank which would fall to be disclosed to the Bank and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance of Hong Kong, or interests and short positions in the shares of the Bank as recorded in the register required to be kept by the Bank under Section 336 of the Securities and Futures Ordinance of Hong Kong:

A Shares

Unit: share

Name of shareholder	Capacity	Number of shares held ⁽⁸⁾	Percentage of the A shares (%)	Percentage of the total share capital of the Bank (%)
Chongqing Yufu Holding Group Co., Ltd. (重慶渝富控股集團有限公司) ⁽¹⁾	Interest of controlled corporations	1,769,614,887(L)	20.01	15.58
Chongqing Yufu Capital Operation Group Company Limited (重慶渝富資本運營集團有限公司)	Beneficial Owner	988,000,000(L)	11.17	8.70
Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司)	Beneficial Owner	797,087,430(L)	9.01	7.02
Chongqing Water & Environment Holdings Group Ltd. (重慶水務環境控股集團有限公司) ⁽³⁾	Interest of controlled corporations ⁽²⁾	30,000,000(L)	0.34	0.26
Chongqing Water Conservancy Investment Group Co., Ltd. (重慶市水利投資(集團)有限公司)	Beneficial Owner	566,714,256(L)	6.41	4.99
	Beneficial Owner	522,000,000(L)	5.90	4.60
Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司)	Interest of controlled corporations ⁽⁴⁾	589,084,181(L)	6.66	5.19
Chongqing Development and Real Estate Management Company Limited (重慶發展置業管理有限公司)	Beneficial Owner	589,084,181(L)	6.66	5.19

Changes in Shares and Particulars of Shareholders

H Shares

				Unit: share
Name of shareholder	Capacity	Number of shares held ⁽⁸⁾	Percentage of the H shares (%)	Percentage of the total share capital of the Bank (%)
Guo Guangchang ⁽⁵⁾⁽⁶⁾	Interest of controlled corporations	340,719,000 (L)	13.56	3.00
Fosun International Holdings Ltd ⁽⁵⁾⁽⁶⁾	Interest of controlled corporations	340,719,000 (L)	13.56	3.00
Fosun Holdings Limited ⁽⁵⁾⁽⁶⁾	Interest of controlled corporations	340,719,000 (L)	13.56	3.00
Fosun International Limited ⁽⁵⁾⁽⁶⁾	Interest of controlled corporations	340,719,000 (L)	13.56	3.00
Shanghai Yuyuan Tourist Mart (Group) Co., Ltd. (上海豫園旅遊商城(集團)股份有限公司) ⁽⁶⁾	Beneficial Owner	150,549,000 (L)	5.99	1.33
JPMorgan Chase & Co. ⁽⁷⁾	Beneficial Owner	15,261,868 (L)	0.61	0.13
		7,747,516 (S)	0.31	0.07
	Investment Manager	99,407,000 (L)	3.96	0.88
	Person having a security interest in shares	1,273,726 (L)	0.05	0.01
	Approved Lending Agent	59,658,510 (P)	2.37	0.53

Changes in Shares and Particulars of Shareholders

Notes:

- (1) Chongqing Yufu Holding Group Co., Ltd. (重慶渝富控股集團有限公司) holds 100% equity interest in Chongqing Yufu Capital Operation Group Company Limited (重慶渝富資本運營集團有限公司), 80% equity interest in Chongqing Water & Environment Holdings Group Ltd. (重慶水務環境控股集團有限公司) and 80% equity interest in Chongqing Agriculture Investment Group Company Limited (重慶市農業投資集團有限公司 respectively), and indirectly holds 100% equity interest in Chongqing Water Conservancy Investment Group Co., Ltd. (重慶市水利投資(集團)有限公司) and 88.56% equity interest in Chongqing Water Group Co., Ltd. (重慶水務集團股份有限公司) through Chongqing Water & Environment Holdings Group Ltd. (重慶水務環境控股集團有限公司 respectively). Chongqing Yufu Capital Operation Group Company Limited (重慶渝富資本運營集團有限公司) holds a long position in 988,000,000 A shares of the Bank. Chongqing Water Conservancy Investment Group Co., Ltd. (重慶市水利投資(集團)有限公司) holds a long position in 566,714,256 A shares of the Bank. Chongqing Water Group Co., Ltd. (重慶水務集團股份有限公司) holds a long position in 125,000,000 A shares of the Bank. Chongqing Agriculture Investment Group Company Limited (重慶市農業投資集團有限公司) holds a long position in 89,900,631 A shares of the Bank. Therefore, Chongqing Yufu Holding Group Co., Ltd. (重慶渝富控股集團有限公司) is deemed to be interested in a long position of a total of 1,769,614,887 A shares of the Bank, representing 20.01% of A shares. In addition, Chongqing Yufu Holding Group Co., Ltd. (重慶渝富控股集團有限公司) also indirectly holds a long position in 13,246,000 H shares of the Bank (representing 0.53% of H shares) through Chongqing Yufu (Hong Kong) Co., Ltd. (重慶渝富(香港)有限公司), a wholly-owned subsidiary of Chongqing Yufu Capital Operation Group Company Limited (重慶渝富資本運營集團有限公司). In conclusion, Chongqing Yufu Holding Group Co., Ltd. (重慶渝富控股集團有限公司) holds a total of 1,782,860,887 shares of the Bank through multiple corporations controlled by it, representing 15.70% of total share capital of the Bank. For details on transfer of shares of the Bank by Chongqing Sanxia Financing Guarantee Group Corporation (重慶三峽融資擔保集團股份有限公司) and Chongqing River & Holiday Hotel Management Co., Ltd. (重慶兩江假日酒店管理有限公司), please refer to above note of " (VI) Particulars of Major Shareholders – 1. Major shareholders holding more than 5% of the shares-(1) Chongqing Yufu Capital Operation Group Company Limited (重慶渝富資本運營集團有限公司)". In addition, Chongqing Yufu Holding Group Co., Ltd. (重慶渝富控股集團有限公司) is wholly controlled by Chongqing SASAC.
- (2) Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司) holds 63.19% equity interest in Chongqing Yukaifa Co., Ltd. (重慶渝開發股份有限公司), therefore, it is deemed to be interested in a long position in 30,000,000 A Shares of the Bank held by Chongqing Yukaifa Co., Ltd. (重慶渝開發股份有限公司). In addition, Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司) is wholly controlled by Chongqing SASAC.

Changes in Shares and Particulars of Shareholders

- (3) Chongqing Water & Environment Holdings Group Ltd. (重慶水務環境控股集團有限公司) holds 100% equity interest in Chongqing Water Conservancy Investment Group Co., Ltd. (重慶市水利投資(集團)有限公司) and 38.52% equity interest in Chongqing Water Group Co., Ltd. (重慶水務集團股份有限公司 respectively); indirectly holds 50.04% equity interest in Chongqing Water Group Co., Ltd. (重慶水務集團股份有限公司) through Chongqing Derun Environment Co., Ltd. (重慶德潤環境有限公司). Therefore, Chongqing Water & Environment Holdings Group Ltd. (重慶水務環境控股集團有限公司) directly and indirectly holds a total of 88.56% equity interest in Chongqing Water Group Co., Ltd. (重慶水務集團股份有限公司), and is deemed to be interested in a long position in 691,714,256 A Shares of the Bank held by Chongqing Water Conservancy Investment Group Co., Ltd. (重慶市水利投資(集團)有限公司) and Chongqing Water Group Co., Ltd. (重慶水務集團股份有限公司) in aggregate.
- (4) Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司) is deemed to be interested in a long position in 589,084,181 A Shares of the Bank held by its wholly-owned holding subsidiary, Chongqing Development and Real Estate Management Co., Ltd. (重慶發展置業管理有限公司). In addition, Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司) is wholly controlled by Chongqing SASAC.
- (5) Guo Guangchang holds 85.29% equity interests in Fosun International Holdings Ltd. Fosun International Holdings Ltd. holds 100% equity interests in Fosun Holdings Limited. Fosun Holdings Limited holds 72.50% equity interests in Fosun International Limited. Therefore, Guo Guangchang, Fosun International Holdings Ltd. and Fosun Holdings Limited are all deemed to be interested in the shares of the Bank held by Fosun International Limited and various corporations controlled by it. Guo Guangchang holds jointly a long position in 340,719,000 H shares of the Bank through Fosun International Limited and other corporations controlled by it.
- (6) According to Notice of Disclosure of Corporate Substantial Shareholders' Interests filed by Guo Guangchang, Fosun International Holdings Ltd. and Fosun International Limited on 30 December 2025, the long position of 340,719,000 H shares of the Bank that they are deemed to hold, compose of a long position of 150,549,000 H shares of the Bank directly held by Shanghai Yuyuan Tourist Mart (Group) Co., Ltd. (上海豫園旅遊商城(集團)股份有限公司). Fosun International Limited holds 100% equity interests in Shanghai Fosun High Technology (Group) Co., Ltd. and Shanghai Fosun High Technology (Group) Co., Ltd. directly and indirectly (through its subsidiary) holds 61.77% equity interests in Shanghai Yuyuan Tourist Mart (Group) Co., Ltd. (上海豫園旅遊商城(集團)股份有限公司) in total, therefore, Guo Guangchang, Fosun International Holdings Ltd., Fosun Holdings Limited and Fosun International Limited are all deemed to be interested in a long position in 150,549,000 H shares of the Bank held by Shanghai Yuyuan Tourist Mart (Group) Co., Ltd. (上海豫園旅遊商城(集團)股份有限公司).
- (7) JPMorgan Chase & Co. was deemed to hold a long position in 175,601,104 H shares, a short position in 7,747,516 H shares and a lending pool of 59,658,510 H shares of the Bank by virtue of its control over several corporations. Among which, a long position in 8,580,000 H shares and a short position in 1,648,000 H shares were held through non-listed derivatives.
- (8) (L) – Long position; (S) – Short position; and (P) – lending pool.

Report of the Board of Directors

The Board of Directors is pleased to present its report together with the audited financial statements of the Group for the year ended 31 December 2025.

I. Principal Activities

The Group is principally engaged in a range of banking services and related financial services in mainland China.

II. Financial Information

(I) Summary of Financial Information

Please refer to the section headed “Chapter 2 Financial Summary” of this report for the summary of the operating results, assets and liabilities of the Group for the latest five years.

(II) Reserves

Please refer to the section headed “Consolidated Statement of Changes in Equity” of this report for details of the movements in the reserves available for distribution to shareholders of the Group during the Reporting Period.

(III) Donations

In 2025, the Bank made a total of one donation of RMB4.8 million. In particular, the Bank donated RMB4.8 million to Huatian Township, Youyang County, Chongqing to support rural revitalization in Youyang County.

(IV) Property and Equipment

Please refer to the section of “Notes to the Consolidated Financial Statements – IV. Notes to the Consolidated Financial Statements – 19. Property and Equipment” of this report for details of movements in the property and equipment of the Group during the Reporting Period.

(V) Retirement Benefits

Please refer to the section of “Notes to the Consolidated Financial Statements – IV. Notes to the Consolidated Financial Statements – 31. Accrued Staff Costs” of this report for details of the retirement benefits provided to employees of the Group.

(VI) Ultimate Parent Company and Subsidiaries

As of the end of the Reporting Period, the Bank did not have any ultimate parent companies. For details of subsidiaries, please refer to the “Notes to the Consolidated Financial Statements – IV. Notes to the Consolidated Financial Statements – 18. Investments in Subsidiaries, Associates and Structured Entities” of this report.

III. Shares and Shareholders

(I) Purchase, Sale and Redemption of Securities

Neither the Bank nor its subsidiaries had purchased, sold or redeemed any listed shares and bonds of the Bank (including sale of treasury shares) during the Reporting Period. As of the end of the Reporting Period, the Bank did not hold any treasury shares.

In 2025, the Bank had not redeemed financial bonds in the national interbank bond market.

(II) Pre-emptive Rights

Neither the Articles of Association nor the relevant PRC laws have such provisions under which the Bank's shareholders have pre-emptive rights. In accordance with the provisions of the Articles of Association, the Bank may increase its capital in the following ways: issue new shares to non-specified investors, place or allot new shares to existing shareholders, issue new shares to targeted investors, convert new shares from capital reserve, or through other means as permitted by laws or administrative regulations.

(III) Equity-linked Agreement

As of the end of the Reporting Period, the Bank has not entered into any equity-linked agreement.

(IV) Sufficiency of Public Float

During the Reporting Period, the total share capital of the Bank remained unchanged. As of the end of the Reporting Period, the total share capital of ordinary shares of the Bank was 11,357,000,000 shares (including 8,843,663,959 A shares and 2,513,336,041 H shares). Based on information that is publicly available to the Bank and to the knowledge of the directors, the Bank has maintained sufficient public float as required by the Hong Kong Stock Exchange as at the end of the Reporting Period and as at the date of this report.

(V) Particulars of Shareholdings of the Top Ten Shareholders and Major Shareholders

For the details of shareholdings of the top ten shareholders and major shareholders of the Bank as of the end of the Reporting Period, please refer to the section headed "Chapter 7 Changes in Shares and Particulars of Shareholders" of this report.

IV. Directors, Supervisors and Senior Management

(I) Information on Directors, Supervisors and Senior Management

For details of directors, supervisors and senior management of the Bank, please refer to the section of “Chapter 4 Corporate Governance Report – IV. Information on Directors, Supervisors and Senior Management” of this report.

(II) Directors’, Supervisors’ and the Chief Executive’s Interests and Short Positions in Shares, Underlying Shares and Debentures of the Bank

As of 31 December 2025, the interests of the directors, supervisors and the chief executive of the Bank and their associates in the shares, underlying shares and debentures of the Bank or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance of Hong Kong) as recorded in the register required to be kept under Section 352 of the Securities and Futures Ordinance of Hong Kong or as otherwise notified to the Bank and Hong Kong Stock Exchange pursuant to the Model Code were as follows:

Name	Position	Capacity	Number of A shares held	% of the A shares (%)	% of the total share capital (%)
Sui Jun	Deputy Secretary to the Party Committee, President, Executive Director	Beneficial Owner	75,400	0.00085	0.00066

Note: The above number of shares of the Bank refers to long position.

Save as disclosed above, none of the directors, supervisors or the chief executive of the Bank or their associates had any interests or short positions in any shares, underlying shares or debentures of the Bank or any of its associated corporations as of 31 December 2025.

(III) Directors’, Supervisors’ and Senior Management’s Financial, Business and Family Relationships

There are no relationships among the directors, supervisors and senior management of the Bank, including financial, business, family or other material/relevant relationships.

(IV) Arrangements to Purchase Shares or Debentures

During the Reporting Period, neither the Bank nor its subsidiaries entered into any arrangements to enable the directors and supervisors of the Bank to acquire benefits by means of the acquisition of shares in, or debentures of, the Bank or any other body corporate.

(V) Directors' and Supervisors' Interests in Material Transactions, Arrangements and Contracts

Save for those continuing connected transactions which can be exempted from the reporting, annual review, announcement and independent shareholder's approval requirements under Chapter 14A of the Hong Kong Listing Rules, no director, supervisor or entity which is related to such persons of the Bank had a material interest, whether directly or indirectly, in material transactions, arrangements and contracts in relation to the Group's businesses to which the Bank, its holding company, any of its subsidiaries or fellow subsidiaries was a party at any time during the year (excluding service contracts).

(VI) Directors' and Supervisors' Service Contracts

None of the directors and supervisors of the Bank entered into service contracts with the Bank that cannot be terminated by the Bank or any of its subsidiaries within one year without payment of compensation (other than statutory compensation).

(VII) Permitted Indemnity Provision

There is no permitted indemnity provision was or is in effect which benefit for the directors of the Bank (whether entered into by the Bank or otherwise) or any director of the associates of the Bank (if it is entered into by the Bank) at any time during the financial year of the Bank and up to the date of the report of the Board of Directors of the Bank.

(VIII) Directors' and Supervisors' Interests in Competing Businesses

None of the directors and supervisors of the Bank had any interests in businesses that compete or may compete, directly or indirectly, with the business of the Bank.

(IX) Remuneration Policy for the Directors, Supervisors and Senior Management

For details of the remuneration policy for directors, supervisors and senior management of the Bank, please refer to the section of "Chapter 4 Corporate Governance Report – IV. Information on Directors, Supervisors and Senior Management – (III) Remuneration of Directors, Supervisors and Senior Management in 2025" of this report.

V. Major Customer

During the Reporting Period, aggregate amount of interest income and other operating income from the top five customers of the Bank was less than 30% of the total amount of interest income and other operating income of the Group.

VI. Management Contracts

As of the end of the Reporting Period, there was no management and administrative contract in respect of all or any of the principal activities of the Bank being entered into by or existed in the Bank.

VII. Corporate Governance

The Bank is committed to maintaining a high level of corporate governance. For details of the manner in which the principles and code provisions in the CG Code are applied and implemented by the Bank, please refer to the section of “Chapter 4 Corporate Governance Report” of this report.

VIII. Connected Transactions

Transactions between the Bank and the Bank’s connected persons (as defined under the Hong Kong Listing Rules) will constitute connected transactions of the Bank under Chapter 14A of the Hong Kong Listing Rules. During the Reporting Period, the Bank has engaged in a number of connected transactions with its connected persons as defined under the Hong Kong Listing Rules in the ordinary course of its business. However, the relevant connected transactions can be fully exempted from the reporting, annual review, announcement and independent shareholders’ approval requirements under Chapter 14A of the Hong Kong Listing Rules. The Bank has reviewed all its connected transactions and acknowledged that it had complied with the disclosure requirements under Chapter 14A of the Hong Kong Listing Rules.

The definition of connected persons under Chapter 14A of the Hong Kong Listing Rules is different from the definition of related parties under International Accounting Standard 24, “Related Party Disclosures”, and its interpretations by the International Accounting Standards Board. The details of related party transactions of the Bank during the Reporting Period are set out in the section headed “Notes to the Consolidated Financial Statements – IV. Notes to the Consolidated Financial Statements – 43. Related Party Relationships and Transactions” in this report. Save as above exempted connected transactions, such transactions did not constitute connected transactions under Chapter 14A of the Hong Kong Listing Rules.

IX. Tax

Shareholders of the Bank are taxed in accordance with the following tax regulations and the amendments thereof from time to time. They shall enjoy possible tax relief according to the actual situation, and shall seek professional advice from their tax and legal advisors on specific payment matters. The following cited laws, regulations and stipulations are all relevant provisions issued as of 31 December 2025.

(I) A Share Holders

1. Natural person shareholders and securities investment funds

In accordance with the provisions of the Notice on Issues concerning the Implementation of Differential Individual Income Tax Policies on Dividends and Bonuses of Listed Companies (Cai Shui [2012] No. 85) (《關於實施上市公司股息紅利差別化個人所得稅政策有關問題的通知》(財稅[2012]85號)) and the Notice on Issues concerning the Differential Individual Income Tax Policies on Dividends and Bonuses of Listed Companies (Cai Shui [2015] No. 101) (《關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》(財稅[2015]101號)) issued jointly by Ministry of Finance, State Administration of Taxation and CSRC, for shares of listed companies obtained by individuals from public offerings and the transfer market, where the holding period is less than 1 month (inclusive), the dividends and bonuses shall be counted as taxable income in the full amount; where the holding period is more than 1 month and less than 1 year (inclusive), 50% of the dividends and bonuses shall be counted as taxable income on a provisional basis; and where the holding period exceeds 1 year, the dividends and bonuses shall be exempted from individual income tax on a provisional basis. Individual income taxes on the aforesaid incomes shall be levied at the uniform rate of 20%. Individual income taxes levied on dividends and bonuses obtained by securities investment funds from listed companies are also calculated in accordance with the afore-mentioned rules. The individual shareholders of restricted shares shall calculate and levy individual income tax at the applicable tax rate of 20% after deducting 50% of the dividend income obtained before the lifting of the ban on shares, and implement differential tax policies on the dividend income obtained after the lifting of the ban on shares according to the shareholding time, which shall start from the lifting of the ban.

2. Shareholders of resident enterprises

In accordance with the provisions of Article 26(2) of the Enterprise Income Tax Law (《企業所得稅法》), dividends, bonuses and other equity investment proceeds distributed between qualified resident enterprises are tax-exempt income. In accordance with Article 83 of the Regulation on the Implementation of the Enterprise Income Tax Law (《企業所得稅法實施條例》), dividends, bonuses and other equity investment proceeds distributed between qualified resident enterprises referred to in Article 26(2) of the Enterprise Income Tax Law mean those investment proceeds obtained from direct investment of resident enterprises into other resident enterprises. Dividends, bonuses and other equity investment proceeds referred to in Article 26(2) of the Enterprise Income Tax Law exclude those investment proceeds obtained from publicly offered and tradable stocks of resident enterprises held for less than 12 months on a continuing basis.

3. *QFII*

In accordance with the provisions of the Notice of the State Administration of Taxation on Issues Concerning Withholding of Corporate Income Tax on the Dividends, Bonus and Interest paid by Chinese Resident Enterprises to QFII (Guo Shui Han [2009] No. 47), 10% of the enterprise income tax on the dividend income derived from the territory of China by QFII shall be paid in accordance with the provisions of the Enterprise Income Tax Law, and shall be withheld and paid by the enterprises that distribute dividends. Where QFII obtains dividend income and needs to enjoy the treatment under tax agreements (arrangements), it may file an application with the competent tax authority in accordance with the requirements of the Measures for the Administration of Non- resident Taxpayers Enjoying the Treatment under Agreements (SAT Announcement [2019] No. 35).

4. *Investors in Hong Kong Market*

Pursuant to the Notice on Tax Policy Regarding Shanghai-Hong Kong Stock Connect Pilot Programs (Cai Shui [2014] No. 81) 《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號) issued by the Ministry of Finance, the State Administration of Taxation and the CSRC, for dividend incomes obtained by investors (including enterprises and individuals) in the Hong Kong market from investing in A shares listed on the Shanghai Stock Exchange, the implementation of differentiated taxation is suspended before the Hong Kong Securities Clearing Company Limited (“HKSCC”) meets the conditions of providing identification, term of shareholding and other specific data of investors to the China Securities Depository and Clearing Corporation Limited; the income taxes thereof are withheld and paid by the listed company at the rate of 10%, which should be duly declared to the governing taxation authority. For Hong Kong investors who are tax residents of foreign countries that have entered into a tax treaty with the PRC specifying an income tax rate for dividend and bonus incomes below 10%, the enterprises or individuals may by themselves apply to the governing tax authority of the listed company to claim the preferential treatment as stipulated in such tax treaties.

(II) H Share Holders

1. *Non-resident Enterprise Shareholders*

Pursuant to the Enterprise Income Tax Law of the People's Republic of China and related implementation rules, relevant requirements of the "Notice of the State Administration of Taxation on the Issues concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H-share Holders Which Are Overseas Non-resident Enterprises" (Guo Shui Han [2008] No. 897) and relevant regulations, the Bank withholds the enterprise income tax at the rate of 10% for dividends paid to non-resident enterprise shareholders.

2. *Non-resident Individual Shareholders*

According to Guo Shui Han [2011] No. 348 documents issued by the State Administration of Taxation, the Bank is required to withhold individual income tax for non-resident individual holders of H Shares, who are entitled to relevant preferential tax arrangement pursuant to the taxation agreements between the countries where they are residing with China and the regulation on taxation arrangement between the Mainland and Hong Kong (Macau).

- (1) As for non-resident individual holders of H shares in countries which have entered into an agreement with China in respect of a tax rate lower than 10%, the Bank temporarily withholds individual income tax at the rate of 10%. Where non-resident individual holders of H shares need to enjoy the treatment under tax agreements (arrangements), it may file an application with the competent tax authority in accordance with the requirements of the Measures for the Administration of Non-resident Taxpayers Enjoying the Treatment under Agreements (SAT Announcement [2019] No. 35).
- (2) As for non-resident individual holders of H shares in countries and regions which have entered into an agreement with China in respect of a 10% tax rate, the Bank withholds individual income tax at the rate of 10%.
- (3) As for non-resident individual holders of H shares in countries which have entered into an agreement with China in respect of a tax rate between 10% and 20%, the Bank withholds individual income tax at the actual rate agreed thereunder.
- (4) As for non-resident individual holders of H shares in countries which have no tax agreement with China or are under any other circumstances, the Bank withholds individual income tax at the tax rate of 20%.

(III) Investors of Southbound Trading

1. *Individual shareholders in the Mainland of Southbound Trading*

Shanghai-Hong Kong Stock Connect: Pursuant to the Notice on Taxation Policies Concerning the Pilot Program for the Shanghai-Hong Kong Stock Connect Mechanism (Cai Shui [2014] No. 81), for the distribution of final dividends to mainland individual shareholders who invest in the H shares of the Bank through Shanghai-Hong Kong Stock Connect (these H shares are registered in the name of HKSCC Nominees Limited and is held by China Securities Depository and Clearing Corporation Limited as the nominal holder), the Bank will withhold the payment of personal income tax at the rate of 20%. For the distribution of final dividends to shareholders of mainland securities investment funds investing in the H shares of the Bank through Shanghai-Hong Kong Stock Connect (these H shares are registered in the name of HKSCC Nominees Limited and is held by held by China Securities Depository and Clearing Corporation Limited as the nominal holder), the Bank will withhold the payment of personal income tax at the rate of 20%.

Shenzhen-Hong Kong Stock Connect: Pursuant to the Notice on Taxation Policies concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shenzhen and Hong Kong Stock Markets (Cai Shui [2016] No. 127), for the distribution of final dividends to mainland individual shareholders who invest in the H shares of the Bank through Shenzhen-Hong Kong Stock Connect (these H shares are registered in the name of HKSCC Nominees Limited and is held by China Securities Depository and Clearing Corporation Limited as the nominal holder), the Bank will withhold the payment of personal income tax at the rate of 20%. For the distribution of final dividends to shareholders of mainland securities investment funds investing in the H shares of the Bank through Shenzhen-Hong Kong Stock Connect (these H shares are registered in the name of HKSCC Nominees Limited and is held by China Securities Depository and Clearing Corporation Limited as the nominal holder), the Bank will withhold the payment of personal income tax at the rate of 20%.

2. *Shareholders of mainland enterprises of Southbound Trading*

Shanghai-Hong Kong Stock Connect: Pursuant to the Notice on Taxation Policies Concerning the Pilot Program for the Shanghai-Hong Kong Stock Connect Mechanism (Cai Shui [2014] No. 81), for the distribution of final dividends to mainland corporate shareholders investing in the H shares of the Bank through Shanghai-Hong Kong Stock Connect (these H shares are registered in the name of HKSCC Nominees Limited and is held by China Securities Depository and Clearing Corporation Limited as the nominal holder), the Bank will not withhold corporate income tax, and the tax payable shall be submitted and paid by the shareholders of the mainland enterprises themselves. Among them, dividends obtained by shareholders of mainland enterprises who hold H shares of the Bank for 12 consecutive months are exempt from corporate income tax.

Shenzhen-Hong Kong Stock Connect: Pursuant to the Notice on Taxation Policies concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shenzhen and Hong Kong Stock Markets (Cai Shui [2016] No. 127), for the distribution of final dividends to mainland corporate shareholders investing in the H shares of the Bank through Shenzhen-Hong Kong Stock Connect (these H shares are registered in the name of HKSCC Nominees Limited and is held by China Securities Depository and Clearing Corporation Limited as the nominal holder) the Bank will not withhold corporate income tax, and the tax payable shall be submitted and paid by the shareholders of the mainland enterprises themselves. Among them, dividends obtained by shareholders of mainland enterprises who hold H shares of the Bank for 12 consecutive months are exempt from corporate income tax.

X. Business Review

(I) **Examining the Company's Business and Revealing the Possible Future Development of the Company's Business**

The Group is mainly engaged in banking and related financial services in mainland China, and the discussion and analysis of business review are detailed in the section of "Chapter 3 Management Discussion and Analysis – VI. Business Overview" of this report. The main risks of the Group and the possible future development plan for the Group's business are detailed in the section of "Chapter 3 Management Discussion and Analysis – VIII. Risk Management and XI. Outlook" of this report.

(II) Compliance with Laws and Regulations

The Board of Directors paid close attention to the policies and regulations in relation to relevant laws and regulations which the Group has to comply with. The Bank has employed legal advisers for mainland China and Hong Kong laws to ensure the transactions and businesses of the Group are carried out under the applicable laws. Relevant employees and operation units will be informed by update on applicable laws and regulations from time to time. Laws and regulations are the basis and foundation for the legal and compliant operation of the Bank, and also the guidance for the Bank to conduct operating and management activities within the regulatory framework. According to the requirements and changes of laws and regulations, the Bank evaluates the effect on operation and management and make necessary adjustments to ensure healthy business development with legal compliance.

(III) Relations with Employees, Customers and Suppliers

The Bank placed utmost emphasis on the corporate culture construction, employee management and training, and is committed to build harmonious and stable employment relations. The Bank treasures employees as one of the most important and most valuable assets and has been always cherishing the employees' contribution and support. The Bank has made great efforts to provide comfortable and harmonious working environment, sound welfare and compensation system and reasonable career planning. By means of appropriate trainings and opportunities provided, the Bank has helped employees in career development and promotion.

The Bank has been always perfecting the financial services to the customers to win the clients' understanding, trust and support. The Bank insists on the market principle for all clients who apply for loans, especially the related clients, and avoids special credit aid priority.

The Bank attaches importance to the cooperation with suppliers, and adheres to the principle of fair competition when selecting suppliers. In view of the business nature of the Bank, the Bank did not have major suppliers.

(IV) Environmental Protection Policy and Implementation of the Bank

For details of the Bank's compliance of laws and regulations that have a significant impact on environmental policies, please refer to the 2025 Sustainability Report of Chongqing Rural Commercial Bank Co., Ltd.

(V) Details of Major Events Subsequent to the End of Financial Year under Review with Significant Influence on the Company

The Bank conducted a comprehensive review on the financial performance of 2025 pursuant to the national laws and regulatory requirements and prepared annual report for the year of 2025. Save for the above, no major event or case with any significant influence on the Group has occurred after completion of annual financial review and up to the date of this report.

On behalf of the Board
Liu Xiaojun
Chairman

25 March 2026

Report of the Board of Supervisors

The Board of Supervisors of the Bank conscientiously fulfilled the responsibility assigned by the Articles of Association. The Board of Supervisors was in line with the principles that were conducive to the sustainable and steady development of the Bank's business, the reform and innovation of the Bank, and the protection of shareholders' rights and interests, so as to carry out work with emphasis on performance supervision, financial supervision, internal control and risk supervision, continuously improve the working methods and enhance the effectiveness of supervision, promoting the steady operation and healthy development of the Bank and effectively playing a role of supervision and balance in corporate governance.

I. Major Work

(I) Supervision on Meetings

As at the end of the Reporting Period, the Board of Supervisors of the Bank convened 8 meetings in total in 2025, at which resolutions and reports including the financial budget and account, profit distribution, and internal control evaluation report were considered and approved. The Board of Supervisors played its role as a special committee and convened 6 related meetings, at which the Audit Committee has 4 meetings, the Internal Control Review Committee has 1 meeting and the Performance Due Diligence Supervision Committee has 1 meeting. To ensure that the meetings were effective, before each meeting, the issues were submitted to the reviewers as required, opinions were fully discussed at the meetings and implementation of resolutions formed after the meetings. In addition, the Board of Supervisors attended 2 general meetings and 9 on-site conferences of the Board of Directors as non-voting delegates to supervise the meeting process.

(II) Daily Supervision

In terms of the duty performance supervision, the Board of Supervisors continued to pay attention to the compliance of the Board of Directors, senior management and its members with the laws and regulations and the Articles of Association, strengthened the supervision of the implementation of the development strategies, and conducted remuneration post-strategy assessment. The Board of Supervisors focused on the implementation of the Bank's strategy, and whether the salary system is conducive to promoting the high-quality development of the Bank. In view of the shortcomings existing in the actual implementation and in combination with the current business development priorities, constructive suggestions were put forward from the perspective of the Board of Supervisors. The Board of Supervisors paid attention to the supervision of the performance of duties, and collected relevant information on corporate governance, operation and management, risk management and control, and internal supervision, and deepened the supervision of the performance of duties through measures such as attending Board meetings, accessing information, conducting performance evaluations.

Report of the Board of Supervisors

In terms of financial supervision, the Board of Supervisors focused on supervising the Bank's important financial decisions, profit distribution plan and financial budget control, and strengthened the supervision of financial compliance and authenticity, and the effectiveness of financial resources allocation. The Board of Supervisors reviewed the annual report, interim report and quarterly report on a regular basis, focusing on the operating efficiency, the main financial revenue and expenditure, the development of deposit and loan business, and the trend of changes in asset quality. The Board of Supervisors paid attention to the communication with the external auditors, and regularly debriefed the auditing reports.

In terms of internal control and risk supervision, the Board of Supervisors continued to strengthen the effectiveness of internal control and supervision over the compliance with laws and regulations. The Board of Supervisors focused on the organizational structure of internal control, system construction and implementation, quality of internal control inspection, problem rectification and accountability, etc., listened to the Bank's internal control evaluation report, intensified the use of internal auditing results, seriously reviewed various internal audit reports, and continued tracking the implementation of the rectification of supervision and revelation of issues, so as to promote the improvement of such rectification.

(III) Self-establishment of the Board of Supervisors

Continuous efforts have been made to strengthen the construction of the Board of Supervisors in terms of system, personnel and knowledge. The Board of Supervisors improved its supervision groundwork to improve operational efficiency, through regularly collecting and analyzing the key operational data, financial indicators and asset quality data of the Bank as reference for the Board of Supervisors in making comments. For problems in relation to system construction and implementation, effectiveness of internal control, risk prevention and financial compliance, the Board of Supervisors refined its supervision mechanism for rectifications by establishing rectification ledger from the perspective of the Board of Supervisors to conduct targeted interviews and track the progress of rectification regularly. It will conduct comprehensive evaluation on the rectification progress for the whole year to promote the effective use of supervision results.

(IV) Abolishment of the Board of Supervisors

The resolution in relation to the cancellation of the establishment of the Board of Supervisors has been considered and approved by the Board of Directors and the Board of Supervisors of the Bank in June 2025, and has been approved at the general meeting of the Bank held in December 2025, which shall take effect upon the date of approval on the amended Articles of Association by the National Financial Regulatory Administration Chongqing Office. Prior to that, Supervisors of the Bank shall still perform duties in accordance with relevant requirements.

II. Independent Opinions on Relevant Matters of the Bank

(I) Operations in Compliance with Laws and Regulations

During the Reporting Period, the Bank had been operating in compliance with relevant laws and regulations. Its decision-making procedures complied with the provisions of laws, regulations and the Articles of Association. As at the date of this report, directors and senior management of the Bank were faithful and honest, and diligent in carrying out their duties. They were not found to have contravened any laws, regulations or the Articles of Association; neither did they commit any acts detrimental to the interests of the Bank.

(II) Financial Reporting

KPMG Huazhen LLP and KPMG have audited the financial report for the year 2025 of the Bank prepared in accordance with the Chinese Accounting Standards and the International Accounting Standards respectively, and have issued unqualified audit report respectively. The Board of Supervisors considered that the financial report of the Bank for 2025 gave a true, objective and accurate view of the financial position and operating results of the Bank.

(III) Acquisition and Disposal of Assets

During the Reporting Period, the Board of Supervisors was not aware of any insider transactions or any acts in acquisition or disposal of assets that were detrimental to the interests of the shareholders or leading to a loss on the Bank's assets.

(IV) Related Party Transactions

During the Reporting Period, the Bank's related party transactions had been conducted in accordance with relevant regulations and systems and the Board of Supervisors was not aware of any actions in the transactions that were detrimental to the interests of the Bank.

(V) Internal Control

The Board of Supervisors has reviewed the 2025 Internal Control Evaluation Report of Chongqing Rural Commercial Bank Co., Ltd. and was not aware of any significant defect in the Bank's internal control system and its implementation.

