

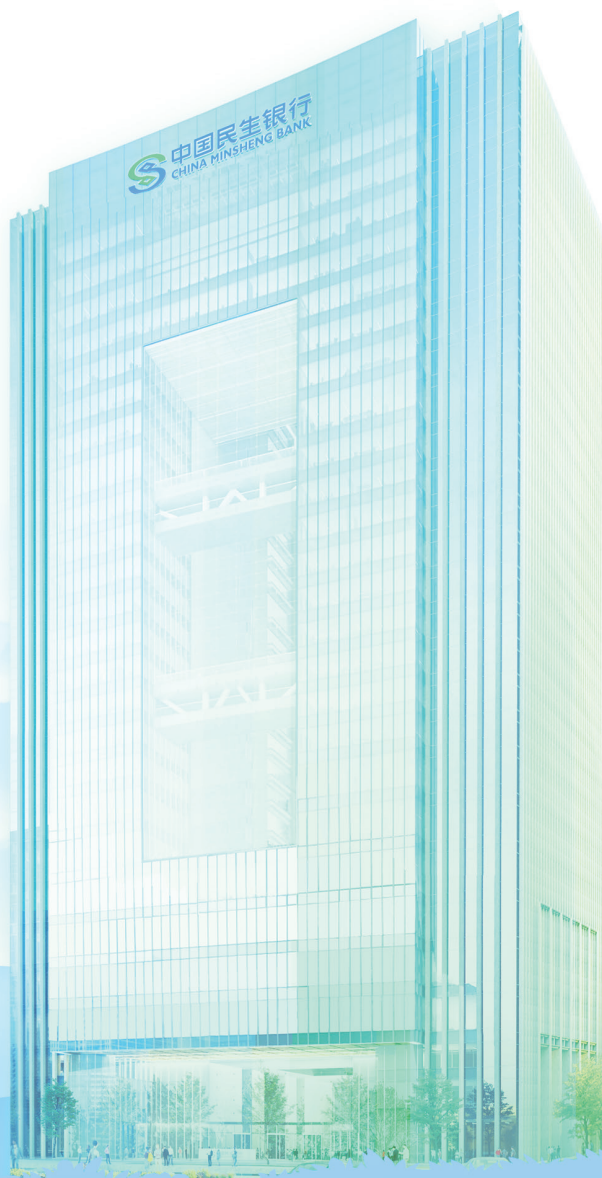


中国民生银行
CHINA MINSHENG BANK



(a joint stock limited company incorporated in the People's Republic of China)

Stock Code: 01988



2025
ANNUAL REPORT

IMPORTANT NOTICE

The Board of Directors, the Directors, and the Senior Management of the Bank warrant the truthfulness, accuracy and completeness of the contents of this Annual Report and there are no misstatements, misleading representations or material omissions in this Annual Report, and shall assume several and joint liability.

This Annual Report was considered and approved on 30 March 2026 at the 19th meeting of the 9th session of the Board of Directors of the Bank. Of the 15 Directors who were entitled to attend the meeting, 9 Directors attended the meeting in person, and 6 Directors attended the meeting by teleconference or video conference.

KPMG Huazhen LLP and KPMG, auditors of the Bank, have audited the financial reports of 2025 prepared in accordance with the Chinese Accounting Standards (“CAS”) and the IFRS Accounting Standards, respectively, and issued standard and unqualified auditors’ reports, respectively.

GAO Yingxin (Chairman), WANG Xiaoyong (President), LI Bin (Executive Vice President in charge of finance and accounting), and ZHANG Lanbo (person in charge of the accounting department) declare that they warrant the truthfulness, accuracy and completeness of the financial reports included in this Annual Report.

The annual profit distribution plan for 2025 was approved by the Board of Directors, pursuant to which, on the basis of the total number of shares of the Bank as at the record dates of profit distribution, a cash dividend of RMB0.53 (tax inclusive, the same below) would be distributed to all shareholders of the Bank for every 10 shares held. Based on the number of shares of the Bank in issue as at 31 December 2025, being 43,782 million shares, the total cash dividends to be distributed would be RMB2,320 million. Together with the total amount of the interim cash dividends for 2025 that had been distributed, being RMB5,954 million (a cash dividend of RMB1.36 for every 10 shares), the total cash dividends of RMB8,274 million would be distributed in 2025 (a cash dividend of RMB1.89 for every 10 shares). The above profit distribution plan is subject to the approval of the shareholders’ meeting of the Bank.

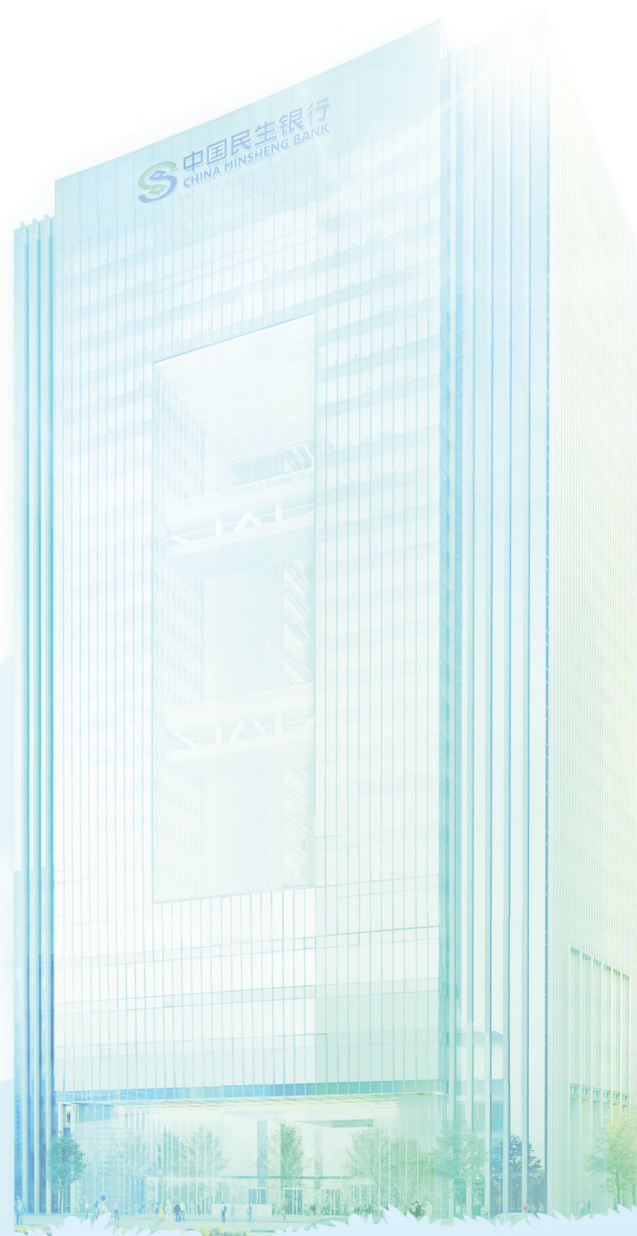
The financial data and indicators contained in this Annual Report are prepared according to the rules of the IFRS Accounting Standards. Unless otherwise specified, all amounts are the consolidated data of the Group and denominated in RMB.

The forward-looking statements about matters such as future plans in this Annual Report do not constitute substantive commitments of the Bank to the investors, and the investors and related persons shall maintain sufficient risk awareness in this regard, and shall understand the difference among plans, forecasts and commitments.

Material Risk Warning: The Bank has not found any material risks that will adversely affect the Bank’s future development strategy and business objectives. The Bank has taken active measures to effectively manage various risks. For details, please refer to the relevant contents under “Chapter 3 Management Discussion and Analysis” of this Report.

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DEFINITIONS

In this Report, unless the context otherwise requires, the following terms shall have the meanings set out below.

Bank, the Bank, Company, China Minsheng Bank, Minsheng Bank	China Minsheng Banking Corp., Ltd.
Group	the Bank and its subsidiaries
Minsheng Financial Leasing	Minsheng Financial Leasing Co., Ltd.
Minsheng Royal Fund	Minsheng Royal Fund Management Co., Ltd.
CMBC International	CMBC International Holdings Limited
CMBC Wealth Management	CMBC Wealth Management Co., Ltd.
ACFIC	All-China Federation of Industry and Commerce
NFRA	National Financial Regulatory Administration
PBOC	The People's Bank of China
CSRC	China Securities Regulatory Commission
former CBIRC	former China Banking and Insurance Regulatory Commission
former CBRC	former China Banking Regulatory Commission
former CIRC	former China Insurance Regulatory Commission
SSE	Shanghai Stock Exchange
SEHK	The Stock Exchange of Hong Kong Limited
Company Law	The Company Law of the People's Republic of China

DEFINITIONS

Hong Kong Listing Rules	The Rules Governing the Listing of Securities on SEHK
SFO	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules
Articles of Association	the Articles of Association of China Minsheng Banking Corp., Ltd.
Reporting Period	the period from 1 January 2025 to 31 December 2025

MESSAGE FROM CHAIRMAN



GAO Yingxin

Chairman of the Board of Directors

The year 2025 marked the final year of implementing the 14th Five-Year Plan and an important year for China Minsheng Bank to deepen reform and enhance quality and effectiveness. During the year, the Bank thoroughly implemented decisions and deployments of the CPC Central Committee and the State Council as well as regulatory requirements, and firmly upheld the political commitment and people-centred approach of financial work. The Bank deepened reform and innovation, improved quality and effectiveness, consolidated customer base, and optimised business structure, while the asset quality remained stable and the operating income increased steadily, making new progress in advancing high-quality development of the whole bank. In 2025, the operating income of the Group amounted to RMB139,677 million, representing an increase of 4.92% as compared with the corresponding period of the previous year. As at the end of 2025, total assets of the Group amounted to RMB7.83 trillion, representing an increase of 0.23% as compared with the end of the previous year; total equity attributable to holders of equity shares of the Bank amounted to RMB689,637 million, representing an increase of 7.28% as compared with the end of the previous year.

We earnestly fulfilled our mission and responsibilities as a systemically important bank, focused on pursuing high-quality development as the central task, and provided targeted services to the real economy. We implemented the work deployments of the Party and the State on “stabilising the economy”, and increased total volume and optimised structure of financial supply. We accelerated the development of sci-tech finance, with significant increase in the number of sci-tech enterprises served. We further advanced inclusive finance, actively supported the expansion of domestic demand, better met the reasonable demand of residents for mortgage loans and personal consumer loans, and steadily promoted fiscal interest subsidy for consumer loans. We implemented the financing coordination mechanism for micro- and small-sized enterprises (MSEs), integrated online and offline services, and further enhanced the breadth and depth of inclusive finance. We expanded the coverage and increased the scale of green finance, with the “carbon inclusive” model ranking among industry leaders and the balance of green loans nearly doubling as compared with the end of 2022. We advanced ESG initiatives in a coordinated manner, with MSCI ESG rating maintaining global highest of “AAA” for two consecutive years. We continued to improve the ageing finance system, with rapid growth in credit placement to the elderly care industry and in the scale of pension custody. We also advanced digital and intelligent transformation and upgrading, strengthening the capacity of digital finance in serving the real economy.

MESSAGE FROM CHAIRMAN

We advanced strategic transformation in an in-depth manner, focused on value creation, and strengthened the resilience of business development. We continued to enhance the pivot role of strategic clients, which drove the rapid implementation of new business models for small- and medium-sized enterprises (SMEs). The number of customers acquired and credit placement maintained rapid growth. We comprehensively deepened the “E-Minsheng Family (民生 e 家)”, a digital and intelligent service platform covering “personnel, finance and operations” for micro-, small- and medium-sized enterprises (MSMEs), and steadily promoted it across the whole bank. The number of corporate clients actively using core functions such as payroll agency, funds transfer and payslips, as well as the number of enterprise employees served, increased significantly. We further refined the institutional business model, and the coverage rate of various qualifications improved markedly as compared with the corresponding period of the previous year. Centring on the financial service needs of foreign trade enterprises, we upgraded the dedicated online service section for cross-border finance, strengthened the synergy of the cross-border “1+6” platforms, and have comprehensively built the brand of “All Across the World” featuring “one access for global services”. Both the number of international business customers served and the volume of international settlement business achieved rapid growth. We also made initial achievements in retail transformation, accelerated the transformation and upgrading of business outlets, continued to improve the capacity of standard outlets, witnessed faster outcome of the upgrading of community-based finance business model, and embedded financial services deeply into community life to contribute to a better life of residents.

We continued to strengthen risk compliance management, reinforced the development of systems and mechanisms, and consolidated the foundation for high-quality development. We implemented new regulatory requirements, strengthened top-level design, and further improved the compliance and internal control system. We carried out the activity of the “Year of High-Quality and Compliant Development (高質量合規發展年)”, strengthened employee behaviour management, implemented due diligence exemption, and improved the employee behaviour management system. We further enhanced the development of the comprehensive risk management system, moved forward various risk management functions and improved the smart risk control system, thereby strengthening the forward-looking, proactive and smart capabilities of risk management. We reinforced the primary and direct responsibility of the first line of defence, and gradually strengthened in-lending and post-lending management. We optimised the asset operation and management model, advanced the risk mitigation in sectors such as real estate in a solid manner, and maintained steady asset quality. The NPL ratio over the past five years decreased by a cumulative 0.33 percentage points. We strengthened system platform support, and further enhanced the level of intensification and digitalisation in anti-money laundering (AML). We reinforced data application and model analysis to comprehensively improve capabilities in combating financial fraud, thereby supporting financial security and social stability.

MESSAGE FROM CHAIRMAN

We remained committed to sharing development achievements with society, actively fulfilled social responsibilities, and delivered warmth through concrete actions. Over the years, China Minsheng Bank has been fully dedicated to rural revitalisation, people's livelihood guarantee, education development, healthcare and public welfare innovation, and has gradually established an open and diversified pattern for public welfare development. We have provided paired assistance to Hua County and Fengqiu County in Henan Province for 24 consecutive years, and cumulatively donated more than RMB290 million free assistance funds. We have supported the "AIDS Prevention and Control Programme" of China Red Ribbon Foundation for 18 consecutive years, and cumulatively donated RMB53.30 million. We have jointly established the "Minsheng Beautiful Xinjiang Class (民生美疆班)" in primary and secondary schools across multiple regions in Xinjiang for 16 consecutive years, and benefited nearly 20 thousand teachers and students. We have carried out medical care programme for children with congenital heart disease for 13 consecutive years, and provided medical treatment for a total of 1,391 children with congenital heart disease. We have implemented the "ME Charity Innovation Funding Scheme (ME 公益創新資助計劃)" for 11 consecutive years, and cumulatively donated RMB127 million to fund 275 innovative public welfare projects, directly benefiting more than 410 thousand persons. In addition, we have funded the operation of public welfare art institutions for 19 consecutive years, supported the "Civilisation (文明)" series exhibitions, and received positive social response.

In January 2026, China Minsheng Bank celebrated its 30th anniversary of establishment. Over the past three decades, we have remained steadfast in the original aspiration and consistently upheld the corporate mission of "serving the public, caring about people's livelihood". Resonating with national development and keeping pace with the times, we forged ahead through reform and innovation, and have grown from a "new bank" with registered capital of RMB1.38 billion into a bank group holding multiple financial licences, including commercial banking, financial leasing, fund management, global investment banking and wealth management, etc. All these achievements are ultimately attributed to the policy support of the Party and the State, the sustained growth of the Chinese economy, the dedication and hard work of all our staff, and moreover the trust and support of our customers, shareholders and all sectors of society. I hereby would like to, on behalf of the Board of Directors of China Minsheng Bank, express our sincere gratitude to them all!

The year 2026 is the first year for implementing the 15th Five-Year Plan, and also a critical year for deepening reform and transformation of China Minsheng Bank. At present, profound changes unseen in a century are accelerating, bringing both more opportunities and challenges to banking operations. China Minsheng Bank now stands at a new starting point in its journey towards becoming a time-honoured bank. We will better align with transformation trends in the banking industry, continue to stimulate the momentum for reform and transformation, and strive for progress with determination and proactive approach, thereby achieving greater progress in advancing high-quality development across the whole bank.

MESSAGE FROM CHAIRMAN

We will stick to serving the real economy. The real economy forms the foundation of finance, and serving the real economy is the cornerstone of commercial banks. China Minsheng Bank will continue to take serving the real economy as both the starting point and the ultimate objective of its work. Focusing on the strategic positioning of “a bank for non-state-owned enterprises (NSOEs)”, we will optimise financial products and services to better meet the diversified financial needs of the public and the real economy. In response to new circumstances and new opportunities, we must comprehensively advance the “five major sectors” of finance, provide targeted services to areas including the “implementation of major national strategies and the establishment of security capacity in key areas (兩重)”, the “large-scale renewal of equipment and the trade-in of consumer goods (兩新)”, the manufacturing sector, regional coordination, green and low-carbon development, and livelihood security, enhance the quality and effectiveness of financial services to the real economy, and support high-quality economic and social development.

We will insist on deepening reform and innovation. Reform and innovation are the crucial pathways to breaking through development bottlenecks and the key drivers of sustained high-quality development for banks. In recent years, China Minsheng Bank has advanced with the times and vigorously implemented more than 20 key reform initiatives, with concerted efforts across the whole bank to ensure effective implementation. These reforms have produced tangible results, with continued improvement in customer base and business structure, and a fundamental change in the underlying logic of business development. In the face of complex and evolving internal and external environments, we must maintain strategic focus, stay committed to reform and innovation, and strengthen resilience and vitality of development. We will explore new horizons by “focusing on core businesses and pursuing differentiated development”, and write new chapters through “steady progress and innovation on the right path”.

We will adhere to the customer-first philosophy. Customers form the foundation of a bank’s survival and development, and customer demands serve as the core driving force of a bank’s development. In the face of evolving market conditions and changing customer needs, we must take customer demand as the primary driving force of the Bank’s development. By remaining close to the market and attentive to customers, we will gain keen insight into customer needs, optimise the service system, address service pain points, and enhance service experience, so as to win the recognition and trust of customers, truly build a mutually beneficial and win-win financial ecosystem, and establish a solid cornerstone for sustained and positive development under varying environments.

We will remain committed to lawful and compliant operation. Compliant operation represents the lifeline of a bank’s survival and development, and constitutes an essential choice for preventing financial risks and maintaining financial stability. In the new context of profound changes in the operating environment, we must remain deeply committed to the philosophy of “compliant operation is the core competitiveness”, adhere to the bottom line of compliant operation, earnestly take lawful and compliant operation as the prerequisite and starting point for all works, and regard internal control and compliance management as the core of value creation. We will strengthen internal control management and compliance culture development, and comprehensively enhance risk prevention and control capabilities, in a bid to ensure that the trust and confidence placed in China Minsheng Bank by customers, shareholders and the society are safeguarded throughout its journey towards becoming a time-honoured bank.

MESSAGE FROM CHAIRMAN

We will keep building distinctive advantages. For banks, establishing a solid customer base, gaining market share and maintaining long-term competitiveness fundamentally depend on cultivating distinctive strengths and advantages. China Minsheng Bank will remain committed to its strategic positionings, innovate business models, enhance service quality and effectiveness, and further develop distinctive strengths in services for NSOEs, small business finance, community-based finance and digital finance, as well as in rural revitalisation, cultural public welfare and ESG management. We will strengthen the pivot role of strategic NSOEs in the integrated management of MSMEs, large enterprises and retail customers, give full play to the foundational role of developing small and medium customer groups, strive to become the preferred bank of NSOEs and the host bank of SMEs, consolidate and enhance distinctive advantages across different regions, business lines and customer groups, and build differentiated competitiveness.

We will make the Bank better and stronger through talent-building. Talent forms the foundation of business development, and the growth of a bank ultimately depends on its people. China Minsheng Bank possesses a talent team characterised by pioneering spirit, diligent working style and strong execution capability, which is the valuable asset in advancing high-quality development of the whole bank. We will continue to uphold the principle of “investing in people”, allocate more resources to employee development and accelerate the cultivation of professional talent to provide strong support for high-quality development of the Bank. At the same time, we will maintain market-oriented talent selection and appointment to energise organisational vitality, stimulate employee value and leverage the guiding role of corporate culture, so as to equip the Bank with both vitality and resilience, and enable every employee to grow together with China Minsheng Bank and share the development results.

Having celebrated its 30th anniversary, China Minsheng Bank is more determined and inspired on the journey to become a time-honoured bank. The Fourth Plenary Session of the 20th CPC Central Committee has outlined the development blueprint for China over the next five years and provided clear direction for the advancement of the financial sector. Embarking on a new journey, guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, China Minsheng Bank will take serving national strategies, major deployments and people’s well-being as its fundamental responsibility, and integrate the political commitment and people-centred approach of financial work throughout its operation and development. Adhering to correct views on business operation, business performance and risks, and being guided by our original aspiration and driven by solid work, we will endeavour to build China Minsheng Bank into a first-class commercial bank with distinctive features, continuous innovation, increasing value and steady operation, and strive for new advances on the Chinese path to modernisation with financial services.



GAO Yingxin
Chairman of the Board of Directors
China Minsheng Banking Corp., Ltd.
30 March 2026

MESSAGE FROM PRESIDENT



WANG Xiaoyong
President

Time flows on, ceaseless like a river, swift like a song. The year 2025 was an important year for the reform and development of China Minsheng Bank. Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the whole bank focused on high-quality development, upheld high objectives, and strengthened refined management. By serving the real economy with dedication and precision, we drove growth in “quantity” through improvements in “quality”. The Group recorded an operating income of RMB139,677 million, representing an increase of 4.92% as compared with the corresponding period of the previous year. The Group further consolidated its development trend of “revenue growth, structure optimisation and capability enhancement”.

During the year, we have leveraged the power of finance to strengthen our commitment, and contributed to a new chapter of growth in serving the real economy. We launched a pilot new model for sci-tech finance, enabling financial resources to nourish the fertile ground of innovation. The balance of loans to sci-tech enterprises increased by 9.7% as compared with the end of the previous year. We expanded the coverage of green finance, with the balance of green loans increasing by 20%, contributing financial strength to the development of a Beautiful China. We innovated service initiatives for inclusive finance, and the balance of inclusive small business loans increased by 2.3% as compared with the end of the previous year. We improved the layout of ageing finance in the silver economy, and achieved rapid growth in the credit placement to the elderly care industry and in the scale of pension custody. Relying on the digital and intelligent platform of “E-Minsheng Family”, we accompanied 31 thousand MSMEs through their development journeys. We strengthened the support of mid- to long-term loans for the manufacturing sector, with the balance increasing by 7%, reflecting our firm commitment to supporting the real economy.

During the year, we have honoured our commitments on putting customer first, and improved our customer service system. We clarified responsibilities for customer management, and developed an efficient service model of “one access for nationwide services”. We further highlighted the cornerstone and pivot role of strategic clients, continued to iterate the management model for MSMEs customers, and further optimised the individual customer management system of “dual management of private banking customers, specialised management of wealth management customers and direct management of basic customers”. As at the end of the year, the number of retail customers of the Bank reached 143 million, representing an increase of 6.46% as compared with the end of the previous year, of which, the number of private banking customers increased by 20%. Each percentage point rise represents the trust of our customers on us.

MESSAGE FROM PRESIDENT

During the year, we have taken liabilities as the foundation, and enhanced resilience across economic cycles through diligent and refined management. We reinforced compliance constraints and proactive management, strictly implemented self-discipline requirements, and strengthened pricing management. We acquired high-quality liabilities by delving into various transaction scenarios and optimising the liability structure under the principle of “establish before dismantling”. The scale of payroll agency and the volume of international settlements both increased significantly. The cost ratio of deposits dropped to 1.74%, representing a decrease of 40BP, and the net interest margin was 1.40%, representing an increase of 1BP as compared with the corresponding period of the previous year, with the dynamic performance outperforming the overall market conditions. The improvement in operational resilience ultimately benefited from the consolidation of customer base and the enhancement of service capabilities across the whole bank.

During the year, we have built distinctive advantages and strove to enhance differentiated competitiveness. In terms of supply chain business, we relied on products such as “Minsheng E-Chain (民生E链)” to serve upstream and downstream partners of core enterprises, with the number of customers and the amount of financing growing rapidly. In terms of SMEs business, we improved the operational models, and the number of SMEs with balance of loans increased by 23% as compared with the end of the previous year. We upgraded custody service models, and the scale of custody business exceeded RMB13 trillion for the first time. We strengthened agency business in financial markets, and the transaction volume of foreign exchange agency, the sales volume of credit bonds and the transaction volume of accumulation fund all increased significantly. Additionally, we continued to improve customer services for the co-branded credit cards with Sam’s Club, with cumulative card issuance exceeding 1.3 million. Behind every distinctive business lies our unwavering commitment to “focusing on core businesses and pursuing differentiated development”.

During the year, we have strengthened the lines of defence in security and firmly reinforced compliance risk management. Adhering to the principle of “compliant operation is the core competitiveness”, we have established a group-wide internal risk control and compliance management system. We consolidated the primary and direct responsibilities of the first line of defence, and advanced the establishment of the risk middle platform for corporate banking and small business segments. We improved the systems and processes relating to credit policies, credit portfolios, access approval, corporate loan disbursement and post-lending and post-investment management. We promoted the digital and intelligent post-lending management platform, strengthened risk control in key areas, and supported the steady improvement of asset quality. We are turning internal control and compliance into the strongest foundation for the whole bank’s development.

During the year, we have anchored our development with responsibility, fostered a strong corporate culture, and actively fulfilled social responsibilities. We further strengthened support for agriculture-related entities, advanced paired assistance programmes, and won the highest level of “Good” in the paired assistance assessment on the central unit for five consecutive years. We reinforced consumer rights protection, and upgraded the anti-fraud technology system. Each successful risk interception was the most fundamental practice of the mission of “serving the public, caring about people’s livelihood”. We advanced the implementation of the “ME Charity Innovation Funding Scheme”, and benefited 418 thousand persons. In 2025, we maintained the ESG rating of “AAA”, the highest in the world by MSCI.

During the year, we have received increasing support and recognition from all sectors of society. The achievements presented above reflect the dedication and wisdom of all staff and embody the trust and support of customers, investors and all sectors of society. On behalf of the management team, I would like to extend our sincere gratitude to them all.

MESSAGE FROM PRESIDENT

What's past is prologue. 2026 is the first year for implementing the 15th Five-Year Plan, and China Minsheng Bank just celebrated its 30th anniversary. Standing at a new historical starting point, we will build on the foundations laid over the past three decades, uphold the fundamental mission of serving the real economy, and continue to accumulate momentum to become a time-honoured bank.

In the new year, we will place greater emphasis on customer services and enhance service quality and effectiveness. Adhering to the strategic positioning of "a bank with considerate services", we will enhance the management of existing customers, optimise services for new customers, strengthen basic products, upgrade basic services and improve basic management, so as to embrace every customer with greater warmth and create greater value for them.

In the new year, we will attach greater importance to the quality of development and optimise the asset and liability structure. We will continue to support the "five major sectors", and allocate more resources to key areas and weak links in economic and social development. We will strengthen settlement services in key areas such as supply chains, SMEs, payroll agency, merchants and cross-border business, and further consolidate the development foundation of the whole bank.

In the new year, we will pay more attention to risk prevention and control and reinforce steady operation. We will adhere to the philosophy of steady and prudent operation, strictly implement regulatory requirements, and strengthen comprehensive risk management. We will reinforce the responsibilities of the "three lines of defence", and strengthen risk prevention, control and mitigation in key areas to make steady progress for long-term development of the whole bank.

In the new year, we will place greater importance on digital empowerment to unleash growth potential. We will accelerate the development of an enterprise-level business architecture, advance the establishment of a digital and intelligent platform of "one integrated digital brain" for both corporate and retail businesses in a solid manner, and strengthen the application of AI large models, in a bid to comprehensively enhance operational effectiveness.

At the blooming age of 30, we will continue to forge ahead with dedication. The Fourth Plenary Session of the 20th CPC Central Committee has outlined the development blueprint for the 15th Five-Year Plan period, and provided further direction for the high-quality development of the financial sector. Building on the achievements and experience accumulated over the past three decades, China Minsheng Bank will serve its customers with higher vision, stronger commitment and more concrete measures, stand together with friends from all sectors of society, and contribute to the building of a strong financial country and the advancement on the Chinese path to modernisation.



WANG Xiaoyong
President

China Minsheng Banking Corp., Ltd.
30 March 2026

ANNUAL AWARDS

2024 Fintech Development Award
(2024年度金融科技發展獎)
by the PBOC

Outstanding Institution for
Data Quality of the Credit Reference System
among National Banks in 2024
(全國性銀行2024年度徵信系統
數據質量工作優秀機構)
by the Credit Reference Centre of the PBOC

Best Practice Case of Sustainable
Development of Listed Companies
(上市公司可持續發展最佳實踐案例)
by China Association for Public Companies

Member of Special Contribution to
International Business in 2025
(2025年度國際業務特別貢獻會員)
by Shanghai Gold Exchange

People's Ingenuity Brand in 2025
(2025人民匠心品牌) and
Excellent Case of Sci-Tech Finance in the
2025 Innovative Practices for
Building a Strong Financial Country
(2025建設金融強國創新實踐 — 科技金融優秀案例)
by people.com.cn

AAA in 2025 MSCI ESG Ratings
(2025年 MSCI ESG 評級 AAA 級)

Outstanding Self-Operated Investment Institution
(自營類優秀投資機構)
by Shanghai Stock Exchange

Best Practice Case of Board of Directors
(董事會最佳實踐案例) and
Best Practice Case of Office of Board of Directors
(董事會辦公室最佳實踐案例)
by China Association for Public Companies

Outstanding Case of Mobile Banking
User Experience
(手機銀行用戶體驗卓越案例) and
Leading Star of Corporate Online Banking
(企業網銀領航之星)
by China Financial Certification Authority

Golden Medal Sci-Tech Finance Bank in 2025
(2025年度金牌科技金融銀行)
at the 16th China Forum on
Financial Innovation and Development

ANNUAL AWARDS

Typical Case of Intelligent Pension Finance in 2025
(2025年度智慧養老金融典型案例)
by China Times

2025 Outstanding Pension
Custodian Bank of the Year
(2025年度卓越養老金託管銀行)
by Economic Observer

IR Dedicated Company
(專注投資者關係公司)
by Hong Kong Investor Relations Association

"2024 Golden Award for Information Disclosure
(2024年度金信披獎)"
in the Golden Bull Awards for Listed Companies
by China Securities Journal

2025 Tianji Award for Banks of
Inclusive Financial Services
(2025年度普惠金融服務銀行"天璣獎")
by Securities Times

Award for Best Risk Data and
Analytical Technology Implementation in China
(中國最佳風險數據與分析技術實施獎)
by the Asian Banker

"Best IR Impact (最佳投資者關係影響力)"
in the Greater China Region
by IR Impact

"Corporate Governance Award
(公司治理獎)" in the 2025
"SSE Eagle • Gold Quality
(上證鷹•金質量)" Awards
by Shanghai Securities News and
www.cnstock.com

CHAPTER 1 BANK PROFILE

1. Registered Chinese Name: 中國民生銀行股份有限公司(Abbreviation: 中國民生銀行)
Registered English Name: CHINA MINSHENG BANKING CORP., LTD.
(Abbreviation: CMBC)
2. Legal Representative: GAO Yingxin
3. Authorised Representatives: YEUNG Chi Wai, Jason,
WANG Honggang
4. Board Secretary: LI Bin
Company Secretary: WANG Honggang
Representative of Securities Affairs: WANG Honggang
Mailing Address: No. 2 Fuxingmennei Avenue, Xicheng District, Beijing,
China
IR Hotline: 86-10-58560975; 86-10-58560824
Facsimile: 86-10-58560720
Email: cmbc@cmbc.com.cn
5. Registered and Office Address: No. 2 Fuxingmennei Avenue, Xicheng District, Beijing,
China
Postal Code: 100031
Website: www.cmbc.com.cn
Email: cmbc@cmbc.com.cn
Hotline for Customer Service: 86-95568
Hotline for Credit Card Service Supervision: 86-400 66 95568
6. Branch Office and Place of Business in Hong Kong SAR: Flat 3701-02, 3712-16, 37/F and 40/F, Two International
Finance Centre, 8 Finance Street, Central, Hong Kong
SAR, China
7. Newspapers and Websites for Publishing Annual Report: China Securities Journal (www.cs.com.cn),
Shanghai Securities News (www.cnstock.com) and
Securities Times (www.stcn.com)
SSE Website for Publishing A Share Annual Report: www.sse.com.cn
SEHK Website for Publishing H Share Annual Report: www.hkexnews.hk
Place for Collection of the Annual Reports: Office of the Board of Directors of the Bank
8. Legal Adviser as to PRC Law: Grandall Law Firm, Beijing Office
Legal Adviser as to Hong Kong Law: Clifford Chance

CHAPTER 1 BANK PROFILE

9. Domestic Accounting Firm: KPMG Huazhen LLP
Office Address: 8/F, Office Tower E2, Oriental Plaza,
No. 1 East Chang An Avenue, Dongcheng District,
Beijing, China
Signing Accountants: SHI Jian, ZHANG Luyang
International Accounting Firm: KPMG
Office Address: 8/F, Prince's Building, 10 Chater Road, Central, Hong
Kong SAR, China
Signing Accountant: LEUNG Tat Ming
10. A Share Registrar: China Securities Depository and Clearing Corporation
Limited (Shanghai Branch)
Office Address: No. 188 Yanggao Nan Road, Pudong New Area,
Shanghai, China
H Share Registrar: Computershare Hong Kong Investor Services Limited
Office Address: Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's
Road East, Wanchai, Hong Kong SAR, China
Domestic Preference Share Registrar: China Securities Depository and Clearing Corporation
Limited (Shanghai Branch)
11. Places of Listing, Stock Names and Stock Codes:
A Shares: SSE Stock Name: MINSHENG BANK;
Stock Code: 600016
H Shares: SEHK Stock Name: MINSHENG BANK;
Stock Code: 01988
Domestic Preference Shares: SSE Stock Name: Minsheng Preference 1;
Stock Code: 360037
12. Initial Date of Registration: 7 February 1996
Initial Place of Registration: No. 4 Zhengyi Road, Dongcheng District, Beijing, China
13. Date of Registration for Subsequent Change: 20 November 2007
Place of Registration: No. 2 Fuxingmennei Avenue, Xicheng District, Beijing,
China
14. Unified Social Credit Code: 91110000100018988F
15. Development Strategy and Business Summary

Formally established in Beijing in 1996, the Bank is the first national joint-stock commercial bank in China primarily initiated and founded by NSOEs.