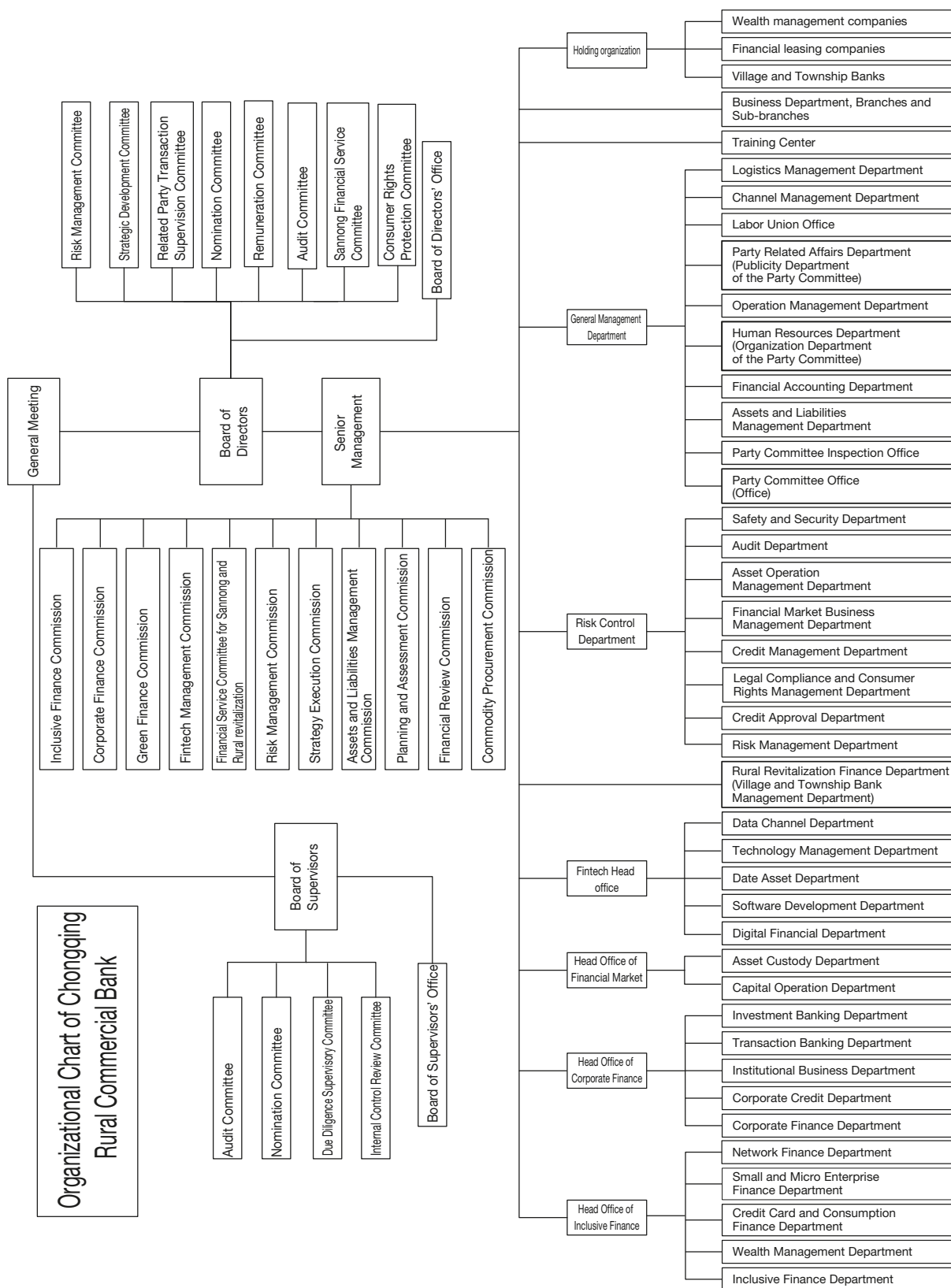
(VI) Performance of Social Responsibility

During the Reporting Period, the Bank vigorously performed social responsibilities. The Board of Supervisors has no disagreement with the 2025 Sustainability Report of Chongqing Rural Commercial Bank Co., Ltd..

Board of Supervisors of Chongqing Rural Commercial Bank Co., Ltd.

25 March 2026

Organizational Chart



Branches and Subsidiaries

Branches

Qujing Branch

Address: No. 460, Qilin West Road, Qilin District, Qujing City, Yunnan Province
Postal Code: 655000
Tel: 0874-3193599

Liangjiang Branch

Address: No. 21, 23, 25 Jintong Road, New North Zone, Chongqing City
Postal Code: 401122
Tel: 023-88502278

Kexuecheng Branch

Address: No. 28, Xiyong Avenue, High-tech Zone, Chongqing City
Postal Code: 401332
Tel: 023-65002879

Wanzhou Branch

Address: No. 91 Taibai Road, Wanzhou District, Chongqing City
Postal Code: 404100
Tel: 023-58156261

Jiangjin Branch

Address: Annex 6 and 7, No.183 Xijiang Avenue, Shengquan Street, Jiangjin District, Chongqing City
Postal Code: 402260
Tel: 023-47522632

Hechuan Branch

Address: No. 2 Jiuchang Road, Hechuan District, Chongqing City
Postal Code: 401520
Tel: 023-42835185

Fuling Branch

Address: Block 1, Hongfu Building No. 55 Xinghua Middle Road, Fuling District, Chongqing City
Postal Code: 408000
Tel: 023-72238022

Sub-branches

Yuzhong Branch

Address: No. 142 Xinhua Road, Yuzhong District, Chongqing City
Postal Code: 400011
Tel: 023-63716557

Jiangbei Branch

Address: 1-1, No. 10, Yanghe East Road, Jiangbei District, Chongqing City
Postal Code: 400020
Tel: 023-61310036

Shapingba Branch

Address: Annex 37, 38 and 39, No. 118 Xiaoyanggong Bridge, Shapingba District, Chongqing City
Postal Code: 400030
Tel: 023-65356886

Dadukou Branch

Address: 1-3, 1-4-1-1, Block 1; 1-4-1-2, 1-4-2-2, Block 1 and 11 Tianchenhuafu, Chunhui Road Street, Dadukou District, Chongqing City
Postal Code: 400084
Tel: 023-68836636

Nan'an Branch

Address: No. 24 Jiangnan Avenue, Nanping, Nan'an District, Chongqing City
Postal Code: 400060
Tel: 023-62947517

Jiulongpo Branch

Address: Annex No. 1, No. 2 Xijiao Road, Yang Jia Ping, Jiulongpo District, Chongqing City
Postal Code: 400050
Tel: 023-68437557

Beibei Branch

Address: No. 20 Beixia West Road, Beibei District, Chongqing City
Postal Code: 400700
Tel: 023-68864083

Branches and Subsidiaries

Yubei Branch

Address: 1-1, Block 1, No. 91 Shuanglong Avenue, Shuanglonghu Street, Yubei District, Chongqing City
Postal Code: 401120
Tel: 023-67824010

Ba'nan Branch

Address: No. 145 Longzhou Avenue, Ba'nan District, Chongqing City
Postal Code: 400055
Tel: 023-66222960

Wansheng Branch

Address: No. 36 Wandong North Road, Wansheng District, Chongqing City
Postal Code: 400800
Tel: 023-48299505

Changshou Branch

Address: No. 13 Xiangyang Road, Fengcheng Street Office, Changshou District, Chongqing City
Postal Code: 401220
Tel: 023-40245293

Yongchuan Branch

Address: No. 399, Honghe Middle Road, Yongchuan District, Chongqing City
Postal Code: 402160
Tel: 023-49863765

Nanchuan Branch

Address: No. 24 Jinfo Avenue, Nanchuan District, Chongqing City
Postal Code: 408400
Tel: 023-71423626

Qijiang Branch

Address: No. 34 Jiulong Avenue, Wenlong Street, Qijiang District, Chongqing City
Postal Code: 401420
Tel: 023-48663139

Tongnan Branch

Address: No. 4, Xingtong Avenue, Guilin Street Office, Tongnan District, Chongqing City
Postal Code: 402660
Tel: 023-44551908

Tongliang Branch

Address: No. 102 Zhongxing Road, Bachuan Street, Tongliang District, Chongqing City
Postal Code: 402560
Tel: 023-45682975

Dazu Branch

Address: Annex No. 1, No. 227 Middle Section of Wuxing Avenue, Tangxiang Street, Dazu District, Chongqing City
Postal Code: 402360
Tel: 023-43711711

Rongchang Branch

Address: No. 106 Haitang Avenue, Changzhou Street, Rongchang District, Chongqing City
Postal Code: 402460
Tel: 023-46732980

Bishan Branch

Address: No. 91 Jianshan Road, Biquan Street, Bishan District, Chongqing City
Postal Code: 402760
Tel: 023-41427834

Liangping Branch

Address: No. 1, Block 26, Minghao Commercial Area, Liangshan Street, Liangping District, Chongqing City
Postal Code: 405200
Tel: 023-53223401

Chengkou Branch

Address: No. 30 South Street, Gecheng Street,
Chengkou County, Chongqing City
Postal Code: 405900
Tel: 023-59221503

Fengdu Branch

Address: No. 187 2nd Shangye Road, Sanhe
Street, Fengdu County, Chongqing
City
Postal Code: 408299
Tel: 023-70736661

Dianjiang Branch

Address: No. 371 Renmin East Road, Guixi
Street, Dianjiang County, Chongqing
City
Postal Code: 408300
Tel: 023-74512937

Zhong County Branch

Address: No. 49 Ba Wang Road, Zhongzhou
Street, Zhong County, Chongqing
City
Postal Code: 404300
Tel: 023-54235902

Kaizhou Branch

Address: (Shimin Plaza) Kaizhou Avenue,
Hanfeng Street Office, Kaizhou
District, Chongqing City
Postal Code: 405400
Tel: 023-52250812

Yunyang Branch

Address: No. 1335 Yunjiang Avenue, Qinglong
Street, Yunyang County, Chongqing
City
Postal Code: 404500
Tel: 023-55161480

Fengjie Branch

Address: No. 32 Gongping Lane, Yufu Street,
Fengjie County, Chongqing City
Postal Code: 404699
Tel: 023-56560373

Wushan Branch

Address: No. 258 Guangdong Middle Road,
Wushan County, Chongqing City
Postal Code: 404700
Tel: 023-57680904

Wuxi Branch

Address: Unit 1-1, No. 7 Yanghe Garden,
No. 25, Binhe Zhilu, Boyang Street,
Wuxi County, Chongqing City
Postal Code: 405899
Tel: 023-51529828

Qianjiang Branch

Address: No. 217 Jiefang Road, Chengdong
Street, Qianjiang District, Chongqing
City
Postal Code: 409000
Tel: 023-79236496

Shizhu Branch

Address: Annex No. 6, No. 10 Wanshou
Avenue, Nanbin Street, Shizhu Tujia
Autonomous County, Chongqing
City
Postal Code: 409100
Tel: 023-85093666

Wulong Branch

Address: No. 36 Furong Middle Road, Furong
Street, Wulong District, Chongqing
City
Postal Code: 408500
Tel: 023-77723233

Xiushan Branch

Address: No. 35, Yuxiu Avenue, Zhonghe
Street, Xiushan Tujia and Miao
Autonomous County, Chongqing
City
Postal Code: 409900
Tel: 023-76662163

Branches and Subsidiaries

Youyang Branch

Address: No. 6 Middle Section of Taohuayuan Avenue, Taohuayuan Street, Youyang Tujia and Miao Autonomous County, Chongqing City

Postal Code: 409800

Tel: 023-75556144

Pengshui Branch

Address: Annex 4, No. 2 Shizui Street, Hanjia Street, Pengshui Miao and Tujia Autonomous County, Chongqing City

Postal Code: 409600

Tel: 023-78848842

Subsidiaries

Jiangsu Zhangjiagang CQRC Village and Township Bank Co., Ltd. (江蘇張家港渝農商村鎮銀行股份有限公司)

Address: No. M101, Block 2, Panhua International Plaza, Yangshe Town, Zhangjiagang City, Jiangsu Province

Postal Code: 215600

Tel: 0512-58918959

Sichuan Dazhu CQRC Village and Township Bank Co., Ltd. (四川大竹渝農商村鎮銀行股份有限公司)

Address: Block H8/9, Huangge Commercial Plaza, Xinhua Road East, Zhuyang Town, Dazhu County, Sichuan Province

Postal Code: 635100

Tel: 0818-6256123

Yunnan Dali CQRC Village and Township Bank Co., Ltd. (雲南大理渝農商村鎮銀行有限公司)

Address: No. 176 Yangbi Road, Economic Development Zone, Dali Prefecture, Yunnan Province

Postal Code: 671000

Tel: 0872-2188667

Yunnan Xiangyun CQRC Village and Township Bank Co., Ltd. (雲南祥雲渝農商村鎮銀行有限公司)

Address: No. 16, Block 11, "Yinxiang Garden", Wenyuan Road north side, Xiangcheng Town, Xiangyun County, Dali Prefecture, Yunnan Province

Postal Code: 672100

Tel: 0872-3997552

Yunnan Heqing CQRC Village and Township Bank Co., Ltd. (雲南鶴慶渝農商村鎮銀行有限公司)

Address: No. 15 Xinghe Road, Yunhe Town, Heqing County, Dali Prefecture, Yunnan Province

Postal Code: 671500

Tel: 0872-4123500

Guangxi Luzhai CQRC Village and Township Bank Co., Ltd. (廣西鹿寨渝農商村鎮銀行有限公司)

Address: Shops 4-7, 1/F and 2/F, Annex Building, Huiyilian Business Tower, No. 8 Guiyuan Road, Luzhai Town, Luzhai County, Liuzhou City, Guangxi Zhuang Autonomous Region

Postal Code: 545600

Tel: 0772-6822818

Fujian Shaxian CQRC Village and Township Bank Co., Ltd. (福建沙縣渝農商村鎮銀行有限公司)

Address: Floor 1 & 2, North Tower of Yongshun Building, Xincheng Central Road, Sha County, Sanming City, Fujian Province

Postal Code: 365050

Tel: 0598-5758880

Fujian Fuan CQRC Village and Township Bank Co., Ltd. (福建福安渝農商村鎮銀行有限責任公司)

Address: No. 1 Guanhang Road, Cheng Bei, Fu'an City, Fujian Province
Postal Code: 355000
Tel: 0593-8988906

Yunnan Shangri-La CQRC Village and Township Bank Co., Ltd. (雲南香格里拉渝農商村鎮銀行有限責任公司)

Address: No. 7 Changzheng Avenue, Shangri-La City, Diqing Prefecture, Yunnan Province
Postal Code: 674499
Tel: 0887-8980066

Fujian Shishi CQRC Village and Township Bank Co., Ltd. (福建石獅渝農商村鎮銀行有限責任公司)

Address: No. 2454, 2456, 2458, Hong Xing International Building, Baqi Road, Shishi City, Fujian Province
Postal Code: 362700
Tel: 0595-82269866

Fujian Pingtan CQRC Village and Township Bank Co., Ltd. (福建平潭渝農商村鎮銀行有限責任公司)

Address: A3-A6, 19th Row, Kangde Huayuan Villa, Tancheng Town, Pingtan County, Fujian Province
Postal Code: 350400
Tel: 0591-86175991

Yunnan Xishan CQRC Village and Township Bank Co., Ltd. (雲南西山渝農商村鎮銀行有限責任公司)

Address: No. 924, 926, 928 Dianchi Road, Dianchi National Tourist Resort, Kunming City, Yunnan Province
Postal Code: 650000
Tel: 0871-68188973

CQRC Financial Leasing Co., Ltd. (渝農商金融租賃有限責任公司)

Address: Annex No. 11 and 12, No. 99 Jinkai Avenue, Liangjiang New District, Chongqing
Postal Code: 401121
Tel: 023-63569568

CQRC Wealth Management Co., Ltd. (渝農商理財有限責任公司)

Address: 20/F and 21/F, Chengda-Jinjia International Building, No.10, Guihua Street Branch Road, Jiangbei District, Chongqing
Postal Code: 400024
Tel: 023-61111693

Independent Auditor's Report

To the shareholders of Chongqing Rural Commercial Bank Co., Ltd.

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

Opinion

We have audited the consolidated financial statements of Chongqing Rural Commercial Bank Co., Ltd. (the “Bank”) and its subsidiaries (the “Group”) set out on pages 200 to 377, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (“IESBA Code”), as applicable to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the IESBA 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report (Continued)

Key audit matters (Continued)

Expected credit loss allowances for loans and advances to customers

Refer to Note IV 7 Credit impairment losses, Note IV 16 Loans and advances to customers and Note IV 47(1) Credit risk and the accounting policies in Note II 8.5 Impairment of financial instruments and Note III 1 Measurement of the expected credit loss allowance.

The Key Audit Matter	How the matter was addressed in our audit
The Group adopts an expected credit loss ("ECL") model according to International Financial Reporting Standard 9, Financial instruments. The determination of ECL allowances is subject to the application of 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, as well as adjustments for forward-looking information and other adjustment factors. Significant management judgement is involved in the selection of those parameters and the application of the assumptions. In particular, the determination of ECL allowances is heavily dependent on the external macro environment and the Group's internal credit risk management strategy. The ECL allowances for corporate loans and advances to customers are derived from estimates whereby management takes into consideration the historical losses, internal and external credit grading and other factors. The ECL for personal loans are derived from estimates whereby management takes into consideration historical overdue data, the historical loss experience for personal loans and other factors.	Our audit procedures to assess ECL allowances for loans and advances to customers included the following: • 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, as well as the credit grading process and the measurement of ECL; • involving KPMG's information technology specialists in understanding and evaluating the design and operating effectiveness of information system controls, including: general information technology control, logics and compilation of the overdue information, operational process of the credit grading of corporate customers, inter-system data transmission, mapping of parameters of ECL model and system calculation logic of ECL allowances of loans and advances to customers; • involving KPMG's financial risk specialists in assessing the appropriateness of the ECL model used in determining ECL allowances, and assessing the reasonableness of the key parameters and assumptions in the ECL 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 overlays;

Independent Auditor's Report (Continued)

Key audit matters (Continued)

Expected credit loss allowances for loans and advances to customers (Continued)

Refer to Note IV 7 Credit impairment losses, Note IV 16 Loans and advances to customers and Note IV 47(1) Credit risk and the accounting policies in Note II 8.5 Impairment of financial instruments and Note III 1 Measurement of the expected credit loss allowance.

The Key Audit Matter	How the matter was addressed in our audit
Management also exercises judgement in determining the quantum of loss given default and ECL allowances of stage 3 loans and advances to customers based on a range of factors. These include available remedies for recovery, the financial situation of the borrower, the recoverable amount of any collateral, the seniority of the claim, 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 use when assessing the value of collateral. The enforceability, timing and means of realisation of collateral can also have an impact on the recoverable amount of collateral. We identified the measurement of ECL allowances for loans and advances to customers as a key audit matter because of the inherent uncertainty and management judgement involved and because of its significance to the financial results and capital of the Group.	• assessing the completeness and accuracy of data used in the ECL model. For key parameters derived from internal data relating to original agreements, we compared the total balance of the list of loans and advances to customers used by management to assess the ECL allowances with the general ledger to evaluate the completeness of the list, selecting samples and comparing individual information of the loans and advances to customers with the underlying agreements and other related documentation to evaluate the compilation accuracy of the list. For key parameters derived from external data, we assessed the accuracy by selecting samples comparing them with public resources; • for key parameters involving judgement, critically assessing input parameters by seeking evidence from external sources and comparing to the internal records including historical loss experience and type of collateral. As part of these procedures, we inquired the reasons for management's revisions to estimates and input parameters 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 and whether signs of management bias exist;

Independent Auditor's Report (Continued)

Key audit matters (Continued)

Expected credit loss allowances for loans and advances to customers (Continued)

Refer to Note IV 7 Credit impairment losses, Note IV 16 Loans and advances to customers and Note IV 47(1) Credit risk and the accounting policies in Note II 8.5 Impairment of financial instruments and Note III 1 Measurement of the expected credit loss allowance.

The Key Audit Matter	How the matter was addressed in our audit
	• for key parameters used in the ECL model which were derived from system-generated internal data, assessing the accuracy of input data by comparing the input data with original documents on a sample basis; • evaluating the reasonableness of management's assessment on whether the credit risk of loans and advances to customers has, or has not, increased significantly since initial recognition and whether loans and advances to customers are credit-impaired by selecting risk-based samples. We analysed the portfolio by industry sector to select samples in industries more vulnerable to the current economic situation and samples which met specific risk criteria. We checked loan overdue information, making enquiries of the credit managers about the borrowers' business operations, checking borrowers' financial information and researching market information about borrowers' businesses;

Independent Auditor's Report (Continued)

Key audit matters (Continued)

Expected credit loss allowances for loans and advances to customers (Continued)

Refer to Note IV 7 Credit impairment losses, Note IV 16 Loans and advances to customers and Note IV 47(1) Credit risk and the accounting policies in Note II 8.5 Impairment of financial instruments and Note III 1 Measurement of the expected credit loss allowance.

The Key Audit Matter	How the matter was addressed in our audit
	• for selected samples of loans and advances to customers that are credit-impaired, evaluating the appropriateness of ECL allowances and management's assessment of the value of any property collateral held by comparison with market prices based on the location and use of the property and the prices of neighbouring properties. We also evaluated the timing and means of realisation of collateral, evaluated the forecast cash flows, challenged the viability of the Group's recovery plans and evaluated other credit enhancements that are integral to the contract terms; • recalculating the amount of ECL allowances for 12 months and lifetime credit losses using the ECL model based on the above parameters and assumptions for a sample of loans and advances to customers; • evaluating the reasonableness of disclosures regarding ECL allowances of loans and advances to customers against prevailing accounting standards.

Independent Auditor's Report (Continued)

Key audit matters (Continued)

Consolidation of structured entities

Refer to Note IV 44 Structured entities and the accounting policies in Note II 2 Consolidation and Note III 4 Consolidation of structured entities.

The Key Audit Matter	How the matter was addressed in our audit
Structured entities are generally created to achieve a narrow and well-defined objective with restrictions around their ongoing activities. The Group may acquire an ownership interest in, or act as a sponsor to a structured entity, through issuing a fund, a trust plan, an asset-backed security, a wealth management product or an asset management plan. In determining whether the Group should consolidate a structured entity, management is required to consider the power that the Group is able to exercise, the variable returns that the Group receives and its ability to influence the variable returns. These factors are not purely quantitative and need to be considered collectively in the overall substance of the transactions.	Our audit procedures to assess the consolidation of structured entities included the following: • understanding and assessing the design, implementation and operating effectiveness of key internal controls over consolidation of structured entities; • selecting samples on structured entities and performing the following audit procedures: – inspecting the related contracts, internal establishment documents and information disclosed to the investors to understand the purpose of the establishment of the structured entity and the involvement that the Group has with the structured entity and assessing management's judgement over whether the Group has the ability to exercise power over the structured entity;

Independent Auditor's Report (Continued)

Key audit matters (Continued)

Consolidation of structured entities (continued)

Refer to Note IV 44 Structured entities and the accounting policies in Note II 2 Consolidation and Note III 4 Consolidation of structured entities.

The Key Audit Matter	How the matter was addressed in our audit
We identified the consolidation of structured entities as a key audit matter because of the complex nature of certain of these structured entities and because of the judgement exercised by management in the qualitative assessment of the terms and nature of each structured entity.	– inspecting the risk and reward structure of the structured entity, including any capital or return guarantee, provision of liquidity support, commission paid and distribution of the returns, to assess management's judgement as to the exposure, or variable returns from the Group's involvement in such an entity; – evaluating management's analysis of the structured entity, including qualitative analysis and the calculation of the magnitude and variability associated with the Group's economic interests in the structured entity, to assess management's judgement over the Group's ability to influence its own returns from the structured entity; – assessing management's judgement over whether the structured entity should be consolidated or not. • evaluating the reasonableness of disclosures regarding consolidation of structured entities against prevailing accounting standards.

Independent Auditor's Report (Continued)

Information other than the consolidated financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises all the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 the directors for the consolidated financial statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group'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 the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

Independent Auditor's Report (Continued)

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Group'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 consolidated 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 Group to cease to continue as a going concern.

Independent Auditor's Report (Continued)

Auditor's responsibilities for the audit of the consolidated financial statements *(Continued)*

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee 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 the Audit Committee 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated 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.

The engagement partner on the audit resulting in this independent auditor's report is Pang, Shing Chor, Eric.

Certified Public Accountants

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

25 March 2026

Consolidated Statement of Profit or Loss

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

	Note	Year ended 31 December	
	IV	2025	2024
Interest income		46,465,170	47,087,838
Interest expense		(22,204,520)	(24,593,354)
Net interest income	1	<u>24,260,650</u>	<u>22,494,484</u>
Fee and commission income		1,659,322	1,976,423
Fee and commission expense		(364,881)	(364,346)
Net fee and commission income	2	<u>1,294,441</u>	<u>1,612,077</u>
Net trading gains	3	1,064,347	2,388,145
Share of profits of associates		39,366	34,605
Other operating income, net	4	126,685	302,628
Net gains on derecognition of financial assets measured at fair value through other comprehensive income		1,212,670	131,365
Net gains on derecognition of financial assets measured at amortised cost		<u>621,779</u>	<u>1,267,935</u>
Operating income		28,619,938	28,231,239
Operating expenses	5	(9,424,852)	(9,393,644)
Credit impairment losses	7	(5,444,126)	(5,956,910)
Impairment losses on other assets		<u>(41,573)</u>	<u>(63,322)</u>
Profit before tax		13,709,387	12,817,363
Income tax expense	8	<u>(1,289,382)</u>	<u>(1,028,284)</u>
Profit for the year		<u><u>12,420,005</u></u>	<u><u>11,789,079</u></u>
Attributable to:			
– Shareholders of the Bank		12,128,421	11,512,747
– Non-controlling interests		291,584	276,332
Earnings per share (Expressed in Renminbi (“RMB”) Yuan per share)			
Basic and diluted	9	<u>1.05</u>	<u>0.99</u>

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

Consolidated statement of Comprehensive Income

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

	Year ended 31 December	
	2025	2024
Profit for the year	<u>12,420,005</u>	<u>11,789,079</u>
Other comprehensive income, after tax:		
Items that will not be reclassified to profit or loss:		
– Changes in remeasurement of defined benefit plans	114,465	(144,272)
– Changes in fair value of equity instruments measured at fair value through other comprehensive income	344,676	45,138
Items that may be reclassified:		
– Changes in fair value of debt instruments measured at fair value through other comprehensive income	(3,509,847)	4,088,949
– Credit impairment losses of debt instruments measured at fair value through other comprehensive income	<u>153,762</u>	<u>182,013</u>
Other comprehensive income for the year (net of tax)	<u>(2,896,944)</u>	<u>4,171,828</u>
Total comprehensive income for the year	<u><u>9,523,061</u></u>	<u><u>15,960,907</u></u>
Total comprehensive income attributable to:		
Shareholders of the Bank	9,231,210	15,684,685
Non-controlling interests	291,851	276,222

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

Consolidated statement of Financial Position

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

	Note	As at 31 December	
	IV	2025	2024
Assets			
Cash and balances with central bank	11	55,090,581	51,204,006
Deposits with banks and other financial institutions	12	42,148,564	21,032,927
Placements with banks and other financial institutions	13	100,292,348	90,440,520
Derivative financial assets	14	938,995	5,295
Financial assets held under resale agreements	15	34,197,176	20,937,314
Loans and advances to customers	16	765,892,687	683,830,682
Financial investments:	17		
– Financial assets measured at fair value through profit or loss		81,118,927	84,554,813
– Financial assets measured at fair value through other comprehensive income		313,611,899	246,200,311
– Financial assets measured at amortised cost		248,897,954	297,248,006
Investments in associates	18	549,048	509,682
Property and equipment	19	5,298,330	4,397,996
Rights-of-use assets	20	194,180	170,349
Goodwill	21	440,129	440,129
Deferred tax assets	23	14,122,588	11,705,083
Other assets	24	3,390,858	2,704,686
Total assets		1,666,184,264	1,515,381,799
Liabilities			
Borrowings from central bank	25	105,968,258	103,007,638
Deposits from banks and other financial institutions	26	986,104	3,031,742
Placements from banks and other financial institutions	27	73,392,890	61,565,758
Financial liabilities measured at fair value through profit or loss	28	11,960,672	9,878,249
Derivative financial liabilities	14	200	3,140
Financial assets sold under repurchase agreements	29	95,885,016	71,937,669
Deposits from customers	30	1,028,727,509	941,946,157
Accrued staff costs	31	6,202,427	6,110,069
Debt securities issued	32	188,485,277	171,657,542
Income tax payable		483,352	642,907
Lease liabilities		164,133	146,181
Other liabilities	33	14,192,498	11,405,831
Total liabilities		1,526,448,336	1,381,332,883

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

Consolidated statement of Financial Position (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

	Note	As at 31 December	
	IV	2025	2024
Equity			
Share capital	34	11,357,000	11,357,000
Other equity instruments	35	5,997,648	5,997,648
Capital reserve	36	20,893,824	20,892,772
Investment revaluation reserve	37	1,999,588	5,011,026
Actuarial changes reserve		(749,249)	(863,476)
Surplus reserve	38	16,957,530	15,872,212
General reserve	39	21,536,127	20,379,718
Retained earnings	40	59,574,406	53,486,813
Equity attributable to shareholders of the Bank		137,566,874	132,133,713
Non-controlling interests		2,169,054	1,915,203
Total equity		<u>139,735,928</u>	<u>134,048,916</u>
Total equity and liabilities		<u>1,666,184,264</u>	<u>1,515,381,799</u>

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 25 March 2026.

LIU XIAO JUN
CHAIRMAN

ZHANG JIN
HEAD OF ACCOUNTING
DEPARTMENT

(COMPANY CHOP)

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

Consolidated statement of Changes in Equity

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

		Attributable to shareholders of the Bank										
	Note /V	Share capital	Other equity instrument	Capital reserve	Investment revaluation reserve	Actuarial changes reserve	Surplus reserve	General reserve	Retained earnings	Subtotal	Non- controlling interests	Total
As at 1 January 2025		11,357,000	5,997,648	20,892,772	5,011,026	(863,476)	15,872,212	20,379,718	53,486,813	132,133,713	1,915,203	134,048,916
Profit for the year		-	-	-	-	-	-	-	12,128,421	12,128,421	291,584	12,420,005
Other comprehensive income		-	-	-	(3,011,438)	114,227	-	-	-	(2,897,211)	267	(2,896,944)
Total comprehensive income for the year		-	-	-	(3,011,438)	114,227	-	-	12,128,421	9,231,210	291,851	9,523,061
Acquisition of subsidiary with non-controlling interests	36	-	-	1,052	-	-	-	-	-	1,052	(8,000)	(6,948)
Appropriation to surplus reserve	38	-	-	-	-	-	1,085,318	-	(1,085,318)	-	-	-
Appropriation to general reserve	39	-	-	-	-	-	-	1,156,409	(1,156,409)	-	-	-
Dividends paid to ordinary equity holders	10	-	-	-	-	-	-	-	(3,561,101)	(3,561,101)	(30,000)	(3,591,101)
Dividends paid to other equity instrument holders	10	-	-	-	-	-	-	-	(238,000)	(238,000)	-	(238,000)
As at 31 December 2025		11,357,000	5,997,648	20,893,824	1,999,588	(749,249)	16,957,530	21,536,127	59,574,406	137,566,874	2,169,054	139,735,928

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

Consolidated statement of Changes in Equity (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

		Attributable to shareholders of the Bank									Non-controlling interests	Total
Note IV	Share capital	Other equity instrument	Capital reserve	Investment revaluation reserve	Actuarial changes reserve	Surplus reserve	General reserve	Retained earnings	Subtotal			
As at 1 January 2024		11,357,000	5,997,648	20,895,218	694,926	(719,314)	14,822,232	19,117,715	50,008,344	122,173,769	1,767,981	123,941,750
Profit for the year		-	-	-	-	-	-	-	11,512,747	11,512,747	276,332	11,789,079
Other comprehensive income		-	-	-	4,316,100	(144,162)	-	-	-	4,171,938	(110)	4,171,828
Total comprehensive income for the year		-	-	-	4,316,100	(144,162)	-	-	11,512,747	15,684,685	276,222	15,960,907
Acquisition of subsidiary with non-controlling interests	36	-	-	(2,446)	-	-	-	-	-	(2,446)	(99,000)	(101,446)
Appropriation to surplus reserve	38	-	-	-	-	-	1,049,980	-	(1,049,980)	-	-	-
Appropriation to general reserve	39	-	-	-	-	-	-	1,262,003	(1,262,003)	-	-	-
Dividends paid to ordinary equity holders	10	-	-	-	-	-	-	-	(5,484,295)	(5,484,295)	(30,000)	(5,514,295)
Dividends paid to other equity instrument holders	10	-	-	-	-	-	-	-	(238,000)	(238,000)	-	(238,000)
As at 31 December 2024		11,357,000	5,997,648	20,892,772	5,011,026	(863,476)	15,872,212	20,379,718	53,486,813	132,133,713	1,915,203	134,048,916

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

Consolidated statement of Cash Flows

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

	As at 31 December	
	2025	2024
Operating activities		
Profit before tax	13,709,387	12,817,363
<i>Adjustments for:</i>		
Depreciation and amortisation	884,568	877,312
Credit impairment losses	5,444,126	5,956,910
Impairment losses on other assets	41,573	63,322
Interest income arising from investment securities	(14,969,542)	(15,784,445)
Interest expense arising from debt securities issued	3,378,993	3,208,253
Net gains on disposal of investment securities	(3,450,913)	(2,752,530)
Net gains on investments in associates	(39,366)	(34,605)
Dividend income from investment securities	(54,449)	(25,619)
Net gains on disposal of property, equipment and other assets	(69,963)	(30,896)
Fair value losses	1,094,464	350,830
Foreign exchange losses/(gains)	113,915	(17,434)
Operating cash flows before movements in working capital	6,082,793	4,628,461
Net change in operating assets and operating liabilities:		
Increase in balances with central bank, deposits with banks and other financial institutions	(25,078,910)	(9,442,572)
Increase in placements with banks and other financial institutions	(11,172,613)	(2,117,132)
Decrease in financial assets held under resale agreements	–	191,499
(Increase)/decrease in financial assets held for trading purpose	(7,307,344)	46,943,755
Increase in loans and advances to customers	(85,312,678)	(41,203,398)
Increase in financial assets sold under repurchase agreements	23,963,663	8,699,831
Increase/(decrease) in borrowings from central bank	3,031,658	(3,974,942)
Increase in placements from banks and other financial institutions	11,853,816	10,289,606
Increase/(decrease) in deposits from customers, deposits from banks and other financial institutions	86,499,909	(7,044,424)
Increase in financial liabilities measured at fair value through profit or loss	2,081,354	1,130,247
Increase in other operating assets	(4,786,279)	(1,093,955)
Increase/(decrease) in other operating liabilities	3,417,760	(4,347)

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

Consolidated statement of Cash Flows (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

	As at 31 December	
	2025	2024
Cash from operating activities	3,273,129	7,002,629
Income tax paid	(2,900,794)	(2,405,144)
Net cash generated from operating activities	372,335	4,597,485
Investing activities		
Cash received from disposal and redemption of investment securities	335,889,271	263,309,618
Interest income received from investment securities	15,206,752	15,542,290
Cash received from disposal of property, equipment and other assets	96,235	101,977
Dividends income from investment securities	54,449	25,619
Cash received from other investing activities	1,052	–
Cash paid for purchase of investment securities	(347,200,330)	(331,584,971)
Cash paid for purchase of property, equipment and other assets	(1,732,313)	(490,214)
Cash paid for acquisition of subsidiary with non-controlling interests	–	(2,446)
Net cash generated from/(used in) investing activities	2,315,116	(53,098,127)
Financing activities		
Cash received from debt securities issued	312,853,242	294,183,097
Repayments of debt securities issued	(299,000,000)	(244,580,000)
Dividends paid to shareholders of the Bank	(3,717,308)	(3,514,464)
Dividends paid to shareholders of non-controlling interests	(30,000)	(30,000)
Interest paid on debt securities issued	(404,500)	(733,200)
Cash paid in other financing activities	(78,070)	(74,143)
Net cash generated from financing activities	9,623,364	45,251,290

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

Consolidated statement of Cash Flows (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

	Note	As at 31 December	
	IV	2025	2024
Net increase/(decrease) in cash and cash equivalents		12,310,815	(3,249,352)
Cash and cash equivalents as at 1 January		39,978,403	43,210,418
Effect of foreign exchange rate changes		(41,133)	17,337
Cash and cash equivalents as at 31 December	41	<u>52,248,085</u>	<u>39,978,403</u>
Net cash from operating activities include:			
Interest received		31,107,626	30,725,114
Interest paid		(20,698,791)	(21,800,744)
Net interest received from operating activities		<u>10,408,835</u>	<u>8,924,370</u>

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

I GENERAL INFORMATION

Chongqing Rural Commercial Bank Co., Ltd. (the “Bank”) is a joint-stock commercial bank incorporated in the People’s Republic of China (the “PRC”) on 27 June 2008. Prior to its incorporation, the business acquired by the Bank (the “Business”) was carried out by 38 rural credit cooperative unions and Chongqing Wulong Rural Cooperative Bank in Chongqing of the PRC (collectively, the “39 Rural Credit Unions”). All of them were managed by the Chongqing Rural Credit Cooperative Union (the “CRCCU”) at the municipal level of Chongqing, the PRC.

Pursuant to the promoters’ agreement among the promoters of the Bank, the Bank acquired all the assets and liabilities of the 39 Rural Credit Unions and the CRCCU on 27 June 2008, and the Business was transferred to the Bank.

The Bank was listed on the Stock Exchange of Hong Kong Limited on 16 December 2010 and was listed on Shanghai Stock Exchange on 29 October 2019.

The Bank has financial services certificate No. B0335H250000001 issued by the China’s National Financial Regulatory Administration (the former “China Banking and Insurance Regulatory Commission”, hereinafter referred to as “NFRA”), and a corporate legal person business license with a unified social credit code 91500000676129728J issued by the Chongqing Administration of Industry and Commerce.

The principal activities of the Bank and its subsidiaries (together referred to as the “Group”) comprise provision of banking services, which includes deposit taking, loan lending, payment and settlement services, wealth management, financial leasing and other services as approved by NFRA.

II SUMMARY OF MATERIAL ACCOUNTING POLICIES

1 Basis of preparation

Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards and Interpretations issued by the International Accounting Standards Board (“IASB”) and the disclosure requirement of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Material accounting policies adopted by the Group are disclosed below.

The IASB has issued certain new or amended IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note II 1.1 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

1 Basis of preparation (Continued)

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of consideration given in exchange for assets and that is received (or in some circumstances the amount expected to be paid) with respect to liabilities.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note III.

1.1 Other amendments to the standards effective in 2025 relevant to and adopted by the Group

The Group has adopted the following amendments to the IFRS Accounting Standards issued by the IASB that are first effective for the financial year ended 31 December 2025.

			Notes
(1)	Amendments to IAS 21	Lack of Exchangeability	(i)

(i) *Amendments to IAS 21: Lack of exchangeability*

The amendments specify when a currency is exchangeable into another currency and when it is not, and how an entity determines a spot rate when a currency lacks exchangeability.

Under the amendments, entities are required to provide additional disclosures to help users evaluate how a currency's lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows.

The adoption of the amendments does not have a significant impact on the Group's consolidated financial statements.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

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

The Group has not adopted the following new standards and amendments that have been issued by the IASB but are not yet effective.

		Effective for annual periods beginning on or after	Notes
(1)	Amendments to IFRS 7 and IFRS 9	Classification and measurement of financial assets	1 January 2026 (i)
(2)	Amendments to IFRS 7 and IFRS 9	Contracts referencing nature-dependent electricity	1 January 2026 (i)
(3)	Annual improvements to IFRS Accounting Standards	Volume 11	1 January 2026 (ii)
(4)	IFRS 18	Presentation and disclosure in financial statements	1 January 2027 (iii)
(5)	IFRS 19	Subsidiaries without public accountability: Disclosures	1 January 2027 (iv)
(6)	Amendments to IAS 21	Translation of presentation currency in hyperinflationary economies	1 January 2027 (v)
(7)	Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The effective date has now been deferred (vi)

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

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

- (i) *Amendments to IFRS 7 and IFRS 9: Classification and measurement of financial assets and Contracts referencing nature-dependent electricity*

The amendments on May 2024 concerned the requirements of classification and measurement of financial assets. The amendments include clarification on the classification of financial assets with ESG and slimier features, new requirements on settlement of financial liabilities through electronic payment system and additional disclosure requirements regarding investment in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent feature.

The amendments on December 2024 targeted contracts referencing nature-dependent electricity. The amendments include guidance on clarifying the application of the “own-use” requirements, permitting hedge accounting if these contracts are used as hedging instruments and adding new disclosure requirements for specific power purchase agreements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows.

The Group anticipates that the adoption of the amendments will not have a significant impact on the Group’s consolidated financial statements.

- (ii) *Annual improvements to IFRS Accounting Standards – Volume 11*

On 18 July 2024, the IASB published the Annual Improvements to IFRS Accounting Standards Volume 11 which contains narrow amendments to IFRS Accounting Standards and accompanying guidance as part of its regular maintenance of the Standards.

The amended standards and guidance are:

- IFRS 1 First time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash Flows

The amendments are effective for annual periods beginning on or after 1 January 2026, with earlier application permitted.

The Group anticipates that the adoption of the amendments will not have a significant impact on the Group’s consolidated financial statements.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

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

(iii) IFRS 18: Presentation and Disclosure in Financial Statements

On April 2024, the IASB published its new standard IFRS 18: Presentation and Disclosure in Financial Statements. The main changes in IFRS 18 compared with the previous requirements in IAS 1 comprise a more structured income statement, disclosures on management defined performance measures and enhanced aggregation and disaggregation of information etc. The Group anticipates that the adoption of the amendments will have no impact on the Group's consolidated financial statements.

The Group has not completed its assessment of the impact on the Group's consolidated financial statements of adopting IFRS 18.

(iv) IFRS 19: Subsidiaries without public accountability: Disclosures

On 9 May 2024, the IASB issued a new IFRS Accounting Standard-IFRS 19 Subsidiaries without Public Accountability: Disclosures, which allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements.

A subsidiary may elect to apply IFRS 19 in its consolidated, separate or individual financial statements provided that, at the reporting date: it does not have public accountability; and its parent produces consolidated financial statements that are available for public use under IFRS Accounting Standards.

A subsidiary applying IFRS 19 is required to clearly state in its explicit and unreserved statement of compliance with IFRS Accounting Standards that IFRS 19 has been adopted. IFRS 19 is effective for reporting periods beginning on or after 1 January 2027. Earlier application is permitted.

The Group anticipates that the adoption of the amendments will not have a significant impact on the Group's consolidated financial statements.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

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

- (v) *Amendments to IFRS 21: Translation of presentation currency in hyperinflationary economies*

To reduce diversity in practice and improve the usefulness of information for investors, the International Accounting Standards Board (IASB) has amended IAS 21 The Effects of Changes in Foreign Exchange Rates to clarify that:

A company with a non-hyperinflationary functional currency uses the closing rate at the latest reporting date when translating all the financial statement amounts (including comparatives) into its presentation currency; and

A company uses the closing rate at the latest reporting date when translating all amounts (except comparatives) of a foreign operation with a non-hyperinflationary functional currency and applies the general price index to restate the comparatives.

The amendments are effective for annual periods beginning on or after 1 January 2027, and shall be applied retrospectively, with earlier application permitted.

The Group anticipates that the adoption of the amendment will not have a significant impact on the consolidated financial statements.

- (vi) *Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture*

The amendments address an inconsistency between IFRS 10 and IAS 28 in the sale and contribution of assets between an investor and its associate or joint venture.

A full gain or loss is recognised when a transaction involves a business. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if those assets are in a subsidiary.

The Group anticipates that the adoption of the amendments will not have a significant impact on the Group's consolidated financial statements.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2 Consolidation

Basis of consolidation

The consolidated financial statements include the financial statements of the Bank and its subsidiaries as well as structured entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Income and expense of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date of acquisition or up to the date on which control ceases, respectively.

Adjustments are made to the financial statements of subsidiaries, where appropriate, to consistently reflect the accounting policies of the Group.

When merging, all intra-group transactions, balances and unrealized gains on transactions are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Non-controlling interests of consolidated subsidiaries are presented separately from the controlling party's equity therein.

The carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Further, total comprehensive income of a subsidiary is attributed, based on the proportion of their respective holdings, to the equity holders of the Bank and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

In the Bank's statement of financial position, its investments in subsidiaries are stated at cost, less impairment losses, if any.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2 Consolidation (Continued)

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair value of the assets transferred by the Group, liabilities incurred or assumed by the Group, and any equity interests issued by the Group. Acquisition related costs are recognized in the consolidated statement of profit or loss as incurred.

At the acquisition date, irrespective of non-controlling interests, the identifiable assets acquired and liabilities and contingent liabilities assumed are recognized at their fair values; except that deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 – Income Taxes and IAS 19 – Employee Benefits, respectively.

Non-controlling interests that represent ownership interests in the acquiree, and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are accounted for at either fair value or the non-controlling interests' proportionate share in the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

Goodwill

Goodwill represents the excess of the cost of an acquisition less the fair value of the Group's share of the net identifiable assets of acquired subsidiaries and associates at the date of acquisition. Goodwill on acquisitions of subsidiaries is presented separately in the consolidated statement of financial position.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGU") or groups of CGUs that is expected to benefit from the synergies of the business combination.

A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

A CGU to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the CGU, which is the higher of fair value less costs to sell and value in use, is less than its carrying amount, the deficit, reflecting an impairment loss, is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on a pro-rata basis, based on the carrying amount of each asset in the CGU. Any goodwill impairment loss is recognized directly in the consolidated statement of profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2 Consolidation (Continued)

Investment in associate and joint venture

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. A joint venture is an arrangement whereby the Group and other parties contractually agree to share control of the arrangement through a separate entity, and have rights to the net assets of the arrangement based on legal form, contract terms, and other facts and circumstances. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not constitute control or joint control over those policy decisions. Joint control is the contractually agreed sharing of control over an activity, and exists only when the decisions relating to the activity require the unanimous consent of the Group and other parties sharing the control.

The post-acquisition profit or loss of an associate or a joint venture is incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, investment in an associate or a joint venture is initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of loss of an associate or a joint venture equals or exceeds its interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognizing its share of further loss. Additional loss is recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate or joint venture.

At the end of each reporting period, the Group considers whether there are circumstances that indicate the possibility of impairment of the Group's investment in an associate or a joint venture; when that is the case, the entire carrying amount of the investment is tested for impairment in accordance with IAS 36 – Impairment of Assets, as a single asset by comparing its recoverable amount (the higher of fair value less costs to sell and value in use) with its carrying amount, any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of an impairment loss is recognized in accordance with IAS 36, to the extent that the recoverable amount of the investment subsequently increases.

When an entity in the Group transacts with the Group's associate or joint venture, profits and losses resulting from the transaction are recognized in the Group's consolidated financial statements only to the extent of the interest in the associate or joint venture that are not related to the Group. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

3 Interest income and expenses

Interest income and expenses of financial instruments are calculated using the effective interest method and included in the current profit and loss.

The Group uses the effective interest method to calculate the interest income and expenses of financial assets and liabilities measured at amortized cost or at fair value through other comprehensive income, presented as “interest income” and “interest expenses” respectively. For specific accounting policies, please refer to the Note II 8.4 subsequent measurement of financial instruments.

4 Fee and commission income

Fee and commission income is recognized when the Group fulfills its performance obligation, either over time or at a point in time when a customer obtains control of the service.

For the performance obligations satisfied at a point in time, the Group recognizes revenue when control is passed to the customer at a certain point in time, including insurance agency fee, merchant acquiring service fee, settlement & clearing services and bond underwriting fee, etc. For the performance obligations satisfied over time, the Group recognizes revenue according to the progress toward satisfaction of the obligation over the time, including consultancy and advisory fee and custodial fee, etc.

5 Foreign currency translation

The functional currency of the Domestic Operations is RMB. The presentation currency of the Group and the Bank is RMB.

In preparing the financial statements of each individual Group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchange prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

5 Foreign currency translation (Continued)

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognized in the consolidated statement of profit or loss in the period in which they arise, except for the following:

- changes in the fair value of monetary assets denominated in foreign currency classified as financial investments at fair value through other comprehensive income are analyzed between translation differences resulting from changes in the amortized cost of the monetary assets and other changes in the carrying amount. Translation differences related to changes in the amortized cost are recognized in the consolidated statement of profit or loss, and other changes in the carrying amount are recognized in other comprehensive income.

Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the consolidated statement of profit or loss for the period except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which cases, the exchange differences are also recognized directly in other comprehensive income.

6 Taxation

Income tax comprises current and deferred income tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

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II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

6 Taxation (Continued)

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. 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 liabilities are recognized for taxable temporary differences associated with investments in subsidiaries associates and joint ventures, except where the Group is able to control the timing of 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 recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that the temporary difference will not reverse in the foreseeable future or it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Current and deferred tax is recognized in the consolidated statement of profit or loss, except when it relates to items that are recognized in other comprehensive income or directly in equity, in which case the current and deferred tax is also recognized in other comprehensive income or directly in equity, respectively.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Notes to the Consolidated Financial Statements (Continued)

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II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

7 Employee benefits

Employee benefits are all forms of consideration given and other relevant expenditure incurred by the Group in exchange for services rendered by employees or for termination of the employment contracts. These benefits include short-term employee benefits, post-employment benefits and early retirement benefits.

7.1 Short-term employee benefits

Short-term employee benefits include salaries, bonuses, allowance and subsidies, staff welfare, medical insurance, employment injury insurance, maternity insurance, housing funds as well as labor union fees and staff education expenses. In the reporting period in which an employee has rendered services, the Group recognizes the short-term employee benefits payable for those services as a liability with a corresponding increase in the expenses in the consolidated statement of profit or loss or capitalization as cost of related assets.

7.2 Post-employment benefits

The Group divides post-employment benefit plans into defined contribution plans and defined benefit plans. Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further contributions. Defined benefit plans are post-employment benefit plans other than defined contribution plans. For defined contribution plans, the Group pays contributions to basic retirement insurance, annuity scheme and unemployment insurance for the employees during the reporting period, while defined benefit plans are mainly supplementary retirement benefits.

Defined contribution plans

Defined contribution retirement schemes

The Group has joined defined contribution retirement schemes for the employees arranged by local government labor and security authorities. The Group makes contributions to the retirement schemes monthly at the applicable rates based on the amounts stipulated by the local government organisations. When employees retire, the local government labor and security authorities are responsible for the payment of the basic retirement benefits to the retired employees. During the accounting period in which the employees provide services, the amount payable in accordance with the above regulations are recognised as a liability and charged to the profit or loss.

Notes to the Consolidated Financial Statements (Continued)

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(Amounts in thousands of Renminbi, unless otherwise stated)

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

7.2 Post-employment benefits (Continued)

Defined contribution plans (Continued)

Annuity plan

In addition to the statutory provision contributions, the Group's employees retired after 1 January 2019 have voluntarily joined the annuity scheme set up in accordance with state enterprise annuity regulations. The Group contributes to the annuity plan in proportion to the total wages of employees in the previous year. For employees who would soon retire after participating in the annuity scheme, the Group will make compensatory contributions during the transition period in accordance with the policies of the relevant national authorities. After employees' retirement, the enterprise annuity pays pensions to retired employees. During the accounting period in which services are rendered, the Group recognises the calculated payable amount as a liability, and charged to the profit or loss or the cost of relevant assets.

Defined benefit plans

The Group pays supplementary retirement benefits for its retired employees, consisting of supplementary pension for employees retired on or before 31 December 2018 and supplementary medical benefits for all retired employees. Such supplementary retirement benefits are defined benefit plans. The Group's obligations in respect of supplementary retirement benefits are calculated by estimating the amount of obligations that the Group is committed to pay to the employees after their retirement using actuarial techniques. At the end of each reporting period, such obligations are discounted with interest yield of government bonds with similar duration. The service cost and net interest from the supplementary retirement benefits are recognised in profit or loss, and the remeasurements are recognised in other comprehensive income which will not be reclassified to profit or loss in subsequent accounting periods.

7.3 Early retirement benefits

Early retirement benefits have been paid to those employees who accept voluntary retirement before the normal retirement date, as approved by management. The related benefit payments are made from the date of early retirement to the normal retirement date.

The accounting treatment of the Group's early retirement benefits is in accordance with termination benefits as determined in IAS 19. The liability is recognized for the early retirement benefit payments from the date of early retirement to the normal retirement date when the criteria for recognition as termination benefit is met with a corresponding charge in the consolidated statement of profit or loss. Differences arising from changes in assumptions and estimates of the present value of the liabilities are recognized in the consolidated statement of profit or loss when incurred.

Notes to the Consolidated Financial Statements (Continued)

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II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

8 Financial instruments

8.1 Initial recognition, classification and measurement of financial instruments

Financial assets or financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument.

For purchases or sales of financial assets in a regular way, the related assets and liabilities are recognized or sold assets are derecognized at the trade date, along with the recognition of gains or losses on disposal and the receivables due from the buyer. The trade date is the date on which the Group commits to purchase or sell the financial asset.

At initial recognition, the Group measures a financial asset or financial liability at its fair value. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. For other classes of financial assets or financial liabilities, the relevant transaction costs are included in the initial recognized value.

(1) Financial assets

Financial assets are classified in the following measurement categories based on the Group's business model for managing the asset and the cash flow characteristics of the assets:

- (i) Amortized cost ("AC");
- (ii) Fair value through other comprehensive income ("FVOCI"); or
- (iii) Fair value through profit or loss ("FVTPL").

The business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of "other" business model and measured at FVTPL. Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

8.1 Initial recognition, classification and measurement of financial instruments (Continued)

(1) Financial assets (Continued)

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest ("SPPI"). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes consideration for the time value of money, credit risk associated with the principal amount outstanding during a particular period of time, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. 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.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI.

The classification requirements for debt instruments and equity instruments in the Group are described as below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds. Classification and measurement of debt instruments depend on the Group's business models for managing the asset and the cash flow characteristics of the asset.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

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II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

8.1 Initial recognition, classification and measurement of financial instruments (Continued)

(1) Financial assets (Continued)

Debt instruments (Continued)

Based on these factors, the debt instruments of the Group are classified into three categories below:

- (i) AC: Debt instruments that are held within a business model whose objective is to hold assets to collect contractual cash flows; and contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and that are not designated as at FVTPL, are measured at amortized cost.
- (ii) FVOCI: Debt instruments that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and that are not designated as at FVTPL, are measured at FVOCI.
- (iii) FVTPL: All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

The Group may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective referring to Note II 8.9, and examples of equity instruments include basic ordinary shares. The Group subsequently measures all equity investments at FVTPL, except for the equity investment not held for trading where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI.

Notes to the Consolidated Financial Statements (Continued)

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(Amounts in thousands of Renminbi, unless otherwise stated)

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

8.1 Initial recognition, classification and measurement of financial instruments (Continued)

(2) Financial liabilities

The Group's financial liabilities are classified into financial liabilities at FVTPL and other financial liabilities carried at amortized cost on initial recognition. Financial liabilities at FVTPL is applied to derivatives, financial liabilities held for trading and financial liabilities designated as such at initial recognition.

The Group may, at initial recognition, irrevocably designate a financial liability as measured at fair value through profit or loss when doing so results in more relevant information, because either:

- (i) it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- (ii) a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Group is provided internally on that basis to the entity's key management personnel.

Once the designation is made, it shall not be revoked.

Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition, if the enterprise retains substantially all the risks and rewards of the ownership of the transferred financial asset and does not qualified for derecognition, the Group shall continue to recognize the transferred financial asset in its entirety and recognize a financial liability for the consideration received. In applying the continued involvement approach of accounting, please refer to the Note II 8.7 Derecognition of financial assets for the measurement of the transferred liability.

8.2 Reclassification of financial assets

When the Group changes the business model for managing its financial assets, it shall reclassify all affected financial assets, and apply the reclassification prospectively from the reclassification date. The Group does not restate any previously recognized gains, losses (including impairment gains or losses) or interest. Reclassification date is the first day of the first reporting period following the change in business model that results in the Group reclassifying financial assets.

Notes to the Consolidated Financial Statements (Continued)

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II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

8.3 Determination of fair value

Fair value is 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. For financial instruments traded in active markets the determination of fair values of financial assets and financial liabilities is based on quoted market prices. Active market is a place in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. In an active market, the quoted prices of relevant assets or liabilities should be readily and regularly available from exchanges, dealers, brokers, industry groups, pricing institutions or regulatory institutions by the enterprise. The current market may not be active when there is a significant decline in the volume of transaction or level of activity, price quotations vary substantially either over time or among market-makers and current prices are not available. For financial instruments not traded in active markets, fair value is determined using appropriate valuation techniques. Valuation techniques include the use of recent transaction prices, fair value of other financial instruments that are substantially the same, discounted cash flow analysis, option pricing models and others commonly used by market participants. When measuring the asset or liability at fair value, the Group shall use valuation techniques that are appropriate in the circumstances and for which sufficient data and other information are available to measure fair value, select inputs that are consistent with the characteristics of the asset or liability that market participants would take into account in a transaction for the asset or liability. These valuation techniques include the use of observable and/or unobservable inputs, and observable inputs are preferred.

8.4 Subsequent measurement of financial instruments

Subsequent measurement of financial instruments depends on the categories:

(1) *Amortized cost*

The amortized cost is the amount at which the financial asset or financial liability is measured at initial recognition: (i) minus the principal repayments; (ii) plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount; (iii) for financial assets, adjusted for any loss allowance. Interest income and interest expenses from these financial assets and liabilities are included in “interest income” and “interest expenses” using the effective interest rate method.

Notes to the Consolidated Financial Statements (Continued)

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II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

8.4 Subsequent measurement of financial instruments (Continued)

(1) Amortized cost (Continued)

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortized cost before any impairment allowance) or to the amortized cost of a financial liability. The calculation does not consider expected credit losses (“ECL”) and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate. For purchased or originated credit-impaired (“POCI”) financial assets, the Group calculates the credit-adjusted effective interest rate, which is calculated based on the amortized cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets and is included in “interest income”, except for:

- (i) POCI financial assets, whose interest income is calculated, since initial recognition, by applying the credit-adjusted effective interest rate to their amortized cost; and
- (ii) financial assets that are not POCI but have subsequently become credit-impaired, whose interest income is calculated by applying the effective interest rate to their amortized 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 gross carrying amount.

(2) Fair value through other comprehensive income

Debt instruments

Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument’s amortized cost which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. Interest income from these financial assets is included in “interest income” using the effective interest rate method.

Notes to the Consolidated Financial Statements (Continued)

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II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

8.4 Subsequent measurement of financial instruments (Continued)

(2) Fair value through other comprehensive income (Continued)

Equity instruments

The equity instrument investments that are not held for trading are designated as FVOCI. Dividends, when representing a return on such investments, continue to be recognized in profit or loss as investment income when the Group's right to receive payments is established. Other net gains or losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to retained earnings.

(3) Financial assets at fair value through profit or loss

The financial asset is measured at fair value and net gains or losses are recognized in profit or loss.

(4) Financial liabilities at fair value through profit or loss

Financial liabilities at FVTPL are measured at fair value with all gains or losses recognized in the profit or loss of the current period, except for financial liabilities designated as at fair value through profit or loss, where gains or losses on the financial liabilities are treated as follows:

- (i) changes in fair value of such financial liabilities due to changes in the Group's own credit risk are recognized in other comprehensive income; and
- (ii) other changes in fair value of such financial liabilities are recognized in profit or loss of the current period. If the accounting of changes in the credit risk of the financial liabilities in accordance with (i) will create or enlarge accounting mismatches in profit or loss, the Group recognizes all gains or losses on such financial liabilities (including amounts arising from changes in its own credit risk) in the profit or loss.

When the liabilities designated as at fair value through profit or loss is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to retained earnings.

Notes to the Consolidated Financial Statements (Continued)

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II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

8.5 Impairment of financial instruments

The Group assesses on a forward-looking basis the ECL associated with its debt instrument assets carried at amortized cost and FVOCI and exposures arising from some loan commitments and financial guarantee contracts.

ECL is the weighted average of credit losses with the respective risks of a default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, which are all cash shortfalls, discounted at the original effective interest rate (or credit-adjusted effective interest rate for POCI financial assets).

The Group measures ECL of a financial instrument reflecting:

- (i) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- (ii) the time value of money; and
- (iii) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

For financial instruments whose impairment losses are measured using the ECL models, the Group applies a three-stage impairment model to calculate their impairment allowance and recognize their ECL, as follows:

- Stage 1: If the credit risk has not increased significantly since its initial recognition, the financial asset is included in stage 1.
- Stage 2: If the credit risk has increased significantly since its initial recognition but is not yet deemed to be credit-impaired, the financial instrument is moved to Stage 2. The description of how the Group determines when a significant increase in credit risk has occurred is disclosed in Note IV 47(1).
- Stage 3: If the financial instrument is credit-impaired, the financial instrument is then moved to Stage 3. The definition of credit-impaired financial assets is disclosed in Note IV 47(1).

Notes to the Consolidated Financial Statements (Continued)

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II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

8.5 Impairment of financial instruments (Continued)

Financial instruments in Stage 1 have their ECL measured at an amount equivalent to the ECL of the financial asset for the next 12 months ("12m ECL"). Financial instruments in Stage 2 or Stage 3 have their ECL measured at an amount equivalent to the ECL over the lifetime of the financial instruments ("Lifetime ECL"). The description of inputs, assumptions and estimation techniques used in measuring the ECL is disclosed in Note IV 47(1).

For accounts receivable, lease receivables and contract assets, the Group always recognize lifetime expected credit losses. The Group uses provision matrix based on its historical credit loss experience for above-mentioned financial assets to estimate ECLs. The historical credit experience is appropriately adjusted to reflect the specific factors of borrowers, current events and forecast future conditions as at reporting date.

The Group applies the impairment requirements for the recognition and measurement of a loss allowance for debt instruments that are measured at FVOCI. The loss allowance is recognized in other comprehensive income and the impairment loss is recognized in profit or loss, and it should not reduce the carrying amount of the financial asset in the statement of financial position.

If the Group has measured the loss allowance for a financial instrument other than POCI at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on the financial instruments has increased significantly since initial recognition is no longer met, the Group measures the loss allowance at an amount equal to 12-month expected credit losses at the current reporting date and the amount of expected credit losses reversal is recognized in profit or loss. For POCI financial assets, at the reporting date, the Group only recognizes the cumulative changes in lifetime expected credit losses since initial recognition.

8.6 Modification of loans

The Group sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Group assesses whether the new terms are substantially different to the original terms.

If the terms are substantially different, the Group derecognizes the original financial asset and recognizes a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Group also assesses whether the new financial asset recognized is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognized in profit or loss as a gain or loss on derecognition.

Notes to the Consolidated Financial Statements (Continued)

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II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

8.6 Modification of loans (Continued)

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognizes a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for POCI financial assets).

8.7 Derecognition of financial assets

Financial asset is derecognized when one of the following conditions is met:

- (1) the Group's contractual rights to the cash flows from the financial asset expire;
- (2) the financial asset has been transferred and the Group transfers substantially all of the risks and rewards of ownership of the financial asset; or
- (3) 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.

The financial asset has been transferred, if the Group neither transfers nor retains substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset, whereby the related liability is recognized accordingly.

On derecognition of a financial asset in its entirety, the difference between the sum of the consideration received for the part derecognized any cumulative amount of fair value recognized in other comprehensive income (if the transfer involves any debt investments measured at fair value through other comprehensive income) and the carrying amount allocated to the part derecognized on the date of derecognition shall be included in profit and loss for the current period.

Notes to the Consolidated Financial Statements (Continued)

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II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

8.8 Derecognition of financial liabilities

A financial liability (or a part of a financial liability) is removed when the obligation specified in the contract is discharged or cancelled or expires in whole or in part. An exchange between the Group and lender of debt instruments with substantially different terms shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognized in profit or loss.

8.9 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. A financial instrument is an equity instrument if, and only if, both conditions (1) and (2) below are met: (1) The financial 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 unfavorable to the Group; and (2) If the financial instrument will or may be settled in the Group's own equity instruments, it is a non-derivative instrument that includes no contractual obligations for the Group 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 at the fair value of proceeds received, net of direct issuance expenses.

8.10 Derivative financial instruments

Derivatives are initially recognized at fair value at the date a derivative contract is entered into and are subsequently remeasured at their fair value at the end of the reporting period. The changes in fair value are recognized in the consolidated statement of profit or loss.

Notes to the Consolidated Financial Statements (Continued)

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II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

8.11 Embedded derivative financial instruments

Certain derivatives are embedded in hybrid contracts. If the hybrid contract contains a host that is a financial asset, then the Group assesses the entire contract as described in the financial assets section above for classification and measurement purposes. Otherwise, the embedded derivatives are treated as separate derivatives when:

- (1) Their economic characteristics and risks are not closely related to those of the host contract;
- (2) A separate instrument with the same terms would meet the definition of a derivative; and
- (3) The hybrid contract is not measured at fair value through profit or loss.

Where an embedded derivative is separated from a hybrid contract, the Group accounts for the host contract of the hybrid contract in accordance with the provisions of the applicable accounting standards. Where the fair value of the embedded derivative is unable to be reliably measured on the basis of the terms and conditions, the fair value of the embedded derivative is determined as the difference between the fair value of the hybrid contract and the fair value of the host contract. If, after using the above method, the fair value of the embedded derivative at the acquisition date or at the end of a subsequent financial reporting period is still unable to separately measured, the Group designates the entire hybrid contract as a fair value through profit or loss.

8.12 Offsetting financial assets and financial liabilities

When the Group has a legal right to set off the recognized amounts and the legal right is currently enforceable, and the Group intends either to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously, financial assets and liabilities are offset and the net amount presented in the consolidated statement of financial position. Otherwise, financial assets and liabilities shall be settled respectively but not offset each other. The legally enforceable right of set-off must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

Notes to the Consolidated Financial Statements (Continued)

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II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

8.13 Financial assets held under resale agreements and financial assets sold under repurchase agreements

Financial assets transferred as collateral in connection with repurchase agreements, involving fixed repurchase dates and prices, are not derecognized. They continue to be recorded as investments classified as financial assets before sale or loan. The corresponding liability is included in financial assets sold under repurchase agreements. The items which are not derecognized are disclosed in Note IV 45 Contingent liabilities and commitments – Collateral.

Consideration paid for financial assets held under agreements to resell are recorded as Financial assets held under resale agreements, the related financial assets accepted is not recognized in the consolidated financial statements.

The difference between the purchase and sale price is recognized as gain or loss in profit or loss of the current period using the effective interest method.

9 Precious metals

Precious metals comprise gold, silver and other precious metals. Precious metals that are not related to the Group's trading activities are initially measured at acquisition cost and subsequently measured at the lower of cost and net realizable value. Precious metals that are related to the Group's trading activities are initially recognized at fair value and subsequent changes in fair value are recognized in profit or loss.

10 Property and equipment

Property and equipment including buildings held for use in the supply of services, or for administrative purpose (other than construction in progress) are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any. When the costs attributable to the land use rights cannot be reliably measured and separated from that of the building at inception, the costs are included in the cost of buildings and recorded in property and equipment.

Subsequent expenditure incurred for the property and equipment (other than construction in progress) is included in the cost of the property and equipment (other than construction in progress) if it is probable that economic benefits associated with the asset will flow to the Group and the subsequent expenditure can be measured, and the carrying amount of the replaced part is derecognized. Other subsequent expenditure is recognized in the consolidated statement of profit or loss in the period in which they are incurred.

Notes to the Consolidated Financial Statements (Continued)

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II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

10 Property and equipment (Continued)

Depreciation is recognized as a component of operating expenses in the consolidated statement of profit or loss so as to recognize the consumption of the economic value of property and equipment (other than construction in progress), less their estimated residual values, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation rates are reviewed at the end of each reporting period.

The useful lives, estimated residual value rates and annual depreciation rates of each class of property and equipment are as follows:

Classes	Useful lives	Estimated residual value rates	Annual depreciation rates
Buildings	20 years	3%	4.85%
Electronic equipment	4, 5 years	3%	24.25%, 19.40%
Motor vehicles	5 years	3%	19.40%
Furniture and fixtures	5 years	3%	19.40%

Properties in the course of construction for supply of services or administrative purposes are carried at cost, as construction in progress, less any impairment loss. Construction in progress is reclassified to the appropriate category of property and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property and equipment, commences when the assets are ready for their intended use.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from its continued use. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in other operating income or operating expenses in the consolidated statement of profit or loss. The accounting policies of impairment of property and equipment are included in Note II 16 Impairment of non-financial assets other than goodwill.

11 Land use rights

Land use rights are classified in other assets and amortized over a straight-line basis over their authorized useful lives.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

12 Foreclosed assets

The Group initially recognizes at fair value the foreclosed financial assets. Non-financial foreclosed assets are initially recognized at the fair value of the rights given up by creditors and other costs such as taxes directly attributable to the asset.

When the debtor pays off the debts with multiple assets or in form of restructuring arrangement, the Group firstly recognizes and measures the foreclosed financial assets and restructured rights according to provision illustrated in Note II 8.1 Initial recognition, classification and measurement of financial instruments. The net amount, of the fair value of the rights given up by creditor deducted the initial amount recognized for the transferred financial assets and restructured rights, should be distributed in accordance with the proportion of the fair value of each non-financial asset. The distributed amount should be recognized as the initial book value of each non-financial foreclosed assets.

The difference between the fair value and book value of the rights given up by creditor is recorded in profit and loss.

13 Investment property

Investment property is property held to earn rental income or for capital appreciation, or both.

Investment properties are measured using the cost model. Depreciation and amortization is recognized the same way as property and equipment and land use rights. Subsequent expenditure incurred for the investment property is included in the cost of the investment property if it is probable that economic benefits associated with the asset will flow to the Group and the subsequent expenditure can be measured reliably. Other subsequent expenditure is recognized in the consolidated statement of profit or loss in the period in which they are incurred.

The accounting policies of impairment of investment property are included in Note II 16 Impairment of non-financial assets other than goodwill.

Where an impairment loss subsequently reverses, the carrying amount of the investment property is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount had no impairment loss been recognized. A reversal of an impairment loss is recognized in the consolidated statement of profit or loss.

When an investment property is sold, transferred, retired or damaged, the Group recognizes the amount of any proceeds on disposal, net of the carrying amount and related taxes, in the consolidated statement of profit or loss.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

14 Leasing

At inception of a contract, the Group assesses whether the 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 for a period of time, the Group assesses whether, throughout the period of use, the customer has both of the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset.

The Group as lessee

The Group recognized the right-of-use assets at the commencement date, and recognized the lease liabilities at the present value of the outstanding lease payments. Lease payments include fixed payments, the amounts expected to be payable by the Group if the Group is reasonably certain to exercise a purchase option or an option to terminate the lease. Variable lease payments not included in the measurement of the lease liability are recognized as an expense in profit or loss when incurred.

The right-of-use assets of the Group are measured at costs, which include the amount of the initial measurement of lease liabilities, any lease payments made at or before the commencement date, any initial direct costs and less any lease incentives received. If the Group could reasonably determine the ownership of the leased asset when the lease term expires, the right-of-use assets are depreciated over the asset's remaining useful life. Otherwise, the right-of-use assets are depreciated over the shorter period of the asset's useful life and the lease term on a straight-line basis. When the recoverable costs of right-of-use assets are lower than the carrying amount, the value of right-of-use assets will be decreased down to the recoverable costs.

Short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Leases of low value assets are the underlying assets are of low value when new.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

14 Leasing (Continued)

The Group as lessee (Continued)

The Group accounts for a modification to a finance lease as a separate lease if both: (1) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and (2) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification, the Group remeasures the lease term and the lease liability by discounting the revised lease payments using a revised discount rate. The Group decreases the carrying amount of the right-of-use asset for lease modifications that decrease the scope or term of the lease, and recognised the gain or loss relating to the partial or full termination of the lease in profit or loss. The Group makes a corresponding adjustment to the right-of-use asset for all other lease modifications.

The Group as lessor

When the Group is the lessor in a finance lease, a finance lease receivable as an amount equal to the net lease investment is recognized and the finance lease asset is derecognized at the commencement date. The finance lease receivables are recorded in the consolidated statement of financial position as Loans and advances to customers.

When the Group is the lessor in an operating lease, rental income from operating leases is recognized as other operating income in the consolidated statement of profit or loss on a straight-line basis over the term of the related lease. The initial direct costs are included in the carrying amount of the underlying assets and is recognized as expenses over the lease term on the same basis as the lease income.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

15 Intangible assets

Intangible assets acquired separately and with finite useful lives are carried at cost less accumulated amortization and any accumulated impairment loss. Amortization for intangible assets with finite useful lives is recognized on a straight-line basis over their estimated useful lives.

Intangible assets with indefinite useful lives are not amortized, but are subject to annual impairment assessment.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of profit or loss.

Expenditures on the Group's internal research and development projects are classified into expenditures during the research phase and expenditures during the development phase. Expenditures during the research phase are expensed when incurred. Expenditures during the development phase are capitalised if development costs can be measured reliably, the product or process is technically and commercially feasible, and the Group has sufficient resources and the intention to complete the development. Capitalised development costs are stated in the balance sheet at cost less impairment losses (see Note II 16). Other development expenditures are recognised as expenses in the period in which they are incurred.

16 Impairment of non-financial assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized in the consolidated statement of profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount had no impairment loss been recognized. A reversal of an impairment loss is recognized in the consolidated statement of profit or loss.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

17 Cash and cash equivalents

Cash and cash equivalents are short-term and highly liquid assets, which are readily convertible into known amounts of cash and subject to an insignificant risk of changes in value. Cash and cash equivalents include cash and assets with original maturity of three months or less under cash and balances with central banks, deposits with banks and other financial institutions, placements with banks and other financial institutions and financial assets held under resale agreements.

18 Dividend distribution

Dividend distribution to the Bank's ordinary equity holders is recognized as a liability in the Group's and the Bank's financial statements in the period in which the dividends are approved by the ordinary equity holders in the annual general meeting of the Bank.