CHAPTER 1 BANK PROFILE

Strategic development goals:

A first-class commercial bank with distinctive features, continuous innovation, increasing value and steady operation

Strategic positionings:

A bank for NSOEs. Sticking to the customer positioning and the strategic choice it has been following over the years, the Bank keeps its distinctive features unchanged. The Bank continues to leverage the advantages of market-oriented system and mechanism, wholeheartedly supports the development of the real economy, and strives to become a bank with the best services for NSOEs and build a golden brand of China Minsheng Bank in the field of financial services to MSMEs, so as to truly implement the mission of “serving the public, caring about people’s livelihood”.

An agile and open bank. Following the development trend of digital economy, the Bank promotes continuous innovation and seeks for breakthroughs in technology-driven eco-bank to optimise comprehensive services such as scenario integration and ecosystem co-construction. The Bank creates value for customers and grows together with them by empowering the whole production process and life journey of small, medium and large customers as well as individual customers. The Bank strives to push the data-driven intelligent bank to a new level and elevate the digital and intelligent level of operation and management in all aspects, in a bid to provide agile and efficient comprehensive services with ultimate customer experience.

A bank with considerate services. The Bank stays customer-centric and puts special emphasis on its origins of service and business, and compliance and steadiness. Based on the deep understanding of customer needs, the Bank strives to build up trust through professional services, enhance customer experience through optimised procedures, strengthen customer stickiness through value creation, and maintain security through risk management and control, so as to unite with customers and partners, become customers of each other, grow together and achieve common prosperity.

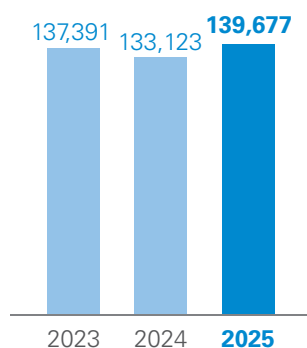
Upon the approval of the relevant regulatory authorities, the Bank operates the following commercial banking businesses: taking deposits from the public; granting short-, mid- to long-term loans; handling domestic and foreign settlements; accepting and discounting negotiable instruments, and issuing financial bonds; issuing, settling and underwriting government bonds as an agent; buying and selling government bonds and financial bonds; operating interbank borrowing and lending; buying and selling foreign exchange, and buying and selling foreign exchange as an agent; settling and selling foreign exchange; operating bank card business; providing letter of credit services and guaranty; receiving and paying funds as an agent; providing safe deposit box service; operating other businesses approved by the banking regulatory authority of the State Council; operating insurance business as a sideline agent; selling securities investment funds and providing custody services for securities investment funds. (The market entity independently chooses and operates businesses in accordance with laws. Operations of sideline insurance agency, sales of securities investment funds, custody of securities investment funds, and businesses subject to approvals according to laws shall be carried out upon approvals of relevant authorities and within the approved scopes. It is not allowed to operate businesses prohibited or restricted by national or municipal industry policies.)

For the main changes in the Bank’s business philosophy during the Reporting Period, please refer to “Chapter 3 Management Discussion and Analysis”.

CHAPTER 2 SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS

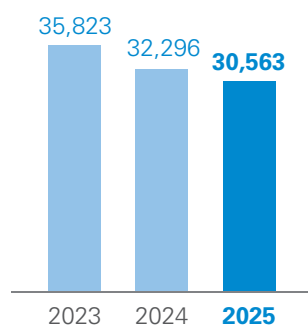
Operating income

Unit: RMB million



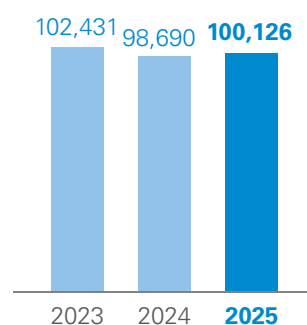
Net profit attributable to holders of equity shares of the Bank

Unit: RMB million



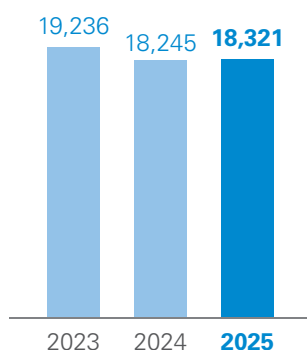
Net interest income

Unit: RMB million



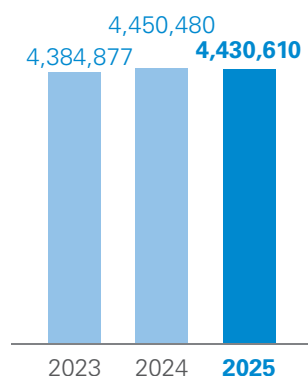
Net fee and commission income

Unit: RMB million



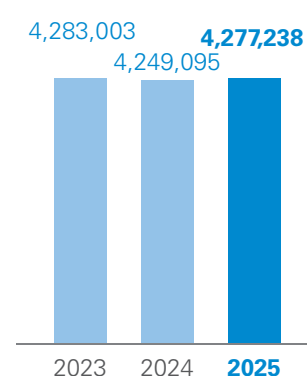
Total loans and advances to customers

Unit: RMB million



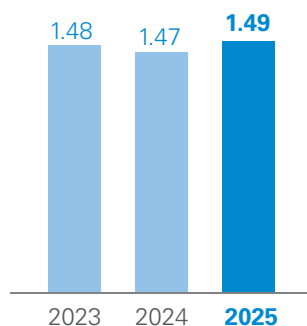
Total deposits from customers

Unit: RMB million



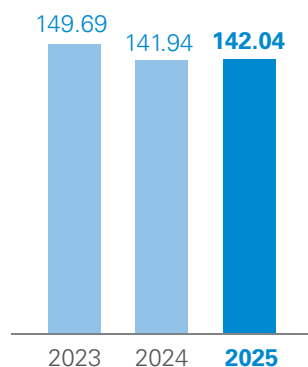
NPL ratio

Unit: %



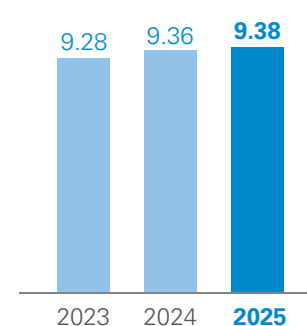
Allowance to NPLs

Unit: %



Core tier-1 capital adequacy ratio

Unit: %



CHAPTER 2 SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS

I. Major Accounting Data and Financial Indicators

	2025	2024	Changes of the Reporting Period over the corresponding period of the previous year	2023	2022	2021
Operating results (RMB million)			Increase/ decrease (%)			
Operating income	139,677	133,123	4.92	137,391	139,219	165,554
Net interest income	100,126	98,690	1.46	102,431	107,463	125,775
Net non-interest income	39,551	34,433	14.86	34,960	31,756	39,779
Operating expenses	52,707	53,098	-0.74	52,807	52,602	51,181
Impairment losses on credit	53,950	45,474	18.64	45,707	48,762	77,398
Profit before income tax	32,259	34,085	-5.36	37,358	37,170	35,600
Net profit attributable to holders of equity shares of the Bank	30,563	32,296	-5.37	35,823	35,269	34,381
Net cash flow from operating activities	-157,476	-231,638	Negative for two periods	73,676	166,273	155,417
Data per share (RMB)						
Basic earnings per share	0.63	0.64	-1.56	0.72	0.71	0.71
Diluted earnings per share	0.63	0.64	-1.56	0.72	0.71	0.71
Net cash flow per share from operating activities	-3.60	-5.29	Negative for two periods	1.68	3.80	3.55
Profitability indicators (%)			Changes in percentage points			
Return on average assets	0.39	0.42	-0.03	0.48	0.50	0.50
Return on weighted average equity	4.93	5.18	-0.25	6.10	6.31	6.59
Cost-to-income ratio	36.52	38.55	-2.03	37.00	36.44	29.74
Net fee and commission income to operating income ratio	13.12	13.71	-0.59	14.00	14.56	16.65
Net interest spread	1.31	1.28	0.03	1.37	1.51	1.81
Net interest margin	1.40	1.39	0.01	1.46	1.60	1.91

CHAPTER 2 SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS

	31 December 2025	31 December 2024	Changes from the end of the previous year to the end of the Reporting Period	31 December 2023	31 December 2022	31 December 2021
Scale indicators (RMB million)			Increase/ decrease (%)			
Total assets	7,832,567	7,814,969	0.23	7,674,965	7,255,673	6,952,786
Total loans and advances to customers	4,430,610	4,450,480	-0.45	4,384,877	4,141,144	4,045,692
Of which: Corporate loans and advances	2,751,726	2,679,921	2.68	2,617,355	2,399,276	2,304,361
Personal loans and advances	1,678,884	1,770,559	-5.18	1,767,522	1,741,868	1,741,331
Allowance for impairment losses on loans	93,966	93,129	0.90	97,444	98,868	105,108
Total liabilities	7,129,370	7,158,401	-0.41	7,037,164	6,642,859	6,366,247
Total deposits from customers	4,277,238	4,249,095	0.66	4,283,003	3,993,527	3,775,761
Of which: Corporate deposits	2,885,374	2,946,810	-2.08	3,068,931	2,966,375	2,944,013
Personal deposits	1,390,217	1,298,353	7.08	1,206,587	1,020,544	825,423
Share capital	43,782	43,782	–	43,782	43,782	43,782
Total equity attributable to holders of equity shares of the Bank	689,637	642,859	7.28	624,602	599,928	574,280
Total equity attributable to holders of ordinary shares of the Bank	564,637	547,859	3.06	529,602	504,928	484,316
Net assets per share attributable to holders of ordinary shares of the Bank (RMB)	12.90	12.51	3.12	12.10	11.53	11.06
Asset quality indicators (%)			Changes in percentage points			
NPL ratio	1.49	1.47	0.02	1.48	1.68	1.79
Allowance to NPLs	142.04	141.94	0.10	149.69	142.49	145.30
Allowance to total loans	2.12	2.09	0.03	2.22	2.39	2.60
Capital adequacy ratio indicators (RMB million)			Increase/ decrease (%)			
Net capital base	784,943	752,993	4.24	755,416	725,136	733,703
Of which: Net core tier-1 capital	563,554	546,689	3.08	533,852	505,978	486,552
Net other tier-1 capital	125,810	95,814	31.31	96,036	96,021	90,527
Net tier-2 capital	95,579	110,490	-13.50	125,528	123,137	156,624
Risk-weighted assets	6,011,048	5,842,716	2.88	5,750,072	5,517,289	5,379,458
			Changes in percentage points			
Core tier-1 capital adequacy ratio (%)	9.38	9.36	0.02	9.28	9.17	9.04
Tier-1 capital adequacy ratio (%)	11.47	11.00	0.47	10.95	10.91	10.73
Capital adequacy ratio (%)	13.06	12.89	0.17	13.14	13.14	13.64
Total equity to total assets ratio (%)	8.98	8.40	0.58	8.31	8.45	8.44

CHAPTER 2 SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS

Notes:

1. Return on average assets = net profit/average balance of total assets at the beginning and the end of the period.
2. Earnings per share and return on weighted average equity: calculated according to the Preparation Rules for Information Disclosure by Companies Offering Securities to the Public No. 9 – Calculation and Disclosure of Return on Equity and Earnings per Share (2010 Revision) 《公開發行證券的公司信息披露編報規則第9號——淨資產收益率和每股收益的計算及披露》(2010年修訂)) and other regulations. The effect of the distribution of dividends for preference shares and perpetual bond interest was taken into account in calculating the above indicators.
3. Cost-to-income ratio = (operating expenses and other operating expenses – tax and surcharges)/operating income.
4. Net interest spread = average return ratio on interest-earning assets – average cost ratio of interest-bearing liabilities.
5. Net interest margin = net interest income/average balance of interest-earning assets.
6. Total loans and advances to customers, total deposits from customers and the compositions of which do not include accrued interests.
7. Allowance for impairment losses on loans includes allowance for impairment losses on loans measured at amortised cost, and allowance for impairment losses on loans at fair value through other comprehensive income.
8. Total deposits from customers include corporate deposits, personal deposits and other deposits.
9. NPL ratio = total NPLs/total loans and advances to customers.
10. Allowance to NPLs and allowance to total loans were calculated according to the Notice on Adjusting the Regulatory Requirements on Allowance for Impairment Losses on Loans of Commercial Banks (Yin Jian Fa [2018] No. 7) 《關於調整商業銀行貸款損失準備監管要求的通知》(銀監發〔2018〕7號)) of the former CBIRC. As at the end of the Reporting Period, the regulatory standards for allowance to NPLs and allowance to total loans applicable to the Group and the Bank were 130% and 1.8%, respectively. Allowance to NPLs = allowance for impairment losses on loans/total NPLs; allowance to total loans = allowance for impairment losses on loans/total loans and advances to customers.

CHAPTER 2 SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS

II. Supplementary Accounting Data and Financial Indicators

Important indicators (%)	Benchmark	31 December 2025	31 December 2024	31 December 2023
Liquidity ratio (RMB and foreign currency)	≥25	75.23	82.95	66.63
Liquidity ratio (RMB)	≥25	71.23	80.74	64.05
Liquidity ratio (Foreign currency)	≥25	153.90	123.49	157.07
Liquidity coverage ratio	≥100	135.60	161.99	146.06
Net stable funding ratio	≥100	104.85	108.31	106.91
Leverage ratio	≥4.125	7.51	7.18	7.43
Percentage of loans to the single largest loan customer	≤10	1.42	2.42	3.44
Percentage of loans to the top ten largest loan customers	≤50	8.34	10.17	10.45

Notes:

1. The above data were calculated based on the relevant regulations of China's banking regulatory authorities.
2. Percentage of loans to the single largest loan customer = total loans to the single largest loan customer/net capital base.
3. Percentage of loans to the top ten loan customers = total loans to the top ten loan customers/net capital base.

Migration ratio of loans (%)	31 December 2025	31 December 2024	31 December 2023
Pass	1.52	1.56	1.69
Special-mentioned	27.82	28.93	29.74
Substandard	90.11	86.85	45.06
Doubtful	89.55	79.02	46.63

Note: The migration ratio of loans was the information of the Bank and was calculated according to the Notice of China Banking and Insurance Regulatory Commission on Revising the Definition and Calculation Formula for the Basic Indicators of Off-site Supervision of the Banking Industry (Yin Bao Jian Fa [2022] No. 2) 《中國銀保監會關於修訂銀行業非現場監管基礎指標定義及計算公式的通知》(銀保監發[2022]2號)).

CHAPTER 3 MANAGEMENT DISCUSSION AND ANALYSIS

I. Overview of Operations

During the Reporting Period, the Group strengthened the guidance of Party building and maintained strategic focus. By focusing on “strengthening customer group management, optimising structure, controlling risks, and driving revenue growth” and concentrating on sustainable development and value creation, the Group consolidated its basic customers, basic products, basic services and basic management. Adhering to a customer-centric approach, the Group deepened the integrated management system covering MSMEs, large enterprises and individual customers, achieving high-quality customer acquisition and highly-efficient operation. The Group continued to optimise its asset and liability structure and business layout, focused on national strategic priorities, and increased support for key areas such as the manufacturing industry and the “five major sectors”. The Group took the growth of low-cost deposits as the core of liability management, with the proportion of low-cost deposits increased through in-depth development of businesses related to supply chain, payroll agency, acceptance, payment and settlement, and cash management. Upholding the principle of creating value through services, the Group fostered new growth drivers for non-interest income. Along the value chain of “wealth management, transaction banking and investment portfolios”, the Group strengthened account-based operation, increased product penetration, expanded transactions and traffic, and enhanced investment capabilities. The Group firmly upheld the bottom line of risk compliance, effectively prevented new risks, promoted the resolution of existing problem assets, and maintained stable asset quality. The Group strengthened the refined management of human resources, capital, expenses and technology, and advanced digital and intelligent transformation to enhance organisational effectiveness. Guided by the concept of “One Minsheng (一個民生)”, the Group strengthened group integration and coordination. The Group’s various strategic initiatives have been advanced, the business development tended to be steady and positive, the characteristics of key businesses have been gradually formed, and the operational resilience has been enhanced.

The scale of assets and liabilities remained steady with an optimised structure. On the asset side, the Group further optimised asset structure, increased credit placement to key areas, and improved the accuracy and effectiveness in serving the real economy. As at the end of the Reporting Period, total assets of the Group amounted to RMB7,832,567 million, representing an increase of RMB17,598 million, or 0.23%, as compared with the end of the previous year. Of which, both the scale and proportion of general loans increased. The balance of general loans amounted to RMB4,304,360 million at the end of the period, representing an increase of RMB72,889 million, or 1.72%, as compared with the end of the previous year; general loans accounted for 54.95% of total assets, representing an increase of 0.80 percentage points as compared with the end of the previous year. Green loans, mid- to long-term loans to the manufacturing industry and inclusive small business loans of the Bank increased by 20.29%, 6.93% and 2.25%, respectively, as compared with the end of the previous year, all higher than the average growth rate of all loans. On the liability side, the Group consolidated customer base, optimised products and services, deepened scenario development, expanded low-cost funding sources, and improved liability quality. As at the end of the Reporting Period, total liabilities of the Group amounted to RMB7,129,370 million, representing a decrease of RMB29,031 million, or 0.41%, as compared with the end of the previous year. Of which, total deposits from customers amounted to RMB4,277,238 million, representing an increase of RMB28,143 million, or 0.66%, as compared with the end of the previous year, and accounted for 59.99% of total liabilities, representing an increase of 0.63 percentage points as compared with the end of the previous year.

CHAPTER 3 MANAGEMENT DISCUSSION AND ANALYSIS

Personal deposits maintained steady growth with increased proportion. The balance of personal deposits increased by RMB91,864 million at the end of the period, and the proportion rose by 1.94 percentage points. By strengthening key businesses, expanding the acquisition of source funds, and enlarging fund flows and accumulation, the Group achieved “excellent quantity and price” in low-cost settlement deposits, with steady increases in both scale and proportion.

The operating income maintained a steady and positive trend. The Group earnestly advanced strategy implementation, deepened customer group management, and promoted the improvement of business performance. During the Reporting Period, the operating income of the Group amounted to RMB139,677 million, representing an increase of RMB6,554 million, or 4.92%, as compared with the corresponding period of the previous year. Of which, the net interest income amounted to RMB100,126 million, representing an increase of RMB1,436 million, or 1.46%, as compared with the corresponding period of the previous year. The increase was attributed to the scale expansion and the stabilisation of net interest margin. In terms of scale, the daily average scale of interest-earning assets of the Group amounted to RMB7,148,910 million, representing an increase of RMB71,125 million, or 1.00%, as compared with the corresponding period of the previous year. In terms of net interest margin, the Bank constantly optimised business structure, strictly implemented self-discipline requirements for deposits, conducted refined pricing management, and promoted improvement of net interest margin. During the Reporting Period, the net interest margin of the Group was 1.40%, representing an increase of 1BP as compared with the corresponding period of the previous year. In terms of non-interest income, focusing on basic customers, basic products, and basic services, the Bank enhanced operation and management capabilities, promoted growth in net fee and commission income, and increased investment income by seizing market opportunities. During the Reporting Period, the net non-interest income of the Group amounted to RMB39,551 million, representing an increase of RMB5,118 million, or 14.86%, as compared with the corresponding period of the previous year. Meanwhile, the Group intensified the disposal of non-performing assets. The net profit attributable to holders of equity shares of the Bank amounted to RMB30,563 million, representing a decrease of RMB1,733 million, or 5.37%, as compared with the corresponding period of the previous year.

The risk and internal control management system was optimised, and the asset quality was kept generally stable. During the Reporting Period, the Group practised the overall risk preference of “seeking progress in stability, optimising structure, improving quality and effectiveness”, optimised the comprehensive, proactive, digital and intelligent group-wide risk and internal control management system, and constantly enhanced the refined internal risk control and compliance management, so as to proactively promote its high-quality development of various businesses. The Group further strengthened proactive and forward-looking risk management, solidly advanced the “Year of Enhancing Post-Lending and Investment Management (貸投後管理提升年)” initiative, improved the coordination capability of the “three lines of defence”, prevented and mitigated risks in key areas, and intensified the collection and disposal of non-performing assets to maintain overall stability of asset quality. As at the end of the Reporting Period, total NPLs of the Group amounted to RMB66,154 million, representing an increase of RMB544 million as compared with the end of the previous year. The NPL ratio was 1.49%, representing an increase of 0.02 percentage points as compared with the end of the previous year. The allowance to NPLs was 142.04%, representing an increase of 0.10 percentage points as compared with the end of the previous year.

CHAPTER 3 MANAGEMENT DISCUSSION AND ANALYSIS

II. Review of Businesses

(I) Vigorously supporting the “five major sectors”

1. Sci-tech finance

The Bank incorporated sci-tech finance as a strategic business into its mid- to long-term development plan, continued to improve the quality and effectiveness of serving sci-tech innovation enterprises, and strengthened support for micro, small, medium and large sci-tech enterprises, in particular those that are “at an early stage, hard-tech oriented and genuinely innovative.” Firstly, the Bank optimised the system and mechanism, and upgraded the framework of “1+18+N”, with a leader of the Bank serving as the Chairman of the Sci-Tech Finance Committee. Relying on 18 key branches and 80 featured sub-branches/dedicated sub-branches for sci-tech finance, the Bank achieved full coverage of services for sci-tech innovation hubs. Of which, 13 pilot dedicated sub-branches have been exploring a “dedicated, focused and professional” service model. Secondly, the Bank continued to deepen its presence in core areas of sci-tech innovation, such as integrated circuits and commercial aerospace, with a view to becoming a service expert in segmented industries. Thirdly, the Bank enriched the product and service system of “Easy Innovation (易創)”, deepened the upgrading of services for cross-border and supply chain-based scenarios, and accelerated the optimisation of products, such as intellectual property right-backed loans, R&D loans, M&A loans and sci-tech innovation bonds, to provide comprehensive services for enterprises throughout their life cycles. Fourthly, the Bank reinforced its digital and intelligent service capabilities and iterated the “Sparks Platform for Sci-Tech Finance (科技金融螢火平台)” to enhance customer experience. Fifthly, the Bank deepened the development of the industry-investment-financing ecosystem and integrated group-wide resources to provide one-stop services covering “equity financing, debt instruments, credit innovation and insurance linkage”.

As at the end of the Reporting Period, the Bank provided services for 126.2 thousand sci-tech enterprises and 29.7 thousand “dedicated, refined, distinctive and innovative (DRDI)” customers. The balance of loans to sci-tech enterprises amounted to RMB452,001 million, representing an increase of 9.66% as compared with the end of the previous year. During the Reporting Period, the Bank was honoured with the “Golden Bull Award for Bank Supporting Sci-Tech Innovation (金牛銀行支持科創獎)” by the China Securities Journal and the “Outstanding Sci-Tech Finance Bank of the Year (年度卓越科技金融銀行)” in the Jinding Awards (金鼎獎) of the financial industry by National Business Daily, and was included into the cases of “2025 Innovative Practices for Building a Strong Financial Country (2025金融強國創新實踐)” by people.com.cn.

2. Green finance

The Bank firmly implemented the strategic deployment of green finance, improved its green finance operation and management system, strengthened the building of professional service capabilities related to green finance, and improved the service quality and effectiveness of green finance. The Bank focused on key areas such as green and low-carbon development, circular economy, and biodiversity protection, and promoted comprehensive service for the entire industry chain in response to the green development needs of key customers.

CHAPTER 3 MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Period, the Bank issued RMB10 billion green financial bonds, with the proceeds allocated to support green industry projects. The Bank strengthened service support for key regions and regionally distinctive customer groups, and promoted the steady development of green finance in key regions such as Beijing-Tianjin-Hebei, the Guangdong-Hong Kong-Macau Greater Bay Area, the Yangtze River Delta, the Chengdu-Chongqing economic circle and Fujian. The Bank enriched and iterated the product and service system of “Minsheng Carbon Peak and Carbon Neutrality (民生峰和)”, enhanced innovation in segmented scenario products and comprehensive service models, and launched comprehensive financial service solutions for the fields such as green transition of the electrolytic aluminum industry and eco-cultural tourism. The Bank strengthened the innovation in transition finance and carbon finance, launched innovative businesses such as loans linked to carbon footprints of industrial transition and syndicated loans linked to biodiversity conservation indicators, and promoted the products such as “Emission Reduction Loan (減排貸)” and “Minsheng E-Carbon Loan (民生碳e貸)” to enable enterprises to improve sustainability performance and encourage public participation in carbon inclusive innovation mechanisms. Relying on the settlement products such as “Market Express (市場通)”, the Bank actively served the national carbon market and provided professional guarantee to ensure smooth trading and compliance of member enterprises. It proactively integrated into the overall green development framework, and comprehensively participated in investments of thematic bonds and asset-backed securitisation products related to green finance and “carbon neutrality”, thereby facilitating the green transition and upgrading of the economy and the society. As at the end of the Reporting Period, the balance of green loans of the Bank amounted to RMB358,227 million, representing an increase of 20.29% as compared with the end of the previous year, exceeding the average growth rate of all loans. The Bank has won multiple ESG-related awards attributed to its outstanding performance, including “Typical Practice Case of ESG of the Banking Industry in 2025 (2025銀行業ESG典型實踐案例)” by China Financial Media and “Best Practice Case of Sustainable Development of Listed Companies in 2025 (2025年上市公司可持續發展最佳實踐案例)” by China Association for Public Companies.

3. Inclusive finance

The Bank stayed true to its original aspiration of inclusive finance, continued to advance high-quality digital and intelligent development, and effectively enhanced the sense of gain and security of MSMEs with targeted, efficient and caring financial services. Firstly, the Bank precisely addressed customer needs and has established a comprehensive service system. Focusing on the operational pain points faced by MSMEs, the Bank developed a full-scenario comprehensive service system covering settlement, financing, digital management tools and business and life cycle synergy. The Bank leveraged the advantages of “E-Minsheng Family” to support the digital transformation of MSMEs by providing full-process digital management tools, including personnel management, payroll and tax agency services, employee benefits, financial bookkeeping, invoice management and expense control and reimbursement. It also developed customised service solutions for industries such as chain pharmacies, retail supermarkets and express logistics. As at the end of the Reporting Period, the number of corporate clients with daily average deposits exceeding RMB500 thousand reached 77.0 thousand, representing an increase of 18.50%, with customer recognition continuing to improve. Secondly, the Bank accompanied the growth of enterprises and innovated distinctive service

CHAPTER 3 MANAGEMENT DISCUSSION AND ANALYSIS

models. Adhering to the principle of “antecedent risk management and efficient coordination”, the Bank achieved organic integration of business development and risk prevention and control. The Bank established professional on-site risk teams, realised end-to-end process optimisation and implementation, and significantly enhanced approval efficiency. Throughout the year, the Bank launched 1,014 bulk customer acquisition projects, introduced distinctive financial products for SMEs including “Order Loan (訂單貸)” and “Payroll Loan (發薪貸)”, and optimised the resource allocation of the SME Credit Plan. As at the end of the Reporting Period, the number of SME customers with balance of loans reached 13,271, representing an increase of 23.01%. Thirdly, the Bank focused on segmented scenarios and provided targeted financial support to the real economy. The whole bank conducted coordination and connection in relation to MSEs financing in a solid and meticulous manner, and expanded financing connection to all foreign trade enterprises, NSOEs, sci-tech innovation enterprises and MSEs. Special task forces at all levels enhanced market research and customer visits to facilitate direct arrival of credit funds to enterprises. The Bank insisted on the integrated service layout covering MSMEs, large enterprises and individual customers. Focusing on “chain-based customer number increment and coverage expansion”, and relying on the layout of “group chains” and “supply chains”, the Bank achieved extended development, promoted “Minsheng E-Chain” products such as “E-Procurement (採購 e)” and “E-Sales on Credit (賒銷 e)”, and expanded the coverage of services for group members and supply chain customers. As at the end of the Reporting Period, the balance of inclusive loans in supply chains amounted to RMB51,800 million, representing an increase of RMB18,800 million as compared with the end of the previous year. The Bank advanced the implementation of the “Honeycomb Plan (蜂巢計劃)”, and provided customised services for regionally characteristic industries and segmented scenario-based customer groups through the approach of “One Industry, One Solution (一業一品)”. As at the end of the Reporting Period, 322 projects were filed for record under the Honeycomb Plan, with balance of loans of RMB9,583 million. The Bank focused on key areas such as “DRDI” enterprises and foreign trade enterprises, upgraded the “Easy Innovation” series service solutions, and provided convenient and efficient cross-border financial services such as “Cross-Border E-Finance (跨境e融)” and “Shipping Remittance Express (海運快匯)” to support enterprises in expanding overseas markets. Fourthly, the Bank strengthened digital empowerment to effectively enhance service effectiveness. The Bank has established a digital service platform for inclusive finance, which integrated national authoritative data, scenario data and transaction data to build a smart service base integrating marketing, risk control, products and services. As at the end of the Reporting Period, the balance of the “Minsheng Benefits (民生惠)” series products reached RMB134,915 million. Meanwhile, the Bank optimised basic financial products, and completed full-process digital upgrading of bills and L/G businesses. The bank acceptance bills for small business achieved fast processing in small amount, and served over 10 thousand customers. The processing time for small business L/Gs was reduced from three working days to four hours, which efficiently satisfied the “short, small, frequent and urgent” funding needs of MSMEs, thereby enabling faster and more efficient small business services through technology.

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As at the end of the Reporting Period, the balance of inclusive small business loans of the Bank amounted to RMB677,606 million, representing an increase of RMB14,888 million, or 2.25%, as compared with the end of the previous year. The balance of inclusive legal person loans amounted to RMB190,414 million, representing an increase of RMB41,708 million, or 28.05%, as compared with the end of the previous year. The number of customers of inclusive small business loans was 443.9 thousand. The NPL ratio of inclusive small business loans was 1.52%, representing an increase of 0.06 percentage points as compared with the end of the previous year, achieving relative stability in asset quality. During the Reporting Period, total inclusive small business loans disbursed by the Bank amounted to RMB691,789 million with an average interest rate of 3.50%, representing a decrease of 77BP as compared with the previous year. 2,389 business outlets of the Bank continued to provide comprehensive financial services to MSEs, ensuring the availability of inclusive finance services.

4. Ageing finance

The Bank upheld the long-term vision of “becoming the preferred bank for ageing finance”, took “Minsheng Enjoyment (民生悦享)” as the unified brand, and focused on five key areas to enhance its comprehensive service capabilities in ageing finance.

Firstly, the Bank actively participated in the development of a multi-level, multi-pillar pension insurance system. It extensively publicised social insurance policies and convenient services, and solidly provided the services in the renewal of third-generation social security card. The Bank implemented national guidance requirements for long-term evaluation of annuity funds, established the cooperative mechanism of “Entrustment +” with key institutions, held multiple thematic corporate annuity publicity events of “Minsheng Intelligent Elderly Care (愛民生慧養老)”, and cooperated with government agencies in expanding the promotion coverage of corporate annuity. The Bank constantly enriched the supply of investment products for corporate annuity accounts, and supported the handling of full-chain services for personal pension with overseas identity certificates. Secondly, the Bank fully empowered the high-quality development of the elderly care industry. By centring on key areas such as elderly care institutions, health care, rehabilitation equipment, and senior consumers, the Bank actively utilised national relending, interest subsidy and other policy instruments to provide comprehensive financial services covering credit, settlement and consultation, and to support the industrial ecosystem of elderly care to grow bigger and stronger. Thirdly, the Bank enhanced the all-channel service experience for the elderly customers and the customers preparing for elderly care. For online scenarios, it upgraded the version 4.0 of the elderly-friendly mobile banking app and renovated its official website and the personal online banking platform for accessible use. For offline scenarios, the Bank optimised elderly-friendly facilities at its business outlets and delivered safe and convenient door-to-door services for elderly customers. Fourthly, the Bank arranged full life-cycle wealth management for elderly care. It combined stable wealth management with non-financial services, and offered financial products tailored to the needs and risk profiles of elderly customers and customers preparing for elderly care. It also regularly held salons themed on elderly care, elderly care community experience and other events to improve service experience and sense of gain. Fifthly, the Bank consolidated the line of defence for financial safety of the elderly group. It optimised complaint management process, enhanced the examination on sales and risk assessment, and has built an all-round education and publicity system for anti-financial fraud, so as to comprehensively safeguard the wealth of the elderly.

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As at the end of the Reporting Period, the number of personal pension accounts of the Bank amounted to 2,588.0 thousand, representing an increase of 292.4 thousand, or 12.74%, as compared with the end of the previous year. The number of personal accounts of the corporate annuity account management business amounted to 312.5 thousand, representing an increase of 57.8 thousand, or 22.69%, as compared with the end of the previous year. The scale of corporate annuity under the custody of the Bank amounted to RMB69,737 million, representing an increase of RMB6,601 million, or 10.46%, as compared with the end of the previous year. During the Reporting Period, the Bank was granted the “2025 Outstanding Pension Custodian Bank of the Year” by The Economic Observer and the “Typical Case of Intelligent Pension Finance in 2025” by China Times.

5. Digital finance

The Bank successfully completed the principal tasks set forth in the IT Plan and Data Strategy (2023-2025), further strengthened technological and data capabilities, and elevated the digital and intelligent level of operation and management, thereby supporting the Bank’s deepened reform and strategic transformation through the high-quality development of digital finance.

Firstly, with generative AI and knowledge engineering as the core, the Bank systematically advanced the development of data and technological capabilities. Through the establishment of an AI Agent platform and tool ecosystem, as well as the development of knowledge system and experience extraction, the Bank efficiently supported the research, development, and operation of more than 250 scenario-based applications. The Bank advanced the development of AI for Software Engineering (AI4SE), achieving an AI-generated code ratio of 20.68% and an AI substitution rate of 28.9% in IT services. Under the working mechanism of “unified data source”, the Bank achieved full life-cycle and standardised management of indicators through an indicator engine. The Bank deepened the construction of a unified customer data view, and completed data governance across 209 data marts of the whole bank, thereby further reinforcing the foundation for data-driven business analysis.