19 Contingent liabilities and provisions

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognized because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

20 Fiduciary activities

According to the signed agency agreements with securities investment funds, insurance companies, trust companies and other institutions or individuals, the Group acts as an asset manager, trustee or other fiduciary capacities on behalf of its customers. The Group receives fees in return for its services provided under the custody agreements and does not have any interest in the economic risks and rewards related to assets under custody. Assets under custody are not recognized in the Group's consolidated statement of financial position.

The Group conducts entrusted lending arrangements for its customers. Under the terms of entrusted loan arrangements, the Group grants loans to borrowers, as an intermediary, according to the loan object, purpose, amount, interest rate and repayment plan determined by the principal. The Group is responsible for the arrangement and collection of the entrusted loans and receives a commission for the services rendered and does not assume the economic risks and rewards of the entrusted loans. The entrusted loans and funding for entrusted funds are not recognized in the Group's consolidated statement of financial position.

Income from fiduciary activities is recognized in accordance with the accounting policy described in Note II 4.

21 Financial guarantee contracts and loan commitments

A financial guarantee contract is a contract that requires the issuer 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 revised terms of a debt instrument.

Financial guarantees are initially recognized at fair value on the date the guarantee was given. Subsequent to initial recognition, the Group's liabilities under such guarantees are measured at the higher of the initial amount, less amortization of guarantee fees, and the expected credit loss provision required to settle the guarantee. Any increase in the liability relating to guarantees is taken to the consolidated statement of profit or loss.

The impairment allowance of loan commitments provided by the Group is measured using ECL models. The Group has not provided any commitment to provide loans at a below-market interest rate, or that can be settled net in cash or by delivering or issuing another financial instrument.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

21 Financial guarantee contracts and loan commitments (Continued)

For loan commitments and financial guarantee contracts, the loss allowance is recognized as a provision. However, for contracts that include both a loan and an undrawn commitment and the Group cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognized together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognized as a provision.

22 Segment reporting

The Group identifies operating segments based on the internal organizational structure, management requirements and internal reporting system. Two or more operating segments may be aggregated into a single operating segment if they have similar economic characteristics and at the same time share the same or similar characteristics in terms of the nature of the individual products or services, the nature of the process of providing the products or services, the type of customers for the products or services, the manner in which the products or services are provided, and the impact of laws and administrative regulations on the provision of the products or services. The Group determines segment reporting based on operating segments taking into account the principle of materiality.

In preparing segment reporting, the Group measures revenue from inter-segment transactions on the basis of actual transaction prices. The accounting policies used in the preparation of segment reporting are consistent with those used in the preparation of the Group's financial statements.

23 Related parties

The Group determines the Group's related parties in accordance with IFRS Accounting Standards and other relevant provisions.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

III CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In the application of the Group's accounting policies, which are described in Note II, management is required to make judgements, estimates and assumptions that affect the carrying amounts of assets and liabilities. The judgements, estimates and related assumptions are based on historical experience and other relevant factors including reasonable expectations for future events.

The judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in future periods as appropriate.

The following are the critical judgements and key estimates management has made in the process of applying the Group's accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve months.

1 Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortized cost and FVOCI and for exposures arising from some loan commitments and financial guarantee contracts, is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in Note IV 47(1) Credit risk.

2 Deferred taxes

There are certain transactions and activities in the ordinary course of the Group's business for which the ultimate tax effect is uncertain. The Group made certain estimation and judgement for items of uncertainty in the application of tax legislations, taking into account existing tax legislation and past practice of tax authorities. Where the final tax outcome of these matters is different from the amounts that were initially estimated, such differences will affect the current income tax, deferred income tax and VAT during the period in which such a determination is made.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

III CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (Continued)

3 Fair value of financial instruments

The Group uses valuation techniques to estimate the fair value of financial instruments which are not quoted in an active market. These valuation techniques include the use of recent transaction prices of the same or similar instruments, discounted cash flow analysis and generally accepted pricing models. To the extent practical, market observable inputs and data, such as interest rate yield curves, foreign currency rates and implied option volatilities, are used when estimating fair value through a valuation technique. Where market observable inputs are not available, they are estimated using assumptions that are calibrated as closely as possible to market observable data. However, areas such as the credit risk of the Group and the counterparty, liquidity, volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the estimated fair value of financial instruments.

With respect to PRC government obligations related to large-scale policy directed financing transactions, fair value is determined using the stated terms of the related instrument and with reference to terms determined by the PRC government in similar transactions engaged in or directed by the PRC government. In this regard, there are no other relevant market prices or yields reflecting arm's length transactions of a comparable size and tenor.

4 Consolidation of structured entities

Where the Group acts as asset manager of or investor in structured entities, the Group makes significant judgement on whether the Group controls and should consolidate these structured entities. When performing this assessment, the Group assesses the Group's contractual rights and obligations in light of the transaction structures, and evaluates the Group's power over the structured entities, performs analysis and tests on the variable returns from the structured entities, including but not limited to commission income and asset management fees earned as the asset manager, the retention of residual income, and, if any, the liquidity and other support provided to the structured entities. The Group also assesses whether it acts as a principal or an agent through analysis of the scope of its decision-making authority over the structured entities, the remuneration to which it is entitled for asset management services, the Group's exposure to variability of returns from its other interests in the structured entities, and the rights held by other parties in the structured entities.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 NET INTEREST INCOME

	Year ended 31 December	
	2025	2024
Interest income		
Loans and advances to customers	27,484,226	27,504,218
Including: Corporate loans and advances	15,677,802	14,471,712
Personal loans and advances	11,333,930	12,233,053
Discounted bills	472,494	799,453
Financial investments	14,969,542	15,784,445
Including: Financial assets measured at amortised cost	9,051,841	10,669,762
Financial assets measured at fair value through other comprehensive income	5,917,701	5,114,683
Placements with banks and other financial institutions	2,118,534	2,295,964
Balances with central bank	829,907	773,414
Financial assets held under resale agreements	428,375	478,733
Deposits with banks and other financial institutions	634,586	251,064
Subtotal	46,465,170	47,087,838
Interest expense		
Deposits from customers	(14,581,292)	(15,954,712)
Debt securities issued	(3,378,993)	(3,208,253)
Borrowings from central bank	(1,906,953)	(2,284,407)
Placements from banks and other financial institutions	(1,271,592)	(1,391,751)
Financial assets sold under repurchase agreements	(1,024,838)	(1,232,104)
Deposits from banks and other financial institutions	(36,952)	(518,564)
Lease liabilities	(3,900)	(3,563)
Subtotal	(22,204,520)	(24,593,354)
Net interest income	24,260,650	22,494,484
Included in interest income		
Interest income on listed investments	14,969,542	15,730,814
Interest income on unlisted investments	–	53,631
Total	14,969,542	15,784,445

Listed investments mainly include securities traded in the interbank bond market in Mainland China and securities listed on the stock exchange.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2 NET FEE AND COMMISSION INCOME

	Notes	Year ended 31 December	
		2025	2024
Fee and commission income			
Agency and fiduciary service fees	(1)	629,596	736,156
Wealth management fees		339,913	336,453
Bank card fees		189,722	293,855
Electronic banking services income		180,279	173,931
Settlement and clearing fees		155,768	160,023
Others		164,044	276,005
Subtotal		1,659,322	1,976,423
Fee and commission expense			
Bank card fees		(262,470)	(267,176)
Settlement and clearing fees		(53,641)	(47,144)
Others		(48,770)	(50,026)
Subtotal		(364,881)	(364,346)
Total		1,294,441	1,612,077

- (1) Agency and fiduciary service fees are recognised directly in profit or loss for the period, arising from the Group's trust and other custodial activities in which assets are held or investments are made on behalf of third parties.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3 NET TRADING GAINS

	Year ended 31 December	
	2025	2024
Net gains on financial assets measured at fair value through profit	1,103,682	2,403,914
Net gains/(losses) on derivative financial instruments	1,159,931	(15,350)
Net losses on financial liabilities measured at fair value through profit or loss	(1,199,266)	(419)
Total	<u>1,064,347</u>	<u>2,388,145</u>

4 OTHER OPERATING INCOME, NET

	Year ended 31 December	
	2025	2024
Rental income	133,201	119,770
Government grants	7,927	138,234
Foreign exchange (losses)/gains	(113,915)	17,434
Net gains on disposal of property, equipment and other assets	69,963	29,246
Penalty and compensation income	5,059	5,351
Donation	(4,800)	(4,800)
Others, net	<u>29,250</u>	<u>(2,607)</u>
Total	<u>126,685</u>	<u>302,628</u>

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5 OPERATING EXPENSES

	Notes	Year ended 31 December	
		2025	2024
Staff costs	(1)	5,623,400	5,532,918
General operating and administrative expenses		2,389,678	2,516,437
Depreciation and amortisation		802,608	796,053
Tax and surcharges		392,931	307,845
Costs of operating lease business		81,960	81,259
Others	(2)	134,275	159,132
Total		<u>9,424,852</u>	<u>9,393,644</u>

(1) Staff costs

	Note IV	Year ended 31 December	
		2025	2024
Salaries, bonuses and allowances		3,910,370	3,890,150
Social insurance		843,222	880,670
Housing funds		387,768	393,291
Enterprise annuity		187,947	188,237
Staff welfare		158,645	158,919
Labor union fees and staff education expenses		151,338	140,871
Supplementary retirement benefits	31(1)	(32,300)	(122,180)
Early retirement benefits	31(2)	16,410	2,960
Total		<u>5,623,400</u>	<u>5,532,918</u>

- (2) The principal auditor's remuneration of RMB5.70 million for the year ended 31 December 2025 is included in other expenses.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

6 EMOLUMENTS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Details of the directors' and supervisors' emoluments are as follows:

	Year ended 31 December 2025					
		Part-time	Paid	Contribution	Other	
Name	Notes	Fee	Remuneration (before tax)	to Pension Schemes	Monetary Income	Total
Executive directors						
Liu Xiaojun	(1)	–	317	104	–	421
Sui Jun		–	423	138	48	609
Zhang Peizong	(2)	–	–	–	–	–
Non-executive directors						
Hu Chun	(3)	90	–	–	–	90
Yin Xianglin	(3)	90	–	–	–	90
Peng Yulong	(4)	–	–	–	–	–
Ma Bao	(5)	–	–	–	–	–
Dong Bin	(5)	–	–	–	–	–
Yuan Gang	(5)	–	–	–	–	–
Independent non-executive directors						
Zhang Qiaoyun	(6)	180	–	–	–	180
Lee Ming Hau		180	–	–	–	180
Li Jiaming	(7)	180	–	–	–	180
Bi qian		180	–	–	–	180
Supervisors						
Huang Qingqing		75	–	–	–	75
Zhang Jinruo		120	–	–	–	120
Hu Yuancong		120	–	–	–	120
Zhang Yingyi		120	–	–	–	120
Zheng Yi	(8)	–	–	–	–	–
Le Xiaoming	(8)	–	–	–	–	–
Zhou Wei	(8)	–	–	–	–	–
Total		1,335	740	242	48	2,365

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

6 EMOLUMENTS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (Continued)

		Year ended 31 December 2024				
		Part-time	Paid	Contribution	Other	
Name	Notes	Fee	Remuneration (before tax)	to Pension Schemes	Monetary Income	Total
Executive directors						
Xie Wenhui	(9)	–	311	101	–	412
Sui Jun		–	415	135	48	598
Zhang Peizong	(2)	–	332	135	38	505
Non-executive directors						
Hu Chun		90	–	–	–	90
Yin Xianglin		90	–	–	–	90
Peng Yulong	(4)	–	–	–	–	–
Gu Xiaoxu	(10)	–	–	–	–	–
Independent non-executive directors						
Zhang Qiaoyun		180	–	–	–	180
Lee Ming Hau		180	–	–	–	180
Li Jiaming		180	–	–	–	180
Bi qian		180	–	–	–	180
Supervisors						
Huang Qingqing		75	–	–	–	75
Zhang Jinruo		120	–	–	–	120
Hu Yuancong		120	–	–	–	120
Zhang Yingyi		120	–	–	–	120
Zheng Yi	(8)	–	–	–	–	–
Le Xiaoming	(8)	–	–	–	–	–
Zhou Wei	(8)	–	–	–	–	–
Total		1,335	1,058	371	86	2,850

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

6 EMOLUMENTS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (Continued)

- (1) Mr. Liu Xiaojun has been serving as the party secretary of the bank since March 2025, and as the chairman and executive director of the bank since January 2026.
- (2) Mr. Zhang Peizong resigned from the vice president, secretary to the Board, executive director and the positions of relevant special committees under the Board since January 2025.
- (3) Ms. Hu Chun and Mr. Yin Xianglin resigned from the non-executive directors and the positions of relevant special committees under the Board since December 2025.
- (4) Mr. Peng Yulong resigned from the non-executive directors and the positions of relevant special committees under the Board since January 2026. During the years ended 31 December 2025 and 2024, Mr. Peng Yulong did not receive remuneration from the Bank.
- (5) Mr. Ma Bao, Mr. Dong Bin, and Mr. Yuan Gang has been serving as the non-executive directors of the Bank since December 2025.
- (6) Mr. Zhang Qiaoyun resigned from the independent non-executive director and the positions of relevant special committees under the Board since December 2025.
- (7) Mr. Li Jiaming unfortunately passed away in March 2026 and ceased to act as the independent non-executive director and hold positions of relevant special committees of the Board of the Bank.
- (8) During the years ended 31 December 2025 and 2024, the Bank's employee representatives in the Board of Supervisors did not receive remuneration as the employee representative supervisors.
- (9) Mr. Xie Wenhui resigned from the chairman, executive director and the positions of relevant special committees under the Board since October 2024.
- (10) Ms. Gu Xiaoxu resigned from the non-executive director and the positions of relevant special committees under the Board since January 2024. During the years ended 31 December 2024, Ms. Gu Xiaoxu did not receive remuneration from the Bank.

The total compensation packages for the directors, supervisors and senior management are determined based on the performances.

On account of certain regulations of relevant state authorities, the total remuneration for certain directors, supervisors and senior management members in 2025 has not been finalized, but the management of the Group expects the difference between the current estimate and the final remuneration shall not have a significant impact on the 2025 consolidated financial statements. The 2025 remuneration disclosed herein includes only the basic annual salaries approved for the current year and the proposed performance-based salaries, and the actual total remuneration shall be further disclosed when the determination is finalized by the Bank and duly approved.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

6 EMOLUMENTS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (Continued)

Five highest paid individuals

Of the five individuals with the highest emoluments, none of them are directors or supervisors. The emoluments payable to the five individuals whose emoluments were the highest in the Group during the year are as follows:

	Notes	Year ended 31 December	
		2025	2024
Salaries and other emoluments	(1)	7,507	7,508
Contribution to pension schemes		688	734
Total	(2)	8,195	8,242

(1) Salaries and other emoluments include basic salaries, discretionary bonuses and other allowances and benefits.

(2) Emoluments of the individuals were within the following bands:

	Number of individuals	
	2025	2024
HKD0 – HKD1,000,000	–	–
HKD1,000,001 – HKD1,500,000	–	–
HKD1,500,001 – HKD2,000,000	4	5
HKD2,000,001 – HKD2,500,000	1	–

During the years ended 31 December 2025 and 2024, no emolument was paid by the Group to any of the directors, supervisors or the five highest paid individuals (including directors, supervisors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office. Except for Mr. Peng Yulong, none of the directors or supervisors waived any emoluments during the year ended 31 December 2025 (Except for Ms. Gu Xiaoxu and Mr. Peng Yulong, none of the directors or supervisors waived any emoluments during the year ended 31 December 2024).

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7 CREDIT IMPAIRMENT LOSSES

	Year ended 31 December	
	2025	2024
Loans and advances to customers:		
Measured at amortised cost	5,093,256	5,485,172
Measured at fair value through other comprehensive income	(7,809)	40,166
Financial investments:		
Financial assets measured at amortised cost	(64,966)	191,567
Financial assets measured at fair value through other comprehensive income	212,825	202,518
Other assets	74,751	14,642
Deposits with banks and other financial institutions	56,064	19,265
Financial assets held under resale agreements	46,843	95,316
Placements with banks and other financial institutions measured at amortised cost	18,930	62,799
Loan commitments	14,232	(154,535)
Total	5,444,126	5,956,910

8 INCOME TAX EXPENSE

(1) *Income tax expense*

	Note IV	Year ended 31 December	
		2025	2024
Income tax expense comprises:			
Current income tax			
– PRC Enterprise Income Tax		2,741,239	2,582,051
Deferred tax	23(2)	(1,451,857)	(1,553,767)
Total		1,289,382	1,028,284

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8 INCOME TAX EXPENSE (Continued)

- (2) *Reconciliation between income tax expense and profit before tax per the consolidated income statement:*

The tax charges for 2025 and 2024 can be reconciled to the profit per the consolidated income statement as follows:

	Notes	Year ended 31 December	
		2025	2024
Profit before tax		<u>13,709,387</u>	<u>12,817,363</u>
Tax calculated at applicable statutory tax rate of 25%		3,427,347	3,204,341
Difference of income tax calculated at subsidiaries' applicable statutory tax rate of 15%		(1,176)	(2,432)
Tax effect of non-taxable income and tax reduction	(a)	(2,122,931)	(1,902,861)
Tax effect of expenses not deductible for tax purpose	(b)	77,652	105,747
Tax effect of perpetual bonds interest expense		(59,500)	(59,500)
Impact of changes in tax rates of subsidiary on prior-period deferred tax assets		–	(336,092)
Others		<u>(32,010)</u>	<u>19,081</u>
Income tax expense		<u>1,289,382</u>	<u>1,028,284</u>

- (a) Interest income from government bonds and local government bonds is not subject to income tax; and interest income from railway construction bonds is subject to income tax levied at half in accordance with the relevant PRC tax regulations.
- (b) Non-deductible expenses mainly include staff costs and entertainment expenses in excess of deduction allowed under the relevant PRC tax regulations.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9 EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is as follows:

	Year ended 31 December	
	2025	2024
Earnings:		
Profit for the year attributable to shareholders of the Bank	12,128,421	11,512,747
Less: profit for the year attributable to other equity instrument holders of the Bank	(238,000)	(238,000)
Profit for the year attributable to ordinary equity holders of the Bank	<u>11,890,421</u>	<u>11,274,747</u>
Number of shares:		
Weighted average number of shares in issue (thousand)	<u>11,357,000</u>	<u>11,357,000</u>
Basic and diluted earnings per share (RMB Yuan)	<u>1.05</u>	<u>0.99</u>

There was no potential dilutive ordinary share outstanding for 2025 and 2024. Accordingly, diluted earnings per share was the same as basic earnings per share.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

10 DIVIDENDS

	Notes	Year ended 31 December	
		2025	2024
Dividends on ordinary shares declared			
Cash dividend related to 2025 interim	(1)	2,309,560	–
Cash dividend related to 2024 final	(1)	1,251,541	–
Cash dividend related to 2024 interim	(2)	–	2,207,800
Cash dividend related to 2023	(3)	–	3,276,495
		<u>3,561,101</u>	<u>5,484,295</u>
Interest on perpetual bonds declared and paid	(4)	<u>238,000</u>	<u>238,000</u>

A dividend of RMB11.755 cents per share (tax inclusive) in respect of final 2025 with a total of RMB1,335 million has been proposed by the Board of Directors on 25 March 2026 and to be approved by the shareholders in the 2025 annual general meeting.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

10 DIVIDENDS (Continued)

- (1) A dividend of RMB11.02 cents per share (tax inclusive) in respect of final 2024 with a total of RMB1,252million has been proposed by the Board of Directors on 25 March 2025 and was approved by the shareholders in the 2024 annual general meeting on 21 May 2025.

The resolution in relation to the 2025 interim profit distribution arrangement of the Bank has been considered and approved at the 2024 annual general meeting and the board of directors of the Bank is authorized to formulate the specific interim profit distribution plan in accordance with the resolution of the 2024 annual general meeting, subject to fulfilment of profit distribution conditions. A dividend of RMB20.336 cents per share (tax inclusive) in respect of interim 2025 with a total of RMB2,310 million has been approved by the Board of Directors on 23 December 2025.

- (2) A dividend of RMB19.44 cents per share (tax inclusive) in respect of interim 2024 with a total of RMB2,208million has been proposed by the Board of Directors on 29 October 2024 and was approved by the shareholders in the 2024 first extraordinarily general meeting on 16 December 2024.
- (3) A dividend of RMB28.85 cents per share (tax inclusive) in respect of the year ended 31 December 2023 with a total of RMB3,276 million has been proposed by the Board of Directors on 28 March 2024 and was approved by the shareholders in the 2023 annual general meeting on 28 May 2024.
- (4) As at 26 April 2025 and 24 August 2025, the Bank distributed the interest of perpetual bonds amounting to RMB78 million and RMB160 million respectively.

As at 26 April 2024 and 24 August 2024, the Bank distributed the interest of perpetual bonds amounting to RMB78 million and RMB160 million respectively.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

11 CASH AND BALANCES WITH CENTRAL BANK

	Notes	As at 31 December	
		2025	2024
Cash		2,958,169	3,004,558
Statutory reserve deposits with central bank	(1)	50,399,579	46,632,482
Surplus reserve deposits with central bank	(2)	289,954	947,780
Other deposits with central bank	(3)	1,442,879	619,186
Total		55,090,581	51,204,006

- (1) The Group places statutory reserve deposits with The People's Bank of China ("PBOC"). These statutory reserve deposits are not available for the Group's daily operations.

The Bank's statutory reserve deposits rates as at the balance sheet date are as follows:

	As at 31 December	
	2025	2024
– RMB statutory reserve deposits rates	5.00%	5.00%
– Foreign currency statutory reserve deposits rates	4.00%	4.00%

Statutory reserve deposits rates of the Bank's subsidiaries are subject to relevant PBOC requirements.

- (2) The surplus reserve deposits are maintained with PBOC for clearing purposes.
- (3) The majority of other deposits with central bank are fiscal deposits placed with PBOC. Fiscal deposits refer to funds from fiscal institutions and deposited with PBOC in accordance with regulations, which cannot be used for daily business operations. Fiscal deposits placed with PBOC are non-interest bearing.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

12 DEPOSITS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	As at 31 December	
	2025	2024
Deposits with:		
Domestic banks	39,828,975	19,620,654
Other domestic financial institutions	1,969,523	939,639
Overseas banks	455,311	521,815
Gross amount	42,253,809	21,082,108
Expected credit loss ("ECL") allowances	(105,245)	(49,181)
Carrying amount	<u>42,148,564</u>	<u>21,032,927</u>

(1) As at 31 December 2025, deposits with banks and other financial institutions of the Group included RMB290.83 million security deposits, etc. There were restrictions on the Group's ability to use these deposits (As at 31 December 2024: RMB285.25 million security deposits for the Group).

(2) As at 31 December 2025 and 31 December 2024, the carrying amount of deposits with banks and other financial institutions of the Group and the Bank were both classified to Stage 1 which their provision measured at an amount equivalent to the ECL for the next 12 months, and neither the carrying amount nor the ECLs of deposits with banks and other financial institutions of the Group and the Bank were transferred among Stages. For the amount of the provision for deposits with banks and other financial institutions of the Group and the Bank for the year and the basis for determining whether credit risk has significantly increased, refer to Note IV 47(1).

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

13 PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	As at 31 December	
	2025	2024
Placements with:		
Other domestic financial institutions	95,254,660	90,791,448
Overseas banks	3,898,693	–
Domestic banks	1,508,853	–
Gross amount	100,662,206	90,791,448
ECL allowances	(369,858)	(350,928)
Carrying amount	<u>100,292,348</u>	<u>90,440,520</u>

- (1) As at 31 December 2025 and 31 December 2024, the carrying amount of placements with banks and other financial institutions of the Group and the Bank were both classified to Stage 1 which their provision measured at an amount equivalent to the ECL for the next 12 months, and neither the carrying amount nor the ECLs of placements with banks and other financial institutions of the Group and the Bank were transferred among Stages. For the amount of the provision for placements with banks and other financial institutions of the Group and the Bank for the year and the basis for determining whether credit risk has significantly increased, refer to Note IV 47(1).

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

14 DERIVATIVE FINANCIAL ASSETS AND LIABILITIES

	31 December 2025			31 December 2024		
	Contract/ Nominal amount	Fair Value		Contract/ Nominal amount	Fair Value	
		Assets	Liabilities		Assets	Liabilities
Gold swap	5,949,387	882,092	-	-	-	-
Currency derivatives						
Foreign exchange swap	8,803,789	55,868	(200)	35,654	354	(329)
Currency forward	-	-	-	461,211	1,200	(2,683)
Credit Risk Mitigation	125,000	1,035	-	552,000	3,626	(13)
Interest derivatives						
Interest swap	-	-	-	230,000	115	(115)
Total	<u>14,878,176</u>	<u>938,995</u>	<u>(200)</u>	<u>1,278,865</u>	<u>5,295</u>	<u>(3,140)</u>

The nominal amount of derivative financial instruments only provides a basis for comparison with the fair value of the assets or liabilities recognized in the balance sheet, and does not represent the future cash flow or current fair value, and therefore does not reflect the credit risk or market risk faced by the Group.

The Group manages foreign exchange risk by implementing the foreign exchange net position limit. The Group monitors the trading volume and balance of its business in various currencies on a daily basis, matches assets and liabilities in different currencies through foreign exchange transactions, and manages the portfolios and structural positions of assets and liabilities in foreign currency with the appropriate derivative financial instruments. As the portfolios managed by foreign currency derivatives were constantly changing and the gains and losses arising from the underlying foreign currency derivatives and from exchange rate fluctuations of the assets or liabilities in foreign currency have been recognised in foreign exchange gains and losses, the Group does not adopt hedge accounting for this type of business.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

15 FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS

	As at 31 December	
	2025	2024
Analysed by collateral type:		
Debt securities	34,380,174	21,073,469
ECL allowances	(182,998)	(136,155)
Carrying amount	<u>34,197,176</u>	<u>20,937,314</u>

- (1) As at 31 December 2025 and 31 December 2024, the carrying amount of financial assets held under resale agreements of the Group and the Bank were both classified to Stage 1 which their provision measured at an amount equivalent to the ECL for the next 12 months, and neither the carrying amount nor the ECLs of financial assets held under resale agreements of the Group and the Bank were transferred among Stages. For the amount of the provision for financial assets held under resale agreements of the Group and the Bank for the year and the basis for determining whether credit risk has significantly increased, refer to Note IV 47(1).

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16 LOANS AND ADVANCES TO CUSTOMERS

(1) Analysis of loans and advances to customers

	Notes	As at 31 December	
		2025	2024
Gross amount of loans and advances to customers measured at amortised cost		735,996,869	650,639,379
ECL allowances		<u>(31,394,356)</u>	<u>(30,442,333)</u>
Carrying amount of loans and advances measured at amortised cost	(a)	704,602,513	620,197,046
Carrying amount of loans and advances measured at fair value through other comprehensive income		<u>61,290,174</u>	<u>63,633,636</u>
Total		<u>765,892,687</u>	<u>683,830,682</u>

As at the balance sheet date, certain discounted bills were pledged as collaterals in repurchase agreement transactions, see Note IV 45(5).

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(1) Analysis of loans and advances to customers (Continued)

(a) Carrying amount of loans and advances measured at amortised cost

	As at 31 December	
	2025	2024
Corporate loans and advances	430,695,544	355,799,604
Trade financing	4,278,898	2,333,813
Subtotal	434,974,442	358,133,417
Personal loans and advances		
– Loans to private business	118,621,914	123,582,801
– Mortgages	87,452,626	88,697,511
– Personal consumption loan	78,166,138	63,543,140
– Credit cards	16,781,749	16,682,510
Subtotal	301,022,427	292,505,962
ECL allowances	(31,394,356)	(30,442,333)
Carrying amount of loans and advances measured at amortised cost	704,602,513	620,197,046

(2) Loans and advances to customers analysed by security type

	As at 31 December	
	2025	2024
Unsecured loans	200,860,196	158,929,799
Guaranteed loans	240,454,928	183,530,014
Collateralised and other secured loans		
Including: Collateralised loans	253,135,734	260,280,243
Pledged loans	102,836,185	111,532,959
Total	797,287,043	714,273,015

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(3) Loans and advances to customers analysed by industry

	31 December 2025		31 December 2024	
	Amount	%	Amount	%
Leasing and commercial services	112,105,447	14.06	93,852,861	13.14
Water conservancy, environment and public facilities management	82,317,297	10.32	65,673,063	9.19
Manufacturing	78,384,520	9.83	76,096,261	10.65
Transportation, logistics and postal services	43,794,546	5.49	34,806,458	4.87
Retail and wholesale	30,826,261	3.87	21,350,021	2.99
Production and supply of electricity, heating, gas and water	30,683,148	3.85	27,601,542	3.86
Construction	18,149,822	2.28	11,911,143	1.67
Real estate	7,226,570	0.91	4,422,446	0.62
Sanitation and social work	6,375,482	0.80	6,828,821	0.96
Agriculture, forestry, animal husbandry, fishery	5,858,085	0.73	3,893,247	0.55
Education	4,385,062	0.55	3,235,156	0.45
Culture, sports and entertainment	3,872,305	0.49	2,571,439	0.36
Information transmission, software and information technology services	2,982,045	0.37	1,735,238	0.24
Financial business	2,669,042	0.33	630,352	0.09
Scientific research and technical services	2,381,981	0.30	1,458,809	0.20
Others	<u>2,962,829</u>	<u>0.37</u>	<u>2,066,560</u>	<u>0.30</u>
Subtotal of corporate loans and advances	434,974,442	54.55	358,133,417	50.14
Personal loans and advances	301,022,427	37.76	292,505,962	40.95
Discounted bills	<u>61,290,174</u>	<u>7.69</u>	<u>63,633,636</u>	<u>8.91</u>
Total	<u>797,287,043</u>	<u>100.00</u>	<u>714,273,015</u>	<u>100.00</u>

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(4) Overdue loans analysed by security type and overdue period

	As at 31 December 2025				
	Overdue within three months (including three months)	Overdue between three months and one year (including one year)	Overdue between one year and three years (including three years)	Overdue over three years	Total
Unsecured loans	1,044,077	943,783	555,091	100,999	2,643,950
Guaranteed loans	419,429	435,007	249,220	138,261	1,241,917
Collateralised loans	2,216,009	1,910,614	1,157,517	202,301	5,486,441
Pledged loans	20,244	73,196	2,039	1,264	96,743
Total	<u>3,699,759</u>	<u>3,362,600</u>	<u>1,963,867</u>	<u>442,825</u>	<u>9,469,051</u>

	As at 31 December 2024				
	Overdue within three months (including three months)	Overdue between three months and one year (including one year)	Overdue between one year and three years (including three years)	Overdue over three years	Total
Unsecured loans	571,401	848,828	373,046	58,598	1,851,873
Guaranteed loans	414,589	357,578	111,927	623,243	1,507,337
Collateralised loans	1,877,631	2,534,022	1,392,178	90,614	5,894,445
Pledged loans	127,688	2,833	66,066	1,264	197,851
Total	<u>2,991,309</u>	<u>3,743,261</u>	<u>1,943,217</u>	<u>773,719</u>	<u>9,451,506</u>

Overdue loans refer to all or part of the principal or interest overdue for more than one day.

Notes to the Consolidated Financial Statements (Continued)

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(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(5) Loans and advances to customers analysed by credit risk and ECL

(a) Movements of ECL allowances on loans and advances to customers measured at amortised cost

	Year ended 31 December 2025			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2025	17,930,552	5,278,837	7,232,944	30,442,333
Transfer:				
to stage 1	772,463	(579,707)	(192,756)	–
to stage 2	(491,093)	753,094	(262,001)	–
to stage 3	(258,367)	(895,252)	1,153,619	–
Additions during the year	875,896	1,063,944	3,153,416	5,093,256
Written-off and transfers out during the year	–	–	(6,619,148)	(6,619,148)
Recoveries during the year	–	–	2,477,915	2,477,915
As at 31 December 2025	<u>18,829,451</u>	<u>5,620,916</u>	<u>6,943,989</u>	<u>31,394,356</u>

	Year ended 31 December 2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2024	17,125,680	5,416,324	6,891,885	29,433,889
Transfer:				
to stage 1	1,586,023	(1,135,411)	(450,612)	–
to stage 2	(324,719)	564,244	(239,525)	–
to stage 3	(443,874)	(1,258,491)	1,702,365	–
(Reverse)/additions during the year	(12,558)	1,692,171	3,805,559	5,485,172
Written-off and transfers out during the year	–	–	(5,805,234)	(5,805,234)
Recoveries during the year	–	–	1,328,506	1,328,506
As at 31 December 2024	<u>17,930,552</u>	<u>5,278,837</u>	<u>7,232,944</u>	<u>30,442,333</u>

Notes to the Consolidated Financial Statements (Continued)

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(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(5) Loans and advances to customers analysed by credit risk and ECL (Continued)

(b) Movements of ECL allowances on loans and advances to customers measured at fair value through other comprehensive income

	Year ended 31 December 2025			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2025	158,251	–	1,000	159,251
Transfer:				
to stage 1	–	–	–	–
to stage 2	–	–	–	–
to stage 3	–	–	–	–
Reverse during the year	(7,809)	–	–	(7,809)
As at 31 December 2025	<u>150,442</u>	<u>–</u>	<u>1,000</u>	<u>151,442</u>

	Year ended 31 December 2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2024	118,085	–	1,000	119,085
Transfer:				
to stage 1	–	–	–	–
to stage 2	–	–	–	–
to stage 3	–	–	–	–
Additions during the year	40,166	–	–	40,166
As at 31 December 2024	<u>158,251</u>	<u>–</u>	<u>1,000</u>	<u>159,251</u>

Notes to the Consolidated Financial Statements (Continued)

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(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(5) *Loans and advances to customers analysed by credit risk and ECL (Continued)*

- (b) Movements of ECL allowances on loans and advances to customers measured at fair value through other comprehensive income *(Continued)*

ECL allowances on loans and advances to customers measured at fair value through other comprehensive income is recognised in other comprehensive income. Impairment losses is recognised in profit or loss for the current period and does not influence the carrying amount of the financial asset in the balance sheet.

For the ECL allowances on loans and advances to customers measured at fair value through other comprehensive income held by the Group and the Bank and the basis for evaluating whether the credit risk has increased significantly, see Note IV 47(1).

17 FINANCIAL INVESTMENTS

	Notes	As at 31 December	
		2025	2024
Financial assets measured at fair value through profit or loss	(1)	81,118,927	84,554,813
Financial assets measured at fair value through other comprehensive income	(2)	313,611,899	246,200,311
– Debt instruments		311,174,434	244,824,694
– Equity instruments		2,437,465	1,375,617
Financial assets measured at amortised cost	(3)	248,897,954	297,248,006
Total		643,628,780	628,003,130

Notes to the Consolidated Financial Statements (Continued)

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(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17 FINANCIAL INVESTMENTS (Continued)

(1) Financial assets measured at fair value through profit or loss

By nature

	Notes	As at 31 December	
		2025	2024
Funds		47,125,751	57,169,951
Interbank deposit certificates		15,439,239	10,086,339
Debt securities	(a)	15,249,750	14,941,035
Investment in wealth management products ("WMPs")		1,575,016	848,009
Asset management plans		973,092	856,652
Trust plans		458,214	323,667
Other investments		297,865	329,160
Total		81,118,927	84,554,813
Analysed as:			
Listed outside Hong Kong		30,978,121	25,347,579
Unlisted		50,140,806	59,207,234
Total		81,118,927	84,554,813

(a) Debt securities analysed by type of issuers

	As at 31 December	
	2025	2024
Debt securities issued by:		
Financial institutions	5,996,685	6,635,036
Corporations	3,507,115	7,092,014
Public sector and quasi-governments	3,006,251	929,873
Government	2,739,699	284,112
Total	15,249,750	14,941,035

Bond investments in financial assets measured at fair value through profit or loss are all traded in bond market in mainland China.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17 FINANCIAL INVESTMENTS (Continued)

(2) Financial assets measured at fair value through other comprehensive income

	Notes	As at 31 December	
		2025	2024
Debt instruments:			
Public sector and quasi-government bonds		122,211,668	95,423,805
Financial institutions bonds		90,393,706	72,147,405
Government bonds		51,973,250	26,246,259
Corporate bonds		33,606,592	10,508,218
Interbank deposit certificates		<u>12,989,218</u>	<u>40,499,007</u>
Subtotal	(a)	<u>311,174,434</u>	<u>244,824,694</u>
Equity instruments:			
Corporations		2,339,664	1,290,668
Banks and other financial institutions		<u>97,801</u>	<u>84,949</u>
Subtotal		<u>2,437,465</u>	<u>1,375,617</u>
Total		<u>313,611,899</u>	<u>246,200,311</u>
Analysed as:			
Listed outside Hong Kong	(b)	312,669,525	245,425,255
Unlisted		<u>942,374</u>	<u>775,056</u>
Total		<u>313,611,899</u>	<u>246,200,311</u>

(a) As at balance sheet date, part of the financial assets measured at fair value through other comprehensive income were pledged as collaterals for repurchase and other transactions, see Note IV 45(5).