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Secondly, the Bank advanced the digital and intelligent upgrading of operation and management. Focusing on SME credit business, the Bank reshaped the end-to-end customer journey through 25 optimisation tasks, significantly enhancing service efficiency and customer experience. The Bank established an enterprise-level digital marketing system, and integrated management platforms and smart assistive tools such as “Huiyan (慧眼)” (meaning “smart eye”) and “Jinnang (錦囊)” (meaning “smart toolkit”), in a bid to elevate customer group insight and layered management to a new level. The Bank upgraded the Wealth AI Assistant, developed the multi-dimensional analytical tool of “Wealth Radar (財富雷達)”, and has built a full-process system of wealth management investment and allocation. The Bank deepened the development of the enterprise-level smart risk control system, promoted the deep application of large models in full process of credit, and has established a digital and intelligent system of dual-pillar post-lending management and enterprise-level collection and recovery. It continued to enhance the full-link fraud prevention and control system, and combined large and small models to improve precise prevention capabilities and to ensure the safety of customer funds. The Bank has built a full-process AML monitoring system to precisely identify various money laundering characteristics. The Bank integrated and optimised employee operation platforms to support broad-post operation and enhance employee experience. It advanced centralised operations with enhanced automation and intelligence, achieving full-process automation of bank confirmations and smart review of foreign exchange and loan disbursement businesses. The Bank reshaped remote services through full-process intelligent transformation, with customer satisfaction reaching 99.7%. It also established a comprehensive data insight system and decision-making models for quantitative operation, so as to enhance the precision and foresight of management decisions driven by data. In terms of online service systems, the Bank launched version 10.0 of mobile banking app, and developed a new credit card channel to provide one-stop services for customers holding both debit and credit cards. The Bank optimised the new-generation corporate online banking, and launched dedicated service sections for cross-border finance, payroll agency, and MSEs. The Bank released version 6.0 of corporate mobile banking app, enriched financial scenarios such as bills, cross-border services, and funds, created an efficient working desk, and introduced screen-sharing services. The Bank upgraded service capabilities of “E-Minsheng Family”, and improved customer experience and engagement.

Thirdly, the Bank deepened the integration of sci-tech governance and business-technology. The Bank moved beyond traditional project delivery, explored new digital product delivery models, and advanced business-technology integration toward co-creation. Through a series of initiatives including capability roadshows, workshop discussions, thematic training programmes, innovation competitions, and data analyst certification, the Bank fostered an atmosphere embracing transformation, and enhanced data literacy of all employees.

During the Reporting Period, the IT input of the Bank amounted to RMB5,627 million, accounting for 4.24% of the operating income of the Bank. As at the end of the Reporting Period, the Bank had 4,559 fintech professionals; the number of online retail platform users amounted to 128,166.6 thousand, representing an increase of 6.22% as compared with the end of the previous year; the number of online corporate platform users amounted to 4,376.3 thousand, representing an increase of 8.51% as compared with the end of the previous year; the number of bank-enterprise direct connect customers amounted to 9,165, representing an increase of 35.18% as compared with the end of the previous year.

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(II) Review of main businesses

1. Corporate banking business

(1) Strategic measures

During the Reporting Period, the Bank took corporate finance as an important approach for promoting the high-quality development of the real economy. The Bank optimised the layered and classified customer management system, and improved the quality and effectiveness of integrated services for MSMEs, large enterprises and individual customers. The Bank strengthened settlement expansion, stuck to optimising liability structure and significantly reduced the cost of liabilities. Focusing on the “five major sectors”, the Bank deepened credit support for key areas. The Bank strengthened the application of product portfolios with competitive edges, and steadily advanced supply chain finance, payroll agency and other strategic businesses. The Bank improved the risk management system and mechanism for the corporate banking business and comprehensively consolidated the first line of defence. The Bank also enhanced digital empowerment and system support capabilities in a steady manner, and promoted the sustainable development of corporate business.

During the Reporting Period, the corporate business of the Bank maintained steady development. As at the end of the Reporting Period, the balance of corporate deposits of the Bank amounted to RMB2,874,165 million, representing a decrease of RMB59,061 million, or 2.01%, as compared with the end of the previous year. The cost ratio of corporate deposits of the Bank decreased by 42BP as compared with the previous year. The balance of general corporate loans amounted to RMB2,627,335 million, representing an increase of RMB164,057 million, or 6.66%, as compared with the end of the previous year.

(2) Customer groups

The Bank continued to optimise the management of strategic clients, intensified the driving force of strategic clients, and further enhanced the effectiveness of comprehensive development of MSMEs, large enterprises and individual customers. Firstly, the Bank continued to enhance strategic client management, implemented layered and classified management and strengthened refined management, with optimised scale and structure. As at the end of the Reporting Period, the balance of loans (including discounted bills) of strategic clients both at head office and branch levels amounted to RMB1,474,675 million, representing an increase of RMB27,670 million as compared with the end of the previous year. During the Reporting Period, the daily average balance of deposits amounted to RMB1,187,283 million, representing a decrease of RMB11,384 million as compared with the previous year. The cost ratio of deposits denominated in RMB and foreign currencies decreased by 43BP as compared with the previous year. Secondly, the Bank continued to strengthen the driving force of strategic clients. The Bank made continuous efforts in the integrated development of strategic clients by formulating strategies, identifying clues, strengthening empowerment, and promoting coordination, so as to drive rapid growth of both customers along supply chains and individual customers. As at the end of the Reporting Period, the number of core customers in supply chains brought in by strategic clients was 3,421, representing an increase of 927 as compared with the end of the previous year. The number of corporate financing clients in supply chains brought in by strategic clients was 43,368, representing an increase of 12,870 as compared with the end of the previous year.

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The institutional business focused on serving national strategies, contributing to higher momentum of high-quality development. The Bank's institutional business firmly upheld the political significance of financial work and its importance to the interest of the people, adhered to the principle of "customer first", and aligned closely with the overall national development agenda and major policy priorities. Firstly, the Bank strengthened qualification building to consolidate the foundation for high-quality development of institutional business. The Bank applied for multiple core qualifications of key areas, such as provincial-level fiscal funds, housing provident funds and pension funds supervision, and newly obtained 189 core qualifications at the provincial and municipal levels. Secondly, with the objective of serving local real economy development, the Bank deepened cooperation within the bank-government ecosystem, strengthened full-chain development of institutional customer groups, and achieved initial results in ecosystem-based development in sectors such as medical insurance, housing and urban development, and judicial services. Thirdly, the Bank has built coordinated marketing scenarios with a focus on comprehensive development, leading to a significant increase in the scale of payroll agency of institutional customers as compared with the previous year. The institutional business achieved steady progress with improved quality and significantly enhanced development resilience.

The management of high-value customer groups delivered initial results, and deposits, loans and income all achieved growth. Focusing on listed and pre-IPO companies, bond-issuing enterprises and sci-tech enterprises with steady operation and strong growth potential, the Bank conducted in-depth analysis of customer needs and provided tailored and integrated service solutions. Firstly, by optimising processes and mechanisms, the Bank promoted the transformation of customer group management model from "single-point marketing" to "systematic marketing" across the Head Office, the branches and the sub-branches. Secondly, the Bank explored customer value across multiple scenarios, carried out precise marketing around key scenarios such as listings of enterprises, bond issuance and investment, and group ecosystem chains, and launched a batch of projects, including supervision of proceeds, mid- to long-term loans and cross-border business. Thirdly, the Bank accompanied the growth of customers, and enhanced cooperation and value creation while growing along with its customers.

(3) Businesses and products

The Bank improved comprehensive service capabilities through deep business integration. Firstly, with the empowerment of capital and intelligence, the Bank provided comprehensive supply chain services through "Minsheng E-Chain". Secondly, the Bank coordinated the market deployment inside and outside the Chinese mainland, and connected global service channels through five major cross-border service platforms. Thirdly, the Bank integrated online and offline service channels, and linked online products such as "Dedicated Cross-Border Finance Section (跨境金融專區)" and "Minsheng Treasury Cloud (民生財資雲)" with scenario-based offline services. Fourthly, the Bank interconnected financial and non-financial service scenarios. With "E-Minsheng Family" at the core, the Bank deeply embedded services into operational processes of enterprises, and has built a comprehensive financial service system through multi-dimensional business innovation. Fifthly, the Bank connected direct and indirect financing channels. While increasing mid- to long-term loans to key areas, the Bank underwrote sci-tech innovation bonds and green bonds.

CHAPTER 3 MANAGEMENT DISCUSSION AND ANALYSIS

The Bank enhanced the digital and intelligent level of supply chain services, and provided targeted support for the cultivation of new quality productive forces and industrial upgrading through “capital + intelligence”. Focusing on the core needs of industry chains and the pain points of MSMEs, the Bank improved the product system of “Minsheng E-Chain”, established a service mechanism supported by centralised operations, deeply embedded itself into corporate operating scenarios, and provided enterprises with comprehensive services through supply chain finance. As at the end of the Reporting Period, the Bank has served a total of 6,422 core enterprises, representing an increase of 63.33% as compared with the end of the previous year. The number of customers in supply chains was 67,032, representing an increase of 46.44% as compared with the end of the previous year.

The Bank developed cross-border service platforms, connected service channels within and outside the Chinese mainland, and comprehensively enhanced cross-border financial service capabilities. The Group has established five major cross-border service platforms, namely the Shanghai Pilot Free Trade Zone Branch, the Haikou Branch, the Hong Kong Branch, the London Branch and CMBC International, providing customers with convenient and comprehensive cross-border financial solutions featuring “one access for global services”. The Bank developed a full-process foreign exchange facilitation mechanism featuring standardised operations, customised services, and digital and intelligent risk control, forming mutually reinforcing interaction with cross-border financial services. The number of customer clicks on the “Dedicated Cross-Border Finance Section” on its corporate online banking platform exceeded one million, the online processing rate of cross-border remittances reached 80%, and more than 40 thousand customers of international business were served. During the Reporting Period, the business volume of international settlement increased by 14.30% as compared with the corresponding period of the previous year.

The Bank expanded application scenarios for payment and settlement, and supported the integration of business and finance and the upgrading of financial and capital management of enterprises through “online + offline” “financial + non-financial services”. The Bank continued to iterate the scenario-based service capabilities of its flagship products, including “Tax and Fee Express (稅費通)”, “Easy Supervised Account Express (易管通)”, “Fund Collection Express (收款通)”, “Minsheng Treasury Cloud” and E-Minsheng Family, thereby enhancing payment and settlement efficiency and improving the effectiveness of financial resource allocation of enterprises. As at the end of the Reporting Period, “Minsheng Treasury Cloud” provided services to more than 24 thousand customers and their member units at various levels.

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Feature 1: Upgrading Cross-Border Settlement Services to Facilitate Cross-Border Payments and Settlements for Enterprises

The Bank thoroughly implemented national arrangements for “stabilising foreign trade”, and focused on building an online, facilitated and smart cross-border payment and settlement service system centring on the financial service needs of foreign trade enterprises. By establishing a “Dedicated Cross-Border Finance Section” on the online banking platform and the mobile platform, the Bank provided one-stop online services to enterprises. Leveraging policy facilitation for foreign exchange business, the Bank expanded the scope of convenient remittance services for quality customers, and enriched and improved online service scenarios and functions for capital business. At the same time, the Bank reshaped remittance processes by connecting to multi-party trusted platforms, such as “ASOne” and the “China International Trade Single Window” of the General Administration of Customs. Driven by data, the Bank comprehensively upgraded the smart remittance product system and successively optimised and launched innovative products including “Super Remittance (超級匯款)” and “Automatic Settlement (自動解付)”, so as to enhance customer experience. During the Reporting Period, the Bank provided facilitated cross-border settlement services to over 20 thousand enterprises, and the number of cross-border transactions increased by 16.35% as compared with the corresponding period of the previous year.

Focusing on serving national strategic priorities, the Bank supported customers in connecting direct and indirect financing channels. It actively underwrote sci-tech innovation bonds (including sci-tech innovation bills), green bonds, and rural revitalisation notes, etc. During the Reporting Period, the Bank issued RMB281,434 million bonds, serving 447 customers. Of which, total number of debt financing instruments underwritten for non-financial enterprises was 845 with an amount of RMB275,814 million.

The Bank continued to advance in key areas, and improved its mid- to long-term loan product matrix. The Bank proactively responded to national policies, and consistently enhanced resource allocation in key areas supported by the State, such as large infrastructure, the manufacturing industry, new energy and new materials, thereby facilitating the development of the real economy with mid- to long-term loans. As at the end of the Reporting Period, the balance of project loans of domestic institutions of the Bank amounted to RMB877,896 million, representing an increase of 11.56% as compared with the end of the previous year. At the same time, the Bank actively implemented new regulatory policies, and fully advanced new businesses such as the pilot business of M&A loans for sci-tech enterprises, the pilot business of M&A loans for non-resident enterprises in Lin-gang Special Area of China (Shanghai) Pilot Free Trade Zone, and the loans for stock repurchase and shareholding increase, which supported the development of capital markets and sci-tech innovation.

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(4) Risk management

The Bank's corporate banking segment consistently adhered to the orientation of financial services supporting real economy development, implemented the risk preference of "seeking progress in stability, optimising structure, improving quality and effectiveness", and coordinated development with security. By integrating business strategies, risk policies and comprehensive business planning into its annual development strategy, the Bank effectively enhanced financial services for major strategies, key areas and weak links, and optimised the allocation of risky assets. Around the five principles of "comprehensiveness, checks and balances, refinement, efficiency and intelligence", the Bank reshaped the risk management system of the "first line of defence", and further optimised the organisational structure. The Head Office and all branches established the Credit Management Departments (tier-2 departments) under the Corporate Business Department/Sci-Tech Finance Department, strengthened coordinated management of credit risk of corporate business, and focused on enhancing the quality, effectiveness and capability of post-lending and post-investment management. At the same time, the Bank consolidated the risk management foundation of the "second line of defence", and comprehensively enhanced proactive and forward-looking risk management. Upholding the concept that "compliant operation is the core competitiveness", the Bank strictly safeguarded the compliance bottom line, fostered a sound performance orientation, and strengthened compliance inspection and management, so as to promote high-quality development of the Bank.

2. Retail banking business

(1) Strategic measures

The Bank took retail business as a long-term and fundamental strategic business, deepened the construction of system and mechanism for integrated coordination, established a full-cycle management system for retail customer groups, and enhanced the refined management capability of retail business. The Bank upgraded the product and service system, strengthened digital and intelligent management empowerment and delivered ultimate customer experience, in a bid to enhance the competitive advantages of retail business in the market.

As at the end of the Reporting Period, total retail AUM of the Bank amounted to RMB3,283,848 million, representing an increase of RMB337,601 million, or 11.46%, as compared with the end of the previous year. Of which, the financial assets of customers holding gold and higher-level cards amounted to RMB2,823,975 million, representing an increase of RMB305,056 million, or 12.11%, as compared with the end of the previous year, and accounted for 86.00% of total retail AUM of the Bank. Total assets of private banking customers amounted to RMB1,027,788 million, representing an increase of RMB161,819 million, or 18.69%, as compared with the end of the previous year. Retail savings deposits amounted to RMB1,367,957 million, representing an increase of RMB92,017 million, or 7.21%, as compared with the end of the previous year.

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As at the end of the Reporting Period, total retail loans (including credit card overdraft business) of the Bank amounted to RMB1,660,982 million, representing a decrease of RMB89,779 million, or 5.13%, as compared with the end of the previous year. Of which, credit card overdrafts amounted to RMB432,460 million, representing a decrease of RMB44,787 million as compared with the end of the previous year. The balance of mortgage loans amounted to RMB571,103 million, representing an increase of RMB14,242 million as compared with the end of the previous year.

(2) Customer groups

As at the end of the Reporting Period, the number of retail customers of the Bank was 142,971.3 thousand, representing an increase of 6.46% as compared with the end of the previous year. The number of private banking customers was 74,671, representing an increase of 12,568, or 20.24%, as compared with the end of the previous year. The number of VIP customers was 4,784.0 thousand, representing an increase of 326.8 thousand, or 7.33% as compared with the end of the previous year.

During the Reporting Period, the Bank has deepened the development of the layered and segmented customer group management system. The Bank deepened the direct management model for the basic customer group, upgraded the standardised management system, and implemented digital management and operation. It carried out refined management of key segmented customer groups, such as Sam's Club, payroll agency, small business, mortgage, debit and credit cards, the elderly, and parent-child, analysed customer group profiling and customer journey, and formulated differentiated service strategies. With professional allocation as the core, the Bank enhanced professional services for the wealth management customer group through digitalisation and intelligence, and deepened personalised services for the private banking customer group with the service model of private banking centres as the foundation. The Bank continued to upgrade digital operation and management capabilities, deepened the development and application of a comprehensive management platform for the individual customer group, and has built a full-process and closed-loop marketing management system.

The Bank has built a high-quality customer acquisition system, and consolidated the foundation of the retail customer group. Firstly, the Bank further deepened the business and life cycle synergy mechanism, the payroll agency business recorded significant growth as compared with the corresponding period of the previous year, the customer structure and quality were optimised, and the settlement fund accumulation was advanced in parallel with comprehensive financial services. Secondly, the Bank strengthened integrated coordination of credit card to activate the effect of "dual-card synergy". The Bank reinforced the joint customer service mechanism with Sam's Club, and fully implemented the comprehensive service system for the Sam's Club customer group. Thirdly, the Bank promoted grid-based marketing and joined hands with collaborative partners around business outlets to co-build a cross-sector and mutually beneficial community finance ecosystem, thereby comprehensively enhancing customer service experience. Fourthly, focusing on diversified payment scenarios, the Bank has established a retail ecosystem-based customer acquisition and marketing system, and developed an ecosystem project management platform, significantly improving customer acquisition efficiency.

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The Bank advanced the digitalised and comprehensive service system to enhance the management performance of the wealth management customer group. Firstly, the Bank enhanced the wealth strategy system construction. By integrating the insights on customer demands and the characteristics of product sales cycles, the Bank has established a closed-loop management system covering data mining, strategy deployment, evaluation and iteration, which was complemented by professional asset allocation tools to enhance service efficiency and marketing precision. Secondly, the Bank has developed a comprehensive value management model. Focusing on diversified wealth management objectives of customers, the Bank provided integrated solutions covering cash management, steady value appreciation, long-term investment and inheritance planning. It carried out coordinated and in-depth management across business lines, identified and converted potential customers, and enhanced customer stickiness and value contribution. During the Reporting Period, the number of upgraded private banking customers from the wealth management customer group increased by 19.21% as compared with the corresponding period of the previous year. Thirdly, the Bank upgraded the service capabilities of online channels. It optimised the full-journey service experience across platforms such as mobile banking app and corporate Weixin to improve precise traffic attraction, efficient conversion and compliant operation.

The Bank upgraded the digital and intelligent management system to improve the effectiveness of customer group management. Leveraging large AI models, the Bank enhanced scenario-based empowerment and established an efficient digital middle office platform. Firstly, on the sales side, the Bank developed the smart sales assistant of “Huixiao (慧销)” (meaning “smart sales”). Through “AI + scenario”, the Bank reshaped the working model of retail customer managers in sales services and established a human-machine coordinated service system of “one employee + N digital avatars”. Secondly, on the operation side, the Bank developed the smart solution of “Huixin (慧芯)” (meaning “smart chip”). By applying “AI + process”, the Bank strengthened smart planning and deployment, and established a unified management and automated monitoring system for customer group management strategies, thereby enhancing the marketing conversion rates across all strategy stages. Thirdly, on the management side, the Bank built the decision-making agent of “Huiyan”. Driven by “AI + data”, the Bank advanced management innovation, upgraded the dual engines of “tag + model”, consolidated the data governance foundation, and enhanced the capabilities in automatic early warning, in-depth attribution analysis and decision transmission, thereby establishing an intelligent decision-making system.

(3) Businesses and products

The Bank consistently provided warm and high-quality financial services to customers. By closely following market development, the Bank optimised the shelves of steady wealth management products, and advanced external cooperation and full-process digitalisation to enhance customer service capabilities.

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The Bank continued to upgrade the steady wealth management product system to improve customers' investment experience. Firstly, the Bank enhanced wealth management products. It reinforced the full life-cycle quality management of wealth management products and concentrated on key series such as "Assured Wealth Management (安心理財)" and "Sound Selection (穩健優選)" to enhance experience of prudent investment of customers. As at the end of the Reporting Period, the retail agency sales of wealth management products exceeded RMB1 trillion, representing an increase of 9.10% as compared with the end of the previous year. Secondly, the Bank strengthened the brand system of funds. It deepened the "Minsheng Bedrock (民生磐石)" series, and established a dedicated section for the "Select Fixed Income+ (精選固收+)" products to enhance diversified investment experience of customers. Thirdly, the Bank optimised the shelves of private equity products. From the perspective of customer asset allocation, the Bank refined the product classification system, and seized opportunities in the capital market to enrich quantitative products. The scale of retail agency sales of private equity products more than tripled as compared with the end of the previous year. Fourthly, the Bank upgraded the family trust business system. It met the comprehensive planning needs of the entrepreneur customer group covering both family and enterprise, and the business scale maintained rapid growth.

The Bank focused on key areas to deepen cooperation with leading enterprises and optimised the structure of consumer credit business. Firstly, in line with the objective of high-quality development, the Bank further concentrated on key regions and core channels in terms of mortgage business. The value contribution of key regions increased effectively, with the proportion of credit placement to key regions increasing by 6.76 percentage points as compared with the corresponding period of the previous year. The Bank constantly strengthened cooperation with core channels and leading institutions. The proportion of credit placement to key real estate enterprises in the first-hand housing mortgage loans increased by 10.18 percentage points as compared with the corresponding period of the previous year, while the proportion of credit placement to leading intermediary agencies in the second-hand housing mortgage loans increased by 13.10 percentage points as compared with the corresponding period of the previous year. Secondly, the Bank enhanced the product allocation function of Minsheng Easy Loan (民易貸), a personal unsecured consumer loan product, to improve product coverage among high-quality customer groups. During the Reporting Period, the number of newly contracted Minsheng Easy Loan customers reached 120.4 thousand among individual customers under high-quality institutions and high-quality existing customers of the Bank.

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The Bank returned to the origin of payment, and upgraded the framework of credit card products and benefits. Firstly, the Bank actively implemented national key strategies. Focusing on customer groups of silver economy, universities, and business travel, the Bank launched products such as the Minsheng Enjoyment – Fortune and Longevity Card (悦享福壽卡), Peking University Alumni Co-branded Card, and co-branded cards with Umetrip, Singapore Airlines and Hainan Airlines, providing inclusive and high-quality financial services to the broader customer base. Secondly, the Bank advanced the integrated services of all benefits of the whole bank. It enhanced the benefit experience of Apex Privileges (非凡禮遇), introduced new high-quality benefits, and promoted benefit resource integration through integrated credit-debit services to achieve integrated management of VIP benefits across the Bank. Thirdly, the Bank established a new pattern of retail ecosystem. Centring on expanding domestic demand and promoting consumption, and focusing on scenarios such as catering consumption and daily bill payments, the Bank strengthened retail payment ecosystem to enhance customer stickiness and comprehensive contribution value. During the Reporting Period, the transaction volume of credit card electronic payment¹ reached RMB679,537 million, representing an increase of 1.90% as compared with the corresponding period of the previous year. The number of transactions was 1,579 million, representing an increase of 8.14% as compared with the corresponding period of the previous year.

Physical distribution channels. The Bank has established an efficient domestic distribution network that covered all provinces in the Chinese mainland with a focus on the Yangtze River Delta, the Pearl River Delta, the Bohai Economic Rim and other regions. As at the end of the Reporting Period, the sales network of the Bank covered 141 cities in the Chinese mainland, including 148 branch-level institutions (including 41 tier-1 branches (excluding the Hong Kong Branch and the London Branch) and 107 tier-2 branches (including remote sub-branches)) and 2,389 business outlets of sub-branches, including 1,257 general sub-branches (including business departments), 989 community sub-branches, and 143 small business sub-branches.

¹ The transaction volume of credit card electronic payment newly included the transaction volume of remote payment of Daily Life APP (全民生活 APP).

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Feature 2: Minsheng Sam's Club-Based Community Sub-Branch — Innovative Practice of Scenario-Based Finance

The Bank deepened the strategy of scenario-based retail finance, and implemented the community finance positioning of “a convenient and intelligent bank with inclusive services”. It cooperated with Sam's Club to develop a “finance + retail” service model. By embedding community sub-branches within Sam's Club store ecosystem, financial services were organically integrated with high-frequency consumption scenarios, bringing finance closer to customers and supporting consumption growth.

Upholding the shared philosophy of “customer first” and “members first”, the Sam's Club-based community sub-branches of the Bank adopted flexible business hours closely aligned with store operations. Leveraging the Sam's Club store scenarios, the Bank provided one-stop financial services covering Sam's Club co-branded debit and credit cards, consumer loans and wealth management products. Customers could handle banking business during shopping and realise seamless experience of “shopping and finance”. Meanwhile, both sides jointly carried out distinctive activities such as parent-child financial literacy programmes to extend service touchpoints and convey the warmth of “customised services for a better life”.

As at the end of the Reporting Period, more than 10 Sam's Club-based community sub-branches had commenced operations. Customer acquisition quality and effectiveness and operational effectiveness outperformed traditional community sub-branches, forming a replicable and scalable model of scenario-based finance innovation.

Going forward, the Bank will continue to deepen strategic coordination with Sam's Club, replicate and promote the model of Sam's Club-based community sub-branch, and launch such sub-branches around Sam's Club stores in more cities, in a bid to deeply embed community-based, convenient, beneficial and inclusive financial services into retail scenarios, and bring accessible and professional financial services into quality living of more families.

(4) Risk management

The Bank restructured the retail risk management framework and established an integrated and closed-loop system covering pre-lending, in-lending and post-lending stages. Firstly, the Bank built a digital and standard review and approval system, optimised online application submission and pre-approval functions, iterated differentiated credit granting strategies, and enhanced risk prevention and control capabilities through smart decision-making and centralised approval. Secondly, the Bank established a multi-platform monitoring and early warning system for consumer credit, and enriched risky asset disposal approaches to effectively mitigate existing risks. Thirdly, the Bank enriched system tools, improved consistency of standards, and enhanced operational effectiveness through process iteration, system empowerment and tool support.

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3. Treasury business

(1) Strategic measures

The Bank has consistently adhered to the core philosophy of “customer-centric” and closely focused on the strategic deployment, aiming to promote the high-quality development of various financial markets businesses. Firstly, the Bank deepened the comprehensive management of financial institution customers, focused on “adjusting structure and controlling costs” of interbank liabilities, and comprehensively implemented the integrated marketing coordination, so as to promote the steady development of financial institutions business. Secondly, the Bank adhered to the two-wheel drivers of “proprietary + agency” businesses, and facilitated the high-quality development of financial markets business. Thirdly, the Bank implemented the strategy of building a distinctive custodian bank of the industry, promoted the transformation of service model for strategic custody clients, improved the business coordination mechanism within the Group, and achieved the high-quality development of custody and pension businesses.

(2) Customer groups

The Bank earnestly implemented the philosophy of “comprehensive management of strategic financial institution customers”, strengthened layered and classified management, refined risk management, and strove to improve the quality and effectiveness of integrated and comprehensive development of financial institution customer group. Firstly, the Bank intensified the in-depth management of the financial institution customer group, carried out layered, classified and differentiated management and strategy deployment by centring on segmented customer groups, and focusing on key products and comprehensive services, and enhanced the comprehensive value of financial institution customers. Secondly, the Bank practised the “One Minsheng” strategy, optimised resource integration, achieved coordinated marketing, strengthened the coordination between the financial institution customer group and the corporate banking department, the retail banking department, and the subsidiaries of the Bank, and deepened the multi-channel development of interbank ecosystem.

(3) Businesses and products

In terms of interbank treasury business, the Bank optimised the structure of treasury business, and realised steady operation of assets and liabilities. Firstly, the Bank strengthened liability cost management, expanded low-cost interbank demand deposits, and promoted the decrease in cost ratio of interbank liabilities. Secondly, the Bank optimised the structure of interbank liabilities, promoted the coordinated development of quantity and price, and enhanced the stability of interbank liabilities. Thirdly, the Bank effectively seized market opportunities to arrange asset placement in a reasonable manner.

In terms of fixed-income business, on the one hand, the Bank closely aligned with the core objective of serving the real economy, actively responded to national strategic orientation, and increased investment in key areas, such as sci-tech finance and green finance, so as to effectively enhance the quality and effectiveness of financial services to the real economy. On the other hand, the Bank continued to strengthen the development of investment and research system, strove to improve the level of refinement and professionalism in portfolio management, and dynamically optimised the structure of bond investment portfolios. As at the end of the Reporting Period, total bond assets of the Bank amounted to RMB2.09 trillion, of which, the bond assets denominated in RMB amounted to RMB1.95 trillion and those in foreign currencies amounted to USD20,373 million.

CHAPTER 3 MANAGEMENT DISCUSSION AND ANALYSIS

In terms of foreign exchange business, the Bank consistently adhered to the original purpose of serving the real economy with financial services, implemented the concept of “exchange rate risk neutrality,” and remained committed to building a professional, efficient and comprehensive risk hedging service system for foreign exchange agency business. On the one hand, the Bank continued to optimise the operating processes and models for foreign exchange agency business, and enhanced the quality and effectiveness of customer services. On the other hand, the Bank continued to enrich foreign exchange products to meet the diversified transaction and risk hedging needs of various market participants. In addition, as a core market-maker in the foreign exchange market, the Bank enhanced its quotation competitiveness and market liquidity provision capabilities. As at the end of the Reporting Period, the trading volume of derivatives in the domestic interbank foreign exchange market amounted to USD2,012,261 million, and the Bank ranked among the top in the comprehensive ranking of market-makers in the interbank foreign exchange market.

In terms of precious metals business, the Bank continued to deepen the brand-building of “Minsheng Gold (民生金)”. On the retail side, the Bank constantly innovated product formats through digital means, and optimised customer journey to meet individual customers’ needs for asset allocation, wealth preservation and appreciation. In the face of market price volatility, the Bank strengthened risk warnings and guided customers towards rational investment. On the corporate side, leveraging core products such as gold leasing and price risk hedging, the Bank provided entity enterprises with efficient financing channels and professional hedging solutions, thereby supporting them to achieve steady operations. Meanwhile, the Bank actively seized market opportunities, prudently conducted precious metals trading, and effectively fulfilled its responsibilities as a market-maker on the Shanghai Gold Exchange and the Shanghai Futures Exchange.

In terms of asset custody business, the Bank fully implemented its strategy of building a distinctive custody bank of the industry, focused on core asset management products, and enhanced professional service capabilities in duty performance, achieving steady growth of all businesses. As at the end of the Reporting Period, the assets under the custody of the Bank amounted to RMB13.44 trillion, of which the scale of asset management products under custody amounted to RMB5,771,267 million. The scale of public funds under custody amounted to RMB1,369,115 million, representing an increase of 3.09% as compared with the end of the previous year and accounting for 23.72% of the total scale of asset management products under custody. In 2025, the Bank continued to upgrade the custody product and service system of “i+ (小i+)”, and newly launched a range of distinctive Minsheng custody services such as Custody “Confirmation Express (函證通)”, receiving positive feedback from customers. During the Reporting Period, the Bank won the “Award of 2025 Bank of Excellent Competitiveness in Asset Custody (2025年卓越競爭力資產託管銀行獎)” by China Business Journal, with brand and market influence continuing to improve steadily.

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(4) Risk management

The Bank optimised the centralised and unified management model of credit granting to financial institution customers, and reinforced risk prevention responsibilities of the first line of defence. During the Reporting Period, the Bank further optimised the mechanisms for the management of credit granting to financial institution customers and the post-lending and post-investment management, and strengthened the primary accountability for the operation of credit granting to financial institution customers and the post-lending and post-investment management. The Bank enhanced the quality and effectiveness of the unified management of credit granting to the financial institution customers and the post-lending and post-investment management by focusing on such areas as strengthening policy-making, optimising management mechanisms, holding on to critical links and enhancing duty performance capabilities, thus realising effective risk control and promoting the continuous and healthy development of financial institutions business.

According to the risk preferences and the business plans of the Board of Directors, the Bank set market risk limits and business authorisations for 2025, strengthened the management of interest rate, exchange rate and commodity risk, and improved the risk monitoring and reporting mechanisms. Comprehensively considering the macro-economy, credit policies, and the credit status of entities, the Bank optimised the approval process, and enhanced its capabilities in the risk evaluation and early-warning of unsecured bond issuers. The Bank strengthened the re-inspections of assets concerning key regions, industries and enterprises, strictly controlled credit risk, and improved the unified bond management system. Meanwhile, following the principle of being prudent and steady, the Bank balanced the risks and returns of bond investments, optimised bond portfolios denominated in RMB and foreign currencies, and ensured reasonable proportions of high-liquidity assets such as government bonds and policy financial bonds. During the Reporting Period, the credit qualifications of bond investments remained excellent.

The Bank advanced the risk compliance management of asset custody and pension businesses in a comprehensive and steady manner, optimised the risk management system, and strengthened the risk prevention and mitigation of first line of defence. From the perspectives of policy systems, compliance inspections, system development and risk culture education, the Bank effectively enhanced its comprehensive risk management capabilities. During the Reporting Period, risk control of the asset custody business remained excellent, and no material risk incidents occurred.

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4. Business of branches outside the Chinese mainland

(1) Hong Kong Branch

Under the coordination mechanism of “One Minsheng”, the Hong Kong Branch fully leveraged its role as a platform for business outside the Chinese mainland, enhanced cross-border synergy and coordination, carried out in-depth management of strategic client groups of the Head Office and the branches, resolutely developed distinctive businesses, focused on building differentiated and competitive advantages, and enhanced capabilities in providing comprehensive cross-border financial services in an all-around manner. As at the end of the Reporting Period, total assets of the Hong Kong Branch amounted to HKD243,857 million, representing an increase of 15.10% as compared with the end of the previous year. Of which, total loans and advances to customers amounted to HKD123,788 million, representing an increase of 6.15% as compared with the end of the previous year, and accounted for 50.76% of total assets. Total deposits from customers amounted to HKD176,723 million, representing an increase of 11.11% as compared with the end of the previous year. During the Reporting Period, the net income amounted to HKD3,102 million, representing an increase of 17.10% as compared with the corresponding period of the previous year.

The Hong Kong Branch focused on high-quality customer groups and promoted scale growth. During the Reporting Period, the daily average scale of credit assets of corporate strategic clients amounted to HKD65,956 million, representing an increase of 18.05% as compared with the corresponding period of the previous year. Focusing on strategic clients, the Branch enhanced cross-border synergy, with 231 new accounts opened, representing an increase of 51.97% as compared with the corresponding period of the previous year. As at the end of the Reporting Period, the AUM of the private banking and wealth management customer group amounted to HKD44,396 million, representing an increase of 30.47% as compared with the end of the previous year. The Hong Kong Branch has developed distinctive businesses and built core advantages. During the Reporting Period, the transaction volume of foreign exchange agency and derivatives amounted to USD21,680 million, representing an increase of 7.86% as compared with the corresponding period of the previous year. The Branch strove to build the private banking and wealth management platform, and maintained a leading position in overseas insurance and Cross-Border Wealth Management Connect (跨境理财通) business among comparable Chinese joint-stock banks in the Hong Kong SAR. The Branch fully leveraged its role as a custody platform outside the Chinese mainland, and promoted steady scale expansion. As at the end of the Reporting Period, the assets under custody amounted to HKD204,404 million, representing an increase of 35.68% as compared with the end of the previous year. The Hong Kong Branch strengthened risk management and operated in a compliant and steady manner. During the Reporting Period, the Branch comprehensively enhanced compliant operation, continued to improve the overall risk management system, insisted on paying equal attention to business development and risk constraint, optimised and adjusted credit asset portfolio, and strengthened the management of customer concentration and industry limit. In addition, it proactively responded to changes in the financial markets, adopted a forward-looking liquidity risk management strategy, and continued to optimise the type, maturity term and currency structure of liabilities to effectively reduce the concentration of liability sources. During the Reporting Period, the Hong Kong Branch kept all liquidity indicators at a sound and steady level.

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(2) London Branch

2025 marked the first full year of operation of the London Branch. As a key hub for the Group's globalisation strategy and a bridgehead for Europe and Africa, the London Branch focused on the three strategic positionings of "serving as an international platform for Chinese enterprises to go out, an overseas window to broaden global perspectives, and a platform to cultivate talents with international mindsets," systematically implemented the Bank's strategic arrangements, improved internal control and compliance systems, and consolidated the foundations for steady operations. Leveraging London's position as an international financial centre, the London Branch continued to expand customer channels, strengthened asset and liability management, promoted product innovation and technology empowerment, and has initially established into an overseas operation platform with international competitiveness, thus laying a solid foundation for achieving high-quality and sustainable development.

During the Reporting Period, the London Branch centred on its strategic positionings, and provided in-depth services to high-quality central enterprises and NSOEs in their overseas expansion. Focusing on national strategies and competitive industries, the Branch supported Chinese enterprises with global competitiveness in "going global". At the same time, by rooting its operations in the local market, the London Branch deepened cooperation with well-known European multinationals and, in the context of China's high-level opening-up, actively guided leading overseas customers to "come in" to China. In terms of financial markets business, the London Branch actively supported RMB internationalisation, expanded cross-border investment and financing transactions, and contributed to the improvement of cross-time-zone customer service capabilities of the Group. As at the end of the Reporting Period, total assets and total liabilities of the Branch amounted to USD685 million and USD690 million, respectively, of which, the balance of corporate loans amounted to USD490 million. During the Reporting Period, the operating income of the London Branch amounted to USD8,606.4 thousand.

5. Major equity investments and management of consolidated financial statements

As at the end of the Reporting Period, the Bank had long-term equity investments of RMB13,263 million. For details, please refer to the notes to the financial statements.

(1) Minsheng Financial Leasing

Minsheng Financial Leasing, one of the first five financial leasing companies with banking background approved by the former CBRC, was established in April 2008 with a registered capital of RMB5,095 million. 54.96% of equity interest of Minsheng Financial Leasing was held by the Bank. The main business scope of Minsheng Financial Leasing includes financing of vehicles, vessels, commercial aircraft, business jets and large equipment, and inclusive leasing of equipment.

During the Reporting Period, Minsheng Financial Leasing proactively responded to changes in the internal and external business environments, remained steadfast in its strategic orientation and the business positioning of "staying true in doing leasing business", earnestly implemented the work deployments on the "five major sectors" of finance, sped up reform and transformation, and stepped up effort to stabilise scale, optimise structure, control risks and increase revenue. As a result, all operation and management indicators maintained steady development trend in general.

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As at the end of the Reporting Period, total assets of Minsheng Financial Leasing amounted to RMB174,097 million, and its net assets amounted to RMB24,038 million. During the Reporting Period, the operating income amounted to RMB5,902 million, and the placement of leasing business amounted to RMB60,792 million. The inclusive finance business accounted for 22.31% of the newly-added disbursement.

(2) Minsheng Royal Fund

Minsheng Royal Fund is a sino-foreign fund management joint venture established in November 2008 under the approval of the CSRC, with a registered capital of RMB300 million. 63.33% of equity interest of Minsheng Royal Fund was held by the Bank. The main business scope of Minsheng Royal Fund includes fund management, fund sales, specific customer asset management and other businesses approved by the CSRC.

During the Reporting Period, Minsheng Royal Fund fully implemented regulatory requirements, adhered to an investor-centric approach, and continued to strengthen the development of its core investment research capabilities. It placed emphasis on expanding the creation of equity-inclusive low- to medium-volatility products and asset allocation products, aligned with the needs of investors with different risk preferences, and strove to provide a sound holding experience for investors.

As at the end of the Reporting Period, Minsheng Royal Fund had total assets of RMB2,398 million, and its net assets amounted to RMB2,013 million. During the Reporting Period, the operating income amounted to RMB567 million. The AUM of Minsheng Royal Fund amounted to RMB226,345 million, representing an increase of 21.97% as compared with the end of the previous year.

(3) CMBC International

CMBC International is a wholly-owned subsidiary of the Bank established on 11 February 2015 in Hong Kong under the approval of the former CBRC, with a registered capital of HKD4,207 million. The main business scope of CMBC International includes sponsorship of listing in Hong Kong, financial advisory, underwriting and issuance of bonds, asset management and wealth management, stock brokerage, direct investment and structured financing. CMBC International is an important strategic platform for the comprehensive development and international expansion of the Bank.

During the Reporting Period, CMBC International thoroughly implemented the Group's strategic deployment for supporting the "five major sectors", remained committed to its development direction, actively promoted strategic transformation, proactively integrated into relevant business areas, strengthened coordinated collaboration with the parent bank, optimised its risk preference, and expanded the investment banking business through multiple channels. In particular, in the field of green finance, CMBC International fully leveraged its licence and platform advantages to precisely align with national strategic emerging industries. By combining its professional capabilities in corporate bond origination and underwriting, as well as equity financing, it actively implemented national financial strategies in coordination with the parent bank and supported the development of the real economy.

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As at the end of the Reporting Period, CMBC International had total assets of HKD23,670 million and its net assets amounted to HKD3,960 million. During the Reporting Period, the operating income amounted to HKD593 million. The balance of investment and financing of CMBC International amounted to HKD20,074 million, representing an increase of 8.59% as compared with the end of the previous year.

(4) CMBC Wealth Management

CMBC Wealth Management is a wealth management company established on 24 June 2022 under the approval of the former CBIRC. With a registered capital of RMB5 billion, CMBC Wealth Management is a wholly-owned subsidiary of the Bank. Its main business scope includes issuance and investment management of publicly offered wealth management products, issuance and investment management of private equity wealth management products, wealth management advisory and consultancy services, and other businesses approved by the former CBIRC.

During the Reporting Period, CMBC Wealth Management proactively implemented the national policy orientation and supported the high-quality development of the Group. CMBC Wealth Management fully served the real economy and supported the “five major sectors”. CMBC Wealth Management enriched its product strategies and innovated product formats, deployed multiple assets and strategies, including quantitative strategies, global investments, gold and REITs indices, and launched the industry’s first product series of “Minsheng E-Select (民生E選)” adopting quantitative ETF-based investment strategies. CMBC Wealth Management enhanced its investment research capabilities, maintained steady performance, and ranked among the leading peers in terms of scale growth. To support the national development strategy for key regions, and to respond to the policy call of regulators for advancing the market entrance of mid- to long-term funds, CMBC Wealth Management released a series of indicators with provincial characteristics. The first batch of indicators covered three major economically strong provinces, including Guangdong, Zhejiang and Jiangsu, offering more precise regional economic investment tools to investors.

As at the end of the Reporting Period, total assets of CMBC Wealth Management amounted to RMB9,778 million, and the net assets amounted to RMB9,346 million. During the Reporting Period, its operating income amounted to RMB1,949 million. The scale of wealth management products under the management of CMBC Wealth Management amounted to RMB1,318,379 million, representing an increase of 29.80% as compared with the end of the previous year.

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(5) Minsheng rural banks

Minsheng rural banks represent the rural banks with the Bank as the main initiator. As at the end of the Reporting Period, the Bank had 29 rural banks with 77 business outlets. Total assets of rural banks amounted to RMB40,823 million, representing a decrease of RMB1,505 million as compared with the end of the previous year. The balance of all deposits amounted to RMB35,463 million, representing a decrease of RMB952 million as compared with the end of the previous year. The balance of all loans amounted to RMB23,835 million, representing a decrease of RMB1,854 million as compared with the end of the previous year. During the Reporting Period, the Bank earnestly fulfilled its responsibility as the initiating bank, strengthened corporate governance and internal control management, continued to propel rural banks to adhere to the positioning of supporting agriculture-related business and small business, solidly serve rural revitalisation and inclusive finance, deepen their presence in county-level markets, serve agriculture, rural areas and farmers, and proactively fulfil their social responsibilities. The Bank steadily advanced quantity reduction and quality improvement of rural banks, thereby enhancing management standards and development quality.

(6) Consolidated structured entities

The structured entities which the Group issued, managed and invested in mainly consisted of wealth management products, asset-backed securities, funds, trust plans and asset management plans. Of which, the asset size of consolidated structured entities of the Group was RMB87,387 million as at the end of the Reporting Period. For details, please refer to Note 7 “Interests in Structured Entities” to the Financial Statements.

(7) Consolidated management

During the Reporting Period, the Bank carried out the management of subsidiaries in strict accordance with the regulatory requirements for consolidated management and the Bank’s strategic deployments for group-based development, continued to enhance the development philosophy of “One Minsheng”, optimised the subsidiary management mechanisms, and improved the corporate governance system, with clearer delineation of duties among governance bodies at all levels. The functional departments of the Head Office comprehensively strengthened professional management of subsidiaries in areas including strategy, human resources, finance and risk management. Through various channels such as shareholders’ meetings and boards of directors of subsidiaries, the Bank reinforced the performance of duties by assigned directors, and exercised influence over major operating activities of subsidiaries in a lawful and compliant manner, so as to realise the management purpose, objectives and requirements of the Minsheng Banking Group, thereby forming a more robust and sustainable operation and management model.

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III. Conditions of the Industry

In 2025, the global economy demonstrated certain degree of resilience, though uncertainties increased. The performance of major economies diverged, global trade uncertainty rose, the financial markets volatility intensified, and geopolitical events occurred frequently. In view of the complex and evolving domestic and international economic environment, China unswervingly implemented the new development philosophy and adopted more proactive and effective macroeconomic policies. It further advanced the development of a unified national market, and the domestic economy continued its steady and progressive growth momentum. New achievements were made in high-quality development, the modern industrial system was strengthened, reform and opening-up advanced to a new stage, and livelihood guarantees were enhanced. The primary objectives for economic and social development were successfully achieved, although difficulties and challenges such as insufficient effective demand and low price levels remained.

During the Reporting Period, the banking industry closely followed the policies of the CPC Central Committee and the State, and strictly implemented requirements to “oppose disorderly competition” and to “reduce quantity and improve quality, reduce cost and improve efficiency”. Focusing on major financial responsibilities and businesses, the banking industry fulfilled its mission of serving the real economy, advanced the “five major sectors” of finance in a coordinated manner, and strengthened support for major national strategies, key areas and weak links, including sci-tech innovation, NSOEs and MSEs, green and low-carbon development, and consumption recovery. The banking industry continued to deepen reform and transformation, optimised asset and liability structure, reinforced industry self-discipline, maintained a fair market competition order, and adapted to the rapid development of financial markets and the evolution of the social financing structure with high-quality and diversified financial services. The banking industry enhanced liability cost management, expanded new growth points for intermediary business, accelerated digital and intelligent transformation, and deepened fintech empowerment, thereby further enhancing the quality and effectiveness of serving the real economy and maintaining overall stability in industry revenue and profit. The banking industry balanced development with security, and resolutely upheld the bottom line of preventing systemic financial risks. The banking industry maintained steady operations, financial risks were largely contained and generally controllable, and operational and regulatory indicators stayed within reasonable ranges. Adhering to the strategy of placing equal emphasis on “bringing in” and “going global”, the banking industry continued to refine the layout of global operations, strengthened cross-border financial service capabilities, supported enterprises in addressing international trade frictions and changes in the global market, and contributed to the Belt and Road Initiative, the development of international financial centres, and RMB internationalisation. The global competitiveness and influence of China’s banking industry were steadily enhanced.

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IV. Analysis of Major Items of Statement of Profit or Loss

(I) Changes in major items of statement of profit or loss

During the Reporting Period, the Group recorded a net profit attributable to holders of equity shares of the Bank of RMB30,563 million, representing a decrease of RMB1,733 million, or 5.37%, as compared with the corresponding period of the previous year.

Item (RMB million)	2025	2024	Change (%)
Operating income	139,677	133,123	4.92
Of which: Net interest income	100,126	98,690	1.46
Net non-interest income	39,551	34,433	14.86
Operating expenses	52,707	53,098	-0.74
Impairment losses on credit	53,950	45,474	18.64
Impairment losses on other assets	761	466	63.30
Profit before income tax	32,259	34,085	-5.36
Less: Income tax expenses	1,677	1,363	23.04
Net profit	30,582	32,722	-6.54
Of which: Net profit attributable to holders of equity shares of the Bank	30,563	32,296	-5.37
Profit or loss attributable to non-controlling interests	19	426	-95.54

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(II) Operating income

During the Reporting Period, the operating income of the Group amounted to RMB139,677 million, representing an increase of RMB6,554 million, or 4.92%, as compared with the corresponding period of the previous year.

The amounts, proportions and changes of major items of the operating income of the Group are as follows:

Item (RMB million)	2025		2024		
	Amount	Proportion (%)	Amount	Proportion (%)	Change (%)
Net interest income	100,126	71.68	98,690	74.13	1.46
Interest income	222,855	159.56	251,086	188.62	-11.24
Of which: Interest income from loans and advances to customers	152,010	108.83	174,559	131.13	-12.92
Interest income from financial investments	54,039	38.69	56,891	42.74	-5.01
Interest income from long-term receivables	5,820	4.17	6,947	5.22	-16.22
Interest income from placements with banks and other financial institutions	4,888	3.50	6,032	4.53	-18.97
Interest income from balances with central bank	3,785	2.71	4,253	3.19	-11.00
Interest income from balances with banks and other financial institutions	1,590	1.14	1,305	0.98	21.84
Interest income from financial assets held under resale agreements	723	0.52	1,099	0.83	-34.21
Interest expenses	-122,729	-87.88	-152,396	-114.49	-19.47
Net non-interest income	39,551	28.32	34,433	25.87	14.86
Net fee and commission income	18,321	13.12	18,245	13.71	0.42
Other net non-interest income	21,230	15.20	16,188	12.16	31.15
Total	139,677	100.00	133,123	100.00	4.92

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(III) Net interest income and net interest margin

Item (RMB million)	2025			2024		
	Average balance	Interest income	Average return ratio (%)	Average balance	Interest income	Average return ratio (%)
Interest-earning assets						
Total loans and advances to customers	4,444,801	152,010	3.42	4,414,436	174,559	3.95
By type of loans:						
Corporate loans and advances	2,709,840	82,453	3.04	2,658,421	95,347	3.59
Personal loans and advances	1,734,961	69,557	4.01	1,756,015	79,212	4.51
By term of loans:						
Short-term loans	1,853,405	65,333	3.53	1,935,059	75,761	3.92
Mid- to long-term loans	2,591,396	86,677	3.34	2,479,377	98,798	3.98
Financial investments	2,003,743	54,039	2.70	1,944,872	56,891	2.93
Balances with central bank	251,248	3,785	1.51	278,315	4,253	1.53
Placements with banks and other financial institutions	176,762	4,888	2.77	186,327	6,032	3.24
Balances with banks and other financial institutions	122,835	1,590	1.29	81,790	1,305	1.60
Long-term receivables	103,274	5,820	5.64	114,961	6,947	6.04
Financial assets held under resale agreement	46,247	723	1.56	57,084	1,099	1.93
Total	7,148,910	222,855	3.12	7,077,785	251,086	3.55

CHAPTER 3 MANAGEMENT DISCUSSION AND ANALYSIS

Item (RMB million)	2025			2024		
	Average balance	Interest expenses	Average cost ratio (%)	Average balance	Interest expenses	Average cost ratio (%)
Interest-bearing liabilities						
Deposits from customers	4,231,748	73,519	1.74	4,151,323	88,873	2.14
Of which: Corporate deposits	2,885,544	49,494	1.72	2,906,096	61,950	2.13
Demand	994,295	5,607	0.56	917,680	8,772	0.96
Time	1,891,249	43,887	2.32	1,988,416	53,178	2.67
Personal deposits	1,346,204	24,025	1.78	1,245,227	26,923	2.16
Demand	407,694	221	0.05	343,152	541	0.16
Time	938,510	23,804	2.54	902,075	26,382	2.92
Debt securities issued	979,571	19,003	1.94	800,105	19,452	2.43
Deposits from banks and other financial institutions	861,355	14,740	1.71	1,084,391	24,796	2.29
Borrowings from central bank and other financial institutions and others	369,761	8,741	2.36	427,183	12,293	2.88
Financial assets sold under repurchase agreements	256,142	4,609	1.80	158,707	3,425	2.16
Placements from banks and other financial institutions	75,709	2,117	2.80	96,013	3,557	3.70
Total	6,774,286	122,729	1.81	6,717,722	152,396	2.27
Net interest income		100,126			98,690	
Net interest spread			1.31			1.28
Net interest margin			1.40			1.39

CHAPTER 3 MANAGEMENT DISCUSSION AND ANALYSIS

The impacts of changes in scale and in interest rate on interest income and interest expenses of the Group are as follows:

Item (RMB million)	Changes in scale from the corresponding period of the previous year to 2025	Changes in interest rate from the corresponding period of the previous year to 2025	Net increase/ decrease
Changes in interest income:			
Total loans and advances to customers	1,201	-23,750	-22,549
Financial investments	1,722	-4,574	-2,852
Balances with central bank	-414	-54	-468
Placements with banks and other financial institutions	-310	-834	-1,144
Balances with banks and other financial institutions	655	-370	285
Long-term receivables	-706	-421	-1,127
Financial assets held under resale agreements	-209	-167	-376
Subtotal	1,939	-30,170	-28,231
Changes in interest expenses:			
Deposits from customers	1,722	-17,076	-15,354
Debt securities issued	4,363	-4,812	-449
Deposits from banks and other financial institutions	-5,100	-4,956	-10,056
Borrowings from central bank and other financial institutions and others	-1,652	-1,900	-3,552
Financial assets sold under repurchase agreements	2,103	-919	1,184
Placements from banks and other financial institutions	-752	-688	-1,440
Subtotal	684	-30,351	-29,667
Changes in net interest income	1,255	181	1,436

Note: Change in scale is measured by the change of average balance; change in interest rate is measured by the change of average interest rate.

CHAPTER 3 MANAGEMENT DISCUSSION AND ANALYSIS

1. Interest income

During the Reporting Period, the interest income of the Group amounted to RMB222,855 million, representing a decrease of RMB28,231 million, or 11.24%, as compared with the corresponding period of the previous year, mainly due to the decrease in the return ratio of interest-earning assets.

(1) Interest income from loans and advances to customers

During the Reporting Period, the interest income from loans and advances to customers of the Group amounted to RMB152,010 million, representing a decrease of RMB22,549 million, or 12.92%, as compared with the corresponding period of the previous year, mainly due to the decrease in the average return ratio of loans.

(2) Interest income from financial investments

During the Reporting Period, the interest income from financial investments of the Group amounted to RMB54,039 million, representing a decrease of RMB2,852 million, or 5.01%, as compared with the corresponding period of the previous year, mainly due to the decrease in the average return ratio of financial investments.

(3) Interest income from balances and placements with banks and other financial institutions and financial assets held under resale agreements

During the Reporting Period, the interest income from balances and placements with banks and other financial institutions and financial assets held under resale agreements of the Group amounted to RMB7,201 million, representing a decrease of RMB1,235 million, or 14.64%, as compared with the corresponding period of the previous year, mainly due to the decrease in the average return ratio.

(4) Interest income from long-term receivables

During the Reporting Period, the interest income from long-term receivables of the Group amounted to RMB5,820 million, representing a decrease of RMB1,127 million, or 16.22%, as compared with the corresponding period of the previous year, mainly due to the combined influence of decreases in the daily average scale and average return ratio of long-term receivables.

(5) Interest income from balances with central bank

During the Reporting Period, the interest income from balances with central bank of the Group amounted to RMB3,785 million, representing a decrease of RMB468 million, or 11.00%, as compared with the corresponding period of the previous year, mainly due to the decrease in the daily average scale of balances with central bank.

CHAPTER 3 MANAGEMENT DISCUSSION AND ANALYSIS

2. Interest expenses

During the Reporting Period, the interest expenses of the Group amounted to RMB122,729 million, representing a decrease of RMB29,667 million, or 19.47%, as compared with the corresponding period of the previous year, mainly due to the decrease in the average cost ratio of interest-bearing liabilities.

(1) Interest expenses on deposits from customers

During the Reporting Period, the interest expenses on deposits from customers of the Group amounted to RMB73,519 million, representing a decrease of RMB15,354 million, or 17.28%, as compared with the corresponding period of the previous year, mainly due to the decrease in the average cost ratio of deposits from customers.

(2) Interest expenses on deposits and placements from banks and other financial institutions and financial assets sold under repurchase agreements

During the Reporting Period, the interest expenses on deposits and placements from banks and other financial institutions and financial assets sold under repurchase agreements of the Group amounted to RMB21,466 million, representing a decrease of RMB10,312 million, or 32.45%, as compared with the corresponding period of the previous year, mainly due to the combined influence of decreases in the daily average scale and average cost ratio.

(3) Interest expenses on debt securities issued

During the Reporting Period, the interest expenses on debt securities issued by the Group amounted to RMB19,003 million, representing a decrease of RMB449 million, or 2.31%, as compared with the corresponding period of the previous year.

(4) Interest expenses on borrowings from central bank and other financial institutions and other interest expenses

During the Reporting Period, the interest expenses on borrowings from central bank and other financial institutions and other interest expenses of the Group amounted to RMB8,741 million, representing a decrease of RMB3,552 million, or 28.89%, as compared with the corresponding period of the previous year, mainly due to the combined influence of decreases in the daily average scale and average cost ratio.

CHAPTER 3 MANAGEMENT DISCUSSION AND ANALYSIS

(IV) Net non-interest income

During the Reporting Period, the net non-interest income of the Group amounted to RMB39,551 million, representing an increase of RMB5,118 million, or 14.86%, as compared with the corresponding period of the previous year.

Item (RMB million)	2025	2024	Change (%)
Net fee and commission income	18,321	18,245	0.42
Other net non-interest income	21,230	16,188	31.15
Total	39,551	34,433	14.86

1. Net fee and commission income

During the Reporting Period, the net fee and commission income of the Group was RMB18,321 million, representing an increase of RMB76 million, or 0.42%, as compared with the corresponding period of the previous year

Item (RMB million)	2025	2024	Change (%)
Fee and commission income	22,138	22,094	0.20
Of which: Bank card services	9,546	10,337	-7.65
Custodian and other fiduciary services	4,292	4,209	1.97
Agency services	3,428	3,653	-6.16
Settlement and clearance services	2,784	1,980	40.61
Credit commitments	1,088	1,027	5.94
Others	1,000	888	12.61
Fee and commission expense	3,817	3,849	-0.83
Net fee and commission income	18,321	18,245	0.42

CHAPTER 3 MANAGEMENT DISCUSSION AND ANALYSIS

2. Other net non-interest income

During the Reporting Period, the Group realised other net non-interest income of RMB21,230 million, representing an increase of RMB5,042 million, or 31.15%, as compared with the corresponding period of the previous year, mainly because the Group seized market opportunities to increase bonds and other transactions in due time, and benefited from price fluctuations in the capital market, leading to sound increase in other net non-interest income.

Item (RMB million)	2025	2024	Change (%)
Net trading gain	3,832	3,554	7.82
Net gain from investment securities	15,647	10,019	56.17
Other net operating income	1,751	2,615	-33.04
Total	21,230	16,188	31.15

(V) Operating expenses

During the Reporting Period, the operating expenses of the Group amounted to RMB52,707 million, representing a decrease of RMB391 million, or 0.74%, as compared with the corresponding period of the previous year.

Item (RMB million)	2025	2024	Change (%)
Staff costs (including Directors' emoluments)	31,290	31,315	-0.08
Depreciation and amortisation	6,983	6,844	2.03
Tax and surcharges	1,701	1,780	-4.44
Short-term lease expenses, low-value lease expenses and property management expenses	1,044	976	6.97
Business/office expenses and others	11,689	12,183	-4.05
Total	52,707	53,098	-0.74

CHAPTER 3 MANAGEMENT DISCUSSION AND ANALYSIS

(VI) Impairment losses on credit

During the Reporting Period, the impairment losses on credit of the Group amounted to RMB53,950 million, representing an increase of RMB8,476 million, or 18.64%, as compared with the corresponding period of the previous year.

Item (RMB million)	2025	2024	Change (%)
Loans and advances to customers	47,901	39,006	22.80
Financial assets measured at amortised cost	3,936	4,465	-11.85
Long-term receivables	1,142	1,098	4.01
Financial assets at fair value through other comprehensive income	525	374	40.37
Others	446	531	-16.01
Total	53,950	45,474	18.64

(VII) Income tax expenses

During the Reporting Period, the income tax expenses of the Group amounted to RMB1,677 million, representing an increase of RMB314 million, or 23.04%, as compared with the corresponding period of the previous year, mainly due to the decrease in tax-exempt income.

CHAPTER 3 MANAGEMENT DISCUSSION AND ANALYSIS

V. Analysis of Major Items of Statement of Financial Position

(I) Assets

As at the end of the Reporting Period, total assets of the Group amounted to RMB7,832,567 million, representing an increase of RMB17,598 million, or 0.23%, as compared with the end of the previous year.

Item (RMB million)	31 December 2025		31 December 2024	
	Amount	Proportion (%)	Amount	Proportion (%)
Total loans and advances to customers	4,430,610	56.57	4,450,480	56.95
Add: Accrued interests on loans	36,916	0.47	37,960	0.48
Less: Allowance for impairment losses on loans at amortised cost	93,295	1.19	92,404	1.18
Net loans and advances to customers	4,374,231	55.85	4,396,036	56.25
Net financial investments	2,424,329	30.95	2,398,702	30.69
Balances and placements with banks and other financial institutions and financial assets held under resale agreements	408,752	5.22	381,145	4.88
Cash and balances with central bank	254,754	3.25	285,449	3.65
Long-term receivables	98,066	1.25	112,382	1.44
Property and equipment	54,865	0.70	59,347	0.76
Others	217,570	2.78	181,908	2.33
Total	7,832,567	100.00	7,814,969	100.00

1. Loans and advances to customers

As at the end of the Reporting Period, total loans and advances to customers of the Group amounted to RMB4,430,610 million, representing a decrease of RMB19,870 million, or 0.45%, as compared with the end of the previous year, and accounted for 56.57% of total assets, representing a decrease of 0.38 percentage points as compared with the end of the previous year, mainly because the Group continued to adjust and optimise its credit structure, achieved relatively rapid growth in loans to key areas, and decreased the scale of the bill discounting business.

CHAPTER 3 MANAGEMENT DISCUSSION AND ANALYSIS

2. Financial investments

As at the end of the Reporting Period, total financial investments of the Group amounted to RMB2,412,150 million, representing an increase of RMB26,641 million, or 1.12%, as compared with the end of the previous year, and accounted for 30.80% of total assets, representing an increase of 0.28 percentage points as compared with the end of the previous year.

Item (RMB million)	31 December 2025		31 December 2024	
	Amount	Proportion (%)	Amount	Proportion (%)
Financial assets measured at amortised cost	1,334,093	55.31	1,473,103	61.75
Of which: Bonds	1,294,314	53.66	1,429,395	59.92
Trust and asset management plans	28,806	1.19	32,210	1.35
Other investments	10,973	0.46	11,498	0.48
Financial assets at fair value through profit and loss	371,581	15.40	377,457	15.82
Of which: Bonds	188,668	7.82	176,211	7.39
Trust and asset management plans	19,730	0.82	18,254	0.76
Investment funds	134,647	5.58	161,898	6.79
Equity instruments	22,921	0.95	17,236	0.72
Other investments	5,615	0.23	3,858	0.16
Financial assets at fair value through other comprehensive income	706,476	29.29	534,949	22.43
Of which: Bonds	698,395	28.95	527,437	22.11
Equity instruments	8,081	0.34	7,512	0.32
Total	2,412,150	100.00	2,385,509	100.00

Note: Other investments include debt financing plan and others.

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The bonds held by the Group in terms of issuers are as follows:

Item (RMB million)	31 December 2025		31 December 2024	
	Amount	Proportion (%)	Amount	Proportion (%)
Government	1,249,118	57.26	1,361,387	63.82
Policy banks	247,394	11.34	159,395	7.47
Banks and non-banking financial institutions	353,059	16.19	304,640	14.29
Corporates	331,806	15.21	307,621	14.42
Total	2,181,377	100.00	2,133,043	100.00

Financial bonds held by the Bank were mainly policy financial bonds and financial bonds of commercial banks. The top ten financial bonds in terms of par value are as follows:

Item (RMB million)	Par value	Coupon rate (%)	Maturity	Allowance for impairment losses
2021 financial bonds	7,540	3.30	3 March 2026	0.49
2022 financial bonds	7,200	2.69	16 June 2027	1.03
2025 financial bonds	7,160	1.39	3 September 2026	0.04
2025 financial bonds	7,080	1.60	16 April 2027	0.97
2025 financial bonds	6,930	1.25	16 June 2026	0.33
2021 financial bonds	6,750	2.83	10 September 2026	0.65
2025 financial bonds	6,470	1.54	2 April 2026	0.21
2025 financial bonds	6,390	1.37	11 June 2026	0.14
2023 financial bonds	5,790	2.52	25 May 2028	0.83
2024 financial bonds	5,160	2.34	5 January 2027	0.59
Total	66,470			5.28

3. Balances and placements with banks and other financial institutions and financial assets held under resale agreements

As at the end of the Reporting Period, the balances and placements with banks and other financial institutions and the financial assets held under resale agreements of the Group amounted to RMB408,752 million, representing an increase of RMB27,607 million, or 7.24%, as compared with the end of the previous year, and accounted for 5.22% of total assets, representing an increase of 0.34 percentage points as compared with the end of the previous year, mainly due to the increase in the scale of placements with non-banking financial institutions.

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4. Derivative financial instruments

Item (RMB million)	31 December 2025			31 December 2024		
	Nominal amount	Fair value		Nominal amount	Fair value	
		Assets	Liabilities		Assets	Liabilities
Currency derivatives	2,873,260	10,543	10,032	3,259,181	26,568	25,530
Interest rate derivatives	2,979,895	977	857	2,417,938	1,844	687
Precious metal derivatives	85,064	5,811	13,635	74,984	1,839	7,856
Others	2,470	31	3	1,941	32	–
Total		17,362	24,527		30,283	34,073

(II) Liabilities

As at the end of the Reporting Period, total liabilities of the Group amounted to RMB7,129,370 million, representing a decrease of RMB29,031 million, or 0.41%, as compared with the end of the previous year.

Item (RMB million)	31 December 2025		31 December 2024	
	Amount	Proportion (%)	Amount	Proportion (%)
Deposits from customers	4,347,799	60.98	4,332,681	60.52
Of which: Total deposits from customers (excluding accrued interest)	4,277,238	59.99	4,249,095	59.36
Deposits and placements from banks and other financial institutions and financial assets sold under repurchase agreements	1,232,533	17.29	1,321,830	18.47
Debt securities issued	1,012,008	14.19	941,025	13.15
Borrowings from central bank and other financial institutions	340,967	4.78	373,101	5.21
Others	196,063	2.76	189,764	2.65
Total	7,129,370	100.00	7,158,401	100.00

CHAPTER 3 MANAGEMENT DISCUSSION AND ANALYSIS

1. Deposits from customers

As at the end of the Reporting Period, total deposits from customers of the Group amounted to RMB4,277,238 million, representing an increase of RMB28,143 million, or 0.66%, as compared with the end of the previous year. In respect of customer structure, the proportions of corporate deposits and personal deposits in total deposits were 67.46% and 32.50%, respectively. In respect of maturity structure, the proportions of demand deposits and time deposits in total deposits were 34.62% and 65.34%, respectively.

Item (RMB million)	31 December 2025		31 December 2024	
	Amount	Proportion (%)	Amount	Proportion (%)
Corporate deposits	2,885,374	67.46	2,946,810	69.35
Of which: Demand deposits	1,048,098	24.50	1,051,320	24.74
Time deposits	1,837,276	42.96	1,895,490	44.61
Personal deposits	1,390,217	32.50	1,298,353	30.56
Of which: Demand deposits	432,823	10.12	396,934	9.34
Time deposits	957,394	22.38	901,419	21.22
Others	1,647	0.04	3,932	0.09
Total	4,277,238	100.00	4,249,095	100.00

2. Deposits and placements from banks and other financial institutions and financial assets sold under repurchase agreements

As at the end of the Reporting Period, the deposits and placements from banks and other financial institutions and the financial assets sold under repurchase agreements of the Group amounted to RMB1,232,533 million, representing a decrease of RMB89,297 million, or 6.76%, as compared with the end of the previous year, mainly due to the steady increase in the scale of deposits and the decrease in the scale of balances from banks and other financial institutions.

3. Debt securities issued

As at the end of the Reporting Period, the debt securities issued by the Group amounted to RMB1,012,008 million, representing an increase of RMB70,983 million, or 7.54%, as compared with the end of the previous year.