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17 FINANCIAL INVESTMENTS (Continued)

(2) Financial assets measured at fair value through other comprehensive income (Continued)

- (b) Debt instruments measured at fair value through other comprehensive income presented as “Listed outside Hong Kong” are traded in bond market in mainland China; equity instruments presented as “Listed outside Hong Kong” are all listed in mainland China.

Movements of ECL allowances on financial assets measured at fair value through other comprehensive income

	Year ended 31 December 2025			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
As at 1 January 2025	351,592	13,020	–	364,612
Transfer:				
to stage 1	13,020	(13,020)	–	–
to stage 2	(1,130)	1,130	–	–
to stage 3	–	–	–	–
Charge	192,296	20,529	–	212,825
As at 31 December 2025	<u>555,778</u>	<u>21,659</u>	<u>–</u>	<u>577,437</u>

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17 FINANCIAL INVESTMENTS (Continued)

(2) Financial assets measured at fair value through other comprehensive income (Continued)

- (b) Debt instruments measured at fair value through other comprehensive income presented as “Listed outside Hong Kong” are traded in bond market in mainland China; equity instruments presented as “Listed outside Hong Kong” are all listed in mainland China.
(Continued)

	Year ended 31 December 2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2024	162,094	–	–	162,094
Transfer:				
to stage 1	–	–	–	–
to stage 2	(2,622)	2,622	–	–
to stage 3	–	–	–	–
Charge	<u>192,120</u>	<u>10,398</u>	<u>–</u>	<u>202,518</u>
As at 31 December 2024	<u>351,592</u>	<u>13,020</u>	<u>–</u>	<u>364,612</u>

ECL allowances on debt instruments measured at fair value through other comprehensive income is recognised in other comprehensive income. Impairment losses is recognised in profit or loss for the current period and does not influence the carrying amount of the financial asset in the balance sheet.

For the ECL allowances on debt instruments measured at fair value through other comprehensive income held by the Group and the basis for evaluating whether the credit risk has increased significantly, see Note IV 47(1).

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17 FINANCIAL INVESTMENTS (Continued)

(3) Financial assets measured at amortised cost

	As at 31 December	
	2025	2024
Debt securities (analysed by type of issuers):		
Government bonds	156,568,449	177,959,666
Public sector and quasi-government bonds	53,362,789	60,535,879
Financial institutions bonds	21,164,940	28,608,846
Corporate bonds	<u>18,336,070</u>	<u>28,812,822</u>
Subtotal	249,432,248	295,917,213
Trust plans	1,094,581	2,538,135
Interbank deposit certificates	<u>–</u>	<u>1,886,499</u>
Gross balances	250,526,829	300,341,847
ECL allowances	<u>(1,628,875)</u>	<u>(3,093,841)</u>
Net balances	<u>248,897,954</u>	<u>297,248,006</u>
Analysed as:		
Listed outside Hong Kong	243,499,787	291,573,966
Listed in Hong Kong	–	145,047
Unlisted	<u>5,398,167</u>	<u>5,528,993</u>
Total	<u>248,897,954</u>	<u>297,248,006</u>

As at the balance sheet date, certain financial assets measured at amortised cost were pledged as collaterals in repurchase and other transactions, see Note IV 45(5).

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17 FINANCIAL INVESTMENTS (Continued)

(3) Financial assets measured at amortised cost (Continued)

Movements of ECL allowances on financial assets measured at amortised cost

	Year ended 31 December 2025			Total
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	
As at 1 January 2025	655,667	28,888	2,409,286	3,093,841
Transfer:				
to stage 1	16,692	(16,692)	–	–
to stage 2	(1,418)	1,418	–	–
to stage 3	–	–	–	–
(Reverse)/charge	(118,899)	(7,074)	61,007	(64,966)
Written-off	–	–	(1,400,000)	(1,400,000)
As at 31 December 2025	<u>552,042</u>	<u>6,540</u>	<u>1,070,293</u>	<u>1,628,875</u>

	Year ended 31 December 2024			Total
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	
As at 1 January 2024	709,660	42,554	2,150,060	2,902,274
Transfer:				
to stage 1	17,156	(17,156)	–	–
to stage 2	(6,255)	6,255	–	–
to stage 3	–	–	–	–
(Reverse)/charge	(64,894)	(2,765)	259,226	191,567
As at 31 December 2024	<u>655,667</u>	<u>28,888</u>	<u>2,409,286</u>	<u>3,093,841</u>

For the ECL allowances on financial assets measured at amortised cost held by the Group and the basis for evaluating whether the credit risk has increased significantly, see Note IV 47(1).

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

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IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

18 INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND STRUCTURED ENTITIES

(1) Investments in subsidiaries

As at 31 December 2025, details of the Bank's subsidiaries are set out below:

Name of entity	Date of incorporation	Nature of entity	Place of incorporation/ Principal place of operation	Paid-in capital (RMB, million)	Proportion of equity interest (%)	Proportion of voting rights in the general meeting (%)	Principal activities
Jiangsu Zhangjiagang CQRC Village and Township Bank Co., Ltd.	23/04/2010	Joint stock company	Jiangsu	200	90.00%	90.00%	Banking
Sichuan Dazhu CQRC Village and Township Bank Co., Ltd.	12/11/2010	Joint stock company	Sichuan	100	91.00%	91.00%	Banking
Yunnan Dali CQRC Village and Township Bank Co., Ltd.	14/12/2010	Limited liability company	Yunnan	200	100.00%	100.00%	Banking
Yunnan Xiangyun CQRC Village and Township Bank Co., Ltd.	04/12/2012	Limited liability company	Yunnan	100	100.00%	100.00%	Banking
Yunnan Heqing CQRC Village and Township Bank Co., Ltd.	09/01/2013	Limited liability company	Yunnan	100	100.00%	100.00%	Banking
Guangxi Luzhai CQRC Village and Township Bank Co., Ltd.	09/01/2013	Limited liability company	Guangxi	100	100.00%	100.00%	Banking
Fujian Shaxian CQRC Village and Township Bank Co., Ltd.	04/02/2013	Limited liability company	Fujian	100	100.00%	100.00%	Banking
Fujian Fu'an CQRC Village and Township Bank Co., Ltd.	05/02/2013	Limited liability company	Fujian	200	95.00%	95.00%	Banking
Yunnan Shangri-La CQRC Village and Township Bank Co., Ltd.	23/04/2013	Limited liability company	Yunnan	62	100.00%	100.00%	Banking
Fujian Pingtan CQRC Village and Township Bank Co., Ltd.	09/08/2013	Limited liability company	Fujian	100	93.50%	93.50%	Banking
CQRC Financial Leasing Co., Ltd.	19/12/2014	Limited liability company	Chongqing	2,500	80.00%	80.00%	Financial Leasing
Fujian Shishi CQRC Village and Township Bank Co., Ltd.	02/09/2015	Limited liability company	Fujian	200	91.00%	91.00%	Banking
Yunnan Xishan CQRC Village and Township Bank Co., Ltd.	05/01/2016	Limited liability company	Yunnan	200	100.00%	100.00%	Banking
CQRC Wealth Management Co., Ltd.	28/06/2020	Limited liability company	Chongqing	2,000	100.00%	100.00%	Wealth Management

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

18 INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND STRUCTURED ENTITIES (Continued)

(1) Investments in subsidiaries (Continued)

For the year ended 31 December 2025, the Bank acquired additional interests from non-controlling shareholders of its subsidiaries Fujian Fu'an CQRC Village and Township Bank Co., Ltd., resulting in increases in long-term equity investment by RMB6.95 million. The proportion of equity and voting rights in the Board of Directors increased by 4%.

In addition to the above matters, for the year ended 31 December 2025, there was no change in the proportion of equity interest or voting rights the Bank held in its subsidiaries.

All the 14 subsidiaries above were sponsored to establish by the Bank. As at 31 December 2025 and 31 December 2024, the amount of non-controlling interests of each subsidiary of the Bank, individually or collectively, was insignificant to the Group and hence not disclosed further.

There was no significant restriction on the Bank's or its subsidiaries' ability to access or use its assets and settle its liabilities.

As at 31 December 2025 and 31 December 2024, the Bank believes that no material provisions for impairment of investments in subsidiaries are required.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

18 INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND STRUCTURED ENTITIES (Continued)

(2) Investments in associates

Name of entity	Date of incorporation	Nature of entity	Place of incorporation/ Principal place of operation	Paid-in capital (RMB, million)	Proportion of equity interest (%)	Proportion of voting rights in the general meeting (%)	Principal activities
Chongqing Xiaomi Consumer Finance Co., Ltd.	29/05/2020	Limited liability company	Chongqing	1,500	30.00	30.00	Consumer Finance

Details of the Group's interests in associates are as follows:

	As at 31 December	
	2025	2024
Investment cost:		
Non-listed	509,682	477,343
Proportion of the Group in consolidated income and other comprehensive income after deducting profit distribution	39,366	32,339
	<u>549,048</u>	<u>509,682</u>

The key financial information of Chongqing Xiaomi Consumer Finance Co., Ltd. is as follows:

	As at 31 December	
	2025	2024
Total assets	<u>20,807,247</u>	<u>21,680,068</u>

	Year ended 31 December	
	2025	2024
Profit for the year	<u>131,219</u>	<u>115,350</u>

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

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IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

18 INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND STRUCTURED ENTITIES (Continued)

(2) Investments in associates (Continued)

Investment income enjoyed by the Group is recognized according to the financial position of Chongqing Xiaomi Consumer Finance Co., Ltd. is as follows:

	As at 31 December	
	2025	2024
Net assets of associates	1,830,159	1,698,941
Share of entity interest	30.00%	30.00%
Shares of net assets of the Group in associates	<u>549,048</u>	<u>509,682</u>

There was no significant restriction on the associate's ability to remit funds to the Group in the form of cash dividends, or to repay loans or prepayments to the Group.

As at 31 December 2025, the Bank believes that there was no need to make provisions for impairment of investments in associates (As at 31 December 2024: Nil).

(3) The Group also consolidated structured entities as disclosed in Note IV 44 Structured Entities.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

19 PROPERTY AND EQUIPMENT

	Buildings	Electronic equipment	Motor vehicles	Furniture and Fixtures	Construction in progress	Total
Cost						
As at 1 January 2024	7,996,548	1,710,722	87,264	1,639,205	296,642	11,730,381
Additions	34,943	140,634	–	27,084	212,595	415,256
Transferred in/(out)	131,712	1,530	–	3,342	(136,584)	–
Reductions	(85,577)	(62,294)	(7,303)	(57,640)	(47,479)	(260,293)
As at 31 December 2024	8,077,626	1,790,592	79,961	1,611,991	325,174	11,885,344
Additions	202,302	112,284	–	1,138,317	253,247	1,706,150
Transferred in/(out)	344,301	3,138	1,525	2,900	(351,864)	–
Reductions	(75,327)	(93,740)	(3,386)	(29,172)	(55,821)	(257,446)
As at 31 December 2025	8,548,902	1,812,274	78,100	2,724,036	170,736	13,334,048
Accumulated depreciation						
As at 1 January 2024	(4,683,584)	(1,319,459)	(67,198)	(824,168)	–	(6,894,409)
Charge for the year	(425,395)	(160,745)	(4,887)	(133,825)	–	(724,852)
Reductions	66,730	60,058	7,084	55,868	–	189,740
As at 31 December 2024	(5,042,249)	(1,420,146)	(65,001)	(902,125)	–	(7,429,521)
Charge for the year	(445,782)	(150,961)	(4,622)	(123,983)	–	(725,348)
Reductions	64,267	82,468	3,286	27,446	–	177,467
As at 31 December 2025	(5,423,764)	(1,488,639)	(66,337)	(998,662)	–	(7,977,402)
Allowance for impairment losses						
As at 1 January 2024	–	–	–	–	–	–
Impairment loss	–	–	–	(57,827)	–	(57,827)
As at 31 December 2024	–	–	–	(57,827)	–	(57,827)
Impairment loss	–	–	–	(489)	–	(489)
As at 31 December 2025	–	–	–	(58,316)	–	(58,316)
Carrying amount						
As at 31 December 2025	3,125,138	323,635	11,763	1,667,058	170,736	5,298,330
As at 31 December 2024	3,035,377	370,446	14,960	652,039	325,174	4,397,996

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

19 PROPERTY AND EQUIPMENT (Continued)

As at 31 December 2025, the Group had no significant amount of temporarily idle assets. (As at 31 December 2024: Nil).

According to relevant laws and regulations, the legal title of fixed assets previously held by the predecessor entity are to be transferred to the Bank, subsequent to the Bank's transformation into a joint stock company. As at 31 December 2025, the registration transfer process of certain properties have not been completed. Management believes that the incomplete registration transfer process does not affect the Bank's right to inherit these assets or adversely affect the Bank's operations.

As at 31 December 2025, the carrying amount of furniture and fixtures leased out through operating leases in the course of the Group's leasing business was RMB1,268 million (As at 31 December 2024: RMB538 million).

20 RIGHT-OF-USE ASSETS

As at 31 December 2025, the right-of-use assets recognized by the Group mainly include operation buildings, and are mainly used for daily business. Depreciation expense for the year ended 31 December 2025 amounted to RMB64 million (For the year ended 31 December 2024: RMB67 million), and the accumulated depreciation as at 31 December 2025 amounted to RMB124 million (As at 31 December 2024: RMB156 million).

21 GOODWILL

	As at 31 December	
	2025	2024
Cost and carrying amount	440,129	440,129

As at 31 December 2025, based on assessment performed by the Bank, there was no impairment for the goodwill (As at 31 December 2024: Nil).

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22 IMPAIRMENT TESTING ON GOODWILL

For the purpose of impairment testing, goodwill set out in Note IV 21 has been allocated to three individual cash generating units (CGUs), including corporate banking, personal banking and treasury operations. The carrying amounts of goodwill as at 31 December 2025 and 31 December 2024 allocated to these units are as follows:

	As at 31 December	
	2025	2024
Corporate banking (Unit A)	234,934	234,934
Personal banking (Unit B)	108,019	108,019
Treasury operations (Unit C)	97,176	97,176
Total	440,129	440,129

During the years ended 31 December 2025 and 31 December 2024, the directors of the Bank determine that there is no impairment of any of its CGUs containing goodwill.

The basis of the recoverable amounts of the above CGUs and their major underlying assumptions are summarised below:

The recoverable amount of corporate banking unit, personal banking unit and treasury operations unit has been determined based on calculation of a value in use. That calculation uses cash flow projections based on financial budgets approved by management covering a five-year period. The future cash flow used is free cash flow to equity (FCFE), discounted by the cost of equity capital of 8.56% (31 December 2024: 8.66%). The discount rate used reflects specific risks relating to the relevant CGUs. Cash flows beyond the five-year period are extrapolated using a 3% steady growth rate. This growth rate is based on the relevant domestic industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry.

Notes to the Consolidated Financial Statements (Continued)

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IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

23 DEFERRED TAXATION

(1) Recognised deferred tax assets and liabilities which have not been offset:

	As at 31 December 2025				
	Deductible temporary differences	Deferred tax assets	Taxable temporary differences	Deferred tax liabilities	Net balance
ECL allowances	53,090,547	13,265,373	–	–	13,265,373
Accrued and unpaid staff costs	2,816,243	702,422	–	–	702,422
Retirement benefits	1,053,395	263,349	–	–	263,349
Provision	460,263	115,066	–	–	115,066
Government grants	63,373	15,843	–	–	15,843
Adjustments of book value of assets and liabilities on the date of establishment	12,347	3,087	(139,428)	(34,857)	(31,770)
Changes in fair value of financial instruments	1,278,357	319,589	(1,937,084)	(484,271)	(164,682)
Depreciation expense and others	<u>386,894</u>	<u>96,724</u>	<u>(558,947)</u>	<u>(139,737)</u>	<u>(43,013)</u>
Total	<u>59,161,419</u>	<u>14,781,453</u>	<u>(2,635,459)</u>	<u>(658,865)</u>	<u>14,122,588</u>

	As at 31 December 2024				
	Deductible temporary differences	Deferred tax assets	Taxable temporary differences	Deferred tax liabilities	Net balance
ECL allowances	48,134,793	12,027,035	–	–	12,027,035
Accrued and unpaid staff costs	3,401,856	848,878	(52,812)	(13,203)	835,675
Retirement benefits	1,212,464	303,116	–	–	303,116
Provision	353,851	88,463	–	–	88,463
Government grants	67,858	16,965	–	–	16,965
Adjustments of book value of assets and liabilities on the date of establishment	32,926	8,232	(149,448)	(37,362)	(29,130)
Changes in fair value of financial instruments	120,804	30,201	(6,157,532)	(1,539,383)	(1,509,182)
Depreciation expense and others	<u>472,069</u>	<u>118,018</u>	<u>(583,503)</u>	<u>(145,877)</u>	<u>(27,859)</u>
Total	<u>53,796,621</u>	<u>13,440,908</u>	<u>(6,943,295)</u>	<u>(1,735,825)</u>	<u>11,705,083</u>

Notes to the Consolidated Financial Statements (Continued)

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(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

23 DEFERRED TAXATION (Continued)

- (2) The followings are the major deferred tax assets and liabilities recognised and movements thereon:

	Year ended 31 December 2025			
	1 January 2025	Recognised in profit or loss	Recognised in equity	31 December 2025
Deferred tax				
– ECL allowances	12,027,035	1,289,592	(51,254)	13,265,373
– Accrued and unpaid staff costs	835,675	(133,253)	–	702,422
– Retirement benefits	303,116	(1,612)	(38,155)	263,349
– Provision	88,463	26,603	–	115,066
– Government grants	16,965	(1,122)	–	15,843
– Adjustment of book value of assets and liabilities on the date of establishment	(29,130)	(2,640)	–	(31,770)
– Changes in fair value of financial instruments	(1,509,182)	289,443	1,055,057	(164,682)
– Depreciation expense and others	(27,859)	(15,154)	–	(43,013)
Total	11,705,083	1,451,857	965,648	14,122,588

	Year ended 31 December 2024			
	1 January 2024	Recognised in profit or loss	Recognised in equity	31 December 2024
Deferred tax				
– ECL allowances	10,601,703	1,486,003	(60,671)	12,027,035
– Accrued and unpaid staff costs	736,752	98,923	–	835,675
– Retirement benefits	260,234	(5,347)	48,229	303,116
– Provision	126,093	(37,630)	–	88,463
– Government grants	17,614	(649)	–	16,965
– Adjustment of book value of assets and liabilities on the date of establishment	(24,754)	(4,376)	–	(29,130)
– Changes in fair value of financial instruments	(139,302)	8,148	(1,378,028)	(1,509,182)
– Depreciation expense and others	(36,554)	8,695	–	(27,859)
Total	11,541,786	1,553,767	(1,390,470)	11,705,083

Notes to the Consolidated Financial Statements (Continued)

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(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

24 OTHER ASSETS

	Notes	As at 31 December	
		2025	2024
Other receivables	(1)	1,300,940	1,012,777
Pre-paid tax		831,389	782,146
Items in process of clearing and settlement		399,315	–
Land use rights		300,148	315,629
Intangible assets	(2)	282,080	283,216
Foreclosed assets	(3)	205,291	246,745
Interest receivable	(4)	28,495	20,611
Others		43,200	43,562
Total		3,390,858	2,704,686

(1) The amounts mainly represent receivables from suppliers, decoration fees of leased assets, temporary payments of other receivables, deferred expenditure.

(2) Intangible assets are mainly computer software which are amortised from 1 year to 10 years.

As at 31 December 2025, the proportion of the carrying amount of intangible assets arising from the Group's internal research and development projects to the total year-end carrying amount of intangible assets was not significant (As at 31 December 2024: Not significant).

(3) Foreclosed assets

Analysed by type

	As at 31 December	
	2025	2024
Land use rights and buildings	254,973	255,448
Allowance for impairment losses	(49,682)	(8,703)
Total	205,291	246,745

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

24 OTHER ASSETS (Continued)

- (4) Interest receivable

As at 31 December 2025 and 31 December 2024, the Group included the interests on financial instruments, accrued using the effective interest rate method, in the carrying amounts of the corresponding financial instruments, and recorded the interests on related financial instruments that had become due and receivable but not yet been received as at the balance sheet date in interest receivable under other assets.

25 BORROWINGS FROM CENTRAL BANK

As at 31 December 2025, borrowings from central bank mainly contain the medium-term lending facilities from PBOC, PBOC special refinancing and refinancing for supporting agricultural and small companies. As at 31 December 2025, the principal of the Bank's medium-term lending facilities from PBOC amounted to RMB57,500 million (As at 31 December 2024: RMB51,300 million).

26 DEPOSITS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	As at 31 December	
	2025	2024
Analysed by location and type of counterparties:		
Deposits from domestic banks	14,158	12,040
Deposits from other domestic financial institutions	971,946	3,019,702
Total	986,104	3,031,742

Deposits from banks and other financial institutions are interest bearing at prevailing market rate.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

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IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

27 PLACEMENTS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	As at 31 December	
	2025	2024
Analysed by location and type of counterparties:		
Placements from domestic banks	72,508,633	59,926,197
Placements from other domestic financial institutions	884,257	1,639,561
Total	73,392,890	61,565,758

28 FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December	
	2025	2024
Shares of combined structured entities belong to third party holders	11,842,666	9,878,249
Short selling of bonds	118,006	–
Total	11,960,672	9,878,249

29 FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS

	As at 31 December	
	2025	2024
Analysed by collateral type:		
– Debt securities	87,959,082	53,944,284
– Bill	7,925,934	17,993,385
Total	95,885,016	71,937,669

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

30 DEPOSITS FROM CUSTOMERS

	Notes	As at 31 December	
		2025	2024
Demand deposits			
Corporate customers		95,852,342	92,421,924
Individual customers		164,322,018	153,751,668
Time deposits			
Corporate customers		48,040,797	37,179,836
Individual customers		716,044,996	654,784,965
Pledged deposits	(1)	4,461,760	3,802,052
Others (Including outward remittance and remittance outstanding)		5,596	5,712
Total		1,028,727,509	941,946,157

(1) Analysed by products for which pledged deposits are required:

		As at 31 December	
		2025	2024
Bank acceptances		2,629,548	2,397,915
Loans and receivables		952,955	904,954
Letters of credit		356,749	181,557
Letters of guarantee		23,751	47,836
Others		498,757	269,790
Total		4,461,760	3,802,052

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

31 ACCRUED STAFF COSTS

	Notes	As at 31 December	
		2025	2024
Salaries, bonuses and allowances		3,407,863	3,055,477
Supplementary retirement benefits	(1)	2,333,035	2,602,887
Labor union fees and staff education expenses		407,409	397,285
Early retirement benefits	(2)	54,120	54,420
Total		6,202,427	6,110,069

(1) Supplementary retirement benefits

The Group sponsors defined benefit plans for qualified employees. The defined benefit plans include supplementary retirement benefits. Supplemental retirement benefits include supplemental pensions and medical benefits.

The plans mainly expose the Group to actuarial risks such as: interest rate risk, longevity risk and employee benefit risk.

- Interest risk: A decrease in the bond interest rate will increase the plan liability.
- Longevity risk: Present value of the defined benefit plan liability is calculated with reference to the best estimate of the mortality or survival ages of the participants both during and after their employment. An increase in life expectancy of the participants will increase the plan's liability.
- Employee benefit risk: Present value of the defined benefit plan liabilities are calculated with reference to the future benefits of the participants. As such, an increase in the benefit of the participants will increase the plan's liability.

The Group's obligation in respect of the supplementary retirement benefits at the end of the reporting period was calculated using the projected accumulated unit credit method by Willis Towers Watson, an external independent actuary.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

31 ACCRUED STAFF COSTS (Continued)

(1) Supplementary retirement benefits (Continued)

The principal assumptions used for the purpose of actuarial valuation for supplementary retirement benefits were as follows:

	As at 31 December	
	2025	2024
Discount rate-supplementary retirement benefits	2.25%	2.00%
Discount rate-early retirement benefits	1.50%	1.25%
Annual growth rate of enterprise annuity payment	6.00%	6.00%
Annual average medical expense inflation rate	7.00%	7.00%
Expected increase rate of cost of living for beneficiaries	4.50%	4.50%
Mortality rate	China Insurance Industry Experience Mortality Table 2010-2013	

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

31 ACCRUED STAFF COSTS (Continued)

(1) Supplementary retirement benefits (Continued)

Amounts recognised in comprehensive income in respect of the supplementary retirement benefits are as follows:

	Notes	As at 31 December	
		2025	2024
Service cost:			
– Current service cost		59,970	55,470
– Past service cost	(a)	(143,640)	(240,660)
Net interest expense		<u>51,370</u>	<u>63,010</u>
Components of supplementary retirement benefit costs recognised in profit or loss		<u>(32,300)</u>	<u>(122,180)</u>
Remeasurement of the net defined benefit liability:			
– Actuarial gains resulting from experience adjustments	(a)	(128,320)	(184,809)
– Actuarial (gains)/losses arising from changes in financial assumptions		<u>(24,300)</u>	<u>377,310</u>
Components of supplementary retirement benefit cost recognised in other comprehensive income		<u>(152,620)</u>	<u>192,501</u>
Total		<u><u>(184,920)</u></u>	<u><u>70,321</u></u>

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

31 ACCRUED STAFF COSTS (Continued)

(1) Supplementary retirement benefits (Continued)

Movements in present value of the supplementary retirement benefits in the current year were as follows:

	Notes	Year ended 31 December	
		2025	2024
Defined benefit obligation at the beginning of the year		2,602,887	2,619,070
Interest cost		51,370	63,010
(Gains)/losses arising from remeasurement of the defined benefit liability			
– Actuarial gains resulting from experience adjustments	(a)	(128,320)	(184,809)
– Actuarial (gains)/losses arising from changes in actuarial assumptions		(24,300)	377,310
Current service cost		59,970	55,470
Past service cost	(a)	(143,640)	(240,660)
Benefits paid		<u>(84,932)</u>	<u>(86,504)</u>
Defined benefit obligation at the end of the year		<u>2,333,035</u>	<u>2,602,887</u>

(a) The changes resulting from the plan amendments recognised in profit or loss in past service cost and the remeasurement of the net liabilities of the defined benefit plans are mainly caused by the actuarial difference of insurance premium.

(2) Early retirement benefits

Early retirement benefits include basic salary and allowances paid monthly/annually, social insurance premiums and housing funds, annuities and supplemental medical benefits in excess of the statutory level paid by the government-mandated basic medical program to original and new retired staffs until they reach their normal retirement age. As early retired staffs no longer bring economic benefits to the Group, the accounting treatment of the Group's early retirement benefits provided to early retired staffs is in accordance with termination benefits.

For the year ended 31 December 2025, the Group incurred RMB16 million (year ended 31 December 2024: RMB3 million) and paid RMB17 million (year ended 31 December 2024: RMB24 million) in respect of the early retirement benefits plan.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

32 DEBT SECURITIES ISSUED

(1) Debt securities issued analysed by type:

	As at 31 December	
	2025	2024
Interbank certificates of deposit issued	180,405,866	157,504,687
Bonds issued	8,079,411	14,152,855
Total	188,485,277	171,657,542

(2) Movements of debt securities issued:

		Year ended 31 December 2025				
		Beginning Balance	Issued during the year	Paid during the year	Interest and Amortisation	Ending Balance
Notes						
Interbank certificates of deposit issued	(b)	157,504,687	311,853,803	(292,000,000)	3,047,376	180,405,866
Bonds issued	(c)	14,152,855	999,439	(7,404,500)	331,617	8,079,411
Total		171,657,542	312,853,242	(299,404,500)	3,378,993	188,485,277

		Year ended 31 December 2024				
		Beginning Balance	Issued during the year	Paid during the year	Interest and Amortisation	Ending Balance
Notes						
Interbank certificates of deposit issued	(b)	97,247,336	294,183,097	(236,580,000)	2,654,254	157,504,687
Bonds issued	(c)	22,332,056	–	(8,733,200)	553,999	14,152,855
Total		119,579,392	294,183,097	(245,313,200)	3,208,253	171,657,542

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

32 DEBT SECURITIES ISSUED (Continued)

(2) Movements of debt securities issued: (Continued)

- (a) As at 31 December 2025, none of the above debt securities issued are in default (As at 31 December 2024: None in default).
- (b) As at 31 December 2025, there were 107 outstanding interbank deposit certificates issued by the Group and the Bank with maximum maturity of 365 days. (As at 31 December 2024: there were 137 outstanding interbank deposit certificates issued by the Group and the Bank with maximum maturity of 365 days.)
- (c) As at the balance sheet date, details of bonds issued by the Group are shown as follows:

	Notes	As at 31 December	
		2025	2024
Fixed rate financial bond maturing in July 2025	(i)	–	5,071,152
Fixed rate green financial bond maturing in December 2025	(ii)	–	2,003,632
Fixed rate financial bond for “agriculture, rural areas and farmers” maturing in April 2026	(iii)	2,039,655	2,039,429
Fixed rate financial bond for maturing in September 2026	(iv)	5,038,919	5,038,642
Fixed rate financial bond for maturing in December 2030	(v)	1,000,837	–
Total		8,079,411	14,152,855

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

32 DEBT SECURITIES ISSUED (Continued)

(2) Movements of debt securities issued: (Continued)

- (i) On 5 July 2022, the Bank issued a three-year fixed rate financial bond, with a coupon rate of 2.93%, payable annually.
- (ii) On 6 December 2022, the Bank issued a three-year fixed rate green financial bond, with a coupon rate of 3.00%, payable annually.
- (iii) On 24 April 2023, the Bank issued a three-year fixed rate financial bond for “agriculture, rural areas and farmers”, with a coupon rate of 2.90%, payable annually.
- (iv) On 19 September 2023, the Bank issued a three-year fixed rate financial bond, with a coupon rate of 2.80%, payable annually.
- (v) On 3 December 2025, the Bank issued a five-year fixed rate financial bond, with a coupon rate of 1.88%, payable annually.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

33 OTHER LIABILITIES

	Notes	As at 31 December	
		2025	2024
Other payables	(1)	8,889,271	7,445,040
Dividends payable		2,332,826	2,251,033
Notes payable		1,908,734	797,429
Tax payable (excluding corporate income tax payable)	(2)	458,563	361,738
Provision	(3)	460,284	353,902
Deferred income	(4)	126,628	175,283
Contract liabilities		16,192	21,406
Total		14,192,498	11,405,831

(1) Other payables

	Notes	As at 31 December	
		2025	2024
Advance payment for performance and security deposit		6,930,423	4,911,486
Payables from providing agency services		724,496	1,495,101
Accrued expenses		271,803	281,667
Long term loans	(a)	28,148	29,752
Items in process of clearing and settlement		8,081	156,852
Others		926,320	570,182
Total		8,889,271	7,445,040

(a) The amount represents special-purpose loans from International Fund for Agriculture Development ("IFAD") to support petty loans in the PRC.

As at 31 December 2025 and 31 December 2024, the loans bear a fixed interest rate of 0.75% per annum. As at 31 December 2025, these loans have 18 years to maturity with similar terms with related loans granted to customers.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

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IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

33 OTHER LIABILITIES (Continued)

(2) Tax payable (excluding corporate income tax payable)

	As at 31 December	
	2025	2024
Value added tax	405,600	323,437
Urban maintenance and construction tax	24,293	17,919
Individual income tax	7,794	5,223
Others	20,876	15,159
Total	458,563	361,738

(3) Provision

	Notes	As at 31 December	
		2025	2024
ECL allowances for loan commitments	(a)	267,520	253,288
Others		192,764	100,614
Total		460,284	353,902

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

33 OTHER LIABILITIES (Continued)

(3) Provision (Continued)

(a) ECL allowances for loan commitments

	Year ended 31 December 2025			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2025	237,529	1,359	14,400	253,288
Transfer:				
to stage 1	2,284	(639)	(1,645)	–
to stage 2	(50)	76	(26)	–
to stage 3	(88)	(294)	382	–
Charge	4,846	5,923	3,463	14,232
As at 31 December 2025	<u>244,521</u>	<u>6,425</u>	<u>16,574</u>	<u>267,520</u>

	Year ended 31 December 2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2024	344,802	53,743	9,278	407,823
Transfer:				
to stage 1	1,477	(542)	(935)	–
to stage 2	(41)	43	(2)	–
to stage 3	(117)	(232)	349	–
(Reverse)/Charge	(108,592)	(51,653)	5,710	(154,535)
As at 31 December 2024	<u>237,529</u>	<u>1,359</u>	<u>14,400</u>	<u>253,288</u>

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

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IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

33 OTHER LIABILITIES (Continued)

(4) Deferred income

Deferred income mainly represents deferred financial leasing income and government grants, for which the income will be amortised and recognised over the periods necessary to match them with the related costs.

	As at 31 December	
	2025	2024
Government grants	64,117	66,751
Deferred leasing income	62,511	108,532
Total	126,628	175,283

34 SHARE CAPITAL

	As at 31 December	
	2025	2024
Listed domestically (A shares), with par value of RMB1.00 per share	8,843,664	8,843,664
Listed overseas (H shares), with par value of RMB1.00 per share	2,513,336	2,513,336
Share capital	11,357,000	11,357,000

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

35 OTHER EQUITY INSTRUMENTS

	As at 31 December	
	2025	2024
Perpetual bonds	<u>5,997,648</u>	<u>5,997,648</u>

(1) Perpetual bonds outstanding at the end of the year:

Financial instruments issued	Issue date	Accounting classification	Original interest	Issue price (Yuan)	Amount in shares (in millions)	In RMB (in millions)	Maturity	Conversion conditions	Conversion status
2021 Perpetual bond in RMB	24/08/2021	Equity	4.00%	100	40	4,000	No fixed maturity date	N/A	N/A
2022 Perpetual bond in RMB	28/04/2022	Equity	3.90%	100	20	2,000	No fixed maturity date	N/A	N/A
Less: Issuance costs						(2)			
Carrying amount						<u>5,998</u>			

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

35 OTHER EQUITY INSTRUMENTS (Continued)

(2) Main clauses

The Bank issued perpetual bond with the amount of RMB2 billion in the national interbank bond market on 28 April 2022. The denomination of the Bonds is RMB100 each. The Bonds do not have any step-up mechanism or any other incentive to redeem. The distribution rate of the Bonds will be adjusted at defined intervals and determined by a benchmark rate plus a fixed spread, with a distribution rate adjustment period every 5 years, and the annual coupon rate for the first five years is 3.90%.

The Bank issued perpetual bond with the amount of RMB4 billion in the national interbank bond market on 24 August 2021. The denomination of the Bonds is RMB100 each. The Bonds do not have any step-up mechanism or any other incentive to redeem. The distribution rate of the Bonds will be adjusted at defined intervals and determined by a benchmark rate plus a fixed spread, with a distribution rate adjustment period every 5 years, and the annual coupon rate for the first five years is 4.00%.

The perpetual bonds will continue to be outstanding so long as the Bank's business continues to operate. The bonds have set forth terms regarding the Bank's redemption with pre-conditions, by which the Bank is entitled to redeem the bonds after five years since the issue date in whole or in part on the annual interest payment date (including the interest payment date of the fifth year after the issue date). If, after the issuance, the perpetual bonds no longer qualify as additional tier-one capital as a result of an unforeseeable change or amendment to relevant provisions of supervisory regulations, the Bank may redeem the whole but not part of the perpetual bonds.

The claims in respect of the perpetual bonds are subordinated to the claims of depositors, general creditors, and subordinated indebtedness that rank senior to the perpetual bonds; and will rank in priority to all classes of equity shares held by the Bank's shareholders and rank pari passu with the claims in respect of any other additional tier-one capital instruments of the Bank that rank pari passu with the perpetual bonds.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

35 OTHER EQUITY INSTRUMENTS (Continued)

(2) Main clauses (Continued)

Upon the occurrence of a Non-Viability Triggering Event, the Bank has the right to write down in whole or in part, without the need for the consent of the holders of the bonds. The bonds are written down according to the proportion of their outstanding par value in the total outstanding par value of all other tier-one capital instruments with the same trigger event.

The distributions on the perpetual bonds are non-cumulative, and the Bank shall have the right to cancel, in whole or in part, distributions on the bonds and any such cancellation shall not constitute an event of default. The Bank may, at its sole discretion, use the proceeds from the cancelled distributions to meet other obligations as they fall due. Cancellation of any distributions on the bonds, no matter in whole or in part, will not impose any other restriction on the Bank, except in relation to dividend distributions to ordinary shares.