CHAPTER 3 MANAGEMENT DISCUSSION AND ANALYSIS

(III) Analysis of liability quality

The Bank comprehensively implemented regulatory requirements, continued to strengthen liability quality management, established the liability quality management system in line with the scale and complexity of its liabilities, and clarified responsibilities of the Board, the Senior Management, the relevant departments and all institutions in liability quality management. The Board and the Senior Management of the Bank implemented effective management of and monitoring on liability quality. The Board undertook the ultimate responsibility for liability quality management while the Senior Management took on specific management duties.

During the Reporting Period, the Bank adhered to prudent and steady operating philosophy, consolidated customer base, optimised liability structure and controlled liability costs, thereby laying a solid foundation for high-quality business development. Firstly, the Bank remained customer-centric, optimised products and services in line with actual customer needs, enhanced customer experience and deepened customer relationships, thereby consolidating the customer foundation with steady growth in deposits. Secondly, the Bank advanced refined and full-process management of liabilities, actively expanded low-cost settlement funds, strengthened proactive management of high-cost liabilities, and further optimised liability maturity structure, in a bid to achieve effective control of liability costs. Thirdly, the Bank closely monitored macroeconomic and financial markets developments, dynamically optimised liability management strategies, arranged the pace and scale of attracting various funds in a reasonable manner, reinforced diversification of liability sources and alignment of maturity structure, and enhanced the stability of liability supply.

During the Reporting Period, the Group maintained safe and steady liability quality, and relevant indicators all met internal and external management requirements. As at the end of the Reporting Period, the net stable funding ratio of the Group was 104.85%, and the liquidity coverage ratio was 135.60%. During the Reporting Period, the cost ratio of interest-bearing liabilities of the Group was 1.81%.

CHAPTER 3 MANAGEMENT DISCUSSION AND ANALYSIS

(IV) Shareholders' equity

As at the end of the Reporting Period, total shareholders' equity of the Group amounted to RMB703,197 million, representing an increase of RMB46,629 million, or 7.10%, as compared with the end of the previous year. Of which, total equity attributable to holders of equity shares of the Bank amounted to RMB689,637 million, representing an increase of RMB46,778 million, or 7.28%, as compared with the end of the previous year.

Item (RMB million)	31 December 2025	31 December 2024	Change (%)
Share capital	43,782	43,782	–
Other equity instruments	125,000	95,000	31.58
Of which: Preference shares	20,000	20,000	–
Perpetual bonds	105,000	75,000	40.00
Reserves	229,857	226,446	1.51
Capital reserve	58,141	58,087	0.09
Surplus reserve	64,829	61,888	4.75
General reserve	101,642	99,279	2.38
Other reserves	5,245	7,192	-27.07
Retained earnings	290,998	277,631	4.81
Total equity attributable to holders of equity shares of the Bank	689,637	642,859	7.28
Non-controlling interests	13,560	13,709	-1.09
Total	703,197	656,568	7.10

(V) Off-balance sheet items

Item (RMB million)	31 December 2025	31 December 2024	Change (%)
Bank acceptances	569,052	518,662	9.72
Unused credit card commitments	506,953	519,213	-2.36
Letters of credit	200,237	141,076	41.94
Guarantees	128,926	135,217	-4.65
Irrevocable loan commitments	18,243	56,736	-67.85
Capital commitments	11,862	14,852	-20.13
Leasing commitments	126	113	11.50

Note: Leasing commitments refer to leasing payments related to leasing contracts already signed by the Group but not yet commenced in implementation.

CHAPTER 3 MANAGEMENT DISCUSSION AND ANALYSIS

VI. Qualitative Analysis of Loans

(I) Loan distribution by five-category classification

As at the end of the Reporting Period, total NPLs of the Group amounted to RMB66,154 million, representing an increase of RMB544 million as compared with the end of the previous year. The NPL ratio was 1.49%, representing an increase of 0.02 percentage points as compared with the end of the previous year. Total special-mentioned loans amounted to RMB121,195 million, representing an increase of RMB825 million as compared with the end of the previous year. The proportion of special-mentioned loans was 2.74%, representing an increase of 0.04 percentage points as compared with the end of the previous year.

Item (RMB million)	31 December 2025		31 December 2024		Change (%)
	Amount	Proportion (%)	Amount	Proportion (%)	
Performing loans	4,364,456	98.51	4,384,870	98.53	-0.47
Of which: Pass	4,243,261	95.77	4,264,500	95.83	-0.50
Special-mentioned	121,195	2.74	120,370	2.70	0.69
NPLs	66,154	1.49	65,610	1.47	0.83
Of which: Substandard	13,879	0.31	20,090	0.45	-30.92
Doubtful	10,939	0.25	12,070	0.27	-9.37
Loss	41,336	0.93	33,450	0.75	23.58
Total	4,430,610	100.00	4,450,480	100.00	-0.45

(II) Loan distribution by product types

As at the end of the Reporting Period, total corporate loans (including discounted bills) of the Group amounted to RMB2,751,726 million, representing an increase of RMB71,805 million as compared with the end of the previous year, accounting for 62.11% of total loans, representing an increase of 1.89 percentage points as compared with the end of the previous year. Total personal loans amounted to RMB1,678,884 million, representing a decrease of RMB91,675 million as compared with the end of the previous year, accounting for 37.89% of total loans, representing a decrease of 1.89 percentage points as compared with the end of the previous year.

As at the end of the Reporting Period, total corporate NPLs (including discounted bills) of the Group amounted to RMB34,001 million, representing an increase of RMB213 million as compared with the end of the previous year, and the NPL ratio was 1.24%, representing a decrease of 0.02 percentage points as compared with the end of the previous year. Total personal NPLs amounted to RMB32,153 million, representing an increase of RMB331 million as compared with the end of the previous year, and the NPL ratio was 1.92%, representing an increase of 0.12 percentage points as compared with the end of the previous year.

CHAPTER 3 MANAGEMENT DISCUSSION AND ANALYSIS

Item (RMB million)	31 December 2025				31 December 2024			
	Total loans	% of total	Total NPLs	NPL ratio (%)	Total loans	% of total	Total NPLs	NPL ratio (%)
Corporate loans and advances	2,751,726	62.11	34,001	1.24	2,679,921	60.22	33,788	1.26
Of which: Discounted bills	126,250	2.85	–	–	219,009	4.92	–	–
Personal loans and advances	1,678,884	37.89	32,153	1.92	1,770,559	39.78	31,822	1.80
Of which: Loans to MSEs	587,672	13.26	9,591	1.63	643,014	14.45	9,909	1.54
Residential mortgage	573,393	12.94	4,397	0.77	559,218	12.56	5,383	0.96
Credit card overdraft	432,460	9.76	16,735	3.87	477,247	10.72	15,664	3.28
Others ^(Note)	85,359	1.93	1,430	1.68	91,080	2.05	866	0.95
Total	4,430,610	100.00	66,154	1.49	4,450,480	100.00	65,610	1.47

Note: Others include comprehensive consumer loans, automobile loans and other personal loans.

(III) Loan distribution by industries

The Group remained committed to serving the real economy with financial services as its fundamental mission and provided solid credit support to key areas including the “five major sectors”. The Group strictly implemented the risk preference, embedded industry research outcomes into full credit process, and in accordance with the principle of balancing quantity, price and quality, further optimised industry, customer and product structures, so as to consolidate and enhance high-quality credit placement across the whole bank. As at the end of the Reporting Period, the corporate loans of the Group were mainly concentrated in the industries of leasing and commercial services, manufacturing, and real estate. Of which, total loans to the leasing and commercial services industry amounted to RMB599,990 million, representing an increase of RMB52,920 million as compared with the end of the previous year. Total loans to the manufacturing industry amounted to RMB500,033 million, representing a decrease of RMB8,431 million as compared with the end of the previous year. Total loans to the real estate sector amounted to RMB325,443 million, representing a decrease of RMB7,996 million as compared with the end of the previous year.

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As at the end of the Reporting Period, the corporate NPLs of the Group were mainly concentrated in the industries of real estate, wholesale and retail, and manufacturing. Total NPLs of the three major industries amounted to RMB24,400 million, accounting for 71.76% of total corporate NPLs. In terms of NPL changes, mainly due to the impact of downgrading of certain corporate clients in the leasing and commercial services industry, the amount of NPLs saw an increase of RMB3,026 million as compared with the end of the previous year. Due to the impact of business environment change and competition intensification in the wholesale and retail industry, the amount of NPLs saw an increase of RMB2,356 million as compared with the end of the previous year. Due to the intensified efforts of NPL disposal in the real estate sector, the amount of NPLs saw a decrease of RMB4,962 million as compared with the end of the previous year.

Item (RMB million)	31 December 2025				31 December 2024			
	Total loans	% of total	Total NPLs	NPL ratio (%)	Total loans	% of total	Total NPLs	NPL ratio (%)
Corporate loans and advances								
Leasing and commercial services	599,990	13.54	4,894	0.82	547,070	12.29	1,868	0.34
Manufacturing	500,033	11.29	6,041	1.21	508,464	11.42	5,876	1.16
Real estate	325,443	7.35	11,736	3.61	333,439	7.49	16,698	5.01
Wholesale and retail	291,287	6.57	6,623	2.27	295,899	6.65	4,267	1.44
Transportation, storage and postal services	202,730	4.58	330	0.16	171,065	3.85	205	0.12
Water, environment and public utilities management	174,004	3.93	336	0.19	165,256	3.71	690	0.42
Production and supply of electric power, heat, gas and water	151,199	3.41	11	0.01	136,116	3.06	3	–
Financial services	138,243	3.12	540	0.39	173,059	3.89	377	0.22
Construction	103,877	2.34	852	0.82	125,336	2.82	1,108	0.88
Mining	72,224	1.63	1,638	2.27	64,345	1.45	1,681	2.61
Information transmission, software and information technology services	57,706	1.30	452	0.78	45,895	1.03	284	0.62
Scientific research and technical services	47,350	1.07	259	0.55	39,153	0.88	154	0.39
Agriculture, forestry, animal husbandry and fishery	26,871	0.61	51	0.19	22,837	0.51	294	1.29
Others	60,769	1.37	238	0.39	51,987	1.17	283	0.54
Subtotal	2,751,726	62.11	34,001	1.24	2,679,921	60.22	33,788	1.26
Personal loans and advances	1,678,884	37.89	32,153	1.92	1,770,559	39.78	31,822	1.80
Total	4,430,610	100.00	66,154	1.49	4,450,480	100.00	65,610	1.47

CHAPTER 3 MANAGEMENT DISCUSSION AND ANALYSIS

(IV) Loan distribution by geographical regions

In line with the principle of “adapting to local conditions, highlighting key priorities and strengthening risk control”, the Group actively responded to national regional development strategies, closely monitored the development of regional industrial clusters, formulated regionally differentiated credit policies, provided targeted support for the development of distinctive industries in various regions, leveraged comparative advantages of different regions, and effectively optimised regional layout and enhanced market competitiveness of the Group. As at the end of the Reporting Period, total loans of the Group to the Yangtze River Delta, the Pearl River Delta and the Western Region ranked top three, being RMB1,202,961 million, RMB705,417 million and RMB687,012 million, respectively, accounting for 27.15%, 15.92% and 15.51% of total loans, respectively. In terms of increase in loans, total loans to the Yangtze River Delta increased by RMB47,183 million as compared with the end of the previous year.

As at the end of the Reporting Period, the NPLs of the Group were mainly concentrated in the Head Office, the Yangtze River Delta and the Western Region, total NPLs of which amounted to RMB18,036 million, RMB13,666 million and RMB10,550 million, respectively, accounting for 63.87% of total NPLs. Of which, the NPLs of the Head Office mainly came from credit card business. In terms of increase in NPLs, the Yangtze River Delta and the Pearl River Delta saw large increases in the NPLs, increasing by RMB1,437 million and RMB952 million, respectively, as compared with the end of the previous year. The NPL ratios increased by 0.08 and 0.14 percentage points, respectively, as compared with the end of the previous year.

Item (RMB million)	31 December 2025				31 December 2024			
	Total loans	% of total	Total NPLs	NPL ratio (%)	Total loans	% of total	Total NPLs	NPL ratio (%)
Head Office	443,405	10.01	18,036	4.07	487,000	10.94	17,088	3.51
Yangtze River Delta	1,202,961	27.15	13,666	1.14	1,155,778	25.97	12,229	1.06
Pearl River Delta	705,417	15.92	7,774	1.10	710,655	15.97	6,822	0.96
Bohai Rim	668,332	15.08	7,401	1.11	693,598	15.58	9,034	1.30
Northeastern Region	98,223	2.22	1,463	1.49	91,780	2.06	1,391	1.52
Central Region	495,201	11.18	5,932	1.20	510,355	11.47	5,705	1.12
Western Region	687,012	15.51	10,550	1.54	680,003	15.28	10,878	1.60
Institutions outside the Chinese mainland and subsidiaries	130,059	2.93	1,332	1.02	121,311	2.73	2,463	2.03
Total	4,430,610	100.00	66,154	1.49	4,450,480	100.00	65,610	1.47

Note: For details of the geographical distribution of institutions of the Group, please refer to Note 5 “Segment Information” to the Financial Statements.

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(V) Loan distribution by types of collateral

As at the end of the Reporting Period, total secured loans of the Group amounted to RMB2,073,528 million, representing a decrease of RMB187,111 million as compared with the end of the previous year, accounting for 46.80% of total loans, mainly due to the decrease in discounted bills. Total unsecured loans amounted to RMB1,443,341 million, representing an increase of RMB92,072 million as compared with the end of the previous year, accounting for 32.58% of total loans. Total guaranteed loans amounted to RMB913,741 million, representing an increase of RMB75,169 million as compared with the end of the previous year, accounting for 20.62% of total loans. The NPL ratio of loans secured by tangible assets other than monetary assets decreased by 0.19 percentage points as compared with the end of the previous year, mainly due to the large decreases in NPLs of corporate real estate business and mortgage NPLs; the NPL ratio of loans secured by monetary assets increased by 1.07 percentage points as compared with the end of the previous year, due to the large decrease in the scale of loans on the one hand, and the increase in the amount of NPLs as a result of the impact of certain corporate clients on the other hand.

Item (RMB million)	31 December 2025				31 December 2024			
	Total loans	% of total	Total NPLs	NPL ratio (%)	Total loans	% of total	Total NPLs	NPL ratio (%)
Unsecured loans	1,443,341	32.58	22,352	1.55	1,351,269	30.36	20,303	1.50
Guaranteed loans	913,741	20.62	8,814	0.96	838,572	18.84	9,246	1.10
Secured loans	2,073,528	46.80	34,988	1.69	2,260,639	50.80	36,061	1.60
Of which: Secured by tangible assets other than monetary assets	1,713,165	38.67	29,412	1.72	1,759,337	39.53	33,638	1.91
Secured by monetary assets	360,363	8.13	5,576	1.55	501,302	11.27	2,423	0.48
Total	4,430,610	100.00	66,154	1.49	4,450,480	100.00	65,610	1.47

(VI) Top ten loan customers

As at the end of the Reporting Period, the aggregate amount of total loans to the top ten loan customers of the Group was RMB65,471 million, accounting for 1.48% of total loans and advances to customers. The top ten loan customers are as follows:

Item (RMB million)	Amount	% of total loans	% of net capital base
Customer A	11,180	0.25	1.43
Customer B	9,184	0.21	1.17
Customer C	8,347	0.19	1.06
Customer D	7,711	0.17	0.98
Customer E	5,763	0.13	0.73
Customer F	5,245	0.12	0.67
Customer G	5,020	0.11	0.64
Customer H	4,360	0.10	0.56
Customer I	4,335	0.10	0.55
Customer J	4,326	0.10	0.55
Total	65,471	1.48	8.34

CHAPTER 3 MANAGEMENT DISCUSSION AND ANALYSIS

(VII) Restructured loans and overdue loans

As at the end of the Reporting Period, total restructured loans of the Group amounted to RMB29,007 million, representing an increase of RMB2,606 million as compared with the end of the previous year, accounting for 0.65% of total loans and advances to customers, representing an increase of 0.06 percentage points as compared with the end of the previous year. Total overdue loans amounted to RMB95,803 million, representing an increase of RMB2,844 million as compared with the end of the previous year, accounting for 2.16% of total loans and advances to customers, representing an increase of 0.07 percentage points as compared with the end of the previous year.

Item (RMB million)	31 December 2025		31 December 2024	
	Amount	Proportion (%)	Amount	Proportion (%)
Restructured loans ^(Note 1)	29,007	0.65	26,401	0.59
Of which: Restructured loans overdue for more than 90 days	8,496	0.19	7,721	0.17
Overdue loans ^(Note 2)	95,803	2.16	92,959	2.09
Of which: Overdue within 3 months	27,463	0.62	27,566	0.62
Overdue from 3 months up to 1 year	29,072	0.66	29,791	0.67
Overdue from 1 year up to 3 years	31,660	0.71	29,928	0.67
Overdue more than 3 years	7,608	0.17	5,674	0.13

Notes:

1. Restructured loans are loans that the loan agreement has been adjusted by the Group in favour of the debtor, or provision of refinancing for the debtor's existing debts, including granting new loans for repayment of previous debts, new debt financing, etc., in order to enable the debtor who has financial difficulty to repay.
2. Overdue loans are loans that the repayment of principal or interest is overdue for one or more days.

(VIII) Repossessed assets

Item (RMB million)	31 December 2025	31 December 2024
Reposessed assets	4,408	4,941
Of which: Real estate and land use right	1,314	1,856
Motor vehicles	2,931	3,003
Others	163	82
Allowance for impairment losses	625	800

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(IX) Changes in allowance for impairment losses on loans

Item (RMB million)	31 December 2025	31 December 2024
Opening balance	93,129	97,444
Charge for the period, net	47,901	39,006
Write-offs and transfer out during the period	-52,477	-51,183
Recoveries	7,759	8,890
Others	-2,346	-1,028
Ending balance	93,966	93,129

Method for calculating allowance for impairment losses on loans:

According to the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments 《企業會計準則第22號——金融工具確認和計量》, the Bank calculates the allowance for impairment losses on loans with the expected credit loss model as the basis and the forward-looking information as reference. Of which, for retail loans and corporate loans in phase 1 and phase 2, the allowance for impairment losses is calculated based on risk parameters such as probability of default of customers and loss given default. For corporate loans in phase 3, the allowance for impairment losses is calculated based on the expected recovery of cash flow. In line with the requirements of the Implementation Rules for Expected Credit Loss Approach of Commercial Banks (Yin Bao Jian Gui [2022] No. 10) 《商業銀行預期信用損失法實施管理辦法》(銀保監規[2022]10號)), the Bank reviewed and optimised the expected credit loss model on a regular basis, and updated forward-looking information and relevant parameters in a timely manner.

VII. Analysis of Capital Adequacy Ratio

(I) Capital adequacy ratio

The Group calculated its capital adequacy ratio (the “CAR”) in accordance with the Capital Rules for Commercial Banks 《商業銀行資本管理辦法》 (the “Capital Rules”) and other relevant regulatory provisions. The calculation of CAR covers the Bank and the financial institutions directly or indirectly invested by the Bank in accordance with the requirements of the Capital Rules. During the Reporting Period, the minimum requirements of the NFRA on the Group and the Bank’s core tier-1 CAR, tier-1 CAR and CAR were 5%, 6%, and 8%, respectively. Based on the aforesaid minimum capital requirements, provisions of reserve capital, counter-cyclical capital and additional paid-in capital should also be made at the ratios of 2.5%, 0%, and 0.25%, respectively. During the Reporting Period, the core tier-1 CAR, tier-1 CAR, and the CAR of the Group and the Bank should be no less than 7.75%, 8.75%, and 10.75%, respectively.

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As at the end of the Reporting Period, the core tier-1 CAR, tier-1 CAR and the CAR of the Group were 9.38%, 11.47% and 13.06%, respectively, representing increases of 0.02 percentage points, 0.47 percentage points and 0.17 percentage points, respectively, as compared with the end of the previous year. The table below sets out the CAR of the Group and the Bank:

Item (RMB million)	31 December 2025		31 December 2024	
	The Group	The Bank	The Group	The Bank
Net core tier-1 capital	563,554	528,829	546,689	512,837
Net tier-1 capital	689,364	653,829	642,503	607,837
Total net capital base	784,943	745,515	752,993	714,783
Core tier-1 capital	571,634	550,085	554,940	534,504
Core tier-1 capital deductions	-8,080	-21,256	-8,251	-21,667
Other tier-1 capital	125,810	125,000	95,814	95,000
Other tier-1 capital deductions	—	—	—	—
Tier-2 capital	95,635	91,686	110,490	106,946
Tier-2 capital deductions	-56	—	—	—
Total risk-weighted assets	6,011,048	5,728,815	5,842,716	5,568,101
Of which: Credit risk-weighted assets	5,669,106	5,411,255	5,514,242	5,265,735
Market risk-weighted assets	86,959	72,281	72,720	57,908
Operational risk-weighted assets	254,983	245,279	255,754	244,458
Core tier-1 CAR (%)	9.38	9.23	9.36	9.21
Tier-1 CAR (%)	11.47	11.41	11.00	10.92
CAR (%)	13.06	13.01	12.89	12.84

As at the end of the Reporting Period, the leverage ratio of the Group was 7.51%, representing an increase of 0.08 percentage points as compared with the end of the previous quarter. The leverage ratio of the Group is as follows:

Item (RMB million)	31 December 2025	30 September 2025	30 June 2025	31 March 2025
Leverage ratio (%)	7.51	7.43	7.58	7.24
Net tier-1 capital	689,364	686,328	689,588	650,371
On- and off-balance sheet assets after adjustment	9,174,691	9,235,790	9,094,589	8,981,731

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For details of the regulatory capital indicators, please refer to the 2025 Annual Report on Pillar 3 Information Disclosure of China Minsheng Banking Corp., Ltd. 《中國民生銀行股份有限公司2025年度第三支柱信息披露報告》 in the section headed “Investors Relations – Announcements and Disclosures – Regulatory Capital” on the Bank’s website (www.cmbc.com.cn).

(II) Evaluation of internal capital adequacy

In accordance with relevant regulatory requirements, the Bank initiated the establishment of a system for evaluating internal capital adequacy. So far, the Bank has established a relatively comprehensive governance framework of internal capital adequacy evaluation procedures, including risk preference, identification and evaluation of major risks, second pillar capital surcharge, capital plan, and CAR stress testing. The Bank has formulated the supporting institutional system for internal capital adequacy, which specified the responsibilities of the Board, the Senior Management and the related departments in the evaluation procedures of internal capital adequacy. In addition, through continuous establishment and improvement of effective evaluation measures and management procedures, the comprehensiveness and effectiveness of the capital management and risk management of the Bank have been ensured.

(III) Capital plan and CAR management plan

To actively respond to national policy orientation of supporting the real economy with financial services, deepen structural reform on the financial supply side, further enhance capital management to take advantage of the guiding role of capital, and to facilitate sustainable and healthy business growth, the Bank formulated the Mid- to Long-Term Capital Plan of China Minsheng Bank 《中國民生銀行中長期資本規劃》 (the “Capital Plan”) in accordance with regulatory requirements and development strategy and business plan, which was considered and approved by the Board. In formulating the Capital Plan, the Bank considered factors including domestic and foreign economic and financial situations, capital regulatory trends and continuous promotion of strategic transformation, and clarified the principles, targets and measures for capital management. Adhering to the principle of creating values for shareholders and the society and under the guidance of capital management, the Bank formulated reasonable CAR management plan, enhanced capital budget and allocation management, strengthened the capital appraisal and constraints, and promoted the optimisation and adjustment of business structure, so as to support high-quality and efficient business development, improve the capital utilisation efficiency, and enhance capital management.

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VIII. Liquidity Indicators

(I) Liquidity coverage ratio

As at the end of the Reporting Period, the liquidity coverage ratio of the Group was 135.60%, 35.60 percentage points higher than the regulatory requirement, indicating that the Group had an adequate reserve of high-quality current assets and maintained its liquidity stability.

Item (RMB million)	31 December 2025	31 December 2024
Liquidity coverage ratio (%)	135.60	161.99
High-quality current assets	958,739	1,086,316
Net cash outflow in 30 days	707,036	670,628

(II) Net stable funding ratio

As at the end of the Reporting Period, the net stable funding ratio of the Group was 104.85%, 4.85 percentage points higher than the regulatory requirement, indicating that the available stable funding sources of the Group were capable of supporting the sustainable and stable business development.

Item (RMB million)	31 December 2025	30 September 2025	30 June 2025
Net stable funding ratio (%)	104.85	103.16	106.68
Stable funding available	4,572,514	4,484,259	4,533,208
Stable funding required	4,361,021	4,346,794	4,249,188

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IX. Segment Report

The business segments of the Group are categorised as corporate banking, retail banking and others for the purposes of management, reporting and evaluation. The geographical segments are categorised into eight sections including the Head Office, the Yangtze River Delta, the Pearl River Delta, the Bohai Rim, Northeastern Region, Central Region, Western Region, and the institutions outside the Chinese mainland and subsidiaries for the purposes of management, reporting and evaluation.

(I) Segment operating results by business line

Item (RMB million)	31 December 2025	2025	
	Total assets	Operating income	Profit before income tax
Corporate banking	5,328,944	68,470	28,606
Retail banking	1,723,662	56,597	11,775
Others	721,288	14,610	-8,122
Total	7,773,894	139,677	32,259

Item (RMB million)	31 December 2024	2024	
	Total assets	Operating income	Profit before income tax
Corporate banking	5,144,314	68,257	32,997
Retail banking	1,745,584	54,892	11,608
Others	866,922	9,974	-10,520
Total	7,756,820	133,123	34,085

Note: Total assets exclude deferred income tax assets.

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(II) Segment operating results by geographical region

Item (RMB million)	31 December	2025	
	2025 Total assets	Operating income	Profit before income tax
Head Office	3,400,109	54,361	12,554
Yangtze River Delta	1,233,555	23,956	10,224
Pearl River Delta	807,513	14,973	3,793
Bohai Rim	1,384,929	12,280	-2,671
Northeastern Region	139,143	2,567	1,546
Central Region	588,810	10,630	2,926
Western Region	695,289	11,046	831
Institutions outside the Chinese mainland and subsidiaries	459,489	9,864	3,056
Inter-regional adjustments	-934,943	–	–
Total	7,773,894	139,677	32,259

Item (RMB million)	31 December	2024	
	2024 Total assets	Operating income	Profit before income tax
Head Office	3,416,362	47,933	7,676
Yangtze River Delta	1,254,041	21,404	7,054
Pearl River Delta	819,463	14,407	4,442
Bohai Rim	1,420,814	15,922	6,217
Northeastern Region	151,842	2,269	266
Central Region	573,712	10,815	2,474
Western Region	688,144	10,268	1,733
Institutions outside the Chinese mainland and subsidiaries	437,774	10,105	4,223
Inter-regional adjustments	-1,005,332	–	–
Total	7,756,820	133,123	34,085

Note: Total assets exclude deferred income tax assets.

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X. Other Financial Information

(I) Items relating to fair value measurement

1. Internal control system relating to fair value measurement

In order to regulate fair value measurement, improve the quality of financial information, strengthen risk control and protect the legitimate rights and interests of investors and all relevant parties, the Bank has formulated the Administrative Measures Regarding Account Valuation of Financial Instruments at Fair Value of China Minsheng Bank 《中國民生銀行金融工具公允價值入賬估值管理辦法》 according to the Accounting Standards for Business Enterprises 《企業會計準則》, established a clear and effective governance structure and internal control procedures, expanded the scope of fair value measurement to cover certain financial assets and financial liabilities, and clarified and refined the policies, methods and procedures for fair value measurement. To enhance the rationality and reliability of fair value measurement, the Bank has assigned specific working responsibilities for the management of fair value measurement to the Board, the Senior Management and execution bodies at various levels, strengthened research on the fair value measurement of asset and liability businesses, improved internal valuation capabilities, gradually optimised the valuation models and systems, and strengthened the verification of parameters obtained externally. Moreover, the Bank has taken corresponding internal control measures over the fair value measurement process, conducted double-checking system for the measurement of fair value, and adopted a valuation procedure of fair value featuring multiple checks and early-warning and monitoring on valuation results. In the meantime, by supervising and checking the scope, methodology and procedures of fair value measurement, the audit departments have constantly improved internal control of the Bank.

The Bank has adopted new accounting standards including the International Financial Reporting Standard 9: Financial Instruments 《國際財務報告準則第9號：金融工具》 (IFRS 9) and the Accounting Standards for Business Enterprises No. 22-Recognition and Measurement of Financial Instruments, the Accounting Standards for Business Enterprises No. 23-Transfer of Financial Assets 《企業會計準則第23號——金融資產轉移》, the Accounting Standards for Business Enterprises No. 24-Hedge Accounting 《企業會計準則第24號——套期會計》 and the Accounting Standards for Business Enterprises No. 39-Fair Value Measurement 《企業會計準則第39號——公允價值計量》 promulgated by the Ministry of Finance. During the Reporting Period, the Bank completed the solely payments of principal and interest (SPPI) test, product classification, valuation, and impairment calculation of financial instruments, and conducted fair value measurement in accordance with the new accounting standards.

2. Financial instruments measured at fair value

For details of the scope, methodologies and relevant parameters of the financial instruments measured at fair value of the Bank, please refer to Note 11 “Fair Value of Financial Instruments” to the Financial Statements.

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(II) Overdue and outstanding liabilities

As at the end of the Reporting Period, the Group had no material outstanding liabilities that were overdue.

(III) Cash flow

During the Reporting Period, the Group's net cash flow from operating activities was RMB-157,476 million, and the net outflow decreased by RMB74,162 million as compared with the corresponding period of the previous year, mainly due to the decrease in net outflow of loans and advances to customers as a result of the continuous adjustment and optimisation of credit structure. The net cash flow from investment activities amounted to RMB67,914 million, and the net outflow decreased by RMB110,735 million as compared with the corresponding period of the previous year, mainly due to the increase in cash received from recovery of investments and investment income. The net cash flow from financing activities amounted to RMB66,423 million, and the net inflow decreased by RMB155,437 million as compared with the corresponding period of the previous year, mainly due to the increase in cash paid for repayment of debt securities issued.

Item (RMB million)	2025	2024	Change
Net cash flow from operating activities	-157,476	-231,638	Net outflow decreasing by 74,162
Of which: Net cash flow from loans and advances to customers	-12,240	-107,796	Net outflow decreasing by 95,556
Net cash flow from deposits from customers	28,143	-33,908	Net outflow decreasing by 62,051
Net cash flow from deposits and placements from banks and other financial institutions	-114,898	-166,508	Net outflow decreasing by 51,610
Net placements with banks and other financial institutions	-67,597	5,049	Net inflow decreasing by 72,646
Net cash flow from investment activities	67,914	-42,821	Net outflow decreasing by 110,735
Of which: Cash received from recovery of investments and investment income	3,459,194	1,664,192	Inflow increasing by 1,795,002
Cash paid for investments	-3,392,239	-1,703,501	Outflow increasing by 1,688,738
Net cash flow from financing activities	66,423	221,860	Net inflow decreasing by 155,437
Of which: Cash received from issuance of debt securities	1,774,314	1,383,818	Inflow increasing by 390,496
Cash paid for repayment of debt securities issued	-1,715,172	-1,127,757	Outflow increasing by 587,415

CHAPTER 3 MANAGEMENT DISCUSSION AND ANALYSIS

XI. Operational Concerns

(I) Net interest margin

During the Reporting Period, the net interest margin of the Group was 1.40%, representing an increase of 1BP as compared with the corresponding period of the previous year. The decrease in liability costs supported the stability of the interest margin. On the asset side, market interest rates continued to decline and high-priced loans were refinanced at maturity, leading to a decrease in the return on assets as compared with the corresponding period of the previous year. On the liability side, the Bank proactively strengthened interest rate management, seized the window opportunity of interest rate cut, and actively took in low-cost funds. At the same time, the Group optimised the liability structure, and promoted accumulation of low-cost and high-stability funds, leading to a significant decrease in liability costs. During the Reporting Period, the cost ratio of deposits was 1.74%, representing a decrease of 40BP as compared with the corresponding period of the previous year. The average cost ratio of interbank liabilities was 1.81%, representing a decrease of 46BP as compared with the corresponding period of the previous year. The cost ratio of deposits and interbank liabilities maintained a downward trend across all quarters.

In 2026, the Group will implement the strategy of high-quality development, optimise business structure, and strengthen interest margin management to provide stable support for profitability. On the liability side, with “settlement +” as the core driver, the Group will deepen the closed-loop management of customer funds and expand total settlement funds, driving steady decrease in liability interest rates. On the asset side, the Group will refine the pricing management framework, strengthen capital return orientation, enhance risk-based pricing capabilities, and actively provide comprehensive services to customers to stabilise loan pricing.

(II) Net non-interest income

The Group adhered to the customer-centric philosophy, enhanced service quality and value creation of intermediary business, and promoted the increases of both net non-interest income and its proportion. During the Reporting Period, the net non-interest income of the Group amounted to RMB39,551 million, representing an increase of RMB5,118 million as compared with the corresponding period of the previous year, and accounted for 28.32% in operating income, representing an increase of 2.45 percentage points as compared with the corresponding period of the previous year. On the one hand, the Bank focused on wealth management and payment and settlement businesses, enhanced the capability of asset allocation, improved the development of payment scenarios, promoted the steady expansion of the scale of financial assets under management and the increase in intermediary business income. During the Reporting Period, the net fee and commission income of the Group amounted to RMB18,321 million, representing an increase of RMB76 million, or 0.42%, as compared with the corresponding period of the previous year. On the other hand, the Group seized market opportunities, expanded bond trading and increased investment returns in due time. In the meantime, thanks to the recovery of price in the capital market, gains and losses from changes in fair value increased.

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(III) Formation, and collection and disposal of non-performing assets

The Bank optimised the full-process credit management mechanism, deepened industry research and policy guidance, and adjusted and refined credit asset structure. At the pre-lending stage, the Bank clarified operational standards, optimised due diligence procedures and strengthened the list-based management. At the in-lending stage, the Bank enhanced the post-approval evaluation management mechanism to timely prevent risky disbursement. At the post-lending stage, the Bank solidly implemented the “Year of Enhancing Post-Lending and Investment Management” initiative, and established management mechanisms such as monthly joint meetings of three lines of defence, tracking of customers in the large-amount list and agile credit inspection teams to strengthen risk prevention and control in key areas. During the Reporting Period, the formation rate of NPLs² of the Bank was 1.56%, representing an increase of 0.07 percentage points as compared with the corresponding period of the previous year, mainly due to the increase in the newly formed non-performing retail loans.