(3) Statement of changes in perpetual bonds outstanding at the end of the year

	Beginning Balance		Changed during the year		Ending Balance	
	Amount	Book value (In thousand Yuan)	Amount	Book value (In thousand Yuan)	Amount	Book value (In thousand Yuan)
Financial instruments in issued	(In millions)		(In millions)		(In millions)	
2021 perpetual bonds in RMB	40	3,998,338	-	-	40	3,998,338
2022 perpetual bonds in RMB	20	1,999,310	-	-	20	1,999,310
Total	60	5,997,648	-	-	60	5,997,648

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

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IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

35 OTHER EQUITY INSTRUMENTS (Continued)

(4) Equity attributable to equity instrument holders

	As at 31 December	
	2025	2024
Total equity attributable to equity holders of the parent company	137,126,745	132,133,713
Equity attributable to ordinary equity holders of the parent company	131,129,097	126,136,065
Equity attributable to other equity holders of the parent company	5,997,648	5,997,648
Total equity attributable to non-controlling interests	2,169,054	1,915,203
Equity attributable to non-controlling interests of ordinary shares	2,169,054	1,915,203

Dividends paid to other equity instrument holders by the Bank, please refer to the Note IV 40.

36 CAPITAL RESERVE

The Bank issued shares at a premium. Share premium was recorded in capital reserve after deducting direct issuance costs which mainly included underwriting fees and professional fees. Where the Bank acquired equity interests from non-controlling shareholders, which is assessed as equity transactions. The difference between fair value of any considerations paid and the relevant share acquired of the carrying amount of net assets of the subsidiary was recorded in capital reserve.

The acquisition of additional interests from the non-controlling shareholders of its subsidiaries is equity transaction. The capital premium of discount amount was charged to capital reserve.

Capital reserve of the Bank included premium of RMB910 million from the placement of ordinary shares in 2010, premium of RMB7,706 million from the initial public offering of overseas listed foreign shares on the Hong Kong Stock Exchange in 2010, premium of RMB3,291 million from the placement of ordinary shares in 2017, and premium of RMB8,531 million from the initial public offering of A shares on the Shanghai Stock Exchange in 2019. Equity premium excluding direct issue costs is included in capital reserve. Direct issue costs mainly include underwriting fees and professional agency service fees.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

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IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

37 INVESTMENT REVALUATION RESERVE

	Pre-tax amount	Tax impact	Net-of-tax amount
As at 1 January 2024	926,568	(231,642)	694,926
Fair value gains/(losses) for the year			
Amount reclassified to profit or loss upon disposal of financial assets measured at fair value through other comprehensive income	5,694,615	(1,423,653)	4,270,962
Amount that cannot be reclassified to profit or loss upon disposal of financial assets measured at fair value through other comprehensive income	60,184	(15,046)	45,138
As at 31 December 2024	6,681,367	(1,670,341)	5,011,026
Fair value (losses)/gains for the year			
Amount reclassified to profit or loss upon disposal of financial assets measured at fair value through other comprehensive income	(4,474,819)	1,118,705	(3,356,114)
Amount that cannot be reclassified to profit or loss upon disposal of financial assets measured at fair value through other comprehensive income	459,568	(114,892)	344,676
As at 31 December 2025	2,666,116	(666,528)	1,999,588

Notes to the Consolidated Financial Statements (Continued)

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IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

38 SURPLUS RESERVE

Under the relevant PRC Laws, the Bank and its subsidiaries are required to appropriate 10% of its net profit to a non-distributable statutory surplus reserve. Appropriation to statutory surplus reserve may cease when the balance of such reserves has reached 50% of the share capital.

After making the appropriation to the statutory surplus reserve, the Bank may also appropriate its profit for the year determined under the Generally Accepted Accounting Principles of the PRC ("PRC GAAP") to the discretionary surplus reserve upon approval by the shareholders in the general meetings. The discretionary surplus reserve may be used to offset accumulated loss of the Bank, if any, and may be converted into capital.

For the year ended 31 December 2025, the Bank proposed to appropriate approximately RMB1,085 million to the statutory surplus reserve (For the year ended 31 December 2024: RMB1,050 million). For the year ended 31 December 2025, the Bank did not make any appropriation to discretionary surplus reserve (For the year ended 31 December 2024: Nil).

39 GENERAL RESERVE

Pursuant to the Administrative Measures for the Provision of Reserves of Financial Enterprises (Cai Jin [2012] No. 20) issued by the Ministry of Finance of the PRC, in addition to the allowances for impairment losses, the Bank is required to establish and maintain a general reserve within equity to address potential unidentified impairment losses. The general reserve should not be less than 1.5% of the aggregate amount of risk assets as defined by the above measures.

For the year ended 31 December 2025, the Group transferred RMB1,156 million to general reserve pursuant to the regulatory requirement (For the year ended 31 December 2024: RMB1,262 million).

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

40 RETAINED EARNINGS

The movements of retained earnings of the Group are set out below:

	As at 31 December	
	2025	2024
Retained earnings at the beginning of the year	53,486,813	50,008,344
Profit for the year	12,128,421	11,512,747
Appropriation to surplus reserve	(1,085,318)	(1,049,980)
Appropriation to general reserve	(1,156,409)	(1,262,003)
Dividends paid to ordinary equity holders	(3,561,101)	(5,484,295)
Dividends paid to other equity instrument holders	(238,000)	(238,000)
Retained earnings at the end of the year	<u>59,574,406</u>	<u>53,486,813</u>

41 CASH AND CASH EQUIVALENTS

For the purpose of the consolidated statement of cash flows, cash and cash equivalents include the following balances with an original maturity of less than three months:

	As at 31 December	
	2025	2024
Cash	2,958,169	3,004,558
Surplus reserve deposits with central bank	289,954	947,780
Deposits with banks and other financial institutions	10,934,904	10,486,670
Placements with banks and other financial institutions	3,691,097	4,469,449
Financial assets held under resale agreements	<u>34,373,961</u>	<u>21,069,946</u>
Total	<u>52,248,085</u>	<u>39,978,403</u>

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

42 SEGMENT ANALYSIS

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the board of directors and relevant management committees (chief operating decision maker) for the purposes of allocating resources to segments and assessing their performance. The Group operates mainly in Chongqing, the PRC. Majority of its customers and non-current assets are located in Chongqing, the PRC. The Group's chief operating decision maker reviews financial information based on business activities for the purpose of allocating resources and performance assessment.

The measurement of segment assets and liabilities, segment income and results is based on the Group's accounting policies in accordance with accounting rules and financial regulations applicable to PRC enterprises. There is no significant difference between the segment accounting policies and the policies applied in preparing the consolidated financial statements.

Internal charges and transfer pricing are determined with reference to market rates and have been reflected in the performance of each segment. Interest income and expense arising from internal charges and transfer pricing adjustments are referred to as "inter-segment interest income/expense". Interest income and expense earned from third parties are referred to as "external interest income/expense".

Corporate banking

The corporate banking segment provides financial products and services to corporations, government agencies and financial institutions. The products and services include current account, deposits, overdraft, loans, trade related products, other types of credit services and foreign currency services.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

42 SEGMENT ANALYSIS (Continued)

Personal banking

The personal banking segment provides financial products and services to individual customers. The products and services include personal loans, deposit products, card business, personal wealth management services and other types of personal intermediary services.

Financial market operations

The Group's financial market operations segment conducts money market or repurchase transactions. The operating results of this segment include the impact of profit or loss on internal fund surpluses or shortages between segments due to interest-bearing assets and interest-bearing liabilities.

Unallocated

Unallocated include other businesses not included in the above reporting segments or businesses that cannot be allocated on a reasonable basis, including equity investment businesses and income tax expense.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

42 SEGMENT ANALYSIS (Continued)

	Year ended 31 December 2025					
	Corporate banking	Personal banking	Financial market operations	Segment total	Unallocated	Total
External interest income	16,269,975	12,044,157	18,151,038	46,465,170	-	46,465,170
External interest expense	(1,578,515)	(13,005,839)	(7,620,166)	(22,204,520)	-	(22,204,520)
Net inter-segment interest (expense)/income	(5,844,630)	12,738,712	(6,894,082)	-	-	-
Net interest income	8,846,830	11,777,030	3,636,790	24,260,650	-	24,260,650
Fee and commission income	381,335	629,152	648,835	1,659,322	-	1,659,322
Fee and commission expense	(17,251)	(296,675)	(50,955)	(364,881)	-	(364,881)
Net fee and commission income	364,084	332,477	597,880	1,294,441	-	1,294,441
Net trading gains	-	-	1,064,347	1,064,347	-	1,064,347
Share of profits of associates	-	-	-	-	39,366	39,366
Other operating income, net	140,155	28,993	(106,315)	62,833	63,852	126,685
Net gains on derecognition of financial assets measured at fair value through other comprehensive income	-	-	1,212,670	1,212,670	-	1,212,670
Net gains on derecognition of financial assets measured at amortised cost	-	-	621,779	621,779	-	621,779
Operating income	9,351,069	12,138,500	7,027,151	28,516,720	103,218	28,619,938
Operating expenses	(2,704,160)	(4,602,955)	(2,117,737)	(9,424,852)	-	(9,424,852)
Credit impairment losses	(1,795,645)	(3,318,669)	(329,812)	(5,444,126)	-	(5,444,126)
Impairment losses on other assets	(41,573)	-	-	(41,573)	-	(41,573)
Profit before tax	4,809,691	4,216,876	4,579,602	13,606,169	103,218	13,709,387
Income tax expense	-	-	-	-	(1,289,382)	(1,289,382)
Profit for the year	4,809,691	4,216,876	4,579,602	13,606,169	(1,186,164)	12,420,005
Depreciation and amortisation included in operating expenses	312,243	391,982	180,343	884,568	-	884,568
Capital expenditure	513,047	873,297	401,788	1,788,132	-	1,788,132

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

42 SEGMENT ANALYSIS (Continued)

	As at 31 December 2025					
	Corporate banking	Personal banking	Financial market operations	Segment total	Unallocated	Total
Segment assets	<u>427,308,347</u>	<u>289,762,458</u>	<u>927,905,830</u>	<u>1,644,976,635</u>	<u>21,207,629</u>	<u>1,666,184,264</u>
Segment liabilities	<u>158,463,121</u>	<u>885,350,237</u>	<u>480,538,750</u>	<u>1,524,352,108</u>	<u>2,096,228</u>	<u>1,526,448,336</u>
Supplementary information						
– Credit commitments	<u>14,026,457</u>	<u>29,726,701</u>	<u>–</u>	<u>43,753,158</u>	<u>–</u>	<u>43,753,158</u>

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

42 SEGMENT ANALYSIS (Continued)

	Year ended 31 December 2024					
	Corporate banking	Personal banking	Financial market operations	Segment total	Unallocated	Total
External interest income	15,409,091	12,868,541	18,810,206	47,087,838	–	47,087,838
External interest expense	(1,720,184)	(14,169,706)	(8,703,464)	(24,593,354)	–	(24,593,354)
Net inter-segment interest (expense)/income	(5,603,084)	12,568,047	(6,964,963)	–	–	–
Net interest income	8,085,823	11,266,882	3,141,779	22,494,484	–	22,494,484
Fee and commission income	412,837	787,333	776,253	1,976,423	–	1,976,423
Fee and commission expense	(16,111)	(302,213)	(46,022)	(364,346)	–	(364,346)
Net fee and commission income	396,726	485,120	730,231	1,612,077	–	1,612,077
Net trading gains	–	–	2,388,145	2,388,145	–	2,388,145
Share of profits of associates	–	–	–	–	34,605	34,605
Other operating income, net	151,173	80,409	39,786	271,368	31,260	302,628
Net gains on derecognition of financial assets measured at fair value through other comprehensive income	–	–	131,365	131,365	–	131,365
Net gains on derecognition of financial assets measured at amortised cost	–	–	1,267,935	1,267,935	–	1,267,935
Operating income	8,633,722	11,832,411	7,699,241	28,165,374	65,865	28,231,239
Operating expenses	(2,686,937)	(4,519,937)	(2,186,770)	(9,393,644)	–	(9,393,644)
Credit impairment losses	(3,703,084)	(1,693,479)	(560,347)	(5,956,910)	–	(5,956,910)
Impairment losses on other assets	(63,322)	–	–	(63,322)	–	(63,322)
Profit before tax	2,180,379	5,618,995	4,952,124	12,751,498	65,865	12,817,363
Income tax expense	–	–	–	–	(1,028,284)	(1,028,284)
Profit for the year	2,180,379	5,618,995	4,952,124	12,751,498	(962,419)	11,789,079
Depreciation and amortisation included in operating expenses	308,960	383,037	185,315	877,312	–	877,312
Capital expenditure	140,220	235,876	114,118	490,214	–	490,214

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

42 SEGMENT ANALYSIS (Continued)

	As at 31 December 2024					
	Corporate banking	Personal banking	Financial market operations	Segment total	Unallocated	Total
Segment assets	<u>363,526,720</u>	<u>281,460,092</u>	<u>852,560,723</u>	<u>1,497,547,535</u>	<u>17,834,264</u>	<u>1,515,381,799</u>
Segment liabilities	<u>142,714,838</u>	<u>812,870,066</u>	<u>423,541,375</u>	<u>1,379,126,279</u>	<u>2,206,604</u>	<u>1,381,332,883</u>
Supplementary information						
– Credit commitments	<u>9,027,283</u>	<u>28,583,019</u>	<u>–</u>	<u>37,610,302</u>	<u>–</u>	<u>37,610,302</u>

There was no significant transactions with a single external customer that the Group mainly relied on.

43 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(1) Information about subsidiaries of the Bank

Information about subsidiaries of the Bank is disclosed in Note IV 18(1).

(2) Information about associates of the Bank

Information about insignificant associates of the Bank is disclosed in Note IV 18(2).

(3) Related parties with no controlling relationship

There are certain related party transactions between the Bank and related parties with no controlling relationship. The conditions and prices of these transactions are determined on the basis of market price and normal business procedure or contractual terms. They are assessed based on transaction type and approved by corresponding decision-making authority.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

43 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(3) Related parties with no controlling relationship (Continued)

Principal shareholders identified as related parties of the Bank

The names and share of equity interests of shareholders with more than 5% (including 5%) shares of the Bank, or shareholders who hold less than 5% of the total shares or capital but have significant influence on the Bank's operation and management are as follows:

Name of shareholders	Notes	As at 31 December	
		2025	2024
Chongqing Yufu Capital Operation Group Co., Ltd. ("Yufu Group") 重慶渝富資本運營集團有限公司		8.70%	8.70%
Chongqing City Construction Investment (Group) Co., Ltd. ("City Investment Group") 重慶市城市建設投資 (集團) 有限公司		7.02%	7.02%
Chongqing Development and Real Estate Management Co., Ltd. ("Development and Real Estate Company") 重慶發展置業管理有限公司		5.19%	5.19%
Chongqing Development Investment Co., Ltd. ("Development Investment Company") 重慶發展投資有限公司	(a)	4.81%	4.35%
Shanghai Yuyuan Tourist Mart (Group) Co., Ltd. 上海豫園旅遊商城 (集團) 股份有限公司		1.33%	1.33%
Xiamen Huishanghong Equity Investment Co., Ltd. 廈門市匯尚泓股權投資有限公司	(b)	0.50%	0.51%

(a) According to the restructuring plan of Longxin Holdings Co., Ltd., the Fifth Intermediate People's Court of Chongqing had made a ruling to transfer 52,000 thousand shares of the Bank held by Longxin Holdings Co., Ltd. to Chongqing Development Investment Co., Ltd. on January 17, 2025. As of December 31, 2025, Chongqing Development Investment Co., Ltd. holds A 522,000 thousand shares, accounting for 4.60% of the total share capital of the Bank, held H 23,814 thousand shares, accounting for 0.21% of the total share capital, with a total shareholding of 4.81%.

(b) During the year, the changes in the shareholding ratio of Xiamen Huishanghong Equity Investment Co., Ltd. in this bank were mainly due to normal trading in the secondary market.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

43 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(4) Related party transactions

The amounts of significant transactions, significant transaction balances and significant off balance sheet items between the Group and its related parties as at the balance sheet date were as follows:

	Yufu Group and its affiliates	City Investment Group and its affiliates	Development and Real Estate Company and its affiliates	Other related legal entities	Related personnel	Total	Proportion in amount/ balance of similar transactions
Significant transactions for the year ended 31 December 2025:							
Interest income	746,556	67,436	138,026	620	-	952,638	2.05%
Interest expense	(122,075)	(2,844)	(16,347)	(14,149)	(38,443)	(193,858)	0.87%
Fee and commission income	343	2,518	34	18	24	2,937	0.18%
Net trading gains/(losses)	53,298	(26,753)	-	34,248	-	60,793	5.71%
Operating expenses	(32,448)	(3,453)	(268,023)	(105,233)	-	(409,157)	4.34%
Other comprehensive income	266,557	(1,711)	22,367	-	-	287,213	(9.91%)
Significant transaction balances as at 31 December 2025:							
Deposits with banks and other financial institutions	3,030,860	2	-	575,458	-	3,606,320	8.53%
Loans and advances to customers	20,818,186	4,535,301	4,180,660	562,768	16,244	30,113,159	3.78%
Financial assets measured at amortised cost	246,146	249,918	153,567	290,254	-	939,885	0.38%
Financial assets measured at fair value through profit or loss	373,633	289,132	-	1,240,960	-	1,903,725	2.35%
Financial assets measured at fair value through other comprehensive income	2,636,738	222,607	1,530,474	-	-	4,389,819	1.40%
Deposits from banks and other financial institutions	(300,594)	(71,525)	-	(39,488)	-	(411,607)	41.74%
Deposits from customers	(5,744,076)	(673,542)	(1,624,520)	(4,258,555)	(175,457)	(12,476,150)	1.21%
Debt securities issued	(7,000,000)	-	-	(400,000)	-	(7,400,000)	3.93%

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

43 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(4) Related party transactions (Continued)

	Yufu Group and its affiliates	City Investment Group and its affiliates	Development and Real Estate Company and its affiliates	Other related legal entities	Related personnel	Total	Proportion in amount/ balance of similar transactions
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Significant off-balance sheet items as at
31 December 2025:

Unutilised credit card facilities	-	-	-	-	223,830	223,830	0.75%
Acceptances	36,253	-	-	-	-	36,253	0.37%
Letters of guarantee	77,254	400,000	8,936	-	-	486,190	24.93%
Entrusted Loans	47,000	-	-	-	-	47,000	1.89%
The balance of the loan guaranteed by related guarantee companies	9,247,927	-	110,289	-	-	9,358,216	1.17%
The balance of financial investments guaranteed by related guarantee companies	756,000	-	-	-	-	756,000	0.12%
Related parties' investment in WMPs issued by the Group	30,647	-	-	-	154,088	184,735	0.11%

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

43 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(4) Related party transactions (Continued)

	Yufu Group and its affiliates	City Investment Group and its affiliates	Development and Real Estate Company and its affiliates	Other related legal entities	Related personnel	Total	Proportion in amount/ balance of similar transactions
Significant transactions for the year ended 31 December 2024:							
Interest income	337,223	141,981	154,677	633	2,055	636,569	1.35%
Interest expense	(154,409)	(619)	(22,208)	(6,331)	(20,086)	(203,653)	0.83%
Fee and commission income	7,656	4	30	28	8	7,726	0.39%
Net trading gains/(losses)	13,182	(13,345)	1,115	22,682	-	23,634	0.99%
Operating expenses	-	-	-	(66,419)	-	(66,419)	0.71%
Other comprehensive income	44,681	3,604	37,147	14,463	-	99,895	2.39%
Significant transaction balances as at 31 December 2024:							
Deposits with banks and other financial institutions	-	2	-	620,959	-	620,961	2.95%
Derivative financial assets	-	-	51	-	-	51	0.96%
Loans and advances to customers	10,342,953	3,270,150	5,390,389	-	42,688	19,046,180	2.67%
Financial assets measured at amortised cost	246,146	657,100	153,567	-	-	1,056,813	0.35%
Financial assets measured at fair value through profit or loss	934,213	320,204	-	848,009	-	2,102,426	2.49%
Financial assets measured at fair value through other comprehensive income	1,650,786	234,768	1,314,696	416,547	-	3,616,797	1.47%
Deposits from banks and other financial institutions	(497,920)	(3)	-	(740)	-	(498,663)	16.45%
Placements from banks and other financial institutions	(502,838)	(100,568)	-	-	-	(603,406)	0.98%
Derivative financial liabilities	-	-	(51)	-	-	(51)	1.62%
Deposits from customers	(4,010,641)	(272,274)	(1,716,901)	(611,298)	(128,968)	(6,740,082)	0.72%
Debt securities issued	-	-	-	(400,000)	-	(400,000)	0.23%

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

43 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(4) Related party transactions (Continued)

	Yufu Group and its affiliates	City Investment Group and its affiliates	Development and Real Estate Company and its affiliates	Other related legal entities	Related personnel	Total	Proportion in amount/ balance of similar transactions
Significant off-balance sheet items as at 31 December 2024:							
Unutilised credit card facilities	-	-	-	-	206,257	206,257	0.72%
Letters of guarantee	35,000	400,000	21,726	-	-	456,726	31.70%
The balance of the loan guaranteed by related guarantee companies	6,534,447	-	224,706	-	-	6,759,153	0.95%
The balance of financial investments guaranteed by related guarantee companies	690,000	-	-	-	-	690,000	0.11%
Related parties' investment in WMPs issued by the Group	10,000	-	-	-	148,706	158,706	0.12%

The above transactions with related parties were conducted on normal commercial terms and in the normal course of business and were priced in accordance with the principles of transactions with independent third parties.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

43 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(5) Key management personnel remuneration

Key management personnel are those persons in the Group who have the authority and responsibility to plan, direct and control the activities of the Bank or the Group.

The remuneration of directors and other members of key management during the year was as follows:

	Year ended 31 December	
	2025	2024
Paid remuneration (before tax)	2,064	1,970
Part-time fee	900	900
Retirement plan contributions	782	743
Others	197	192
Total	<u>3,943</u>	<u>3,805</u>

Key management personnel remuneration refers to paid remuneration to directors and key management personnel in the current year approved in accordance with internal and external management requirements, including basic annual salary and advance performance salary for the year ended 31 December 2025 that was paid in accordance with external regulatory requirements.

Certain key management personnel's final emoluments for the year ended 31 December 2025 have not been finalised on report date as required by relevant authorities. Management of the Group believes that difference in emoluments will not have significant impact on the consolidated financial statements of the Group for the year ended 31 December 2025.

For the year ended 31 December 2025, both the loans made to key management personnel and their relatives, and the corresponding interest income were not significant.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

43 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(6) Transactions between the Bank and its subsidiaries

Amounts of significant transactions between the Bank and its subsidiaries during the reporting period were as follows:

	Year ended 31 December	
	2025	2024
Interest income	159,915	170,817
Interest expense	(3,991)	(2,104)

For the year ended 31 December 2025 and the year ended 31 December 2024, transactions between the Bank and its subsidiaries other than the transactions above were not significant.

Amounts of significant transaction balances between the Bank and its subsidiaries as at the balance sheet date were as follows:

	As at 31 December	
	2025	2024
Deposits with banks and other financial institutions	929,410	1,168,053
Placements with banks and other financial institutions	7,265,556	5,629,670
Deposits from banks and other financial institutions	(927,820)	(1,174,182)

For the year ended 31 December 2025 and the year ended 31 December 2024, outstanding balances between the Bank and its subsidiaries other than the balances above were not significant.

All intra-group transactions and balances have been off set when preparing the consolidated financial statements.

As at 31 December 2025 and 31 December 2024, the principal balance of WMPs issued by the Bank's subsidiary and purchased by the Bank amounted to RMB6,763 million and RMB3,772 million.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

43 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(7) Transactions between the Group and its associates

Amounts of significant transaction balances between the Bank and its associates as at the balance sheet date were as follows:

	As at 31 December 2025	As at 31 December 2024
Placements with banks and other financial institutions	500,364	504,176
Deposits from banks and other financial institutions	(39,488)	(122,411)

(8) Transactions with enterprise annuity plan

In addition to contributions to the Group's enterprise annuity fund, no related party transactions have been made during the reporting period.

44 STRUCTURED ENTITIES

(1) Rights and interests in unconsolidated structured entities initiated and established by the Group

Structured entities initiated and established by the Group that are not included in the scope of the consolidated financial statements mainly comprise wealth management products ("WMPs") issued by the Group. The nature and purpose of these structured entities are mainly to manage investors' assets and receive management fees, which are financed by issuing investment products to investors. The Group's rights and interests in these unconsolidated structured entities mainly consists of holding investments directly or receiving income from management fees through the management of these structured entities.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

44 STRUCTURED ENTITIES (Continued)

- (1) *Rights and interests in unconsolidated structured entities initiated and established by the Group (Continued)*

As at 31 December 2025, the overall size of outstanding unconsolidated WMPs initiated and established by the Group was RMB160,069million (As at 31 December 2024: RMB129,670 million). The management fee income received by the Group from the aforesaid WMPs amounted to RMB340 million for the year ended 31 December 2025 (For the year ended 31 December 2024: RMB336 million).

There was no contractual liquidity arrangement, guarantee or other commitment among or between the Group, WMP vehicles or any third parties that could increase the level of the Group's risk from or reduce its interest in WMP vehicles disclosed above for the year ended 31 December 2025 and the year ended 31 December 2024. The Group is not required to absorb any loss incurred by WMPs before other parties.

The WMPs issued by the Group did not cause losses to the interests of the Group, nor did they encounter financial difficulties for the year ended 31 December 2025 and the year ended 31 December 2024.

- (2) *Unconsolidated structured entities held by the Group*

The Group invests in a number of other unconsolidated structured entities which are issued or managed by other entities for investment return, and records trading gains or losses and interest income therefrom. As at 31 December 2025 and 31 December 2024, the Group's maximum risk exposure from these unconsolidated structured entities is summarised in the table below.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

44 STRUCTURED ENTITIES (Continued)

(2) Unconsolidated structured entities held by the Group (Continued)

	As at 31 December 2025			Total
	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Financial assets measured at amortised cost	
Asset-backed securities	101,333	901,978	7,365,825	8,369,136
Funds	45,948,377	–	–	45,948,377
Asset management plans and trust plans	1,431,306	–	24,288	1,455,594
Investments in WMPs	1,575,016	–	–	1,575,016
Other investments	8,734	934,374	–	943,108
Total	<u>49,064,766</u>	<u>1,836,352</u>	<u>7,390,113</u>	<u>58,291,231</u>

	As at 31 December 2024			Total
	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Financial assets measured at amortised cost	
Asset-backed securities	256,901	865,034	12,828,426	13,950,361
Funds	55,766,866	–	–	55,766,866
Asset management plans and trust plans	1,180,319	–	128,849	1,309,168
Investments in WMPs	848,009	–	–	848,009
Other investments	8,956	767,056	–	776,012
Total	<u>58,061,051</u>	<u>1,632,090</u>	<u>12,957,275</u>	<u>72,650,416</u>

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

44 STRUCTURED ENTITIES (Continued)

(2) Unconsolidated structured entities held by the Group (Continued)

The underlying assets of trust plans and asset-backed securities primarily include trust loans and credit assets. The underlying assets of funds, asset management plans and WMPs primarily include interbank assets and bonds. Asset-backed securities were all issued by financial institutions. Other investments were primarily foreclosed assets acquired in connection with debt restructuring.

(3) Consolidated structured entities

The Group managed or invested in several structured entities, including funds, asset management plans, trust plans, WMPs and asset-backed securities. The Group mainly assesses its overall economic interests (including the expected return from direct ownership and management fee) in the structured entities and its decision-making rights covered through its involvement in the decisions on the establishment of the structured entities and relevant contract arrangements. If the Group has power over a structured entity and variable returns and the ability to use that power to affect its returns from the structured entity through arrangements such as investment contracts, then the Group believes that it has control over the structured entity and include it in the consolidated financial statements. If the Group has no substantive power over principal activities of a structured entity, or enjoys immaterial economic interests and thus acts as an agent rather than a principal, the Group does not need to include it in the consolidated financial statements.

The Group's consolidated structured entities included certain funds, asset management plans and certain WMPs issued by CQRC Wealth Management Co., Ltd., held by the Group. As at 31 December 2025, the Group's consolidated structured entities amounted to RMB45,883 million (As at 31 December 2024: RMB25,807 million). The Group included these investments and corresponding liabilities in the corresponding financial assets and financial liabilities based on their nature according to the accounting policies of the Group.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

45 CONTINGENT LIABILITIES AND COMMITMENTS

(1) Legal proceedings

The Group has certain legal proceedings in its normal business. As at 31 December 2025, the carrying amount of contingent liabilities estimated based on court judgment or advice of legal counsel was not significant (As at 31 December 2024, the carrying amount of contingent liabilities estimated based on court judgment or advice of legal counsel was not significant). As final results of these lawsuits are uncertain, management of the Group believes final results of these lawsuits will not have a material impact on the financial position or operations of the Group after consulting with legal counsel.

(2) Capital commitments

	As at 31 December	
	2025	2024
Approved but not contracted or provided for	<u>120,157</u>	<u>429,723</u>

(3) Loan commitments

Loan commitments include unutilised credit card facilities, issued acceptances, financial guarantees and letters of credit.

The amount of credit card facilities represents the amount when unutilised credit card facilities are fully drawn. Acceptances represent commitments of the Group to pay acceptances issued by customers. The Group expects most acceptances to be settled simultaneously with reimbursements from customers. The amounts of guarantees and letters of credit represent the maximum potential loss that would be recognised if counterparties failed to completely perform as contracted.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

45 CONTINGENT LIABILITIES AND COMMITMENTS (Continued)

(3) Loan commitments (Continued)

As credit card facilities may not be utilised before expiration, the amounts set out in the following table do not represent expected future cash outflows.

	As at 31 December	
	2025	2024
Unutilised credit card facilities	29,726,701	28,583,019
Acceptances	9,892,163	6,538,581
Letters of credit issued	2,184,434	1,047,910
Letters of guarantee	1,949,860	1,440,792
Total	43,753,158	37,610,302

The Group grants loan commitments to specific customers. The directors of the Group are of the opinion that such commitments are conditional and revocable and are therefore not included in the commitment's disclosure above.

Credit risk weighted amount of loan commitments

	As at 31 December	
	2025	2024
Loan commitments	29,814,335	27,469,109

Credit risk-weighted amount of loan commitments are calculated in accordance with guidelines issued by NFRA based on, among other things, the counterparty's credit worthiness and maturity. Contingent liabilities and loan commitments are subject to risk weights ranging from 0% to 100%.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

45 CONTINGENT LIABILITIES AND COMMITMENTS (Continued)

(4) Operating lease commitments

As at the balance sheet date, the Group's operating lease commitments not recognized as lease liabilities were not significant.

(5) Collaterals

Assets pledged as collaterals

The carrying amounts of assets pledged by the Group as collaterals and respective liabilities were as follows:

	As at 31 December 2025		As at 31 December 2024	
	Collaterals	Liabilities	Collaterals	Liabilities
Bonds	198,309,522	196,706,550	181,066,451	160,450,736
Bills	7,937,976	7,925,934	18,110,798	17,993,385
Total	206,247,498	204,632,484	199,177,249	178,444,121

Collaterals accepted

The Group enters into the repurchase transactions on normal commercial terms and therefore holds collateral relating to these transactions. As at 31 December 2025 and 31 December 2024, the Group did not hold any collateral that could be sold or reused for security without any default by the collateral owner.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

45 CONTINGENT LIABILITIES AND COMMITMENTS (Continued)

(6) Bond underwriting commitments and redemption obligations

The Group and the Bank did not have any irrevocable bond underwriting commitment as at the balance sheet date.

As an underwriting agent of PRC government bonds, the Group has the obligation to buy back if bond holders decided to redeem the bonds before maturity. The redemption price is the principal value of the Bonds plus unpaid interest till redemption date. Accrued interest payables to the bond holders are calculated in accordance with relevant requirements set by Ministry of Finance or PBOC. The redemption price may be different from the fair value of similar instruments traded at the redemption date.

The redemption obligations of the Group for government bonds sold but not yet matured as at the balance sheet date based on their principal value were as follows:

	As at 31 December	
	2025	2024
Redemption obligations	<u>10,112,402</u>	<u>7,907,447</u>

46 TRANSFER OF FINANCIAL ASSETS

(1) Credit asset securitisation

During securitisation transactions, the Group sells assets to special purpose trusts from whom the asset-backed securities are subsequently sold to investors. The Group may hold some asset-backed securities in these businesses, thus reserving part of risks and rewards of transferred credit assets. The Group analyses and judges whether to derecognize relevant credit assets based on degree of risk and reward retention.

As at 31 December 2025 and 31 December 2024, the Group has no outstanding balance of credit asset securitization business.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

46 TRANSFER OF FINANCIAL ASSETS (Continued)

(2) Transfer of credit assets

For the year ended 31 December 2025, the Group disposed loans with carrying amount of RMB3.94 million (For the year ended 31 December 2024: RMB4.20 million) by transferring them to third parties. The Group analysed whether to derecognise related credit assets based on degree of risk and reward retention. The Group has derecognised relevant credit assets after assessment.

(3) Repurchase agreements

In daily operating activities, the Group entered repurchase agreements with certain counterparties. The Group sold debt securities and bills to certain counterparties and were subject to the simultaneous agreements with commitments to repurchase at specified future dates and prices. As stipulated in the repurchase agreements, there is no transfer of the legal ownership of these debt securities and bills to the counterparties during the covered period. However, the Group is not allowed to sell or pledge these securities during the covered period unless both parties mutually agree with such arrangement. Accordingly, the Group has determined that it retains substantially all the risks and rewards of these debt securities and therefore has not derecognised from the consolidated financial statements but regarded as “collateral” for the secured lending from the counterparties.

(4) Securities lending transactions

For debt securities lent to counterparties under securities lending agreements, the counterparties are allowed to sell or repledge these securities in the absence of default by the Group, but have an obligation to return the securities at the maturity of the contract. The Group has determined that it retains substantially all the risks and rewards of these securities and therefore has not derecognised them. As at 31 December 2025, the carrying amount of debt securities lent to counterparties was RMB18,760 million (As at 31 December 2024: RMB23,160 million).

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

47 FINANCIAL RISK MANAGEMENT

The Group is exposed to a variety of financial risks in its operating activities, including:

- Credit risk
- Market risk
- Liquidity risk

The primary risk management purpose of the Group is to maintain risk within acceptable parameters and satisfy the regulatory requirements.

The Group has designed risk management policies and has set up controls to identify, analyse, monitor and report risks by means of relevant and up-to-date information systems. The Group regularly reviews its risk management policies and systems to address changes in markets, products and emerging best practice.

Risk Management Framework

The Board of Directors sets out a risk management committee. The risk management committee is responsible for setting the overall risk management and internal control strategies of the Group and the Bank, monitoring credit risk, market risk, liquidity risk and operation risk, periodically assessing the overall risk position, risk acceptance and management capabilities, and making recommendations and suggestions on risk management and internal control of the Group and the Bank.

Following the risk management strategies sets by the risk management committee, the Risk Management Department of the Group formulates and implements relevant risk management policies and procedures to monitor the risk arising from financial instruments of the Group.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

47 FINANCIAL RISK MANAGEMENT (Continued)

(1) Credit risk

Credit risk represents the potential loss that may arise from a customer or counterparty's failure to meet its obligations. Credit risk can also arise from operational failures that result in an unauthorised or inappropriate advance, commitment or investment of funds. The major credit risk of the Group comes from loans and advances to customers and other on-balance sheet and off-balance sheet credit risk exposures.

The Bank measures and manages the quality of financial assets containing both on-balance sheet and off-balance sheet credit risk exposures, in accordance with the Rules on Risk Classification of Financial Assets of Commercial Banks, Guidelines on Risk Classification of Credit Assets of Rural Cooperative Financial Institutions and other relevant regulatory requirements. The Bank has established a complete risk classification management system and clarified the responsibilities for risk classification management; The Bank has formulated internal risk classification management policies, which specifies the risk classification methodology for each type of financial assets and the risk classification management process of "preliminary classification, determination and approval". Financial assets are classified by their risk level into the five categories of Normal, Special-Mention, Substandard, Doubtful, and Loss, with the latter three collectively referred to as non-performing assets.

The core definition of the five categories are defined as follows:

Normal:	The debtor is able to fulfill the contract without objective evidence that the principal, interest, or income cannot be paid in full and on time.
Special-mention:	The debtor is currently capable of paying the principal, interests, and income notwithstanding a number of factors that might adversely affect its capacity to meet its contractual obligations.
Substandard:	The debtor is incapable of paying the principal, interests, or income in full or the financial assets have undergone credit impairment.
Doubtful:	The debtor is incapable of paying the principal, interests, or income in full and the financial assets have undergone significant credit impairment.
Loss:	None or only a minimum fraction of the financial assets can be recovered after exhausting all available options.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

47 FINANCIAL RISK MANAGEMENT (Continued)

(1) Credit risk (Continued)

The Group implements the “Measures for Management of Bad Debt Verification of Financial Enterprises” issued by Ministry of Finance. For those claims that have taken necessary measures and implemented necessary procedures and are still unable to recover, they will be written off after approval if complying with the conditions for the recognition of bad debts. For the year ended 31 December 2025, the Group wrote off non-performing loans of RMB6,568 million (For the year ended 31 December 2024: RMB5,755 million).