The Bank proactively responded to the changing situation faced by the disposal and resolution of non-performing assets, adhered to the philosophy of managing non-performing assets, implemented layered and classified management, and took multiple measures to mitigate risks. During the Reporting Period, the Bank disposed a total of RMB72,004 million non-performing assets, including RMB67,390 million NPLs. Divided by disposal method, RMB8,078 million were collected in cash, RMB11,605 million were transferred, RMB16,066 million were securitised, RMB30,293 million of bad loans were written off, and RMB1,348 million were disposed through other methods such as repossession. RMB4,614 million non-credit non-performing assets were also disposed. Meanwhile, the Bank explored the recovery value of written-off assets, and recovered RMB8,790 million in cash from written-off assets during the Reporting Period, maintaining sound effectiveness.

In the next stage, the Bank will proactively respond to changes in external risk situations and establish comprehensive forward-looking risk management concept of “macro-level prediction, meso-level focus and micro-level precision”. At the macro level, the Bank will strengthen analysis and assessment of macroeconomic conditions and policy requirements, predict trends in risk evolution in advance, and effectively carry out forward-looking structural adjustments and risk prevention. At the meso-level, the Bank will reinforce risk monitoring across portfolio dimensions including industries, regions, products and institutions, with particular attention to potential structural risks in segmented industries and customer groups. At the micro level, relying on full-chain risk information data, the Bank will establish precise and dynamic customer profiling to enable real-time identification and rapid response to risk signals. Meanwhile, the Bank will insist on advancing risk disposal and mitigation in a prudent and orderly manner, place emphasis on technology empowerment, optimise management models and innovate disposal and mitigation approaches, so as to comprehensively enhance the effectiveness of risk disposal and mitigation.

² Formation rate of NPLs = New NPLs of the period/total loans and advances to customers at the beginning of the period.

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(IV) Risk management and control of the real estate sector

The Group attached great importance to the risk prevention in the real estate sector and earnestly implemented relevant national policies and regulatory requirements concerning the real estate sector. Following the general principles of “stabilising total amount, adjusting structure, strengthening management and mitigating risks”, the Group actively advanced the implementation of the “16 financial measures” and the urban real estate financing coordination mechanism, etc. On the one hand, the Group applied layered and classified management of projects throughout their duration and accelerated the mitigation of existing risks. On the other hand, the Group proactively responded to national policies, adhered to the origin of project financing, strictly implemented customer and city access management, gave priority to supporting financial services for affordable housing and rental housing, optimised business structure, and developed incremental business in an appropriate and orderly manner, thus promoting the steady and healthy development of real estate business of the Group.

As at the end of the Reporting Period, the balance of corporate credit business with credit risks assumed by the Group in relation to real estate, such as loans, off-balance sheet credit, and bond investment, amounted to RMB381,865 million, representing a decrease of RMB13,299 million, or 3.37%, as compared with the end of the previous year. Of which, the balance of loans to the real estate sector amounted to RMB325,443 million, representing a decrease of RMB7,996 million, or 2.40%, as compared with the end of the previous year, and accounted for 85.22%. As at the end of the Reporting Period, the balance of NPLs of corporate real estate business amounted to RMB11,736 million, representing a decrease of RMB4,962 million as compared with the end of the previous year. The NPL ratio was 3.61%, representing a decrease of 1.40 percentage points as compared with the end of the previous year. In addition, as at the end of the Reporting Period, the balance of businesses not assuming credit risks in relation to the real estate sector of the Group, such as net-worth wealth management, entrusted loans, and debt financing instruments with the Bank as the leading underwriter, amounted to RMB49,292 million, representing a decrease of RMB4,198 million, or 7.85%, as compared with the end of the previous year. The business scale was small on the whole.

In the next stage, the Group will continue to strictly implement the national decisions and regulatory requirements concerning the real estate sector, and keep the business development related to the real estate sector at a steady and healthy level in accordance with the overall strategy of “controlling total amount, revitalising existing business and optimising incremental business”.

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(V) Capital management

During the Reporting Period, the Group took “strengthening intensive capital management and refining capital utilisation” as the principle of capital management, adjusted asset-liability structure, fully guaranteed credit placement, guided the reasonable and effective allocation of resources, and promoted strategic transformation and value improvement. As at the end of the Reporting Period, the Group’s core tier-1 CAR, tier-1 CAR and CAR were 9.38%, 11.47% and 13.06%, respectively, remaining stable in general.

The Bank will deepen the philosophy of capital conservation, strictly control capital consumption, optimise the structure of capital occupation, and improve capital efficiency. At the same time, the Bank will continue to improve the capital replenishment mechanism, proactively expand financing channels, and replenish capital in due time and in appropriate amount, to improve the capital adequacy level and risk resistance capability of the Bank.

XII. Risk Management

(I) Comprehensive risk management

The Bank adhered to robust and prudent risk culture and risk preference, and strove to build an active, forward-looking, smart and refined new-generation comprehensive risk management system by taking the opportunity of preparations for the compliant implementation of advanced capital measurement approach. It enhanced the duty performance of the Risk Management and Internal Control Committee of the Head Office, timely judged risk situation, dynamically adjusted risk strategies, and advanced the decision-making over major items of risk management and its implementation in a coordinated manner. The Bank consistently deepened the development of the three lines of defence, improved the risk management accountability mechanism, built up the independent risk control capability of the first line of defence, enhanced the antecedent empowerment of the second line of defence, and constantly enhanced the coupling capability of the third line of defence. The Bank enhanced risk preference-led constraints, and increased support for major strategies, key areas and weak links in accordance with the risk preference of “seeking progress in stability, optimising structure, and improving quality and effectiveness”. The Bank prudently prevented and mitigated risks in key areas, improved the refined management of risks, and kept various risk indicators steady and controllable. The Bank comprehensively upgraded risk measurement tools, steadily prepared for the compliance of advanced capital measurement approach, and expanded the application of risk quantification parameters of the internal rating system for credit risks. The Bank accelerated the digital and intelligent transformation of risk management, strengthened the two-wheel drivers of digital technologies and data factors, focused on advancing the phase II development of smart risk control portal, enterprise-level digital and intelligent post-lending management platform, full-process credit channel for MSME businesses, and other special programmes. During the Reporting Period, the “Model Risk Management System Construction Project” of the Bank won the “Award for Best Risk Data and Analytical Technology Implementation in China” presented by The Asian Banker.

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(II) Credit risk management

Credit risk is the risk that a borrower or a counterparty fails to make repayments in a timely manner in full amount for whatever reasons.

During the Reporting Period, in the face of a complex and volatile macroeconomic environment, the Bank maintained strategic focus and concentrated on businesses in key areas, providing highly efficient approval to support major regional projects and key industries. The Bank implemented the service strategy of sci-tech finance, and established a “5+1” credit approval and evaluation system for sci-tech innovation enterprises, delivering specialised and dedicated support for the development of credit business for sci-tech innovation enterprises. The Bank designated the “Year of Enhancing Post-Lending and Investment Management” as a key initiative for credit risk management throughout the year. By deepening institutional and mechanism reforms, strengthening digital and technological empowerment, and consolidating the foundation of asset quality, the Bank promoted the establishment of a modern credit risk management system featuring full participation, full-process coverage and multi-dimensional coordination. The Bank continued to enhance the disposal and mitigation of non-performing assets. The Bank proactively responded to changing conditions, enhanced the guidance effects of planning, clarified the direction and pathways for risk mitigation, adhered to the principle of “balancing centralised collection with coordinated management”, optimised asset operation and management models, improved management effectiveness, implemented layered and classified management, adopted multiple disposal measures on a selective basis, placed emphasis on technological empowerment, and proactively explored innovative models for disposal and mitigation.

(III) Large-amount exposure

According to the Administrative Measures on Large-Amount Exposures of Commercial Banks 《商業銀行大額風險暴露管理辦法》, large-amount exposure refers to the credit risk exposure of a commercial bank exceeding 2.5% of its net tier-1 capital (including various kinds of credit risk exposures arising in the banking book and the trading book) to a single customer or a group of related party customers. The Bank strictly implemented regulatory provisions, consistently improved the management system for large-amount exposures, enhanced the development of information system for the management of large-amount exposures, consolidated data foundation, orderly implemented the identification, measurement, and monitoring of large-amount exposures, strengthened limit management and control, and constantly improved the capabilities in the management of large-amount exposures.

As at the end of the Reporting Period, except for customers exempted by regulatory rules, the non-interbank single customers, non-interbank related party customers, interbank single customers, and interbank group customers of the Bank meeting large-amount exposure standards all satisfied the regulatory requirements.

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(IV) Market risk management

Market risk refers to the risk of adverse changes in market prices (interest rates, exchange rates, stock prices and commodity prices), inflicting losses in on- and off-balance sheet businesses of commercial banks.

During the Reporting Period, the Bank proactively responded to changes in external environment and fluctuations in the financial markets, improved the measurement and allocation mechanism for market risk capital, maintained general stability in the capital occupation of market risk, and ensured that the loss of financial transaction business was controlled within a reasonable and acceptable scope. The Bank optimised the management mechanism for financial transaction business, enhanced the full-process, all-risk management, and further elevated the refined management of market risk management and control. The Bank comprehensively deepened the integrated management of risk limit, transaction strategy and risk monitoring of financial transaction. By adopting multi-layer limit system and flexible limit adjustment mechanism, the Bank supported the improvement of business flexibility of market making, agency and other businesses with risks under control, thus realising steady business development. The Bank established unified views for market risk, strengthened management empowerment at all levels, and formed macro, meso, and micro views covering the whole Group that supported the monitoring, analysis and decision-making of market risk management personnel at different levels. The Bank enabled the in-depth integration of capital measurement and business management scenarios, established and improved the early-warning and monitoring system for unsecured bonds at the group level, optimised quantitative analysis functions for unsecured bond holdings via multi-dimensional portfolios, and achieved linked management of market risk and credit risk driven by high frequency data. The Bank continued to optimise the management mechanism of investment transaction products covering all risks, entire process and full life cycle, established an agile mechanism featuring flat management with “product” as the core object by relying on the product factor model and product risk model, and simultaneously promoted product access management and post-evaluation process.

(V) Operational risk management

Operational risk refers to the risk of loss arising from problems with internal procedures, personnel and IT system or external events, including legal risk but excluding strategic risk and reputation risk.

During the Reporting Period, the Bank deeply advanced the establishment of the operational risk management system, and controlled the loss ratio of operational risks within the risk limit set by the Board. The Bank constantly improved the calculation logic for business indicators under the standardised approach for operational risk, designed differentiated disposal schemes for internal loss multiplier (ILM) under various scenarios, implemented regulatory capital measurement under the standardised approach in a scientific manner, and improved automatic measurement. The Bank optimised operational risk management tools, further standardised the procedures for loss data identification, collection and disposal, and carried out retrospective cleaning and supplementary reporting of historical loss data across the Group, thus ensuring that data quality fully met regulatory requirements. The Bank re-examined the inventory of operational risk management objects and key risk indicators, regularly performed risk identification and assessment as well as indicator monitoring, and constantly iterated and upgraded the functions of the operational risk management

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system. The Bank formulated implementation rules for operational risk stress tests and completed the annual stress tests, improved the outsourcing risk management mechanism, and further enhanced the effectiveness of operational risk management. The Bank initiated a new round of business continuity impact analysis, optimised business importance level assessment indicators, and carried out emergency drills for important businesses in an orderly manner, to ensure stable and continuous operation of businesses. The Bank also continued to strengthen its legal risk management system, optimised professional legal risk management policies, advanced the internalisation of key laws and regulations, promoted the innovative business development of legal services strategy, organised layered and classified legal education under the 8th Five-Year Plan for Popularising Legal Knowledge, promoted cracking down on gang-related crimes and eliminating evil forces on a regular basis, strengthened the development and application of platforms such as smart legal review, smart litigation, blockchain-based digital evidence preservation, and AI-based Q&A on laws and regulations, and consolidated the defence lines for legal and compliant operation and management.

(VI) Liquidity risk management

Liquidity risk refers to the risk that a commercial bank is unable to promptly obtain sufficient funds at reasonable cost to repay maturing liabilities, discharge other payment obligations and meet other funding needs in the course of normal operations.

During the Reporting Period, the Bank strictly safeguarded the bottom line of liquidity risk, adhered to prudent liquidity risk preference, closely monitored the changes in domestic and international macroeconomic, monetary and regulatory policies, market liquidity and price level, and proactively judged and forecast future trends. The Bank strengthened monitoring and active management around core risk factors, and improved refined management. The regulatory indicators of liquidity risks remained sound and conformed to the standards, and the daytime liquidity risks stayed safe and controllable. The Bank optimised the Group's consolidated management system for liquidity risk, and promoted the coordinated elevation of the Group's consolidated management of liquidity risk. The Bank strengthened the monitoring and management of liquidity risk limits, and improved the risk monitoring and limit management system based on the risk factors such as asset-liability maturity mismatch, liability structure stability, high-quality liquidity assets, cash flow gap distribution, and customer and industry concentration degree. The Bank optimised the asset and liability structure, diversified liability sources, optimised the structure of interbank liabilities, and properly managed high-quality liquidity assets. The Bank carried out high-frequency early-warning management of liquidity risk, improved the stress test scenario and parameter system, used systematic tools to increase the frequency and efficiency of stress tests, and regularly conducted emergency drills for liquidity risk. The Bank strictly implemented the pillar 3 information disclosure requirements of the Capital Rules, strengthened the liquidity risk data governance at both legal person and consolidated Group levels, intensified the development of the asset-liability risk management system, and enhanced the automation of data measurement.

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(VII) Country risk management

Country risk refers to the risk of debtor in a certain country or region failing or unwilling to repay debts to the financial institutions in the banking industry, or the financial institutions in the banking industry suffering from commercial losses in a country or region or incurring other losses due to economic, political and social changes and incidents in such country or region.

During the Reporting Period, the Bank continued to improve the country risk management system based on business development needs and challenges posed by changes in the global situation, updated and adjusted country risk ratings and limits in a timely manner, reshaped the institutional system for country risk, optimised the country risk management system, proactively conducted country risk stress tests, closely monitored changes in country risk exposures, strengthened the risk early-warning and emergency response mechanism, and consolidated the data foundation of country risk management. As at the end of the Reporting Period, the country risk exposures of the Bank mainly concentrated in countries and regions with relatively low risks, and the risks were controllable in general.

(VIII) Management of interest rate risk in banking book

Interest rate risk in banking book refers to the adverse changes in the level of interest rate, maturity structure and other factors which lead to loss on the economic value and overall revenue of banking book. It can be primarily classified into gap risk, benchmark risk and option risk.

During the Reporting Period, the Bank optimised and improved the governance and management system of interest rate risk in banking book, strictly managed and controlled the mismatch level of asset and liability repricing, and strengthened interest rate sensitivity analysis and stress tests, in a bid to ensure the steady operation of regulatory indicators and internal management indicators of interest rate risk in banking book. The Bank improved the Group's consolidated management system of interest rate risk in banking book, supervised and guided subsidiaries to improve their risk management. The Bank enhanced the identification, measurement, monitoring and control system for interest rate risk in banking book, comprehensively adopted repricing gap analysis, duration analysis, sensitivity analysis, stress test and other approaches to analyse and monitor risks, closely followed changes in internal and external environments and businesses, enhanced forward-looking judgment, and dynamically adjusted the term structure of assets and liabilities and business management strategies, in order to ensure the steady operation of indicators of interest rate risk in banking book. The Bank improved the refined management of investment business, and enhanced valuation fluctuation monitoring, so as to ensure that all risk factors were kept at a prudent and healthy level. The Bank enhanced the early-warning management of interest rate risk in banking book, constantly enriched and improved scenario assumption and parameter system for stress tests, used systematic tools to elevate the frequency of stress tests, and strengthened its capability in risk identification, early-warning and emergency response. The Bank optimised the functions of the asset-liability risk management system, improved management models and database, increased the automatic measurement and monitoring frequency of indicators of interest rate risk in banking book, and enhanced the levels of risk data analysis and monitoring.

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(IX) Reputation risk management

Reputation risk of a bank refers to the risk that stakeholders, the public, media and other parties negatively evaluate banking institutions due to the operation and management behaviours, behaviours of employees or external events, etc., which then undermines the brand value, goes against normal operation, and even affects industry image, market stability and social stability. The Bank regards effective reputation risk management as one of the important means and necessary measures to safeguard normal business development, create a harmonious public opinion environment, safeguard its sound image in the industry and fulfill responsibilities of corporate citizens.

During the Reporting Period, the Bank further optimised mechanisms and processes, improved response strategies, accumulated reputation capital, and improved the foresight, timeliness and effectiveness of reputation risk management. The Bank implemented the philosophy of steady and prudent development, highlighted prevention and control from the source, enhanced rigid constraint of risk-related duty performance, improved management professionalism, and fulfilled management responsibilities. Within the framework of comprehensive risk management, the Bank timely assessed the potential threats of contagion among various risks, predicted public opinion trend, and deployed special monitoring. The Bank proactively took multiple measures to mitigate and eliminate the latent reputation risk.

(X) IT risk management

IT risk refers to the operational, legal and reputation risk and other risks due to natural factors, human factors, technical flaws and management defects in relation to the IT application in the commercial banks.

During the Reporting Period, the Bank deepened its digital and intelligent transformation of financial services, enhanced the IT risk management system, and constantly improved the level of IT risk management. The Bank carried out a thematic initiative of the year of quality and security in application development, consolidated the foundation of quality and development security control, and enhanced the delivery quality and development security of application system. The Bank improved the development of the disaster recovery system, carried out multiple batches of emergency drills across diverse scenarios, and enhanced the standardisation and automation of system operation and maintenance. The Bank strengthened cybersecurity, aligned with practical cyber offense-and-defence requirements, reinforced the basic security protection system, optimised the vulnerability assessment and management system, and improved the quality and effectiveness of application security reviews. The Bank established a closed-loop management mechanism for data security assessment to enhance capabilities in data security risk monitoring and operation. The Bank put in place an IT risk monitoring indicator system covering key areas such as production operation and project management, conducted systematic monitoring and timely analysis and handling of early-warning events, and strengthened risk identification and response capabilities. Through measures including the improvement of outsourcing contingency plans, inspection of service providers, and strengthened access and performance assessment management, the Bank constantly enhanced full-process risk management and control in IT outsourcing business.

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(XI) Compliance risk management

Compliance risk refers to the potential for a financial institution or its employees to face criminal, administrative, or civil legal liability, financial loss, reputation loss, or other adverse consequences due to violations of compliance regulations in operation and management activities of the financial institution or duty performance behaviours of its employees.

During the Reporting Period, the Bank proactively implemented the requirements of the Rules on Compliance Management of Financial Institutions (《金融機構合規管理辦法》), and practically enhanced the effectiveness of compliance management to effectively ensure high-quality development. The Bank developed a distinctive compliance management framework, comprising the Board of Directors – the Senior Management/Chief Compliance Officer – Compliance Officers/Risk and Compliance Officers – Risk and Compliance Supervisors, together with compliance management departments at the head office and branch levels, thereby strengthening top-level compliance design and improving institutional safeguards. The Bank carried out the activity of the “Year of High-Quality and Compliant Development”, strengthened the transmission of regulatory policies, optimised the rule interpretation mechanism, and innovatively explored the systematic development of compliant duty performance. The Bank has built a compliance risk monitoring system, established a compliance monitoring platform, improved employee behaviour risk portraits, and carried out special governance of employee behaviours, in an effort to effectively manage and control all kinds of compliance risks. The Bank strengthened case risk warnings and alerts, improved the inspection and management mechanism, effectively conducted compliance inspections, and established a virtuous cycle of inspection, rectification, assessment and enhancement by taking strengthening the source-tracing and rectifications of problems as the starting point.

(XII) Money laundering risk management

Money laundering risk refers to the risk that the Bank may be utilised by “money laundering activity” during business development and operating management.

During the Reporting Period, the Bank fully identified, analysed and evaluated money laundering risks, further improved the group-based money laundering risk management system, and strengthened the quality and effectiveness of money laundering risk management. The Bank attached great importance to the preparation for China’s fifth round of international AML mutual evaluation, advanced the deployment of work related to evaluation preparation in a coordinated manner by benchmarking against international standards, and proactively and objectively demonstrated the Bank’s effectiveness in fulfilling AML-related responsibilities. The Bank thoroughly implemented the new AML law and its supporting regulations, accelerated the development of digital and intelligent AML capabilities, launched smart auxiliary tools for suspicious transaction reporting, developed smart monitoring models based on deep learning technologies, and released panoramic view of core duty performance data, thereby comprehensively empowering the duty performance improvement of the three lines of defence. The Bank implemented the centralised operation (supportive) model of AML across the whole bank, intensively conducted customer due diligence, and delivered considerate customer experience. The Bank continued to strengthen money laundering risk monitoring and management, issued the Standardised Management Manual for Suspicious Transaction

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Identification (Version 2.0), and carried out special initiatives to improve reporting quality by centring on high-risk business areas, including large-amount cash transactions, agency collection and payment, payroll agency services, online-lending and gold-related businesses, effectively revealing money laundering risks in key areas. The Bank optimised and refined internal control mechanisms for special preventive measures for AML, launched the sensitive information platform and the upgraded namelist management tools, and enhanced the quality, effectiveness and risk control empowerment of list monitoring systems. The Bank deepened money laundering risk research and application, and enhanced the AML-related duty performance awareness and professional capabilities of branches and financial subsidiaries at all levels.

XIII. Prospects

In 2026, the operating performance of commercial banks is expected to remain generally stable with marginal improvement. Firstly, the nominal macroeconomic growth rate is projected to rebound. With macroeconomic policies becoming more proactive and effective, it is expected that the economic performance will remain within a reasonable range, overall price level will recover, and the operating conditions of market participants will improve, which will contribute to credit growth. Secondly, there remains room for decline in liability costs. Commercial banks will continue to optimise liability structure, enhance pricing capabilities, standardise pricing practices, and pull down liability costs. Thirdly, asset quality is expected to remain stable. Financial risk mitigation in key areas and institutions will progress steadily. Fourthly, supply-side reform within the industry is expected to accelerate. The quantity reduction and quality enhancement of small- and medium-sized financial institutions will help improve the competition and operational landscape of the industry. Fifthly, efforts will be deepened to improve quality, reduce costs, and enhance effectiveness, accelerate reform and transformation, and seek greater benefits from refined management.

The Bank will thoroughly implement national strategic deployments, and strictly comply with regulatory requirements. By closely focusing on working priorities of “stabilising growth, optimising structure, enhancing foundation and improving quality and effectiveness”, the Bank will reinforce strategy implementation, deepen reform and transformation, build core competitive advantages, and promote high-quality and sustainable development.

Firstly, the Bank will focus on value creation, and advance the high-quality management of customer groups. Taking deepening the development of existing customers and optimising new customer acquisition as the core, the Bank will optimise customer structure. The Bank will fulfill management responsibilities, improve the customer group management system, enhance the management quality of strategic clients and general corporate client groups, enhance the layered and classified management of MSMEs, reinforce the comprehensive development of institutional customer group, explore the value of financial institution customer group, and advance the integrated development of MSMEs, large enterprises and individual customers. The Bank will effectively apply AI technologies and develop large models, further optimise full-journey customer experiences and improve service efficiency. The Bank will also safeguard the rights and interests of consumers.

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Secondly, the Bank will focus on serving the real economy, and strive to develop more featured businesses. In terms of asset business, the Bank will “stabilise total amount and optimise structure”, meticulously and thoroughly develop the “five major sectors” of finance, intensify support for key areas, including domestic demand expansion, the manufacturing industry, sci-tech innovation, MSMEs, and service industry, and enhance risk pricing capability. The Bank will steadily advance Sam’s Club, “E-Minsheng Family” and other strategic projects, deepen reforms on SME business model, new wealth management model and other key areas, and strive to develop distinctive advantages in NSOE services, supply chain finance, cross-border finance, community-based finance and other areas.

Thirdly, the Bank will take liability structure optimisation as the cornerstone, and regard growth in low-cost deposits as top priority of the year. Based on the comprehensive service philosophy of “settlement+”, the Bank will deepen the management of all customer groups, all scenarios and full links, utilise transaction activities to drive deposit accumulation, and expand the scale of liabilities and AUM. By leveraging payroll agency, acceptance, quick payment, international settlement, supply chain and other “ecosystems and chains” as breakthrough points, and capitalising on various custody and regulatory scenarios, the Bank will optimise payment and settlement products, comprehensively increase account coverage, product penetration, and fund settlement rates, strengthen the retention of stable and high-quality liabilities, and reduce liability costs.

Fourthly, the Bank will reinforce the bottom line of risk compliance, and advance steady and long-term operation and management. The Bank will resolutely implement the philosophy of “compliant operation is the core competitiveness”, uphold the risk preference of “seeking progress in stability, optimising structure, and improving quality and effectiveness”, and improve the risk management system covering all categories, employees and processes. The Bank will enhance the joint prevention and control of three lines of defence, enhance post-lending and post-investment management, effectively prevent and mitigate risks in key areas, steadily advance the development of digital and intelligent post-lending platforms, and strictly prevent the occurrence of new risks. The Bank will optimise the operation and management model for non-performing assets, and accelerate the collection and disposal of non-performing assets. The Bank will comprehensively enhance internal control and compliance management, hold on to correct sense of risk, and transform from “passively following regulations” to “proactively and efficiently improving governance”.

Fifthly, the Bank will enhance refined management and improve quality, reduce costs, and increase effectiveness. It will hold on to scientific insight into operations and performance, adhere to strategic guidance, and strengthen refined management of human resources, capital, expenses, performance appraisal, and technology. Guided by return on investment, the Bank will further reduce cost and improve effectiveness in key areas and enhance management effectiveness in key links.

CHAPTER 4 CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

I. Ordinary Shares

(I) Changes in ordinary shares

	31 December 2025		Changes over the Reporting Period	31 December 2024	
	Number of shares (share)	Percentage (%)	Number of shares (share)	Number of shares (share)	Percentage (%)
I. Shares subject to restriction on sales	-	-	-	-	-
II. Shares not subject to restriction on sales	43,782,418,502	100.00	-	43,782,418,502	100.00
1. Ordinary shares in RMB	35,462,123,213	81.00	-	35,462,123,213	81.00
2. Domestic listed foreign invested shares	-	-	-	-	-
3. Offshore listed foreign invested shares	8,320,295,289	19.00	-	8,320,295,289	19.00
4. Others	-	-	-	-	-
III. Total number of ordinary shares	43,782,418,502	100.00	-	43,782,418,502	100.00

(II) Shares subject to restriction on sales and restrictions

During the Reporting Period, no shareholder of the Bank held shares subject to restriction on sales.

II. Sufficiency of Public Float

According to the public information available to the Bank and to the knowledge of the Directors, the Directors confirm that the Bank has maintained sufficient public float as stipulated under the Hong Kong Listing Rules during the Reporting Period and as at the disclosure date of this Report.

III. Issuance and Listing of Securities

During the Reporting Period, the Bank did not issue new ordinary shares, there were no changes in the total number and structure of ordinary shares, and the Bank had no employee shares.

According to the resolutions approved at the 32nd meeting of the 8th session of the Board and at the 2022 Annual General Meeting in 2023, and pursuant to the approvals by the PBOC, in February 2025, the Bank issued RMB10 billion green financial bonds with a fixed coupon rate of 1.70% in the domestic market, and all proceeds were used for green industry projects. In February 2025, the Bank issued RMB20 billion financial bonds with a fixed coupon rate of 1.85% in the domestic market. In December 2025, the Bank issued RMB6 billion floating-rate financial bonds in the domestic market. Each coupon rate adjustment period is three months commencing from the payment settlement date of issuance, and interest was paid at the same agreed coupon rate within each adjustment period. The coupon rate for the first interest-bearing period was 1.88%. The proceeds from the two bonds will be used to meet the Bank's asset and liability allocation needs, enrich funding sources, optimise the term structure of liabilities, and promote the sound development of business operations.

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According to the resolutions approved at the 32nd meeting of the 8th session of the Board and at the 2022 Annual General Meeting in 2023, and pursuant to the approvals by the NFRA and the PBOC, in April 2025, the Bank issued RMB40 billion tier-2 capital bonds with a fixed coupon rate of 2.35% in the domestic market. The bonds were 10-year fixed rate instruments with a conditional issuer redemption option at the end of the 5th year. All proceeds were used to replenish the Bank's tier-2 capital. In June 2025, the Bank issued RMB30 billion undated capital bonds with a fixed coupon rate of 2.30% in the domestic market, and all proceeds will be used to replenish the Bank's other tier-1 capital.

For details of other outstanding bonds of the Bank, please refer to Note 4 "Notes to the Consolidated Financial Statements" to the Financial Statements.

IV. Shareholders

(I) Total number of holders of ordinary shares and shareholdings of the top 10 shareholders

As at the end of the Reporting Period, the total number of holders of ordinary shares of the Bank was 390,707, of which 374,201 were holders of A shares and 16,506 were holders of H shares. As at the end of the month prior to the disclosure date of the Annual Report (28 February 2026), the total number of holders of ordinary shares of the Bank was 384,361, of which 367,968 were holders of A shares and 16,393 were holders of H shares. There was no holder of preference shares whose voting rights had been restored.

Particulars of shareholding of the top 10 holders of ordinary shares (excluding shares lent for refinancing)

Name of shareholder	Type of shareholder	Shareholding percentage (%)	Number of shares held as at the end of the Reporting Period (share)	Changes over the Reporting Period (share)	Class of shares	Shares pledged/frozen/marked	
						Status	Number (share)
HKSCC Nominees Limited	Other	18.93	8,288,946,067	2,358,881	H Shares		Unknown
Dajia Life Insurance Co., Ltd. – Universal Product	Domestic legal person	10.30	4,508,984,567	–	A Shares		Nil
Dajia Life Insurance Co., Ltd. – Traditional Product	Domestic legal person	6.49	2,843,300,122	–	A Shares		Nil
Shenzhen Liye Group Co., Ltd.	Domestic non-state-owned legal person	4.49	1,966,999,113	–	A Shares	Pledged	929,000,000
New Hope Liuhe Investment Co., Ltd.	Domestic non-state-owned legal person	4.18	1,828,327,362	–	A Shares		Nil
China Great Wall Asset Management Co., Ltd.	State-owned legal person	3.66	1,601,401,174	725,752,804	A Shares		Nil
Tongfang Guoxin Investment Holding Co., Ltd.	Domestic legal person	3.36	1,469,608,873	-418,921,828	A Shares	Pledged	320,000,000
Shanghai Giant Lifetech Co., Ltd.	Domestic non-state-owned legal person	3.15	1,379,679,587	–	A Shares	Pledged	1,379,678,400
China Shipowners Mutual Assurance Association	Domestic non-state-owned legal person	3.02	1,324,284,453	–	A Shares		Nil
HKSCC Limited	Other	2.16	944,734,931	-153,918,661	A Shares		Nil

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Statement on the special accounts for repurchase of the top 10 shareholders		Uninvolved
Statement on entrusting, being entrusted with and waiving the voting rights of the aforesaid shareholders		Uninvolved
Statement on the related relationship or concerted actions among the aforesaid shareholders	1.	Dajia Life Insurance Co., Ltd. – Universal Product and Dajia Life Insurance Co., Ltd. – Traditional Product have the same legal person; HKSCC Nominees Limited is a wholly-owned subsidiary of HKSCC Limited;
	2.	Save as mentioned above, the Bank is not aware of any related relationship or concerted action among the above shareholders.
Statement on margin trading, short selling and refinancing engaged by the top 10 holders of ordinary shares and the top 10 holders of ordinary shares not subject to restriction on sales	1.	The margin accounts of Shenzhen Liye Group Co., Ltd. and Tongfang Guoxin Investment Holding Co., Ltd. hold 313,808,367 shares and 606,291,000 shares of the Bank respectively, representing 0.72% and 1.38% of the total share capital of the Bank, respectively. Save as mentioned above, the Bank is not aware of any margin trading and short selling engaged by the above other shareholders;
	2.	Except for the unknown information of HKSCC Nominees Limited, according to the record of opening/ending shares lent for refinancing in 2025 by the shareholders with shareholding of 5% or more, the top 10 holders of ordinary shares and the top 10 holders of circulating shares not subject to restriction on sales of the Bank provided by China Securities Finance Corporation Limited, there was no refinancing engaged by the top 10 holders of ordinary shares and the top 10 holders of ordinary shares not subject to restriction on sales of the Bank.

Notes:

- The number of shares held by holders of A shares and the number of shares held by holders of H shares in the above table were recorded in accordance with the registers of shareholders of the Bank provided by China Securities Depository and Clearing Corporation Limited (Shanghai Branch) and Computershare Hong Kong Investor Services Limited, respectively.
- No shareholder of the Bank held shares subject to restriction on sales.
- Total number of the shares held by HKSCC Nominees Limited acting as an agent represents the total amount of H shares of the Bank held by all institutional and individual investors that registered in the account of such investors as at the end of the Reporting Period; total number of the shares held by HKSCC Limited represents the total amount of A shares (SSE-listed securities through Shanghai Stock Connect) it held as a nominee holder designated by and on behalf of Hong Kong and overseas investors as at the end of the Reporting Period.
- Shares held and pledged by Tongfang Guoxin Investment Holding Co., Ltd. included 320,000,000 shares transferred to “Tongfang Guoxin Investment Holding Co., Ltd. – special account for pledge of convertible corporate bonds (the first tranche) non-publicly issued to professional investors in 2023 (同方國信投資控股有限公司 – 2023年面向專業投資者非公開發行可交換公司債券(第一期)質押專戶)” due to issuing bonds.