Loans and advances to customers

The Group exercises standardised credit management procedures, including credit investigation and proposals, credit limit review, loan disbursement, post lending monitoring, and non-performing loans management. The Group enhances its credit risk management by strict access and standard credit management procedures; strengthening customer investigation, lending approval and post lending monitoring; enhancing risk mitigation effect of loans through collateral; accelerating disposal process of non-performing loans and continuously upgrade of Credit Management System.

Due from banks and other financial institutions

The Group adopts a Group-to-Group principle for credit to financial institutions. The Group sets credit lines for financial institutions and single financial institution that has financial transactions with the Group.

Bonds and other notes

The Group manages the credit risk exposure of bonds and other notes by controlling the scale of investment, setting the list of granting entities, rating access, Group-to-Group credit, and post-investment management.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

47 FINANCIAL RISK MANAGEMENT (Continued)

(1) Credit risk (Continued)

Other financial assets

Other financial assets mainly include asset management products, debt financing plans, funds, trust plans, wealth management plans issued by other banks, etc. The Group implements a rating system for cooperating with financial institutions and sets credit lines for the ultimate financing party of the asset management products and debt financing plans, and conducts subsequent risk management on a regular basis.

Loan commitments

The main purpose of the loan commitments is to ensure that customers receive the funds they need. The letters of guarantee, acceptances and letters of credit issued are an irrevocable undertaking of the Group, that is, the Group undertakes to pay on behalf of its customer to the third party or to perform the payment on behalf of customers upon their failure to perform under the terms of the contract. There is a possibility that customer violates the terms of the contract and the Group needs to perform the payment on behalf of its customers. Risks arising from financial guarantees are similar to those associated with loans and advances. These transactions are, therefore, subject to the same risk management procedures and policies.

(a) ECL Measurement

Portfolio segmentation of credit risk exposures

For measurement of ECL, portfolio segmentation is based on similar credit risk characteristics. In performing the portfolio segmentation of credit assets, the Group considers product types, customer types, industry, customer size, risk mitigation method and market distribution. The Group retests and revises the rationality of portfolio segmentation of credit risk exposures every year.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

47 FINANCIAL RISK MANAGEMENT (Continued)

(1) Credit risk (Continued)

(a) ECL Measurement (Continued)

Financial Instrument Stages

The Group decide the stage of each financial instrument and estimate the ECL based on whether a significant increase in credit risk has occurred since initial recognition or whether a financial asset is considered to be credit-impaired. The major definitions of three stages of financial instruments are set out below.

Stage 1: Financials instruments with no significant increase in credit risk after initial recognition. ECL losses in the next 12 months is recognised.

Stage 2: There are significant increase in credit risk since initial recognition, but no objective evidence of impairment of the financial instrument. Lifetime ECL of financial instruments is recognised.

Stage 3: Financial instruments show objective evidence of impairment as at the balance sheet date. Lifetime ECL of financial instruments is recognised.

Significant Increase in Credit Risk

The Group sufficiently considers available and valid information in order to decide the stage of financial assets, which reflects the significant increase in credit risk, including the forward-looking information. The major factors considered include internal and external credit grading, repayment ability, operation capacity, contract terms of the loan, repayment behaviors, etc. The Group evaluates the change in default risk on reporting date and initial recognition of one financial instrument or a portfolio of financial instruments that shares the similar credit risk features.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

47 FINANCIAL RISK MANAGEMENT (Continued)

(1) Credit risk (Continued)

(a) ECL Measurement (Continued)

Significant Increase in Credit Risk (Continued)

The Group sets a series of quantitative and qualitative criteria to determine whether there are significant changes in credit risk of financial instruments since initial recognition. The following factors are mainly considered:

- Interest or principal paid by debtors is overdue for more than 30 days but less than 90 days;
- A significant decrease in debtor's credit rating compared to that of initial recognition;
- Significant adverse changes in the debtor's operations or financial situation;
- Other objective evidence indicating there are significant changes in credit risk.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

47 FINANCIAL RISK MANAGEMENT (Continued)

(1) Credit risk (Continued)

(a) ECL Measurement (Continued)

Definition on Default and Credit-impaired Assets

The Group determined whether the assets were credit impaired based on a series of quantitative and qualitative standards such as credit ratings, and the risk profile changes of the debtor. The Group defines a financial instrument as in default when it meets one or more of the following criteria. In order to evaluate whether a financial asset is credit impaired, the Group considers the following criteria:

- Credit rating grade is D;
- Significant financial difficulty of the borrower or issuer;
- Breach of contract term, such as a default or delinquency in interest or principal payments for over 90 days;
- The Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the Group would not otherwise consider;
- It becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- Disappearance of an active market for financial assets because of financial difficulties;
- Other objective evidence indicating there is an impairment of the financial asset.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

47 FINANCIAL RISK MANAGEMENT (Continued)

(1) Credit risk (Continued)

(a) ECL Measurement (Continued)

Parameters in Measuring ECL

The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. ECL is the discounted product of the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD), defined as follows:

The PD represents the likelihood of a borrower breaching the contractual terms or defaulting on its financial obligation over a specific time, either the next 12 months, or the remaining lifetime of the obligation.

The LGD refers to the extent of loss on a defaulted exposure, which is the ratio of the expected loss in the total amount of a loan. The Group's LGD is calculated in line with recovery amount according to different types of guarantees.

The EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months or over the remaining lifetime.

The Group measures ECL of credit-impaired financial assets with large amount and high risk with discounted cash flow modelling approach. The ECL of financial assets using the discounted cash flow modelling approach is measured based on the difference between the book value and the present value of estimated future cash flows discounted at a certain discount rate.

The Group reviews assumptions related to ECL model periodically, including but not limited to changes in PD and LGD.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

47 FINANCIAL RISK MANAGEMENT (Continued)

(1) Credit risk (Continued)

(a) ECL Measurement (Continued)

Forward-looking Information

The Group incorporates forward-looking information when assess measuring ECL.

The Group has performed historical analysis and identified the key economic indicators impacting credit risk and ECL for each portfolio, mainly including growth rate of Gross Domestic Product (the “GDP”) in Chongqing Province, M2, urban residents’ per capita disposable income, etc, to calculate the forward-looking impact of the macro-economic environment on ECL. The Group regularly forecasts these economic indicators and provides the best estimate of economic conditions for the next future year.

The Group has established forecast model along with time series data collection of the above key economic indicators from Wind China Macro and Industry Database and internal data. On this basis, combined with the experience of experts, a certain proportion of the predicted value of the model is used as the forecast value of future key economic indicators and the weights of the three scenarios, optimistic, baseline and pessimistic are determined.

Similar to other economic projections, there is a high degree of inherent uncertainty in the estimation of expected values and likelihood of occurrence, so actual results may differ from forecasts. The Group updates the expected values of macroeconomic indicators periodically. The Group believes that these projections reflect the Group’s best estimate of possible outcomes to determine that the scenarios selected are appropriate to represent possible scenarios.

For the year ended 31 December 2025, the forecast value range of the Group’s baseline scenario for the year-on-year growth rate of Chongqing’s gross product (GDP) is 4%-6%. The Group fully considered the uncertainty of internal and external economic environment when evaluating the forecast information used in the ECL model, and then made careful adjustments to the macroeconomic forecast.

Combined with expert judgement, the Group set the weighting of multiple scenarios based on the principle of taking the baseline scenario as the main and the rest scenarios as a supplement. The weight of the baseline scenario of the Group as at 31 December 2025 is slightly higher than the weights of other scenarios.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

47 FINANCIAL RISK MANAGEMENT (Continued)

(1) Credit risk (Continued)

(a) ECL Measurement (Continued)

Sensitivity Analysis

ECL are sensitive to the parameters used in the model, the macro-economic variables of the forecast, the weight probabilities in the three scenarios, and other factors considered in the application of expert judgement. Changes in these inputs, assumptions, models, and judgements will have an impact on the significant increase in credit risk and the measurement of ECL.

As at 31 December 2025, the Group's credit impairment provision would increase by RMB602 million, assuming that the weighting of the optimistic scenario is reduced by 10% while the weighting of the baseline scenario is increased by 10%. The Group's credit impairment provision would decrease by RMB1,362 million, if the weighting of the pessimistic scenario is reduced by 10%, and the weight of baseline scenario is increased by 10%.

As at 31 December 2024, the Group's credit impairment provision would increase by RMB608 million, assuming that the weighting of the optimistic scenario is reduced by 10% while the weighting of the baseline scenario is increased by 10%. The Group's credit impairment provision would decrease by RMB1,191 million, if the weighting of the pessimistic scenario is reduced by 10%, and the weight of baseline scenario is increased by 10%.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

47 FINANCIAL RISK MANAGEMENT (Continued)

(1) Credit risk (Continued)

(b) Maximum exposure to credit risk

As at the balance sheet date, the maximum exposure to credit risk of the Group without considering any collateral held or other credit enhancements are as follows:

	As at 31 December	
	2025	2024
Balances with central bank	52,132,412	48,199,448
Deposits with banks and other financial institutions	42,148,564	21,032,927
Placements with banks and other financial institutions	100,292,348	90,440,520
Derivative financial assets	938,995	5,295
Financial assets held under resale agreements	34,197,176	20,937,314
Loans and advances to customers	765,892,687	683,830,682
Financial investments		
– Financial assets measured at fair value through profit or loss	81,118,927	84,554,813
– Financial assets measured at fair value through other comprehensive income	313,611,899	246,200,311
– Financial assets measured at amortised cost	248,897,954	297,248,006
Other financial assets	1,329,435	1,034,786
Subtotal	1,640,560,397	1,493,484,102
Off-balance sheet loan commitments	43,485,638	37,357,014
Total	<u>1,684,046,035</u>	<u>1,530,841,116</u>

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

47 FINANCIAL RISK MANAGEMENT (Continued)

(1) Credit risk (Continued)

(b) Maximum exposure to credit risk (Continued)

The Group conducts internal stratified management of asset risk characteristics according to the quality status of assets. Financial assets included in the ECL are further classified into “Risk level 1”, “Risk level 2”, “Risk level 3” and “Default” within each stage according to internal rating scales and overdue days, the results of this layered management are used by the Bank for internal credit risk management purposes. “Risk level 1” means that the asset quality is good, and the rating is high, or there is no overdue situation, or there is no reason to suspect that the asset is expected to default; “Risk level 2” means medium rating, or although there is a certain overdue situation, the asset quality is good or there may be factors that have an adverse effect, but there is no sufficient reason to suspect that the asset is expected to default. “Risk level 3” means that the rating is low or the overdue situation is more serious, which means that there are factors that have a significantly adverse effect on the asset default, but there is no event indicating that the default has occurred. The criteria for “Default” is consistent with definition of credit impairment that has occurred.

Maximum exposure to credit risk of loans and advances to customers measured at amortised cost analysed by internal stratified management:

	As at 31 December 2025			
	Stage 1	Stage 2	Stage 3	Total
Credit rating				
Risk level 1	562,182,478	6,640,375	–	568,822,853
Risk level 2	141,532,888	14,053,269	–	155,586,157
Risk level 3	–	2,999,423	–	2,999,423
Default	–	–	8,588,436	8,588,436
Gross carrying amount	703,715,366	23,693,067	8,588,436	735,996,869
ECL allowance	(18,829,451)	(5,620,916)	(6,943,989)	(31,394,356)
Carrying amount	<u>684,885,915</u>	<u>18,072,151</u>	<u>1,644,447</u>	<u>704,602,513</u>

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

47 FINANCIAL RISK MANAGEMENT (Continued)

(1) Credit risk (Continued)

(b) Maximum exposure to credit risk (Continued)

	As at 31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
Credit rating				
Risk level 1	524,590,950	4,113,438	–	528,704,388
Risk level 2	101,514,111	8,592,704	–	110,106,815
Risk level 3	–	3,144,018	–	3,144,018
Default	–	–	8,684,158	8,684,158
Gross carrying amount	626,105,061	15,850,160	8,684,158	650,639,379
ECL allowance	(17,930,552)	(5,278,837)	(7,232,944)	(30,442,333)
Carrying amount	<u>608,174,509</u>	<u>10,571,323</u>	<u>1,451,214</u>	<u>620,197,046</u>

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

47 FINANCIAL RISK MANAGEMENT (Continued)

(1) Credit risk (Continued)

(c) Analysis of credit quality on financial assets

As at 31 December 2025, the Group's credit risk stages of financial instruments included in impairment assessment are as follows:

	As at 31 December 2025							
	Book value				ECL			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<i>Financial assets measured at amortised cost</i>								
Balances with central bank	52,132,412	-	-	52,132,412	-	-	-	-
Deposits with banks and other financial institutions	42,253,809	-	-	42,253,809	(105,245)	-	-	(105,245)
Placements with banks and other financial institutions	100,662,206	-	-	100,662,206	(369,858)	-	-	(369,858)
Financial assets held under resale agreements	34,380,174	-	-	34,380,174	(182,998)	-	-	(182,998)
Loans and advances to customers	703,715,366	23,693,067	8,588,436	735,996,869	(18,829,451)	(5,620,916)	(6,943,989)	(31,394,356)
Financial assets measured at amortised cost	249,183,155	249,093	1,094,581	250,526,829	(552,042)	(6,540)	(1,070,293)	(1,628,875)
Other financial assets	<u>1,357,971</u>	<u>42,110</u>	<u>275,472</u>	<u>1,675,553</u>	<u>(70,658)</u>	<u>(16,184)</u>	<u>(259,276)</u>	<u>(346,118)</u>
Total	<u>1,183,685,093</u>	<u>23,984,270</u>	<u>9,958,489</u>	<u>1,217,627,852</u>	<u>(20,110,252)</u>	<u>(5,643,640)</u>	<u>(8,273,558)</u>	<u>(34,027,450)</u>
<i>Financial assets measured at fair value through other comprehensive income</i>								
Loans and advances to customers	61,289,174	-	1,000	61,290,174	(150,442)	-	(1,000)	(151,442)
Financial assets measured at fair value through other comprehensive income	<u>310,548,171</u>	<u>626,263</u>	<u>-</u>	<u>311,174,434</u>	<u>(555,778)</u>	<u>(21,659)</u>	<u>-</u>	<u>(577,437)</u>
Total	<u>371,837,345</u>	<u>626,263</u>	<u>1,000</u>	<u>372,464,608</u>	<u>(706,220)</u>	<u>(21,659)</u>	<u>(1,000)</u>	<u>(728,879)</u>
Loan commitments	<u>43,343,396</u>	<u>326,104</u>	<u>83,658</u>	<u>43,753,158</u>	<u>(244,521)</u>	<u>(6,425)</u>	<u>(16,574)</u>	<u>(267,520)</u>

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

47 FINANCIAL RISK MANAGEMENT (Continued)

(1) Credit risk (Continued)

(c) Analysis of credit quality on financial assets (Continued)

As at 31 December 2024, the Group's credit risk stages of financial instruments included in impairment assessment are as follows:

	As at 31 December 2024							
	Book value				ECL			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<i>Financial assets measured at amortised cost</i>								
Balances with central bank	48,199,448	-	-	48,199,448	-	-	-	-
Deposits with banks and other financial institutions	21,082,108	-	-	21,082,108	(49,181)	-	-	(49,181)
Placements with banks and other financial institutions	90,791,448	-	-	90,791,448	(350,928)	-	-	(350,928)
Financial assets held under resale agreements	21,073,469	-	-	21,073,469	(136,155)	-	-	(136,155)
Loans and advances to customers	626,105,061	15,850,160	8,684,158	650,639,379	(17,930,552)	(5,278,837)	(7,232,944)	(30,442,333)
Financial assets measured at amortised cost	296,925,281	878,431	2,538,135	300,341,847	(655,667)	(28,888)	(2,409,286)	(3,093,841)
Other financial assets	1,044,109	24,500	242,376	1,310,985	(44,197)	(7,572)	(224,430)	(276,199)
Total	1,105,220,924	16,753,091	11,464,669	1,133,438,684	(19,166,680)	(5,315,297)	(9,866,660)	(34,348,637)
<i>Financial assets measured at fair value through other comprehensive income</i>								
Loans and advances to customers	63,632,636	-	1,000	63,633,636	(158,251)	-	(1,000)	(159,251)
Financial assets measured at fair value through other comprehensive income	244,517,847	306,847	-	244,824,694	(351,592)	(13,020)	-	(364,612)
Total	308,150,483	306,847	1,000	308,458,330	(509,843)	(13,020)	(1,000)	(523,863)
Loan commitments	37,520,041	16,968	73,293	37,610,302	(237,529)	(1,359)	(14,400)	(253,288)

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

47 FINANCIAL RISK MANAGEMENT (Continued)

(1) Credit risk (Continued)

(d) Concentration risk

If counterparties are concentrated in a particular industry or region, or share certain economic characteristics, their credit risk will generally increase accordingly. Meanwhile, different industries and regions have their own unique characteristics of economic development, and therefore the credit risk of different industries and regions is different.

(i) Loans and advances to customers

The industry concentration risk of loans and advances to customers refers to Note IV 16(3).

(ii) Bonds and other investments

The Group uses credit ratings to monitor the credit risk positions of its debt investment portfolio. The ratings can refer to the rating evaluated by the rating agencies recognised by PBOC.

As at the balance sheet date, the gross carrying amounts of bonds and other investments by investment ratings were as follows:

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

47 FINANCIAL RISK MANAGEMENT (Continued)

(1) Credit risk (Continued)

(d) Concentration risk (Continued)

(ii) Bonds and other investments (Continued)

	As at 31 December 2025			
	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Financial assets measured at amortised cost	Total
Debt securities:				
AAA	6,717,132	118,676,334	94,260,180	219,653,646
AA	537,261	862,303	3,589,051	4,988,615
Unrated debt securities and others:				
Public sector and quasi-government bonds	3,006,251	122,211,668	53,362,789	178,580,708
Government bonds	1,413,252	21,313,394	77,149,725	99,876,371
Funds	47,125,751	–	–	47,125,751
Corporate bonds	3,010,402	29,663,882	11,754,218	44,428,502
Interbank deposit certificates	15,439,239	12,989,218	–	28,428,457
Financial institutions bonds	565,452	5,457,635	9,316,285	15,339,372
Trust and asset management plans	1,431,306	–	1,094,581	2,525,887
Wealth management products	1,575,016	–	–	1,575,016
Others	297,865	–	–	297,865
Total	<u>81,118,927</u>	<u>311,174,434</u>	<u>250,526,829</u>	<u>642,820,190</u>

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

47 FINANCIAL RISK MANAGEMENT (Continued)

(1) Credit risk (Continued)

(d) Concentration risk (Continued)

(ii) Bonds and other investments (Continued)

	As at 31 December 2024			
	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Financial assets measured at amortised cost	Total
Debt securities:				
AAA	6,066,197	78,294,824	95,843,675	180,204,696
AA	1,737,743	663,182	6,070,123	8,471,048
Unrated debt securities and others:				
Public sector and quasi-government bonds	929,873	95,423,805	59,423,033	155,776,711
Government bonds	263,251	16,909,811	106,892,950	124,066,012
Funds	57,169,951	–	–	57,169,951
Interbank deposit certificates	10,086,339	40,499,007	1,886,499	52,471,845
Corporate bonds	5,943,971	8,101,223	18,281,205	32,326,399
Financial institutions bonds	–	4,932,842	9,406,227	14,339,069
Trust and asset management plans	1,180,319	–	2,538,135	3,718,454
Wealth management products	848,009	–	–	848,009
Others	329,160	–	–	329,160
Total	<u>84,554,813</u>	<u>244,824,694</u>	<u>300,341,847</u>	<u>629,721,354</u>

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

47 FINANCIAL RISK MANAGEMENT (Continued)

(1) Credit risk (Continued)

(e) Restructured loans and advances

According to the latest regulation of loan risk classification which released by NFRA, restructured loans and advances are financial assets made by commercial banks in favor of the debtor's adjustment of debt contracts or the provision of refinancing for the debtor's existing debts, to encourage the debtor to repay debts due to financial difficulties. As at 31 December 2025, the restructured loans and advances which meet above definition amounted to RMB3,509 million. (As at 31 December 2024, the restructured loans and advances which meet above definition amounted to RMB3,631 million).

(f) Credit-impaired loans and advances

The portions covered and not covered by collaterals held are as follows:

	As at 31 December	
	2025	2024
Portion covered	4,899,921	5,119,228
Portion not covered	3,689,515	3,565,930
Total	8,589,436	8,685,158

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

47 FINANCIAL RISK MANAGEMENT (Continued)

(1) Credit risk (Continued)

(g) Modification of contractual cash flows

To achieve maximum collection, the Group may occasionally modify loan contract terms due to commercial negotiations or borrower financial difficulties. Such modifications include loan extensions, payment holidays, and grace periods for repayment. The Group has established specific restructuring policies and operational procedures for loans where management judges that customers are likely to continue repayments, with ongoing reviews of these policies. Loan restructurings are most common in medium-to-long term loan management.

The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset. The Group monitors the subsequent performance of modified assets. If the Group determines that the credit risk has significantly improved after modified, the relevant assets are transferred from Stage 3 or Stage 2 to Stage 1, and the impairment allowance of these assets will be measured on the basis of 12 months ECL instead of the lifetime ECL. Assets must meet specific criteria through at least six consecutive months of observation before being reclassified.

The Group employs specialized models to continuously monitor whether financial assets with modified contract terms subsequently demonstrate significant credit risk deterioration.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

47 FINANCIAL RISK MANAGEMENT (Continued)

(2) Market risk

Market risk is the risk of loss, in respect of the Group's on and off-balance sheet activities, arising from adverse movements in market rates including interest rates, foreign exchange rates, and stock prices.

The Group is primarily exposed to interest rate risk arising from the structural interest rate risk from commercial banking business and the risk of its capital trading position. Interest rate risk originates from multiple businesses and largely arises from mismatches between the re-pricing dates of assets and liabilities.

The Group's foreign currency risk is the risk of loss in respect of its foreign currency exposures, arising from transactions taken on foreign currency denominated assets and liabilities, which results from movements in foreign exchange rates.

(a) Interest rate risk

The Group's interest rate risk arises from the mismatches between contractual maturities or re-pricing dates of interest-generating assets and interest-bearing liabilities, as well as the inconsistent variations in the benchmark interest rate on which the assets and liabilities are based.

The Group continuously monitor the macro-economic factors that may impact on PBOC benchmark interest rates. The Group optimize internal and external pricing strategy according to market changes, use pricing tools such as Funds Transfer Pricing (FTP) to guide and adjust the repricing period of business portfolio, and strengthen interest rate risk management through limit management system.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

47 FINANCIAL RISK MANAGEMENT (Continued)

(2) Market risk (Continued)

(a) Interest rate risk (Continued)

(i) Analysis of repricing date structure

The tables below summarise the contractual repricing or maturity date, whichever is earlier, of the Group's financial assets and liabilities.

	As at 31 December 2025					Total
	Non-interest bearing	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	
Financial assets						
Cash and balances with central bank	4,426,199	50,664,382	-	-	-	55,090,581
Deposits with banks and other financial institutions	325,817	25,258,643	16,399,594	164,510	-	42,148,564
Placements with banks and other financial institutions	265,532	32,497,792	54,914,117	12,614,907	-	100,292,348
Derivative financial assets	938,995	-	-	-	-	938,995
Financial assets held under resale agreements	6,213	34,190,963	-	-	-	34,197,176
Loans and advances to customers (Note i)	1,881,601	426,967,091	210,898,575	107,721,823	18,423,597	765,892,687
Financial investments (Note ii)	60,240,625	43,706,151	75,986,762	257,019,305	206,675,937	643,628,780
Other financial assets	1,329,435	-	-	-	-	1,329,435
Total financial assets	69,414,417	613,285,022	358,199,048	377,520,545	225,099,534	1,643,518,566
Financial liabilities						
Borrowings from central bank	225,443	16,528,647	89,214,168	-	-	105,968,258
Deposits from banks and other financial institutions	878	985,226	-	-	-	986,104
Placements from banks and other financial institutions	327,269	11,841,523	57,604,185	3,619,913	-	73,392,890
Financial liabilities measured at fair value through profit or loss	11,842,666	118,006	-	-	-	11,960,672
Derivative financial liabilities	200	-	-	-	-	200
Financial assets sold under repurchase agreements	80,988	87,172,742	8,631,286	-	-	95,885,016
Deposits from customers	17,089,211	648,686,160	187,958,090	174,994,048	-	1,028,727,509
Debt securities issued	80,240	36,687,006	150,718,585	999,446	-	188,485,277
Lease liabilities	-	9,477	43,333	101,657	9,666	164,133
Other financial liabilities	13,102,683	-	-	-	28,148	13,130,831
Total financial liabilities	42,749,578	802,028,787	494,169,647	179,715,064	37,814	1,518,700,890
Interest rate risk gap	26,664,839	(188,743,765)	(135,970,599)	197,805,481	225,061,720	124,817,676

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

47 FINANCIAL RISK MANAGEMENT (Continued)

(2) Market risk (Continued)

(a) Interest rate risk (Continued)

(i) Analysis of repricing date structure (Continued)

	As at 31 December 2024					Total
	Non-interest bearing	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	
Financial assets						
Cash and balances with central bank	3,667,566	47,536,440	–	–	–	51,204,006
Deposits with banks and other financial institutions	92,472	10,811,182	9,845,413	283,860	–	21,032,927
Placements with banks and other financial institutions	789,036	30,416,268	53,757,703	5,477,513	–	90,440,520
Derivative financial assets	5,295	–	–	–	–	5,295
Financial assets held under resale agreements	3,524	20,933,790	–	–	–	20,937,314
Loans and advances to customers (Note i)	1,783,748	359,784,177	219,632,546	88,466,016	14,164,195	683,830,682
Financial investments (Note ii)	68,475,365	44,727,196	90,244,627	242,787,186	181,768,756	628,003,130
Other financial assets	1,034,786	–	–	–	–	1,034,786
Total financial assets	75,851,792	514,209,053	373,480,289	337,014,575	195,932,951	1,496,488,660
Financial liabilities						
Borrowings from central bank	296,481	16,143,802	86,567,355	–	–	103,007,638
Deposits from banks and other financial institutions	6,266	1,025,476	2,000,000	–	–	3,031,742
Placements from banks and other financial institutions	353,954	12,616,550	43,804,000	4,791,254	–	61,565,758
Financial liabilities measured at fair value through profit or loss	9,878,249	–	–	–	–	9,878,249
Derivative financial liabilities	3,140	–	–	–	–	3,140
Financial assets sold under repurchase agreements	97,304	64,450,007	7,390,358	–	–	71,937,669
Deposits from customers	18,848,007	581,748,628	181,151,799	160,197,720	3	941,946,157
Debt securities issued	154,238	12,925,929	151,578,153	6,999,222	–	171,657,542
Lease liabilities	–	62,377	20,116	56,155	7,533	146,181
Other financial liabilities	10,463,750	–	–	–	29,752	10,493,502
Total financial liabilities	40,101,389	688,972,769	472,511,781	172,044,351	37,288	1,373,667,578
Interest rate risk gap	35,750,403	(174,763,716)	(99,031,492)	164,970,224	195,895,663	122,821,082

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

47 FINANCIAL RISK MANAGEMENT (Continued)

(2) Market risk (Continued)

(a) Interest rate risk (Continued)

(i) Analysis of repricing date structure (Continued)

Note i For loans and advances to customers, the “3 months or less” category includes overdue amounts as at 31 December 2025 and 31 December 2024 net of allowances for impairment losses. Overdue amounts represent loans of which the whole or part of the principals or interests were overdue.

Note ii Financial investments comprise financial assets measured at fair value through profit or loss, financial assets measured at fair value through other comprehensive income and financial assets measured at amortised cost.

(ii) Interest rate sensitivity analysis

The following table illustrates the potential impact after taxation of a parallel upward or downward shift of 100 basis points of the yields of all the currencies on the net profit and comprehensive income of the Group, based on the structure of interest-earning assets and interest-bearing liabilities as at the balance sheet date.

	As at 31 December 2025		As at 31 December 2024	
	Net profit	Other comprehensive income	Net profit	Other comprehensive income
+100 basis points	<u>(165,350)</u>	<u>(8,220,185)</u>	<u>(57,229)</u>	<u>(4,199,403)</u>
- 100 basis points	<u>165,350</u>	<u>8,933,648</u>	<u>57,229</u>	<u>4,439,505</u>

Notes to the Consolidated Financial Statements (Continued)

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(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

47 FINANCIAL RISK MANAGEMENT (Continued)

(2) Market risk (Continued)

(a) Interest rate risk (Continued)

(ii) Interest rate sensitivity analysis (Continued)

Given the nature of demand deposits, their interest rate fluctuations are less volatile than those of other products; therefore the impact of yield curves movement on interest expenses related to demand deposits has been excluded.

The impact on net profits reflects the effect of certain interest rate changes on the net profits of financial assets and financial liabilities held at the end of the year and expected to be repriced or matured within the next year.

The impact on other comprehensive income reflects the effect of certain interest rate changes on fair value of debt instruments measured at fair value through other comprehensive income held at the end of the year, whose fair value changes are recorded as an element of other comprehensive income.

The above interest rate sensitivity analysis assumes that all assets and liabilities repriced or matured within three months and three months to one year are to be repriced or matured in the middle of the relevant period, and the yield curve moves in parallel with the change of interest rate, does not incorporate actions that would be taken by management to mitigate the impact of interest rate risk. As the actual situation and assumptions maybe different, the actual changes in the Group's net interest income and equity caused by the increase or decrease in interest rates may be different from the results of this sensitivity analysis.

Notes to the Consolidated Financial Statements (Continued)

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(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

47 FINANCIAL RISK MANAGEMENT (Continued)

(2) Market risk (Continued)

(b) Foreign currency risk

Foreign currency risk is the risk of loss, which results from negative movements in foreign exchange rates. The Group conducts its businesses mainly in RMB, with certain transactions denominated in USD, HKD and to a lesser extent in other currencies. The Group's foreign currency transactions mainly involve foreign currency treasury business, deposits, loans and advances, foreign exchanges and derivatives. The Group's foreign currency risk mainly arises from currency mismatch between foreign currency assets and liabilities and currency derivatives.

The Group controls foreign currency risk by setting relevant limits, taking the initiative to adjust the structure of foreign currency assets for a proper matching of currency structure of assets and liabilities, and applying appropriate exchange rate financial derivatives to manage foreign currency asset and liability portfolios and structural positions. Meanwhile, the Group conducts foreign currency sensitivity analysis on a regular basis.

Notes to the Consolidated Financial Statements (Continued)

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(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

47 FINANCIAL RISK MANAGEMENT (Continued)

(2) Market risk (Continued)

(b) Foreign currency risk (Continued)

(i) Exposure to foreign currency risk

As at the balance sheet date, the exposure to foreign currency risk are as follows:

	As at 31 December 2025				Total
	RMB	USD RMB equivalent	HKD RMB equivalent	Other currencies RMB equivalent	
Financial assets					
Cash and balances with central bank	55,062,295	25,971	462	1,853	55,090,581
Deposits with banks and other financial institutions	41,520,057	379,127	183,464	65,916	42,148,564
Placements with banks and other financial institutions	91,007,142	9,285,206	-	-	100,292,348
Derivative financial assets	883,128	55,859	8	-	938,995
Financial assets held under resale agreements	34,197,176	-	-	-	34,197,176
Loans and advances to customers	765,264,526	628,161	-	-	765,892,687
Financial investments (Note i)	643,106,092	522,688	-	-	643,628,780
Other financial assets	1,329,435	-	-	-	1,329,435
Total financial assets	1,632,369,851	10,897,012	183,934	67,769	1,643,518,566
Financial liabilities					
Borrowings from central bank	105,968,258	-	-	-	105,968,258
Deposits from banks and other financial institutions	986,104	-	-	-	986,104
Placements from banks and other financial institutions	72,732,504	660,386	-	-	73,392,890
Financial liabilities measured at fair value through profit or loss	11,960,672	-	-	-	11,960,672
Derivative financial liabilities	200	-	-	-	200
Financial assets sold under repurchase agreements	95,885,016	-	-	-	95,885,016
Deposits from customers	1,028,024,884	629,657	2	72,966	1,028,727,509
Debt securities issued	188,485,277	-	-	-	188,485,277
Lease liabilities	164,133	-	-	-	164,133
Other financial liabilities	13,102,668	28,148	-	15	13,130,831
Total financial liabilities	1,517,309,716	1,318,191	2	72,981	1,518,700,890
Net position	115,060,135	9,578,821	183,932	(5,212)	124,817,676
Loan commitments	43,298,545	315,061	-	139,552	43,753,158

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

47 FINANCIAL RISK MANAGEMENT (Continued)

(2) Market risk (Continued)

(b) Foreign currency risk (Continued)

(i) Exposure to foreign currency risk (Continued)

	As at 31 December 2024				Total
	RMB	USD RMB equivalent	HKD RMB equivalent	Other currencies RMB equivalent	
Financial assets					
Cash and balances with central bank	51,164,570	39,022	414	-	51,204,006
Deposits with banks and other financial institutions	20,332,663	439,728	197,306	63,230	21,032,927
Placements with banks and other financial institutions	89,851,725	588,795	-	-	90,440,520
Derivative financial assets	3,776	1,519	-	-	5,295
Financial assets held under resale agreements	20,937,314	-	-	-	20,937,314
Loans and advances to customers	683,421,414	409,268	-	-	683,830,682
Financial investments (Note i)	627,611,723	391,407	-	-	628,003,130
Other financial assets	1,034,786	-	-	-	1,034,786
Total financial assets	1,494,357,971	1,869,739	197,720	63,230	1,496,488,660
Financial liabilities					
Borrowings from central bank	103,007,638	-	-	-	103,007,638
Deposits from banks and other financial institutions	3,031,742	-	-	-	3,031,742
Placements from banks and other financial institutions	60,899,925	665,833	-	-	61,565,758
Financial liabilities measured at fair value through profit or loss	9,878,249	-	-	-	9,878,249
Derivative financial liabilities	146	331	2,663	-	3,140
Financial assets sold under repurchase agreements	71,937,669	-	-	-	71,937,669
Deposits from customers	941,453,420	447,214	8,065	37,458	941,946,157
Debt securities issued	171,657,542	-	-	-	171,657,542
Lease liabilities	146,181	-	-	-	146,181
Other financial liabilities	10,458,076	35,090	-	336	10,493,502
Total financial liabilities	1,372,470,588	1,148,468	10,728	37,794	1,373,667,578
Net position	121,887,383	721,271	186,992	25,436	122,821,082
Loan commitments	37,526,153	82,587	-	1,562	37,610,302

Note i Financial investments comprise financial assets measured at fair value through profit or loss, financial assets measured at fair value through other comprehensive income and financial assets measured at amortised cost.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

47 FINANCIAL RISK MANAGEMENT (Continued)

(2) Market risk (Continued)

(b) Foreign currency risk (Continued)

(ii) Foreign currency sensitivity analysis

The table below indicates the potential effect of an appreciation or depreciation of RMB spot and forward exchange rate against USD by 5% on net profit and equity.

	Sensitivity of net profit and equity	
	As at 31 December 2025	As at 31 December 2024
RMB5% appreciation	(359,206)	(27,048)
RMB5% depreciation	359,206	27,048

The impact on the net profit arises from the effects of movement in RMB exchange rate on the net positions of foreign monetary assets and liabilities. Changes in foreign exchange rate will not affect other comprehensive income.

The effect on the net profit is based on the assumption that the Group's net foreign currency at the end of the reporting period remains unchanged. The Group mitigates its foreign currency risk through active management of its foreign currency exposures, based on the management expectation of future foreign currency movements, and therefore the above sensitivity analysis may differ to the actual situation.

Notes to the Consolidated Financial Statements (Continued)

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(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

47 FINANCIAL RISK MANAGEMENT (Continued)

(3) Liquidity risk

Liquidity risk is the risk that funds will not be available to meet liabilities as they fall due. This may arise from cash flow or maturity mismatches of assets and liabilities.

The Asset and Liability Management Committee of the Group mapped out the index management system of the ratios of asset and liability structure, based on the principles of liquidity, safety, and profitability; determines annual target values of these indexes in accordance with regulatory requirement and business plan; and allocates the tasks to branches for implementation.

The Group established the supervision system of indexes of asset and liability management, the liquidity reverse system, and relevant emergency management measures, to reduce the liquidity risk of the Group. The Group worked out the regulatory indicators of liquidity in accordance with the requirement of the regulator, and reported to the regulator periodically.

The assets which can be used for repaying debt and paying for the outstanding credit commitments contain cash and balances with central bank, deposits with banks and other financial institutions, placements with banks and other financial institutions, financial assets measured at fair value through profit or loss, and so forth. In normal operation, majority of deposits will not be withdrawn immediately on the maturity date. Therefore, the Group will retain this part of cash flow.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

47 FINANCIAL RISK MANAGEMENT (Continued)

(3) Liquidity risk (Continued)

(a) Maturity analysis

The table below summarises the maturity analysis of financial assets and liabilities by remaining contractual maturities at the end of the reporting period.

	As at 31 December 2025							Total
	Overdue/ undated	On demand	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	
Financial assets								
Cash and balances with central bank	51,817,307	3,248,123	-	25,151	-	-	-	55,090,581
Deposits with banks and other financial institutions	-	10,898,023	5,333,241	9,219,678	16,530,950	166,672	-	42,148,564
Placements with banks and other financial institutions	-	-	12,549,902	20,094,849	55,025,290	12,622,307	-	100,292,348
Derivative financial assets	-	-	13,804	306,196	618,995	-	-	938,995
Financial assets held under resale agreements	-	-	34,197,176	-	-	-	-	34,197,176
Loans and advances to customers	2,687,323	-	34,236,969	47,961,581	211,619,733	224,246,713	245,140,368	765,892,687
Financial investments (Note i)	2,759,619	29,952,157	9,044,186	18,249,575	86,822,643	278,602,334	218,198,266	643,628,780
Other financial assets	28,495	1,300,940	-	-	-	-	-	1,329,435
Total financial assets	57,292,744	45,399,243	95,375,278	95,857,030	370,617,611	515,638,026	463,338,634	1,643,518,566
Financial liabilities								
Borrowings from central bank	-	-	556,385	16,031,015	89,380,858	-	-	105,968,258
Deposits from banks and other financial institutions	-	986,104	-	-	-	-	-	986,104
Placements from banks and other financial institutions	-	-	3,985,497	7,915,395	57,868,335	3,623,663	-	73,392,890
Financial liabilities measured at fair value through profit or loss	-	4,869,610	1,265,209	2,324,419	3,501,434	-	-	11,960,672
Derivative financial liabilities	-	-	-	90	110	-	-	200
Financial assets sold under repurchase agreements	-	-	81,274,919	5,934,188	8,675,909	-	-	95,885,016
Deposits from customers	-	284,972,415	124,909,790	248,555,426	190,203,934	180,085,944	-	1,028,727,509
Debt securities issued	-	-	22,771,058	13,915,948	150,797,434	1,000,837	-	188,485,277
Lease liabilities	-	-	4,568	4,909	43,333	101,657	9,666	164,133
Other financial liabilities	-	5,561,423	173,529	909,606	1,540,947	4,365,298	580,028	13,130,831
Total financial liabilities	-	296,389,552	234,940,955	295,590,996	502,012,294	189,177,399	589,694	1,518,700,890
Net position	57,292,744	(250,990,309)	(139,565,677)	(199,733,966)	(131,394,683)	326,460,627	462,748,940	124,817,676

Notes to the Consolidated Financial Statements (Continued)

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(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

47 FINANCIAL RISK MANAGEMENT (Continued)

(3) Liquidity risk (Continued)

(a) Maturity analysis (Continued)

	As at 31 December 2024							Total
	Overdue/ undated	On demand	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	
Financial assets								
Cash and balances with central bank	47,228,520	3,952,338	-	23,148	-	-	-	51,204,006
Deposits with banks and other financial institutions	-	8,636,864	1,531,334	652,453	9,928,135	284,141	-	21,032,927
Placements with banks and other financial institutions	-	-	10,261,571	20,512,250	54,185,451	5,481,248	-	90,440,520
Derivative financial assets	-	-	118	1,650	2,508	1,019	-	5,295
Financial assets held under resale agreements	-	-	20,937,314	-	-	-	-	20,937,314
Loans and advances to customers	2,568,624	-	38,297,029	38,196,544	211,962,731	188,917,530	203,888,224	683,830,682
Financial investments (Note i)	1,833,626	36,419,015	5,091,419	19,188,740	97,396,914	271,073,035	197,000,381	628,003,130
Other financial assets	20,613	1,014,173	-	-	-	-	-	1,034,786
Total financial assets	51,651,383	50,022,390	76,118,785	78,574,785	373,475,739	465,756,973	400,888,605	1,496,488,660
Financial liabilities								
Borrowings from central bank	-	-	3,618,123	12,596,920	86,792,595	-	-	103,007,638
Deposits from banks and other financial institutions	-	1,026,093	-	-	2,005,649	-	-	3,031,742
Placements from banks and other financial institutions	-	-	5,491,801	7,207,708	44,047,803	4,818,446	-	61,565,758
Financial liabilities measured at fair value through profit or loss	-	4,395,322	-	353,339	4,718,586	411,002	-	9,878,249
Derivative financial liabilities	-	-	2,779	96	265	-	-	3,140
Financial assets sold under repurchase agreements	-	-	64,442,895	68,618	7,426,156	-	-	71,937,669
Deposits from customers	-	268,632,900	100,452,031	223,265,496	183,904,191	165,691,536	3	941,946,157
Debt securities issued	-	-	5,666,477	7,259,452	151,653,542	7,078,071	-	171,657,542
Lease liabilities	-	-	61,826	551	20,116	56,155	7,533	146,181
Other financial liabilities	-	5,048,060	191,410	425,753	845,192	3,449,886	533,201	10,493,502
Total financial liabilities	-	279,102,375	179,927,342	251,177,933	481,414,095	181,505,096	540,737	1,373,667,578
Net position	51,651,383	(229,079,985)	(103,808,557)	(172,603,148)	(107,938,356)	284,251,877	400,347,868	122,821,082

Note i Financial investments comprise financial assets measured at fair value through profit or loss, financial assets measured at fair value through other comprehensive income and financial assets measured at amortised cost.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

47 FINANCIAL RISK MANAGEMENT (Continued)

(3) Liquidity risk (Continued)

(b) Analysis of the undiscounted contractual cash flows

The tables below presents the cash flows of financial assets and financial liabilities by remaining contractual maturities at the end of each reporting period. The Group's actual cash flows on these instruments may vary significantly from this analysis.

	As at 31 December 2025							Total
	Overdue/ undated	On demand	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	
Financial assets								
Cash and balances with central bank	51,817,307	3,248,123	-	25,151	-	-	-	55,090,581
Deposits with banks and other financial institutions	-	10,935,257	5,348,145	9,268,932	16,709,494	170,360	-	42,432,188
Placements with banks and other financial institutions	-	-	12,606,910	20,249,666	55,830,154	12,991,962	-	101,678,692
Financial assets held under resale agreements	-	-	34,388,378	-	-	-	-	34,388,378
Loans and advances to customers	3,767,527	-	35,147,411	50,604,740	230,988,786	258,852,127	412,929,165	992,289,756
Financial investments (Note i)	2,759,619	29,952,157	10,355,807	20,848,520	97,586,171	315,366,235	244,519,257	721,387,766
Other financial assets	28,495	1,300,940	-	-	-	-	-	1,329,435
Total financial assets	58,372,948	45,436,477	97,846,651	100,997,009	401,114,605	587,380,684	657,448,422	1,948,596,796
Financial liabilities								
Borrowings from central bank	-	-	668,023	16,146,282	89,973,781	-	-	106,788,086
Deposits from banks and other financial institutions	-	986,104	-	-	-	-	-	986,104
Placements from banks and other financial institutions	-	-	3,989,691	7,941,796	58,424,190	3,758,766	-	74,114,443
Financial liabilities measured at fair value through profit or loss	-	4,869,610	1,265,248	2,324,419	3,501,434	-	-	11,960,711
Financial assets sold under repurchase agreements	-	-	81,285,118	5,952,280	8,754,317	-	-	95,991,715
Deposits from customers	-	284,972,415	125,019,976	249,224,998	191,707,804	186,300,412	-	1,037,225,605
Debt securities issued	-	-	22,790,000	13,960,000	152,035,728	1,076,037	-	189,861,765
Lease liabilities	-	-	5,185	5,477	45,528	105,473	9,940	171,603
Other financial liabilities	-	5,561,423	173,529	909,606	1,540,947	4,365,298	580,028	13,130,831
Total financial liabilities	-	296,389,552	235,196,770	296,464,858	505,983,729	195,605,986	589,968	1,530,230,863
Net position	58,372,948	(250,953,075)	(137,350,119)	(195,467,849)	(104,869,124)	391,774,698	656,858,454	418,365,933
Derivative financial instruments								
Settled by total amount								
-Total inflows	-	-	2,146,975	5,571,463	7,951,477	-	-	15,669,915
-Total outflows	-	-	(2,133,171)	(5,265,357)	(7,332,592)	-	-	(14,731,120)
Total derivative financial instruments	-	-	13,804	306,106	618,885	-	-	938,795
Loan commitments	1,282,634	29,726,701	1,001,099	3,033,253	7,220,406	1,458,573	30,492	43,753,158

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

47 FINANCIAL RISK MANAGEMENT (Continued)

(3) Liquidity risk (Continued)

(b) Analysis of the undiscounted contractual cash flows (Continued)

	As at 31 December 2024							Total
	Overdue/ undated	On demand	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	
Financial assets								
Cash and balances with central bank	47,228,520	3,952,338	-	23,148	-	-	-	51,204,006
Deposits with banks and other financial institutions	-	8,636,864	1,531,520	654,444	10,041,313	290,472	-	21,154,613
Placements with banks and other financial institutions	-	-	10,270,103	20,588,030	54,823,910	5,670,699	-	91,352,742
Financial assets held under resale agreements	-	-	20,941,031	-	-	-	-	20,941,031
Loans and advances to customers	3,326,994	-	39,510,754	40,167,263	231,752,194	220,192,023	344,174,850	879,124,078
Financial investments (Note i)	1,833,626	36,419,015	6,405,663	21,809,439	108,496,588	308,580,160	219,890,423	703,434,914
Other financial assets	20,613	1,014,173	-	-	-	-	-	1,034,786
Total financial assets	52,409,753	50,022,390	78,659,071	83,242,324	405,114,005	534,733,354	564,065,273	1,768,246,170
Financial liabilities								
Borrowings from central bank	-	-	3,781,097	12,759,100	87,769,528	-	-	104,309,725
Deposits from banks and other financial institutions	-	1,026,093	-	-	2,027,130	-	-	3,053,223
Placements from banks and other financial institutions	-	-	5,496,804	7,242,633	44,645,567	5,027,724	-	62,412,728
Financial liabilities measured at fair value through profit or loss	-	4,395,322	-	353,339	4,718,586	411,002	-	9,878,249
Financial assets sold under repurchase agreements	-	-	64,453,940	68,820	7,463,401	-	-	71,986,161
Deposits from customers	-	268,632,900	100,559,162	223,984,070	185,868,103	172,719,515	4	951,763,754
Debt securities issued	-	-	5,670,000	7,290,000	153,516,153	7,276,071	-	173,752,224
Lease liabilities	-	-	62,151	1,147	22,440	60,866	7,989	154,593
Other financial liabilities	-	5,048,060	191,410	425,753	845,192	3,449,886	533,201	10,493,502
Total financial liabilities	-	279,102,375	180,214,564	252,124,862	486,876,100	188,945,064	541,194	1,387,804,159
Net position	52,409,753	(229,079,985)	(101,555,493)	(168,882,538)	(81,762,095)	345,788,290	563,524,079	380,442,011
Derivative financial instruments								
Settled by total amount								
-Total inflows	-	-	252,617	10,755	234,626	1,019	-	499,017
-Total outflows	-	-	(255,277)	(9,201)	(232,383)	-	-	(496,861)
Net position	-	-	(96)	-	(19)	-	-	(115)
Total derivative financial instruments	-	-	(2,756)	1,554	2,224	1,019	-	2,041
Loan commitments	756,772	28,583,019	1,698,407	2,607,619	2,624,035	1,309,958	30,492	37,610,302

Note i Financial investments comprise financial assets measured at fair value through profit or loss, financial assets measured at fair value through other comprehensive income and financial assets measured at amortised cost.

Notes to the Consolidated Financial Statements (Continued)

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(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

48 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

- (1) *Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis*

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Level 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

In estimating fair value of an asset or a liability, the Group uses market-observable data to the extent it is available such as the market price of listed equity securities on exchanges. Where Level 1 inputs are not available, fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models, including discounted cash flow analysis, using prices from observable current market transactions for similar instruments to the extent available.

The main valuation techniques used by the Group is the discounted cash flow model for financial instruments. The main inputs used in discounted cash flow model include recent transaction prices, interest rates and counterparty credit spreads, as appropriate. If these parameters used are substantively based on observable market data and/or obtainable from active open market, the instruments are classified as Level 2.

Notes to the Consolidated Financial Statements (Continued)

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(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

48 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

- (1) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

The following tables give the three levels of the fair value hierarchies about carrying amount of the Group's financial instruments measured at fair value:

	As at 31 December 2025			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
Recurring fair value measurement				
Assets				
Derivative financial assets	-	938,995	-	938,995
Loans and advances to customers	-	-	61,290,174	61,290,174
Financial assets measured at fair value through profit or loss				
- Debt securities	-	15,249,750	-	15,249,750
- Funds	28,203,260	18,922,491	-	47,125,751
- Asset management plans and trust plans	944,789	300,216	186,301	1,431,306
- Interbank deposit certificates	-	15,439,239	-	15,439,239
- Wealth management products	317,591	1,257,425	-	1,575,016
- Other investments	289,131	-	8,734	297,865
Financial assets measured at fair value through other comprehensive income				
- Debt securities	-	298,185,216	-	298,185,216
- Interbank deposit certificates	-	12,989,218	-	12,989,218
- Equity instruments:	1,495,091	-	942,374	2,437,465
Total assets measured at fair value on a recurring basis	31,249,862	363,282,550	62,427,583	456,959,995
Liabilities				
Placements from banks and other financial institutions	-	(6,781,516)	-	(6,781,516)
Derivative financial liabilities	-	(200)	-	(200)
Financial liabilities measured at fair value through profit or loss	(4,758,600)	(7,202,072)	-	(11,960,672)
Total liabilities measured at fair value on a recurring basis	(4,758,600)	(13,983,788)	-	(18,742,388)

Notes to the Consolidated Financial Statements (Continued)

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(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

48 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

(1) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

	As at 31 December 2024			Total
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	
Recurring fair value measurement				
Assets				
Derivative financial assets	-	5,295	-	5,295
Loans and advances to customers	-	-	63,633,636	63,633,636
Financial assets measured at fair value through profit or loss				
- Debt securities	-	14,941,035	-	14,941,035
- Funds	34,914,102	22,255,849	-	57,169,951
- Asset management plans and trust plans	1,156,803	-	23,516	1,180,319
- Interbank deposit certificates	-	10,086,339	-	10,086,339
- Wealth management products	324,594	523,415	-	848,009
- Other investments	320,204	-	8,956	329,160
Financial assets measured at fair value through other comprehensive income				
- Debt securities	-	204,325,687	-	204,325,687
- Interbank deposit certificates	-	40,499,007	-	40,499,007
- Equity instruments:	600,561	-	775,056	1,375,617
Total assets measured at fair value on a recurring basis	<u>37,316,264</u>	<u>292,636,627</u>	<u>64,441,164</u>	<u>394,394,055</u>
Liabilities				
Derivative financial liabilities	-	(3,140)	-	(3,140)
Financial liabilities measured at fair value through profit or loss	<u>(4,395,322)</u>	<u>(5,482,927)</u>	<u>-</u>	<u>(9,878,249)</u>
Total liabilities measured at fair value on a recurring basis	<u>(4,395,322)</u>	<u>(5,486,067)</u>	<u>-</u>	<u>(9,881,389)</u>

There were no significant transfers of the Group's financial assets and liabilities between all levels during the reporting period.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

48 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

(1) *Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)*

(a) Level 1 fair value measurement

If there is a reliable quoted price in an active market (such as an authorized stock exchange or an active open-end fund manager), the closing price or redemption price in the active market on the last trading day before balance sheet date shall be used as fair value.

(b) Level 2 fair value measurement

Financial instruments of the Group that are classified as level 2 mainly include debt securities, interbank deposit certificates, open-ended funds with fixed open term and WMPs.

The fair value of debt securities and interbank deposit certificates are determined using valuation results provided by the securities clearing institutions and exchanges. The fair value of open-ended funds with fixed open term and WMPs are based on net value per unit provided by managers. Observable inputs that reflect market conditions were adopted by relevant institutions in the valuation process.

(c) Level 3 fair value measurement

The Group has developed relevant processes to determine the appropriate valuation techniques and inputs used in continuous level 3 fair value measurement, and regularly review the relevant processes and the appropriateness of the determination of fair value.

Financial instruments of the Group that are classified as level 3 mainly include discounted bills, asset management plans, trust plans and unlisted foreclosed equity. Their fair values are based on net asset provided by third parties or fair values of underlying assets (mainly include bonds traded in inter-bank bond market and money market financial instruments), or calculated using discounted cash flows with unobservable inputs including risk adjusted discount rate.

The above assumptions and methods provide a unified basis for calculation of fair value of the Group's assets and liabilities. However, since other institutions may use different methods and assumptions, the fair values disclosed by different financial institutions may not be completely comparable.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

48 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

- (2) Reconciliation from the opening balances to the ending balances for fair value measurement in level 3 of the fair value hierarchy

For the year ended 31 December 2025

	As at 1 January 2025	Recognised in profit or loss	Total gains and losses during the year Recognised in other comprehensive income	Additions and settlements		As at 31 December 2025	For asset held and liabilities assumed at the end of the year, unrealized gains or losses recognised in profit or loss during the year
				Purchases	Settlements		
Assets							
Loans and advances to customers							
– Loans and advances measured at fair value through other comprehensive income	63,633,636	472,494	(21,452)	185,089,962	(187,884,466)	61,290,174	-
Financial assets measured at fair value through profit or loss							
– Asset management plans and trust plans	23,516	(296,406)	-	459,769	(578)	186,301	(296,761)
– Other investments	8,956	217	-	-	(439)	8,734	-
Financial assets measured at fair value through other comprehensive income							
– Unlisted equity securities	775,056	-	167,318	-	-	942,374	-
Total	64,441,164	176,305	145,866	185,549,731	(187,885,483)	62,427,583	(296,761)

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

48 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

- (2) Reconciliation from the opening balances to the ending balances for fair value measurement in level 3 of the fair value hierarchy

For the year ended 31 December 2024

	As at 1 January 2024	Recognised in profit or loss	Total gains and losses during the year Recognised in other comprehensive income	Additions and settlements		As at 31 December 2024	For asset held and liabilities assumed at the end of the year, unrealized gains or losses recognised in profit or loss during the year
				Purchases	Settlements		
Assets							
Derivative instruments							
– Derivative financial assets	1,511	(709)	-	-	(802)	-	-
Loans and advances to customers							
– Loans and advances measured at fair value through other comprehensive income	58,006,784	799,453	37,897	160,242,832	(155,453,330)	63,633,636	-
Financial assets measured at fair value through profit or loss							
– Asset management plans and trust plans	274,640	(247,580)	-	-	(3,544)	23,516	(247,782)
– Other investments	10,051	2,378	-	-	(3,473)	8,956	(1,095)
Financial assets measured at fair value through other comprehensive income							
– Unlisted equity securities	768,052	-	6,730	274	-	775,056	-
Total	59,061,038	553,542	44,627	160,243,106	(155,461,149)	64,441,164	(248,877)

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

48 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

- (3) Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis

The table below summarises the carrying amounts and fair values of those financial assets and liabilities not measured at their fair values. Financial assets and liabilities for which the carrying amounts approximate their fair values, such as balances with central bank, deposits with banks and other financial institutions, placements with banks and other financial institutions, financial assets held under resale agreements, loans and advances to customers, borrowings from central bank, deposits from banks and other financial institutions, placements from banks and other financial institutions, financial assets sold under repurchase agreements and Deposits from customers are not included in the table below.

	As at 31 December 2025		As at 31 December 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets measured at amortised cost	<u>248,897,954</u>	<u>263,179,054</u>	<u>297,248,006</u>	<u>318,104,431</u>
Financial liabilities				
Debt securities issued	<u>188,485,277</u>	<u>188,547,168</u>	<u>171,657,542</u>	<u>172,087,632</u>

Fair values of these financial assets and financial liabilities not measured at fair value are determined as follows:

- Fair values of investments in debt securities, interbank deposit certificates and debt securities issued are measured based on the quotes provided by the securities clearing institutions. Observable inputs that reflect market conditions are used by quotation institutions when preparing the quotation.
- There is no quoted price of market or referable organisations for trust plans included in financial assets measured at amortised cost. Therefore, fair values of those investments are determined by using the discounted cash flow method with credit risk adjusted yield curve of relevant investments at the end of the reporting period.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

49 CAPITAL MANAGEMENT

The goal of the Group's capital management is to mainly accumulate internal capital, with external capital as supplement, to effectively balance capital supply and demand, to strengthen capital restrictions and guidance to the business, so as to maintain a capital level that is consistently higher than regulatory requirements, and to reserve a certain room for margin and buffer as security.

The Group calculate capital adequacy ratios in accordance with the Administrative Measures on the Capital of Commercial Banks issued by NFRA. The credit risk was measured at weight method, the market risk was measured at simplified standard method and the operational risk was measured at standard method. As at 31 December 2025 and 31 December 2024, the Group is in compliance with these legal and regulatory requirements.

	As at 31 December	
	2025	2024
Net core tier-one capital	<u>131,118,912</u>	<u>126,455,855</u>
Net tier-one capital	<u>137,275,007</u>	<u>132,591,896</u>
Net capital base	<u>149,588,954</u>	<u>143,119,967</u>

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

50 STATEMENT OF FINANCIAL POSITION AND MOVEMENT OF RESERVES OF THE BANK

	Note IV	As at 31 December	
		2025	2024
Assets			
Cash and balances with central bank		54,910,645	51,033,250
Deposits with banks and other financial institutions		35,303,331	16,615,217
Placements with banks and other financial institutions		107,252,341	95,716,854
Derivative financial assets		938,995	5,295
Financial assets held under resale agreements		30,570,437	20,046,623
Loans and advances to customers		691,627,900	617,652,748
Financial investments:			
– Financial assets measured at fair value through profit or loss		108,100,618	92,681,870
– Financial assets measured at fair value through other comprehensive income		254,087,278	212,286,948
– Financial assets measured at amortised cost		248,694,512	297,044,653
Investment in subsidiaries	18 (1)	5,728,673	5,721,725
Investments in associates	18 (2)	549,048	509,682
Property and equipment		3,602,879	3,725,153
Rights-of-use assets		163,475	156,120
Goodwill		440,129	440,129
Deferred tax assets		13,393,103	11,296,158
Other assets		1,706,846	1,698,580
Total assets		1,557,070,210	1,426,631,005

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

50 STATEMENT OF FINANCIAL POSITION AND MOVEMENT OF RESERVES OF THE BANK (Continued)

	Note IV	As at 31 December	
		2025	2024
Liabilities			
Borrowings from central bank		105,968,258	102,992,205
Deposits from banks and other financial institutions		1,590,728	3,485,466
Placements from banks and other financial institutions		22,103,862	13,275,998
Financial liabilities measured at fair value through profit or loss		118,006	–
Derivative financial liabilities		200	3,140
Financial assets sold under repurchase agreements		71,568,367	59,100,800
Deposits from customers		1,026,144,688	939,463,267
Accrued staff costs		6,030,923	5,926,256
Debt securities issued		188,485,277	171,657,542
Income tax payable		262,752	452,700
Lease liabilities		139,406	138,954
Other liabilities		5,236,253	5,506,539
Total liabilities		<u>1,427,648,720</u>	<u>1,302,002,867</u>
Equity			
Share capital	34	11,357,000	11,357,000
Other equity instruments	35	5,997,648	5,997,648
Capital reserve		21,023,997	21,023,997
Investment revaluation reserve		642,460	3,016,459
Actuarial changes reserve		(749,058)	(862,331)
Surplus reserve	38	16,957,530	15,872,212
General reserve		20,180,225	19,090,015
Retained earnings		54,011,688	49,133,138
Total equity		<u>129,421,490</u>	<u>124,628,138</u>
Total equity and liabilities		<u>1,557,070,210</u>	<u>1,426,631,005</u>

The financial statements were approved and authorised for issue by the Board of Directors on 25 March 2026.

LIU XIAO JUN
CHAIRMAN

ZHANG JIN
HEAD OF ACCOUNTING
DEPARTMENT

(COMPANY CHOP)

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

50 STATEMENT OF FINANCIAL POSITION AND MOVEMENT OF RESERVES OF THE BANK (Continued)

Reserve movement of the Bank

	Capital reserve	Other equity instruments	Investment revaluation reserve	Actuarial changes reserve	Surplus reserve	General reserve	Retained earnings
As at 1 January 2025	21,023,997	5,997,648	3,016,459	(862,331)	15,872,212	19,090,015	49,133,138
Profit for the year	-	-	-	-	-	-	10,853,179
Other comprehensive income	-	-	(2,373,999)	113,273	-	-	-
Total comprehensive income for the year	-	-	(2,373,999)	113,273	-	-	10,853,179
Appropriation to surplus reserve	-	-	-	-	1,085,318	-	(1,085,318)
Appropriation to general reserve	-	-	-	-	-	1,090,210	(1,090,210)
Dividends paid to ordinary equity holders	-	-	-	-	-	-	(3,561,101)
Dividends paid to other equity instrument holders	-	-	-	-	-	-	(238,000)
As at 31 December 2025	21,023,997	5,997,648	642,460	(749,058)	16,957,530	20,180,225	54,011,688

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

50 STATEMENT OF FINANCIAL POSITION AND MOVEMENT OF RESERVES OF THE BANK (Continued)

Reserve movement of the Bank (Continued)

	Capital reserve	Other equity instruments	Investment revaluation reserve	Actuarial changes reserve	Surplus reserve	General reserve	Retained earnings
As at 1 January 2024	21,023,997	5,997,648	127,915	(718,608)	14,822,232	18,017,334	46,478,292
Profit for the year	-	-	-	-	-	-	10,499,802
Other comprehensive income	-	-	2,888,544	(143,723)	-	-	-
Total comprehensive income for the year	-	-	2,888,544	(143,723)	-	-	10,499,802
Appropriation to surplus reserve	-	-	-	-	1,049,980	-	(1,049,980)
Appropriation to general reserve	-	-	-	-	-	1,072,681	(1,072,681)
Dividends paid to ordinary equity holders	-	-	-	-	-	-	(5,484,295)
Dividends paid to other equity instrument holders	-	-	-	-	-	-	(238,000)
As at 31 December 2024	21,023,997	5,997,648	3,016,459	(862,331)	15,872,212	19,090,015	49,133,138

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

51 BENEFITS AND INTERESTS OF DIRECTORS AND SUPERVISORS

- (1) According to section 383 of the Hong Kong Companies Ordinance, the emoluments and retirement benefits of directors and supervisors for the year ended 31 December 2025 and 31 December 2024 are disclosed in Note IV 6. Information regarding termination benefits for directors and supervisors, consideration payable to related parties for services rendered to directors and supervisors, and directors' and supervisors' material interests in transactions, arrangements or contracts is not material during the year 2025 (2024: not material).
- (2) Principal balance of loans and credit transactions provided to certain controlled body corporates and connected entities of directors and supervisors:

Name of the borrower	As at 31 December 2024	As at 31 December 2025	Maximum outstanding during the year 2025	Amounts fallen due but not been paid as at 31 December 2025	Provisions as at 31 December 2025	Term	Interest Rate (%)	Security
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Connected entities	3,750,000	5,934,407	6,084,507	-	131,327	2 – 28 years	2.08 – 3.40	Credit, Guarantee
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Name of the borrower	As at 31 December 2023	As at 31 December 2024	Maximum outstanding during the year 2024	Amounts fallen due but not been paid as at 31 December 2024	Provisions as at 31 December 2024	Term	Interest Rate (%)	Security
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Connected entities	3,460,000	3,750,000	3,750,000	-	17,698	2 years	2.23 – 3.65	Guarantee
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Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

52 EVENTS AFTER THE REPORTING PERIOD

On 25 March 2026, as proposed by the Board of Directors of the Bank, the Bank passed the 2025 annual profit distribution plan, which was disclosed in Note IV 10 Dividends, Note IV 38 Surplus Reserve and Note IV 39 General Reserve. It takes effect after the resolution is passed at the shareholders' meeting.

On 5 January 2026, following a public listing process on the Chongqing United Property Rights Exchange, the Bank entered into an agreement with Jiangsu Suzhou Rural Commercial Bank Co., Ltd. to dispose of its 90% equity interest in Jiangsu Zhangjiagang CQRC Village and Township Bank Co. On 25 March 2026, The equity transaction is still subject to the approval of the Jiangsu Regulatory Bureau of the National Administration of Financial Regulation.

Besides the items mentioned above, the Group and the Bank have no significant events after the reporting period.

Unaudited Supplementary Financial Information

For the year ended 31 December 2025

(Amounts in millions of Renminbi, unless otherwise stated)

LIQUIDITY RATIO

(EXPRESSED IN PERCENTAGE)

The Group

	As at 31 December	
	2025	2024
RMB current assets to RMB current liabilities	92.98	93.99
Foreign currency current assets to foreign currency current liabilities	<u>63.62</u>	<u>53.58</u>

LIQUIDITY COVERAGE RATIO

(EXPRESSED IN PERCENTAGE)

The Group

	As at 31 December	
	2025	2024
Liquidity coverage ratio	<u>461.82</u>	<u>562.36</u>

Unaudited Supplementary Financial Information (Continued)

For the year ended 31 December 2025

(Amounts in millions of Renminbi, unless otherwise stated)

CURRENCY CONCENTRATIONS

The Group

	Equivalent in Renminbi			
	USD	HKD	Others	Total
As at 31 December 2025				
Spot assets	10,363.5	186.5	68.0	10,618.0
Spot liabilities	(966.9)	(187.9)	(6,848.2)	(8,003.0)
Forward purchases	17.5	271.0	6,775.2	7,063.7
Forward sales	(8,515.3)	–	–	(8,515.3)
Net position	<u>898.8</u>	<u>269.6</u>	<u>(5.0)</u>	<u>1,163.4</u>

	Equivalent in Renminbi			
	USD	HKD	Others	Total
As at 31 December 2024				
Spot assets	1,627.1	198.2	63.5	1,888.8
Spot liabilities	(924.6)	(199.3)	(37.8)	(1,161.7)
Forward purchases	122.3	253.3	–	375.6
Forward sales	(122.1)	–	–	(122.1)
Net position	<u>702.7</u>	<u>252.2</u>	<u>25.7</u>	<u>980.6</u>

Unaudited Supplementary Financial Information (Continued)

For the year ended 31 December 2025

(Amounts in millions of Renminbi, unless otherwise stated)

INTERNATIONAL CLAIMS

The Group is principally engaged in business operations within Mainland China, the Group's international claims are the sum of cross-border claims in all currencies and local claims in foreign currencies.

International claims include balances with central banks, deposits with banks and other financial institutions, placements with banks and other financial institutions and loans and advances to customers.

International claims are disclosed based on different countries or regions. A country or region is reported where it constitutes 10% or more of the aggregate amount of international claims, after taking into account any risk transfer. Risk transfer is only made if the claims are guaranteed by a party in a country which is different from that of the counterparty or if the claims are on an overseas branch of a bank whose head office is located in another country.

	Banks and other financial institutions	Non-bank private sectors	Total
As at 31 December 2025			
Asia Pacific	9,097.9	1,168.7	10,266.6
– of which attributed to Hong Kong	2,316.4	–	2,316.4
North America	250.9	–	250.9
Europe	520.2	–	520.2
Total	9,869.0	1,168.7	11,037.7

	Banks and other financial institutions	Non-bank private sectors	Total
As at 31 December 2024			
Asia Pacific	1,127.9	807.9	1,935.8
– of which attributed to Hong Kong	320.0	–	320.0
North America	188.6	–	188.6
Europe	16.2	–	16.2
Total	1,332.7	807.9	2,140.6

Unaudited Supplementary Financial Information (Continued)

For the year ended 31 December 2025

(Amounts in millions of Renminbi, unless otherwise stated)

SUMMARY OF INFORMATION ON GEOGRAPHICAL SEGMENTS

When information is prepared based on the geographical segments, total operating income is allocated in accordance with the locations of branches recording the income. The table below sets forth the total operating income attributable to county area branches and urban area branches for the periods indicated.

	Year ended 31 December 2025			Year ended 31 December 2024		
	Country Area ⁽¹⁾	Urban Area	Total	Country Area ⁽¹⁾	Urban Area	Total
Net interest income	12,613.9	11,646.8	24,260.7	12,973.5	9,521.0	22,494.5
Net fee and commission income	543.3	751.1	1,294.4	720.8	891.3	1,612.1
Net trading gains	0.2	1,064.0	1,064.2	0.1	2,388.0	2,388.1
Share of profits of associates	–	39.4	39.4	–	34.6	34.6
Other operating income, net	52.4	74.3	126.7	28.9	273.7	302.6
Net gains on derecognition of financial assets measured at fair value through other comprehensive income	–	1,212.7	1,212.7	–	131.4	131.4
Net gains on derecognition of financial assets measured at amortised cost	–	621.8	621.8	–	1,267.9	1,267.9
Total operating income	<u>13,209.8</u>	<u>15,410.1</u>	<u>28,619.9</u>	<u>13,723.3</u>	<u>14,507.9</u>	<u>28,231.2</u>

- (1) County Area refers to regions other than Urban Area of Chongqing City. The information of County Area also includes the information of the twelve village and township bank subsidiaries and the information of Qujing Branch.

Unaudited Supplementary Financial Information (Continued)

For the year ended 31 December 2025

(Amounts in millions of Renminbi, unless otherwise stated)

ABSTRACT OF GEOGRAPHICAL SEGMENTS

(Expressed in percentage)	As at 31 December 2025		As at 31 December 2024	
	Country Area	Urban Area	Country Area	Urban Area
Deposits	73.30	26.70	73.53	26.47
Loans	50.78	49.22	48.38	51.62
Assets	52.60	47.40	52.77	47.23
Loan-deposit ratio	<u>53.68</u>	<u>142.91</u>	<u>49.89</u>	<u>147.87</u>

(Expressed in percentage)	As at 31 December 2025		As at 31 December 2024	
	Country Area	Urban Area	Country Area	Urban Area
Return on average total assets	0.61	0.98	0.76	0.85
Net fee and commission income to operating income	4.11	4.87	5.25	6.14
Cost-to-income ratio	<u>33.67</u>	<u>29.75</u>	<u>33.74</u>	<u>30.71</u>

Unaudited Supplementary Financial Information (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

CAPITAL ADEQUACY RATION

The Group calculated the following core tier-one capital adequacy ratio, tier-one capital adequacy ratio and capital adequacy ratio in accordance with the Administrative Measures on the Capital of Commercial Banks and relevant requirements promulgated by regulator.

	As at 31 December	
	2025	2024
Core tier-one capital adequacy ratio	<u>12.67%</u>	<u>14.24%</u>
Tier-one capital adequacy ratio	<u>13.27%</u>	<u>14.93%</u>
Capital adequacy ratio	<u>14.46%</u>	<u>16.12%</u>
Components of capital base		
Core tier-one capital:		
Share capital	11,357,000	11,357,000
Valid portion of capital reserve	20,893,824	20,892,772
Surplus reserve and general reserve	38,493,657	36,251,930
Retained earnings	59,574,406	53,486,813
Valid portion of non-controlling interests	1,188,352	1,037,946
Others	<u>1,250,339</u>	<u>4,147,550</u>
Total core tier-one capital	132,757,578	127,174,011
Deductions:		
Goodwill	(440,129)	(440,129)
Other intangible assets	(282,080)	(283,217)
Threshold deduction items	(919,052)	–
Other deductible items from core tier-one capital	<u>2,595</u>	<u>5,190</u>
Net core tier-one capital	131,118,912	126,455,855
Other tier-one capital:		
Other equity instruments	5,997,648	5,997,648
Non-controlling interests	<u>158,447</u>	<u>138,393</u>
Net tier-one capital	137,275,007	132,591,896

Unaudited Supplementary Financial Information (Continued)

For the year ended 31 December 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

	As at 31 December	
	2025	2024
Tier-two capital		
Surplus provision for impairment	11,997,053	10,251,285
Valid portion of non-controlling interests	<u>316,894</u>	<u>276,786</u>
Net capital base	<u>149,588,954</u>	<u>143,119,967</u>
Risk-weighted assets:		
Credit risk-weighted assets	971,761,282	830,354,125
Market risk-weighted assets	11,955,100	5,923,987
Operational risk-weighted assets	51,094,271	51,774,504

For more details of capital management, please refer to the 2025 Pillar 3 Report published in the “investor relations – capital supervision” column on the website of the Bank.

重慶農村商業銀行股份有限公司

Chongqing Rural Commercial Bank Co., Ltd.

(於中華人民共和國註冊成立的股份有限公司)

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

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