CHAPTER 4 CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

(II) Substantial shareholders' and other persons' interests or short positions in the shares and underlying shares of the Bank under Hong Kong laws and regulations

As at 31 December 2025, substantial shareholders and other persons (other than the Directors and chief executives of the Bank as defined in the Hong Kong Listing Rules) had the following interests or short positions in the shares of the Bank as recorded in the register required to be kept by the Bank pursuant to Section 336 of the SFO and as the Bank is aware of:

Name of substantial shareholder	Class of shares	Long/short position	Capacity	Number of shares (share)	Notes	Percentage of the relevant class of shares in issue (%)	Percentage of all the issued ordinary shares (%)
Dajia Life Insurance Co., Ltd.	A	Long position	Beneficial owner	7,352,284,689	1	20.73	16.79
	H	Long position	Beneficial owner	457,930,200	1	5.50	1.05
Dajia Insurance Group Co., Ltd.	A	Long position	Interest held by the corporation(s) controlled by this substantial shareholder	7,352,284,689	1	20.73	16.79
	H	Long position	Interest held by the corporation(s) controlled by this substantial shareholder	457,930,200	1	5.50	1.05
New Hope Liuhe Investment Co., Ltd.	A	Long position	Beneficial owner	1,828,327,362	2	5.16	4.18
New Hope Liuhe Co., Ltd.	A	Long position	Interest held by the corporation(s) controlled by this substantial shareholder	1,828,327,362	2	5.16	4.18
New Hope Group Co., Ltd.	A	Long position	Interest held by the corporation(s) controlled by this substantial shareholder	1,930,715,189	3 and 5	5.44	4.41
New Hope Holdings Group Co., Ltd.	A	Long position	Interest held by the corporation(s) controlled by this substantial shareholder	1,930,715,189	2 and 5	5.44	4.41
LIU Chang	A	Long position	Interest held by the corporation(s) controlled by this substantial shareholder	1,930,715,189	3 and 5	5.44	4.41
LI Wei	A	Long position	Interest held by the corporation(s) controlled by the spouse of this substantial shareholder	1,930,715,189	4 and 5	5.44	4.41
Shenzhen Liye Group Co., Ltd.	A	Long position	Beneficial owner	1,966,999,113		5.55	4.49
Alpha Frontier Limited	H	Long position	Beneficial owner	713,501,653	6 and 7	8.58	1.63
Shanghai Cibi Business Information Consulting Co., Ltd.	H	Long position	Interest held by the corporation(s) controlled by this substantial shareholder	713,501,653	6 and 7	8.58	1.63
Shanghai Giant Investment Group Co., Ltd.	H	Long position	Interest held by the corporation(s) controlled by this substantial shareholder	713,501,653	6 and 7	8.58	1.63
China Great Wall AMC (International) Holdings Co., Ltd.	H	Long position	Beneficial owner	490,000,000	8	5.89	1.12

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Name of substantial shareholder	Class of shares	Long/short position	Capacity	Number of shares (share)	Notes	Percentage of the relevant class of shares in issue (%)	Percentage of all the issued ordinary shares (%)
China Great Wall Asset Management Co., Ltd.	H	Long position	Interest held by the corporation(s) controlled by this substantial shareholder	490,000,000	8	5.89	1.12
Central Huijin Investment Ltd.	H	Long position	Interest held by the corporation(s) controlled by this substantial shareholder	490,000,000	8	5.89	1.12
BlackRock, Inc.	H	Long position	Interest held by the corporation(s) controlled by this substantial shareholder	470,488,892	9	5.65	1.07
	H	Short position	Interest held by the corporation(s) controlled by this substantial shareholder	72,861,500	9	0.88	0.17
JPMorgan Chase & Co.	H	Long position	Beneficial owner	93,640,234			
			Investment Manager	388,832,867			
			Person having a security interest in shares	253,100			
			Approved lending agent	169,439,692			
				652,165,893	10	7.84	1.49
	H	Short position	Beneficial owner	86,353,969	10	1.04	0.20

The above disclosed information is prepared based on information available on the website of SEHK and information the Bank is aware of as at the end of the Reporting Period. Pursuant to Section 336 of the SFO, where certain conditions are met, shareholders of the Bank are required to submit interest disclosure forms. Where there is a change in a shareholder's shareholding in the Bank, unless certain conditions are met, the shareholder is not required to notify the Bank or SEHK. Accordingly, the latest shareholding of shareholders in the Bank may differ from the shareholding submitted to SEHK.

Notes:

1. Dajia Insurance Group Co., Ltd. was deemed to have interests in the 7,352,284,689 A shares and 457,930,200 H shares of the Bank as it held 99.98% of the issued share capital of Dajia Life Insurance Co., Ltd.

The interests that Dajia Insurance Group Co., Ltd. and Dajia Life Insurance Co., Ltd. held in the 7,352,284,689 A shares and 457,930,200 H shares, as set out in the above table, were the same block of shares.

2. According to the SFO, New Hope Holdings Group Co., Ltd. was deemed to have interests in the 102,387,827 A shares held by South Hope Industrial Co., Ltd. and in the 1,828,327,362 A shares held by New Hope Liuhe Investment Co., Ltd. through direct and indirect control over several enterprises. As Mr. LIU Yonghao (a Non-Executive Director of the Bank) had control over New Hope Holdings Group Co., Ltd., he was deemed to be interested in the 1,930,715,189 A shares held by New Hope Holdings Group Co., Ltd.
3. According to the SFO, New Hope Group Co., Ltd. was deemed to have interests in the 102,387,827 A shares held by South Hope Industrial Co., Ltd. and in the 1,828,327,362 A shares held by New Hope Liuhe Investment Co., Ltd. through direct and indirect control over several enterprises. As Ms. LIU Chang held equity interest of New Hope Group Co., Ltd., Ms. LIU was deemed to have interests in the 1,930,715,189 A shares of the Bank in which New Hope Group Co., Ltd. had interests. Ms. LIU Chang is the daughter of Mr. LIU Yonghao (a Non-Executive Director of the Bank).
4. Ms. LI Wei is the spouse of Mr. LIU Yonghao (a Non-Executive Director of the Bank). According to the SFO, Ms. LI was deemed to have interests in the 1,930,715,189 A shares of the Bank in which Mr. LIU Yonghao had interests (Mr. LIU Yonghao's interests in shares are disclosed in this Annual Report in the section headed "Interests of the Directors and chief executives in the securities of the Bank or its associated corporations under Hong Kong laws and regulations").

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5. The interests that New Hope Holdings Group Co., Ltd., New Hope Group Co., Ltd., Ms. LI Wei and Ms. LIU Chang held in the 1,930,715,189 A shares, as set out in the above table, were the same block of shares.
6. According to the SFO, Shanghai Giant Investment Group Co., Ltd. (On 8 July 2025, "Giant Investment Co., Ltd." changed its name to "Shanghai Giant Investment Group Co., Ltd.") was deemed to have interests in the 713,501,653 H shares held by Alpha Frontier Limited through direct and indirect control over Shanghai Cibi Business Information Consulting Co., Ltd. (上海賜比商務信息諮詢有限公司) and Alpha Frontier Limited. As Mr. SHI Yuzhu (a Non-Executive Director of the Bank) held 97.86% of the issued share capital of Shanghai Giant Investment Group Co., Ltd., he was also deemed to have interests in the 713,501,653 H shares of the Bank held by Alpha Frontier Limited (Mr. SHI Yuzhu's interests in shares are disclosed in this Annual Report in the section headed "Interests of the Directors and chief executives in the securities of the Bank or its associated corporations under Hong Kong laws and regulations").
7. The interests that Shanghai Giant Investment Group Co., Ltd., Shanghai Cibi Business Information Consulting Co., Ltd. and Alpha Frontier Limited held in the 713,501,653 H shares, as set out in the above table, were the same block of shares.
8. China Great Wall Asset Management Co., Ltd. and Central Huijin Investment Ltd. were deemed to have interests in the 490,000,000 H shares of the Bank as China Great Wall Asset Management Co., Ltd. held 100% of the issued share capital of China Great Wall AMC (International) Holdings Co., Ltd. and Central Huijin Investment Ltd. held 94.34% of the issued share capital of China Great Wall Asset Management Co., Ltd.

The interests that Central Huijin Investment Ltd., China Great Wall Asset Management Co., Ltd. and China Great Wall AMC (International) Holdings Co., Ltd. held in the 490,000,000 H shares, as set out in the above table, were the same block of shares.

9. BlackRock, Inc. held a total of long position of 470,488,892 H shares and short position of 72,861,500 H shares of the Bank through several controlled corporations.
10. JPMorgan Chase & Co. held a total of long position of 652,165,893 H shares and short position of 86,353,969 H shares of the Bank through several controlled corporations including JPMorgan Chase Holdings LLC, JPMorgan Chase Bank and National Association.

Save as disclosed above and in the section headed "Interests of the Directors and chief executives in the securities of the Bank or its associated corporations under Hong Kong laws and regulations", the Bank is not aware of any other person having any interests or short positions in the shares and underlying shares of the Bank as at the end of the Reporting Period as recorded in the register required to be kept by the Bank pursuant to Section 336 of the SFO.

(III) Controlling shareholder and de facto controller

The Bank does not have any controlling shareholder or de facto controller. According to the Rules Governing the Listing of Stocks on Shanghai Stock Exchange 《上海證券交易所股票上市規則》, the largest shareholder and its ultimate controller shall comply with corporate governance regulations by referring to the requirements for controlling shareholder and de facto controller. As at the end of the Reporting Period, the top 10 single shareholders of the Bank held an aggregate of 40.53% of the Bank's shares. Dajia Life Insurance Co., Ltd. – Universal Product is the single largest shareholder that held 10.30% of the total shares of the Bank. Dajia Life Insurance Co., Ltd. is the largest shareholder that held an aggregate of 17.84% of the total shares of the Bank. Taking into account the composition of the Board, entities responsible for Board member recommendation and nomination, and the concerted action agreements among shareholders that the Bank is aware of, there was no shareholder who could control more than half of the voting rights of the Board or at the shareholders' meeting in accordance with the shareholding percentage, the Articles of Association or any agreements.

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(IV) Corporate shareholders with 10% (inclusive) or more equity in the Bank

As at the end of the Reporting Period, Dajia Life Insurance Co., Ltd. held more than 10% of the total shares of the Bank.

Name of corporate shareholder	Person-in-charge or legal representative	Date of incorporation	Registered capital	Principal business or management activities
Dajia Life Insurance Co., Ltd.	HE Xiaofeng	23 June 2010	RMB30.79 billion	Various personal insurance businesses such as life insurance, health insurance and accidental injury insurance, reinsurance of the above insurance businesses, insurance fund application business permitted under the PRC laws and regulations, and other businesses approved by the former CIRC.

(V) Substantial shareholders as at the end of the Reporting Period

1. Substantial shareholders with aggregate shareholding of 5% or more of the Bank were as follows:

- (1) Dajia Life Insurance Co., Ltd.: It was incorporated on 23 June 2010; its registered capital was RMB30,790 million; its unified social credit code is 91110000556828452N; its legal representative is HE Xiaofeng; its controlling shareholder is Dajia Insurance Group Co., Ltd.; the controlling shareholder, the de facto controller and the ultimate beneficiary of Dajia Insurance Group Co., Ltd. is China Insurance Security Fund Co., Ltd.; it has no party acting in concert; its principal business includes: various personal insurance businesses such as life insurance, health insurance and accidental injury insurance, reinsurance of the above insurance businesses, insurance fund application business permitted under the PRC laws and regulations, and other businesses approved by the former CIRC. As at the end of the Reporting Period, the shares of the Bank held by Dajia Life Insurance Co., Ltd. had not been pledged.
- (2) New Hope Liuhe Investment Co., Ltd.: It was incorporated on 25 November 2002; its registered capital was RMB576,555,600; its unified social credit code is 91540091744936899C; its legal representative is WANG Pusong; its controlling shareholder is New Hope Liuhe Co., Ltd.; its de facto controller is LIU Yonghao; its ultimate beneficiary is LIU Yonghao; its parties acting in concert are South Hope Industrial Co., Ltd. and New Hope Chemical Investment Co., Ltd.; its principal business includes: venture capital investment (with no engagement in guarantee and real estate business; with no participation in the initiation or management of public or private securities investment funds, or investment in financial derivatives); investment management (excluding financial and brokerage business. Private products or the right to proceeds from private products shall not be raised from, sold, or transferred to non-qualified investors). (Entities that operate the above businesses shall not raise funds, take public deposits, or issue loans in a public manner; shall not publicly trade securities investment products or financial derivatives; and shall not operate financial products, wealth management products and related derivative business); financial advisory (excluding businesses of finance companies); wealth management consultancy, and corporate reorganisation consultancy; market research (excluding state secrets and personal privacy); credit investigation, technology development and transfer, and technology consultancy services (businesses subject to approvals according to laws shall be carried out upon approvals of relevant authorities). As at the end of the Reporting Period, the shares of the Bank held by New Hope Liuhe Investment Co., Ltd. had not been pledged.

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South Hope Industrial Co., Ltd.: It was incorporated on 17 November 2011; its registered capital was RMB1,034,313,725; its unified social credit code is 9154009158575152X0; its legal representative is LI Jianxiong; its controlling shareholder is New Hope Group Co., Ltd.; its de facto controller is LIU Yonghao; its ultimate beneficiary is LIU Yonghao; its parties acting in concert are New Hope Liuhe Investment Co., Ltd. and New Hope Chemical Investment Co., Ltd.; its principal business includes: research and development of feeds; wholesale and retail of electronic products, hardware and electrical appliances, daily sundry goods, knitwear and textiles, office equipment (excluding colour copier), building materials (excluding hazardous chemicals and wood materials), agricultural by-products and special products (excluding products specified by the State), chemical products (excluding hazardous chemicals), and mechanical equipment; investment and consultancy services (excluding intermediary services). As at the end of the Reporting Period, the shares of the Bank held by South Hope Industrial Co., Ltd. had not been pledged.

New Hope Chemical Investment Co., Ltd.: It was incorporated on 6 September 2006; its registered capital was RMB2,718,021,791; its unified social credit code is 91510100792171384J; its legal representative is SHAO Jun; its controlling shareholder is New Hope Investment Group Co., Ltd.; its de facto controller is LIU Yonghao; its ultimate beneficiary is LIU Yonghao; its parties acting in concert are New Hope Liuhe Investment Co., Ltd. and South Hope Industrial Co., Ltd.; its principal business includes: research, development, and sales of chemical products (excluding hazardous products); project investment and provision of technical consultancy and after-sales services (excluding finance, securities, and futures) (with no engagement in illegal fund-raising or taking public funds); sales of PVC, fertilisers, packaging materials, agricultural and sideline products, mineral products, chemical raw materials (excluding hazardous materials), feed-grade calcium hydrophosphate, mechanical equipment, steel, building materials, metal materials, environmental protection materials and equipment, rubber products, plastic products, electromechanical products, auxiliary construction materials (excluding paint), hardware and electrical appliances, light textiles, textile raw materials, metal materials (excluding precious and rare metals), household electrical appliances, paper and paper products, and pre-packaged food; import and export of goods and technology. (Businesses subject to approvals according to laws shall be carried out upon approvals of relevant authorities.) As at the end of the Reporting Period, the shares of the Bank held by New Hope Chemical Investment Co., Ltd. had not been pledged.

2. In accordance with the Interim Measures on Equity Management of Commercial Banks 《商業銀行股權管理暫行辦法》) under the order of the former CBRC (2018 No. 1), other substantial shareholders of the Bank were as follows:

- (1) China Great Wall Asset Management Co., Ltd.: It was incorporated on 2 November 1999; its registered capital was RMB46,800 million; its unified social credit code is 91110000710925489M; its legal representative is LI Junfeng; its controlling shareholder is Central Huijin Investment Ltd.; its de facto controller is Central Huijin Investment Ltd.; its ultimate beneficiary is Central Huijin Investment Ltd.; its party acting in concert is China Great Wall AMC (International) Holdings Co., Ltd.; its principal business includes: acquisition and entrusted management of non-performing assets of financial institutions, and the management, investment and disposal of such non-performing assets; debt-to-equity swaps, and the management, investment and disposal of equity assets; foreign investment; buying and selling negotiable securities; issuance of financial bonds, interbank borrowing and lending, and commercial financing from other financial institutions; bankruptcy administration; financial, investment, legal and risk management consulting and advisory services; asset and project evaluation; approved asset securitisation business, custody and closure and liquidation business of financial institutions; non-performing asset business of non-financial institutions; and other businesses approved by the banking regulatory authority under the State Council. As at the end of the Reporting Period, the shares of the Bank held by China Great Wall Asset Management Co., Ltd. had not been pledged.

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China Great Wall AMC (International) Holdings Co., Ltd.: It was incorporated on 7 January 1993; its registered capital was HKD358,661,400; its controlling shareholder is China Great Wall Asset Management Co., Ltd.; its de facto controller is China Great Wall Asset Management Co., Ltd.; its ultimate beneficiary is Central Huijin Investment Ltd.; its party acting in concert is China Great Wall Asset Management Co., Ltd.; its principal business includes: financial service activities, including investment and holding company activities, as well as trust, fund and other related financial instrument activities. As at the end of the Reporting Period, the shares of the Bank held by China Great Wall AMC (International) Holdings Co., Ltd. had not been pledged.

- (2) Shanghai Giant Lifetech Co., Ltd.: It was incorporated on 12 July 1999; its registered capital was RMB245,400,640; its unified social credit code is 913101041346255243; its legal representative is WEI Wei; its controlling shareholder is Shanghai Giant Investment Group Co., Ltd.; its de facto controller is SHI Yuzhu; its ultimate beneficiary is SHI Yuzhu; its parties acting in concert are Alpha Frontier Limited and Liberal Rise Limited; its principal business includes: production and sales of food (through its subsidiaries), sales of cosmetics, cleaning products, healthcare equipment and kitchenware, technology development, consultancy, services and transfer in healthcare food aspect, wholesale of non-physical goods; prepackaged food (excluding cooked or braised and refrigerated or frozen food), investment management, asset management, investment consultancy, business information consultancy and business management consultancy. As at the end of the Reporting Period, Shanghai Giant Lifetech Co., Ltd. had pledged over 50% of the shares of the Bank it held, being 1,379,678,400 ordinary shares, representing 3.15% of the total share capital of the Bank.

Alpha Frontier Limited: It was incorporated on 24 June 2016; its registered capital was USD17.519 thousand; its controlling shareholder is Shanghai Cibi Business Information Consulting Co., Ltd.; its de facto controller is SHI Yuzhu; its ultimate beneficiaries are SHI Yuzhu and SHI Jing; its parties acting in concert are Shanghai Giant Lifetech Co., Ltd. and Liberal Rise Limited; its principal business includes: investment holding. As at the end of the Reporting Period, Alpha Frontier Limited had pledged 38.54% of the shares of the Bank it held, being 275,000,000 ordinary shares, representing 0.63% of the total share capital of the Bank.

Liberal Rise Limited: It was incorporated on 9 January 2018; its registered capital was USD50.0 thousand; its controlling shareholder is Abhaya Limited; its de facto controller is SHI Jing; its ultimate beneficiary is SHI Jing; its parties acting in concert are Shanghai Giant Lifetech Co., Ltd. and Alpha Frontier Limited; its principal business includes: investment holding. As at the end of the Reporting Period, the shares of the Bank held by Liberal Rise Limited had not been pledged.

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- (3) Shenzhen Liye Group Co., Ltd.: It was incorporated on 13 April 1995, its registered capital was RMB10 billion; its unified social credit code is 91440300192329539C; its legal representative is LIN Li; its controlling shareholder is LIN Li; its de facto controller is LIN Li; its ultimate beneficiary is LIN Li; its party acting in concert is Hong Kong Liye Group Co., Ltd.; its principal business includes: investment in the electric power industry, the new energy industry, and high-tech projects (specific projects to be reported separately); domestic commerce and the supply and marketing of materials (excluding commodities under exclusive operation, commodities under exclusive control and commodities under exclusive sales); economic information consulting (excluding restricted items); technology development of computer software and communication products; technology development and sales of new metallic and non-metallic materials, as well as other forms of domestic trade; technology development and consulting related to biopharmaceutical science and technology; industrial design services; power generation technology services; energy storage technology services; technology service, development, consulting, exchange, transfer, and promotion. (Except for businesses subject to approval according to the law, it shall independently carry out business activities according to the business licence in compliance with laws). As at the end of the Reporting Period, Shenzhen Liye Group Co., Ltd. had pledged 47.23% of the shares of the Bank it held, being 929,000,000 ordinary shares, representing 2.12% of the total share capital of the Bank.

Hong Kong Liye Group Co., Ltd.: It was incorporated on 28 November 2003, its registered capital was HKD10.0 thousand; its controlling shareholder is Shenzhen Liye Group Co., Ltd.; its de facto controller is LIN Li; its ultimate beneficiary is LIN Li; its party acting in concert is Shenzhen Liye Group Co., Ltd.; its principal business nature is investment. As at the end of the Reporting Period, the shares of the Bank held by Hong Kong Liye Group Co., Ltd. had not been pledged.

- (4) China Shipowners Mutual Assurance Association: It was incorporated on 1 January 1984; its registered capital was RMB100 thousand; its unified social credit code is 51100000500010993L; its legal representative is SONG Chunfeng; it has no controlling shareholder; it has no de facto controller; it has no ultimate beneficiary; it has no party acting in concert; its principal business includes: marine mutual assurance, business training, marine information exchange, international cooperation and consultancy service. As at the end of the Reporting Period, the shares of the Bank held by China Shipowners Mutual Assurance Association had not been pledged.

(VI) Pledge and freezing of ordinary shares

As at the end of the Reporting Period, according to the A Share Register, 509,846,455 shares of the Bank were under judicial freezing and 38,294,654 shares were under judicial marking. According to Article 52 of the Articles of Association, the voting rights at the shareholders' meetings of the substantial shareholders who pledged 50% or more of the shares of the Bank they held, as well as the voting rights at the Board meetings of the directors they appointed, have been restricted.

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V. Information on Preference Shares

(I) Issuance and listing of preference shares in the past three years

As at the end of the Reporting Period, the Bank did not issue preference shares in the past three years.

(II) Number of holders of preference shares and particulars of shareholding

As at the end of the Reporting Period, the number of holders of domestic preference shares (or nominees) of the Bank was 56. As at the end of the month prior to the disclosure date of this Annual Report (28 February 2026), the number of holders (or nominees) of domestic preference shares of the Bank was 51.

As at the end of the Reporting Period, particulars of shareholding of the top 10 (including joint rankings) holders (or nominees) of domestic preference shares of the Bank are set out as follows:

Name of shareholder	Type of shareholder	Class of shares	Changes over the Reporting Period (share)	Shareholding percentage (%)	Total number of shares held (share)	Number of shares held subject to restriction on sales	Shares pledged/frozen/marked
Ping An Property & Casualty Insurance Company of China, Ltd. – Traditional – General Insurance Product	Other	Domestic preference share	–	7.00	14,000,000	–	Nil
China Resources SZITIC Trust Co., Ltd. – CR Trust • Rui An No. 6 Collective Fund Trust Plan	Other	Domestic preference share	–	6.00	12,000,000	–	Nil
China Life Insurance Company Limited – Traditional – General Insurance Product – 005L – CT001SH	Other	Domestic preference share	–	5.00	10,000,000	–	Nil
Ping An Property & Casualty Insurance Company of China, Ltd. – Self-Owned Funds	Other	Domestic preference share	–	5.00	10,000,000	–	Nil
Taiping Life Insurance Co., Ltd. – Traditional – General Insurance Product – 022L – CT001SH	Other	Domestic preference share	–	5.00	10,000,000	–	Nil
Hwabao Trust Co., Ltd. – Hwabao Trust – Multi-Strategy Youying No. 2 Securities Investment Collective Fund Trust Plan	Other	Domestic preference share	–	4.69	9,380,000	–	Nil
Everbright Securities Asset Management – Bohai Bank – EBSAM Xinyou No. 23 Collective Asset Management Plan	Other	Domestic preference share	–	4.16	8,310,000	–	Nil
China Credit Trust Co., Ltd. – China Credit Trust – Baofu No. 11 Collective Fund Trust Plan	Other	Domestic preference share	–	3.67	7,332,000	–	Nil
Everbright Securities Asset Management – Bohai Bank – EBSAM Xinyou No. 24 Collective Asset Management Plan	Other	Domestic preference share	–	3.53	7,050,000	–	Nil

CHAPTER 4 CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

Name of shareholder	Type of shareholder	Class of shares	Changes over the Reporting Period (share)	Shareholding percentage (%)	Total number of shares held (share)	Number of shares held subject to restriction on sales	Shares pledged/frozen/marked
Changjiang Pension Insurance – Bank of China – China Pacific Life Insurance Co., Ltd.	Other	Domestic preference share	–	3.50	7,000,000	–	Nil
Guotai Junan Securities Asset Management – Futong • Rixin H14001 RMB Wealth Management Product – Guojun Asset Management 0638 Targeted Asset Management Contract	Other	Domestic preference share	-3,000,000	3.50	7,000,000	–	Nil

Notes:

- The number of shares held by the holders of domestic preference shares was recorded in accordance with the register of holders of domestic preference shares of the Bank.
- “Ping An Property & Casualty Insurance Company of China, Ltd. – Traditional – General Insurance Product” and “Ping An Property & Casualty Insurance Company of China, Ltd. – Self-Owned Funds” have a related relationship. “Everbright Securities Asset Management – Bohai Bank – EBSAM Xinyou No. 23 Collective Asset Management Plan” and “Everbright Securities Asset Management – Bohai Bank – EBSAM Xinyou No. 24 Collective Asset Management Plan” have a related relationship. Save as disclosed above, the Bank does not know if there is any related relationship or concerted action among the above holders of domestic preference shares or among the above holders of domestic preference shares and the top 10 holders of ordinary shares.
- “Shareholding percentage” refers to the proportion of shares held by the holders of domestic preference shares to the total number of domestic preference shares of the Bank.

(III) Distribution of dividends of preference shares

Pursuant to the resolution and authorisation passed at the First Extraordinary General Meeting for 2016, the First A Share Class Meeting for 2016 and the First H Share Class Meeting for 2016, and the relevant resolutions on extending the validity period and authorisation period in 2017-2019, the dividends distribution plan for the domestic preference shares of the Bank was considered and approved at the 15th meeting of the 9th session of the Board on 29 September 2025. According to the relevant terms of domestic preference shares and calculated at the coupon rate of 3.17%, a cash dividend of RMB3.17 (tax inclusive) per domestic preference share would be distributed. On the basis of the 200 million domestic preference shares issued, the Bank distributed dividends of RMB634 million (tax inclusive) in total on 18 October 2025 to holders of domestic preference shares whose names appeared on the register on the record date.

Distribution of dividends of preference shares in the past three years

(Unit: RMB million, except for percentage)

	2025		2024		2023	
	Coupon rate	Amount of dividends distributed	Coupon rate	Amount of dividends distributed	Coupon rate	Amount of dividends distributed
Domestic preference shares	3.17%	634	4.38%	876	4.38%	876

CHAPTER 4 CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

Notes:

1. Amount of dividends distributed included tax.
2. On 29 August 2024, the Board of Directors of Bank considered and approved the Proposal on Not Exercising the Redemption Right and Re-determining the Coupon Rate of Domestic Preference Shares of China Minsheng Banking Corp., Ltd. 《中國民生銀行股份有限公司關於不行使境內優先股贖回權並重新確定票面股息率的議案》, pursuant to which, the Board agreed to re-determine the coupon rate of the domestic preference shares according to the terms of the issuance. On 18 October 2024, the Bank re-determined the coupon rate at 3.17% in the second coupon rate adjustment period. The dividends should be paid once a year.

For details of the distribution of dividends of the preference shares, please refer to the announcements of the Bank published on the website of the SSE and the website of the Bank.

(IV) Repurchase or conversion of preference shares

During the Reporting Period, no preference shares of the Bank had been repurchased or converted.

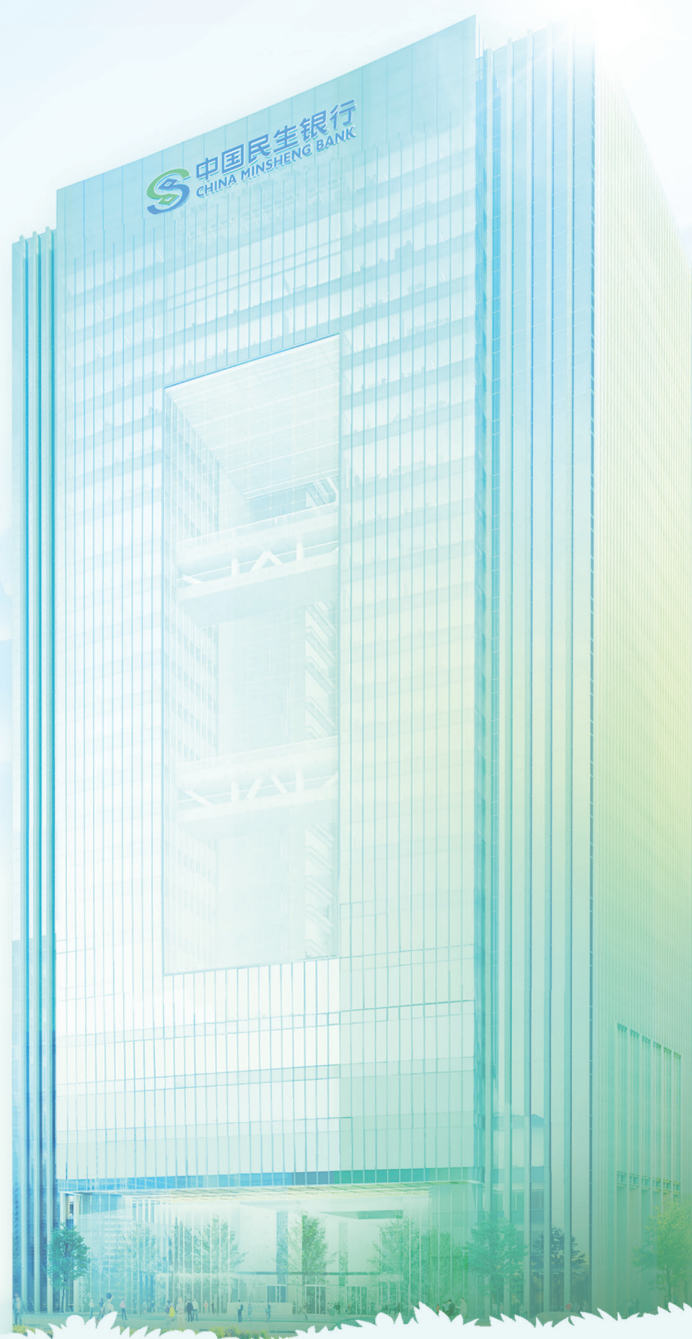
(V) Recovery of voting rights of preference shares

During the Reporting Period, no voting rights of preference shares of the Bank had been restored.

(VI) Accounting policies for preference shares and the underlying reasons

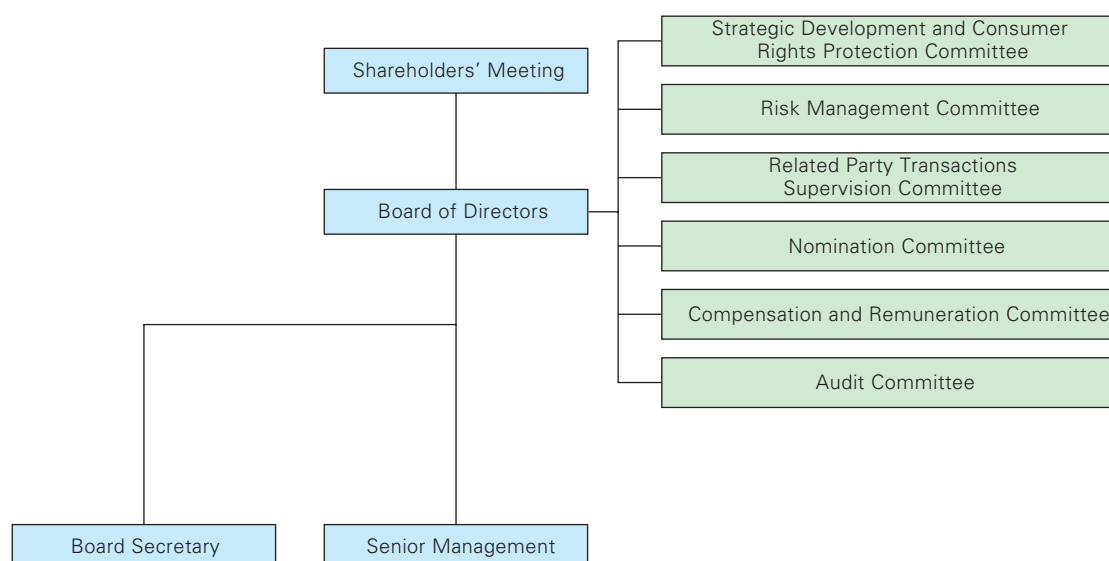
According to the rules promulgated by the Ministry of Finance, such as the Accounting Standards for Business Enterprises No. 37 – Presentation of Financial Instruments 《企業會計準則第37號 – 金融工具列報》, there was no need for the issued and existing domestic preference shares of the Bank to be settled through delivery of cash or other financial assets or exchange of financial assets or financial liabilities. In the future, the Bank will have no obligation to deliver a variable quantity of its equity instruments. Therefore, the domestic preference shares are accounted for as other equity instruments.

Corporate Governance, Environment and Society



CHAPTER 5 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

I. Corporate Governance Structure



II. Corporate Governance Overview

During the Reporting Period, the Bank conscientiously implemented the decisions and deployments of the CPC Central Committee and the State Council on financial work, strictly complied with regulatory requirements in both jurisdictions, continued to promote the in-depth integration of the Party's leadership with corporate governance, and improved its corporate governance systems, structures and mechanisms. All governance bodies performed their respective duties and operated in a coordinated manner, thereby laying a solid governance foundation for the Bank's steady operation and high-quality development.

In accordance with the new Company Law and relevant laws and regulations, the Bank amended the Articles of Association, the Rules of Procedure for the Shareholders' Meeting 《股東會議事規則》, the Rules of Procedure for the Board of Directors 《董事會議事規則》, the Terms of Reference of the Audit Committee of the Board 《董事會審計委員會工作細則》, etc. Following the approval of the revised Articles of Association by the NFRA in September 2025, the Bank has ceased to establish the Board of Supervisors, and the Audit Committee of the Board exercises the functions and powers of the Board of Supervisors as prescribed by the Company Law and relevant regulatory requirements.

CHAPTER 5 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

The Board strengthened its own development and fulfilled its duties in a compliant and efficient manner. During the Reporting Period, the Bank appointed three new Directors with extensive practical experience in financial investment, risk management and corporate strategy, further enhancing the professional strength of the Board. The Bank actively organised Directors to participate in internal and external specialised training programmes covering areas such as AML, green finance and consumer rights protection. Regulatory policies, industry trends and significant matters relating to operation and management were reported to Directors in a timely manner, fully safeguarding their right to be informed. The Board also organised special research activities in an orderly manner, produced a number of high-quality research reports and promoted the transformation of research outcomes into tangible operation and management results. In addition, the Bank improved the support mechanisms for Independent Directors in the performance of their duties, efficiently convened relevant meetings of Independent Directors, actively adopted their opinions and recommendations, enhanced communication channels between Independent Directors and minority shareholders, and effectively safeguarded the lawful rights and interests of all shareholders, particularly minority shareholders.

During the Reporting Period, the corporate governance of the Bank had been in line with the requirements of laws, administrative regulations as well as the provisions of the regulatory authorities regarding governance of listed companies.

III. Directors and Senior Management

(I) As at the disclosure date of this Report, the list of the Directors and Senior Management of the Bank is as follows:

Name	Gender	Year of birth	Position	Term of office	Shares held at the beginning of the Reporting Period (share)	Shares held at the end of the Reporting Period (share)	Aggregate remuneration received from the Bank for 2025 (pre-tax, in RMB10 thousand)	Any remuneration received from related parties
GAO Yingxin	M	1962	Chairman & Executive Director	July 2020 – 2027 election	500,000	500,000	329.20	No
LIU Yonghao	M	1951	Vice Chairman & Non-Executive Director	June 2009 – 2027 election	–	–	69.50	Yes
WANG Xiaoyong	M	1970	Vice Chairman & Executive Director	August 2024 – 2027 election	–	–	321.08	No
			President	April 2024 – 2027 election				
SHI Yuzhu	M	1962	Non-Executive Director	March 2017 – 2027 election	–	–	69.50	No
SONG Chunfeng	M	1969	Non-Executive Director	March 2017 – 2027 election	–	–	–	Yes
LIANG Xinjie	M	1977	Non-Executive Director	January 2025 – 2027 election	–	–	–	Yes
LIN Li	M	1963	Non-Executive Director	July 2025 – 2027 election	–	–	26.08	Yes

CHAPTER 5 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

Name	Gender	Year of birth	Position	Term of office	Shares held at the beginning of the Reporting Period (share)	Shares held at the end of the Reporting Period (share)	Aggregate remuneration received from the Bank for 2025 (pre-tax, in RMB10 thousand)	Any remuneration received from related parties
ZHENG Haiyang	M	1971	Non-Executive Director	November 2025 – 2027 election	–	–	–	Yes
QU Xinjiu	M	1964	Independent Director	March 2021 – 2027 election	–	–	82.00	No
WEN Qiuju	F	1965	Independent Director	August 2023 – 2027 election	–	–	89.50	No
SONG Huanzheng	M	1968	Independent Director	August 2023 – 2027 election	–	–	90.00	No
YEUNG Chi Wai, Jason	M	1955	Independent Director	October 2023 – 2027 election	–	–	89.00	No
CHENG Fengchao	M	1959	Independent Director	February 2024 – 2027 election	–	–	90.00	No
LIU Hanxing	M	1973	Independent Director	March 2024 – 2027 election	–	–	90.00	No
ZHANG Juntong	M	1974	Executive Director	August 2024 – 2027 election	350,000	350,000	298.89	No
			Executive Vice President	May 2024 – 2027 election				
LI Bin	F	1967	Executive Vice President	January 2017 – 2027 election	350,000	350,000	250.74	No
			Board Secretary	February 2024 – 2027 election				
LIN Yunshan	M	1970	Executive Vice President	January 2017 – 2027 election	350,000	350,000	250.74	No
HUANG Hongri	M	1972	Executive Vice President	May 2024 – 2027 election	–	–	218.99	No
LI Wenshi	M	1977	Executive Vice President	August 2025 – 2027 election	–	–	75.68	No
ZHANG Bin	M	1967	Chief Information Officer	November 2021 – 2027 election	–	–	218.99	No
GONG Zhijian	M	1967	Business Director	May 2024 – 2027 election	–	–	220.93	No

Notes:

1. According to the regulations of the CSRC, the commencement date of the terms of office of re-elected Directors and Senior Management shall be calculated from the date of their first appointment and qualification approval.
2. Directors and Senior Management both incumbent and outgoing during the Reporting Period witnessed no changes to their shares held at the Bank during the Reporting Period.
3. During the Reporting Period, the total pre-tax remuneration of incumbent and resigned Directors and Senior Management received from the Bank for 2025 was RMB30,213,400. The total pre-tax remuneration of the incumbent Executive Directors and Senior Management for 2025 is still under confirmation, and the rest of the total will be disclosed separately upon confirmation; the rest of their total pre-tax remuneration for 2024 has been listed in the Announcement on Resolutions of the 5th Extraordinary Meeting of the 9th Session of the Board of Directors 《中國民生銀行股份有限公司第九屆董事會第五次臨時會議決議公告》.
4. During the Reporting Period, Mr. SONG Chunfeng, Mr. LIANG Xinjie and Mr. ZHENG Haiyang did not receive Director's remuneration.

CHAPTER 5 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

(II) Appointment and resignation of Directors and Senior Management

Directors

1. In January 2025, the qualification of Mr. LIANG Xinjie as a Director was approved by the NFRA.
2. In March 2025, due to personal health reasons, Mr. ZHANG Hongwei resigned from the positions of a Vice Chairman and a Non-Executive Director, as well as a member of the Strategic Development and Consumer Rights Protection Committee and the Nomination Committee of the Board of the Bank, and he did not hold shares of the Bank.
3. In June 2025, Mr. ZHENG Haiyang was elected as a Non-Executive Director of the Bank at the 2024 Annual Shareholders' Meeting of the Bank. In November 2025, the qualification of Mr. ZHENG Haiyang as a Director was approved by the NFRA.
4. In July 2025, the qualification of Mr. LIN Li as a Director was approved by the NFRA.
5. In December 2025, due to personal reasons, Mr. ZHAO Peng resigned from the positions of a Non-Executive Director, and a member of the Risk Management Committee and the Nomination Committee of the Board of the Bank, and he did not hold shares of the Bank.

Senior Management

1. In July 2025, Mr. SHI Jie resigned from the position of an Executive Vice President of the Bank due to retirement upon reaching the prescribed age. He held 350,000 shares of the Bank both at the beginning and at the end of the Reporting Period, received pre-tax remuneration of RMB1,405,200 from the Bank for 2025 during the Reporting Period, and did not take remuneration from related parties.
2. In July 2025, the Board of Directors of the Bank appointed Mr. LI Wenshi as an Executive Vice President of the Bank, and his qualification was approved by the NFRA in August 2025.
3. In December 2025, the Board of Directors of the Bank appointed Mr. HUANG Hongri as Chief Compliance Officer of the Bank, and his qualification is subject to approval by the NFRA. He will formally take office upon the approval on his qualification as Chief Compliance Officer.

(III) Performance evaluation and incentive mechanism and remuneration system for Directors and Senior Management

The Bank rigorously implemented regulatory policies in the performance evaluation of the Senior Management, insisted on compliance as the guidance for business development, and promoted the performance culture focusing on the long-term and steady development. Simultaneously, focusing on long-term strategic objectives, the Bank set strategic transformation and strategy execution indicators, and guided the Senior Management in implementing the Bank's overall strategic deployments. The Compensation and Remuneration Committee of the Board organised the performance evaluation of the Senior Management based on the achievement of the annual operating targets and the implementation results of the strategic development plans, etc.

CHAPTER 5 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

The Bank has established the remuneration management system of the Senior Management, with the aim of supporting the development strategy and achieving operating targets of the Bank. The system reflects strategies and guiding principles of human resources management, advocates value creation and encourages the Senior Management to advance the high-quality development of the whole bank. The Bank formulated well-structured and market-competitive remuneration plans for the Senior Management, determined the total remuneration of the Senior Management in line with their duties, capabilities and contributions to operating results, and established an incentive and restraint mechanism for the Senior Management. The remuneration of the Senior Management is composed of basic remuneration, performance-based remuneration and welfare, of which, the Senior Management's performance-based remuneration is closely linked to the achievement of key performance indicators and the annual evaluation results of the Senior Management as individuals. In accordance with the requirements of the regulatory guidelines, the Bank has established and strictly implemented relevant provisions on deferred payment, suspension of payment and recourse for the performance-based remuneration of the Senior Management. The remuneration of the Senior Management of the Bank was determined by the Compensation and Remuneration Committee of the Board of Directors, and submitted to the Board of Directors for consideration and approval.

To objectively reflect the efforts, risks and responsibilities undertaken by the Directors of the Bank, and to effectively encourage them to actively participate in decision-making and management, the Bank paid remuneration to all Directors in accordance with the Rules for Remuneration of Directors and Supervisors of China Minsheng Banking Corp., Ltd. 《中國民生銀行股份有限公司董事、監事薪酬制度》. The remuneration of Directors comprises four parts, including annual fee, allowances for special committees, meeting fees and research fees. The remuneration of the Directors of the Bank was determined by the Compensation and Remuneration Committee of the Board of Directors, then approved by the Board of Directors, and submitted to the shareholders' meeting for consideration and approval. During the Reporting Period, all Directors of the Bank recused themselves from the discussions of matters in relation to their own remuneration by the Board of Directors. The matters in relation to the remuneration of Directors and Senior Management were considered by the Compensation and Remuneration Committee of the Board of Directors, and were consented by all Directors.

(IV) Positions held by incumbent Directors in shareholders' companies

Name	Name of the shareholder's company	Position	Term of office
LIU Yonghao	New Hope Group Co., Ltd.	Chairman of the board of directors	January 1997 – Present
SHI Yuzhu	Shanghai Giant Investment Group Co., Ltd.	Executive director	April 2001 – Present
SONG Chunfeng	China Shipowners Mutual Assurance Association	General manager	March 2016 – Present
LIANG Xinjie	Dajia Property & Casualty Insurance Co., Ltd.	Director	April 2023 – Present
	Dajia Property & Casualty Insurance Co., Ltd.	General manager	May 2023 – Present
LIN Li	Shenzhen Liye Group Co., Ltd.	Chairman of the board of directors	May 2020 – Present
ZHENG Haiyang	China Great Wall Asset Management Co., Ltd.	Vice president	July 2022 – Present

CHAPTER 5 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

(V) Main work experience of incumbent Directors and Senior Management

Directors

Executive Directors

Mr. GAO Yingxin, born in 1962, is Chairman and an Executive Director of the Bank. Mr. GAO is concurrently Chairman of CMBC International. Before joining the Bank, he was a vice chairman of the board and the chief executive of BOC Hong Kong (Holdings) Limited and Bank of China (Hong Kong) Limited from January 2018 to May 2020, an executive director of Bank of China Limited (BOC) from December 2016 to January 2018, an executive vice president of BOC from February 2015 to January 2018, an executive director and a deputy chief executive of BOC Hong Kong (Holdings) Limited and Bank of China (Hong Kong) Limited from February 2005 to February 2015, the president and chief operating officer of BOC International Holdings Limited from July 2004 to February 2005, the general manager of the corporate banking department of BOC head office from June 1999 to July 2004, and a deputy general manager of the credit department and a deputy general manager of the corporate banking department of BOC head office from September 1996 to June 1999. Mr. GAO was a member of the 13th National Committee of the Chinese People's Political Consultative Conference (CPPCC). Mr. GAO obtained his Master's Degree in Engineering from East China University of Science and Technology in 1986. He is currently a senior economist.

Mr. WANG Xiaoyong, born in 1970, is a Vice Chairman, an Executive Director and President of the Bank. Before joining the Bank, from September 2016 to February 2024, Mr. WANG had successively served as the president of the Chongqing branch, the general manager of the channel and operation management department, and the president of the Sichuan branch of China Construction Bank. From June 2006 to September 2016, he had successively served as an assistant general manager of the risk monitoring and control department, a deputy general manager of the credit management department, a vice president of the Shandong branch and a vice president of the Gansu branch of China Construction Bank. From April 1996 to June 2006, he had successively worked at the audit department, the office of the risk and internal control management committee and the risk management department of China Construction Bank. Mr. WANG graduated from Beijing Normal University with a Bachelor's Degree in 1991. Mr. WANG obtained his Master's Degree in Accounting from the Central University of Finance and Economics in 1996, and his Ph.D. Degree in Management Science and Engineering from Tianjin University in 2013. He is currently a senior economist.

Mr. ZHANG Juntong, born in 1974, is an Executive Director and an Executive Vice President of the Bank. Mr. ZHANG served as Chairman of the Board of Supervisors and an Employee Supervisor of the Bank, and Chairman of the Supervisory Committee and a member of the Nomination and Examination Committee of the Board of Supervisors from February 2017 to March 2024. Mr. ZHANG graduated from Peking University with a Bachelor's Degree in 1997, and obtained his Master's Degree in World Economy from Peking University in 2000.

Non-Executive Directors

Mr. LIU Yonghao, born in 1951, is a Vice Chairman and a Non-Executive Director of the Bank. Mr. LIU is currently the chairman and president of New Hope Group Co., Ltd., a member of the 14th CPPCC National Committee, the chairman of the General Association of Sichuan Entrepreneurs, a vice president of China Association for Public Companies and one of the promoters of China Guangcai Programme. Mr. LIU was also a vice chairman of the 7th and 8th sessions of ACFIC, a member of the 8th, 9th, 10th and 11th CPPCC National Committee, a standing committee member of the 9th and 10th CPPCC National Committee, a vice chairman of the Committee for Economic Affairs of the 10th and 11th CPPCC National Committee, a deputy to the 12th National People's Congress (NPC), a member of the 13th CPPCC National Committee, a vice chairman of China Society for Promotion of the Guangcai Programme, and a director of New Hope Liuhe Co., Ltd.

CHAPTER 5 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

Mr. SHI Yuzhu, born in 1962, is a Non-Executive Director of the Bank. Mr. SHI is the chairman of Giant Network Group Co., Ltd. (formerly known as "Chongqing New Century Cruise Co., Ltd."), Giant Interactive Group Inc. (formerly known as "Shanghai ZhengTu Interactive Group Inc.") and Giant Charity Foundation, and an executive director of Shanghai Giant Investment Group Co., Ltd. Mr. SHI was previously a director of Shanghai ZhengTu Interactive Group Inc. Mr. SHI obtained his Bachelor's Degree in Mathematics from Zhejiang University in 1984 and graduated from the postgraduate programme of software science department from Shenzhen University in 1990.

Mr. SONG Chunfeng, born in 1969, is a Non-Executive Director of the Bank. Mr. SONG is the general manager of China Shipowners Mutual Assurance Association, a vice president of China Shipowners' Association, an executive director of China P&I Management Co., Ltd., a director of China P&I Services (Hong Kong) Limited, an executive director of Shanghai Haixing Asset Management Limited, and a director of CPI Services (UK) Limited. Mr. SONG was a supervisor of Haitong Securities Co., Ltd., a managing director of COSCO (Hong Kong) Insurance Brokers Limited, the chairman and general manager of Shenzhen COSCO Insurance Brokers Limited, a manager of the commerce office under the transportation department of COSCO/China COSCO Holdings Co., Ltd., and a principal staff member, a deputy division director, and the division director of the commerce division under the transportation department of COSCO. Mr. SONG obtained his Ph.D. Degree in Law from Peking University in 2006. He is currently a senior economist.

Mr. LIANG Xinjie, born in 1977, is a Non-Executive Director of the Bank. Mr. LIANG is a director and the general manager of Dajia Property & Casualty Insurance Co., Ltd. Mr. LIANG was previously an assistant general manager then a deputy general manager of Dajia Property & Casualty Insurance Co., Ltd., the general manager of the vehicle insurance department of Dinghe Property Insurance Co., Ltd., and the general manager of the underwriting department and a deputy general manager of the vehicle insurance department of China United Property Insurance Co., Ltd. Mr. LIANG obtained his Master's Degree in Finance from Southwestern University of Finance and Economics in 2006.

Mr. LIN Li, born in 1963, is a Non-Executive Director of the Bank. Mr. LIN is currently the chairman of Shenzhen Liye Group Co., Ltd. and Chinalin Securities Co., Ltd., a director of WeBank Co., Ltd. and Shenzhen Capital Group Co., Ltd., a vice chairman of the Federation of Industry and Commerce of Xizang Autonomous Region, a standing committee member of the Shenzhen Federation of Industry & Commerce, the chairman of the Shenzhen Shenshang Charity Foundation, a vice president of the Federation of Shenzhen Commerce, and a vice chairman of Xizang Autonomous Region Society for Promotion of the Guangcai Programme. He was previously a deputy to the 5th Shenzhen Municipal People's Congress, a member of the 3rd and 4th CPPCC Shenzhen Municipal Committee, a supervisor of Ping An Insurance (Group) Company of China, Ltd., a director of E-Capital Transfer Co., Ltd., the chief auditor and a section chief of the accounting division of the Shenzhen Shangbu sub-branch of Bank of China, the president of the Shenzhen Binhe sub-branch of Bank of China, a manager of the finance department of Shenzhen Zhonghua Trading Company, an accountant of the Zijin County sub-branch of Agricultural Bank of China in Heyuan City, and a credit officer of the Zijin County sub-branch of the PBOC in Heyuan City. Mr. LIN holds qualifications as an accountant and the AMAC fund practitioner.

Mr. ZHENG Haiyang, born in 1971, is a Non-Executive Director of the Bank. Mr. ZHENG is a vice president of China Great Wall Asset Management Co., Ltd. Mr. ZHENG was previously a deputy general manager of China Insurance Security Fund Co., Ltd., and an assistant general manager, a deputy general manager and then the general manager of the Tianjin branch of China Cinda Asset Management Co., Ltd. Mr. ZHENG graduated from Tianjin University with a Bachelor's Degree in 1994, and obtained his MBA Degree from Tianjin University in 2000. He is qualified as a senior economist.

CHAPTER 5 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

Independent Non-Executive Directors

Mr. QU Xinjiu, born in 1964, is an Independent Non-Executive Director of the Bank. He is a professor of China University of Political Science and Law and a part-time lawyer of Beijing Fada Law Firm. Mr. QU served previously as a deputy dean and dean of the School of Criminal Justice of China University of Political Science and Law, the director of the Institute of Criminal Law of the School of Criminal Justice of China University of Political Science and Law, and served concurrently as a deputy director of the investigation supervision department of the Supreme People's Procuratorate of the People's Republic of China, a deputy procurator-general of People's Procuratorate of Fengtai District of Beijing Municipality, and a part-time lawyer of Beijing Dadi Law Firm. Mr. QU obtained his Ph.D. Degree in Procedural Law from China University of Political Science and Law in 2001. Mr. QU has the qualifications for university teachers and lawyers.

Mr. QU has many years of experience in legal practice and can promote the diversification of composition of the Board. He provides the Board with valuable advice on system development and compliant operation.

Ms. WEN Qiuju, born in 1965, is an Independent Non-Executive Director of the Bank. Ms. WEN serves as the chairman of Da Hua International Management Consulting (Beijing) Co., Ltd. (大華國際管理諮詢(北京)有限公司). She was a managing partner of Da Hua Certified Public Accountants LLP. Ms. WEN obtained a Master's Degree in Western Accounting from Dongbei University of Finance and Economics in 1989. She is a certified public accountant and a certified public valuer.

As an accounting professional, Ms. WEN has extensive experience in accounting, auditing and management consulting and can further contribute to the gender diversity of the composition of the Board. She provides valuable advice to the Board from the perspective of professional accounting and auditing.

Mr. SONG Huanzheng, born in 1968, is an Independent Non-Executive Director of the Bank. Mr. SONG serves as the director and senior partner of Beijing S&P Law Firm, a consultant expert for Civil Administrative Cases of the Supreme People's Procuratorate, a member of the lawyer team of the China National Committee of the International Chamber of Commerce (ICC), a standing council member of the Chinese Civil Procedural Law Association of the China Law Society, a member of the Expert Committee for China Association of Trade in Services, a standing council member of the Corporate Governance Research Branch of the China Behaviour Law Association, an expert of the think tank of the China Academy of Management Science, a member of the Capital Market and Securities Legal Affairs Professional Committee and the M&A and Reorganisation Legal Professional Committee of the Beijing Lawyers Association, an external director of a municipal state-owned enterprise under the State-owned Assets Supervision and Administration Commission of the People's Government of Beijing Municipality (Beijing SASAC) (appointed to Beijing State-owned Assets Management Co., Ltd.), an independent non-executive director of Qishang Bank Co., Ltd., an arbitrator and a member of the Expert Advisory Committee of the Chongqing Arbitration Commission, a part-time professor of the School of Law and the director of the Legal Practice Research Centre of Xiangtan University. Mr. SONG was the chief lawyer of China Real Estate Development Group, a standing council member of Chinese Society of International Economic Law and an external director of a municipal state-owned enterprise under the Beijing SASAC (appointed to the Beijing Enterprises Group Company Limited). Mr. SONG obtained a Master's Degree in Economic Law from Southwest University of Political Science & Law in 1993. He is qualified as a lawyer.

Mr. SONG has extensive experience in corporate law, financial law, securities law and bankruptcy law, with nearly 30 years of experience as a practicing lawyer. He can diversify the composition of the Board, and provide valuable advice to the Board on corporate governance, internal control and compliance.

CHAPTER 5 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

Mr. YEUNG Chi Wai, Jason, born in 1955, Chinese (Hong Kong SAR) nationality, is an Independent Non-Executive Director of the Bank. Mr. YEUNG serves as the group chief compliance and risk management officer of Fung Holdings (1937) Limited. Mr. YEUNG served as an independent non-executive director of China Telecom Corporation Limited, Bank of Communications Co., Ltd., and AviChina Industry & Technology Company Limited; a deputy chief executive (personal banking business) of Bank of China (Hong Kong) Limited, the board secretary of Bank of China (Hong Kong) Limited, the board secretary of Bank of China Limited; a director and legal counsel of China Everbright Limited and China Everbright International Ltd.; a lawyer and partner of Woo Kwan Lee & Lo; a member of the Hong Kong Hospital Authority Board; a director of The Hong Kong Mortgage Corporation Limited and the Financial Dispute Resolution Centre; a member of the Insurance Advisory Committee of HKSAR Government. He also worked in the Hong Kong Government and the Hong Kong Securities and Futures Commission. Mr. YEUNG obtained his Master's Degree in Business Administration from the Business School of the University of Western Ontario in Canada in 2001. Mr. YEUNG is qualified as a lawyer.

Mr. YEUNG has extensive experience in finance, law, regulation and compliance and can diversify the composition of the Board. He provides valuable advice to the Board on corporate governance, bank management and other aspects.

Mr. CHENG Fengchao, born in 1959, is an Independent Non-Executive Director of the Bank. Mr. CHENG serves as the chairman of the Research Society for Finance and Industry (a social organisation), an independent non-executive director of PICC Property and Casualty Company Limited, Sinochem International Corporation and ICBC Financial Asset Investment Co., Ltd., a member of the Academic Advisory Committee of the China Association for Public Companies, and a doctoral supervisor of Hunan University. Mr. CHENG was previously an equity director of Industrial and Commercial Bank of China Limited and Agricultural Bank of China Limited, a supervisor of China Everbright Group, an external supervisor of Everbright Securities Company Limited, an external supervisor of China Huarong Asset Management Co., Ltd. (currently known as "China CITIC Financial Asset Management Co., Ltd."), an independent non-executive director of Minerals Capital Company Limited, Beijing GeoEnviron Engineering & Technology, Inc., Lihuayi Weiyuan Chemical Co., Ltd. and Tongfang Co., Ltd., the legal representative of Beijing Mingjia Zhibo Enterprise Management Consulting Co., Ltd. (北京名嘉智博企業管理諮詢有限公司), the general manager of the development research department, appraisal management department, etc. of China Great Wall Asset Management Company (currently known as "China Great Wall Asset Management Co., Ltd."), and a vice chairman and the secretary general of the Hebei Institute of Certified Public Accountants. Mr. CHENG obtained his Ph.D. Degree in Management Science and Engineering from Business School of Hunan University in 2004. He is a financial science researcher, a senior accountant, a certified public accountant, and a certified public valuer.

Mr. CHENG has extensive experience in accounting, audit, appraisal, banking and securities business and can diversify the composition of the Board. He provides valuable advice to the Board on corporate governance and professional accounting.

Mr. LIU Hanxing, born in 1973, is an Independent Non-Executive Director of the Bank. Mr. LIU is now the general manager of Mingzhe Maosheng (Hainan) Investment Co., Ltd. and an independent non-executive director of Jilin Province Trust Co., Ltd. He previously served as the directors of the general office, the asset allocation & research department and the equity management department of the National Council for Social Security Fund of the People's Republic of China, a non-executive director of Bank of Communications Co., Ltd., a vice president of Beijing branch of Bank of Communications Co., Ltd., a deputy division director of the non-bank department and a deputy division director of the information centre of the former CBRC, and a principal staff member of the general office of the PBOC. Mr. LIU obtained his Ph.D. Degree in Management Science and Engineering from the Graduate School of the Chinese Academy of Sciences in 2012. He holds the qualification of intermediate financial economist.

Mr. LIU specialises in asset allocation and equity investment with extensive experience in corporate governance and banking practice. He provides valuable advice to the Board on corporate governance and bank management.

CHAPTER 5 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

Senior Management

Mr. WANG Xiaoyong is a Vice Chairman and President of the Bank. Please refer to his biography in “Directors – Executive Directors”.

Mr. ZHANG Juntong is an Executive Director and an Executive Vice President of the Bank. Please refer to his biography in “Directors – Executive Directors”.

Ms. LI Bin, born in 1967, is an Executive Vice President and Board Secretary of the Bank. Ms. LI joined the Bank in 1995 and served as Division Director (person in charge) of the Capital Division of the International Business Department of the Bank. She was appointed as a Deputy General Manager of the Financial Institutions Department in 2000, General Manager of the Derivatives Products Department in 2007, President of the Financial Markets Department in 2009 and an Assistant President of the Bank in 2012. Prior to joining the Bank, Ms. LI worked in the international department of the Beijing branch of Agricultural Bank of China from 1990 to 1995. Ms. LI obtained her Ph.D. Degree in Finance from the School of Finance of Renmin University of China. She is currently a senior economist.

Mr. LIN Yunshan, born in 1970, is an Executive Vice President of the Bank. Mr. LIN joined the Bank in 2001, and successively served as Division Director of the Bills Business Division of the Corporate Business Department and an Assistant General Manager of the Corporate Business Department from 2002 to 2005, a Vice President of the Shenzhen Branch from 2005 to 2007, Director of the Office of Corporate Banking Management Committee and General Manager of the Corporate Banking Department from 2007 to 2012, and was appointed as an Assistant President of the Bank in 2012. Prior to joining the Bank, Mr. LIN worked for the PBOC in the accounting department, the payment technology department and the supervisory department I successively from 1993 to 2001. Mr. LIN obtained his Master’s Degree in Economics from Renmin University of China. He is currently an accountant.

Mr. HUANG Hongri, born in 1972, is an Executive Vice President of the Bank and concurrently Chairman of Minsheng Financial Leasing. Mr. HUANG joined the Bank in 2004, and successively served as General Manager of the Information and Planning Centre of the Corporate Banking Department, Marketing Director of the Energy Finance SBU, President of the Nanning Branch, General Manager of the Corporate Banking Department, General Manager of the Corporate Business Strategic Planning Department of the Corporate and Investment Banking SBU, and President of the Guangzhou Branch from 2007 to 2021, General Manager of the Credit Approval Department in 2021, and concurrently as General Manager of the Credit Management Department in 2022. Prior to joining the Bank, Mr. HUANG worked for the Hunan branch of Bank of China from 1993 to 2004. Mr. HUANG obtained his Master’s Degree in International Finance from Hunan University. He is currently an economist.

Mr. LI Wenshi, born in 1977, is an Executive Vice President of the Bank and President of the Beijing Branch. Mr. LI joined the Bank in 2004, and successively served as a Deputy General Manager (in charge) of the Corporate Banking Management Department of the Taiyuan Branch, a Deputy Director of Beijing Department II, Marketing Director of the Hohhot Department and then a Senior Assistant President of the Energy Finance SBU, a Deputy General Manager of the Group Finance SBU, a Deputy General Manager (in charge) of the Special Assets Department, and President of the Tianjin Branch from 2006 to 2021, General Manager of the Strategic Clients Department in 2021, and concurrently as Person in Charge of the Real Estate Finance Department in 2024. Prior to joining the Bank, Mr. LI worked successively for the International Investment and Trade Service Centre of the China Council for the Promotion of International Trade Shanxi Provincial Committee and Beijing Dadu Law Firm from 1998 to 2004. Mr. LI obtained his EMBA Degree from Tsinghua University.

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Mr. ZHANG Bin, born in 1967, is Chief Information Officer of the Bank. Prior to joining the Bank, Mr. ZHANG served as the chief information officer of Ping An Bank from 2018 to 2021, a member of the preparatory team, a vice president and chief information officer, and an executive director of Zhongyuan Bank from 2014 to 2017, an assistant general manager, a deputy general manager (in charge), the general manager, and the technical director of the IT department of the head office of CITIC Bank from 2005 to 2014, an engineer, a manager, an assistant general manager, and a deputy general manager of the IT department of the Beijing branch of China Merchants Bank from 1996 to 2005, and an engineer of the technical section of No.1 Radio Factory in Huainan City of Anhui Province from 1989 to 1993. Mr. ZHANG obtained his Master's Degree in Software Engineering from the Institute of Software of the Chinese Academy of Sciences and EMBA Degree from China Europe International Business School.

Mr. GONG Zhijian, born in 1967, is Business Director of the Bank. Mr. GONG joined the Bank in 2001 and successively served as General Manager of the Human Resources Department of the Shenzhen Branch, Division Director of the Human Resources Management Division and then Division Director of the Remuneration and Compensation Management Division of the Human Resources Department, an Assistant General Manager and then a Deputy General Manager of the Human Resources Department, a Deputy General Manager (in charge) and then General Manager of the Development Planning Department, and President of the Chengdu Branch from 2001 to 2019, General Manager of the Human Resources Department in 2019, and an Employee Supervisor of the Bank in 2021. Prior to joining the Bank, Mr. GONG successively worked for the lecturers' group and the publicity department of the CPC Yiyang Municipal Committee of Hunan Province, Yiyang Municipal Commission of Planning of Hunan Province and the personnel and education department of Zhuhai City Commercial Bank of Guangdong Province from 1991 to 2001. Mr. GONG obtained his Ph.D. Degree in Business Administration from Wuhan University. He is currently an economist.

Company Secretary

Mr. WANG Honggang is a fellow of both The Chartered Governance Institute (CGI) and The Hong Kong Chartered Governance Institute (HKCGI), a Chartered Secretary, and a Chartered Governance Professional. Mr. WANG is a postdoctoral researcher at Peking University, and is General Manager of the Office of the Board of the Bank. Mr. WANG has assumed the position of the Representative of Securities Affairs of the Bank since 2012.

(VI) Changes in information of Directors

1. Mr. LIU Yonghao, a Vice Chairman of the Bank, ceased to serve as a director of New Hope Liuhe Co., Ltd.
2. Mr. SONG Chunfeng, a Non-Executive Director of the Bank, ceased to serve as a supervisor of Haitong Securities Co., Ltd. and a vice chairman of Quanzhou Jinjiang COSCO Development Co., Ltd.
3. Ms. WEN Qiuju, an Independent Non-Executive Director of the Bank, ceased to serve as a managing partner of Da Hua Certified Public Accountants LLP.
4. Mr. SONG Huanzheng, an Independent Non-Executive Director of the Bank, was appointed as an independent non-executive director of Qishang Bank Co., Ltd.
5. Mr. YEUNG Chi Wai, Jason, an Independent Non-Executive Director of the Bank, ceased to serve as an independent non-executive director of China Telecom Corporation Limited.

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6. Mr. CHENG Fengchao, an Independent Non-Executive Director of the Bank, was appointed as an independent non-executive director of ICBC Financial Asset Investment Co., Ltd.
7. Mr. LIU Hanxing, an Independent Non-Executive Director of the Bank, was appointed as an independent non-executive director of Jilin Province Trust Co., Ltd.

(VII) Directors' interests in competing business

Mr. LIU Yonghao, a Non-Executive Director of the Bank, is a director of Sichuan XW Bank Co., Ltd. ("Sichuan XW Bank") and holds 30% equity interest of Sichuan XW Bank through New Hope Group Co., Ltd., which is controlled by him. To the best knowledge of the Bank, Sichuan XW Bank was established on 28 December 2016 upon the approval by China's banking regulatory authorities and is an internet-based bank with scope of business including taking deposits from the public; granting short-, mid- to long-term loans; handling domestic and foreign settlements; accepting and discounting negotiable instruments; issuing financial bonds; issuing, settling and underwriting government bonds as an agent; buying and selling government bonds and financial bonds; operating interbank borrowing and lending; buying and selling foreign exchange, and buying and selling foreign exchange as an agent; operating bank card business; providing letter of credit services and guaranty, receiving and paying funds as an agent, and operating insurance business as an agent; providing safe deposit box service, etc. As at 31 December 2025, the unaudited total assets, net assets, net assets per share, deposits and loans of Sichuan XW Bank were RMB112,509 million, RMB8,757 million, RMB2.92, RMB66,133 million and RMB78,943 million, respectively. Therefore, Sichuan XW Bank is very different from the Bank in terms of operation model and operation scale. Mr. LIU Yonghao is just one of the directors of Sichuan XW Bank and not the chairman. In addition, in accordance with the Articles of Association, Mr. LIU Yonghao shall recuse himself from voting on the proposals in relation to Sichuan XW Bank. As such, the interest of Mr. LIU Yonghao in Sichuan XW Bank is not in conflict with his duties as a Director of the Bank.

Mr. LIN Li, a Non-Executive Director of the Bank, is a director of WeBank Co., Ltd. ("WeBank") and holds 15.31% equity interest of WeBank through Shenzhen Liye Group Co., Ltd., which is controlled by him. To the best knowledge of the Bank, WeBank was established on 16 December 2014 and is an internet-based bank with scope of business including taking deposits from the public (mainly from individuals and MSEs); granting short-, mid- to long-term loans mainly to individuals and MSEs; handling domestic and foreign settlements; accepting and discounting negotiable instruments; issuing financial bonds; issuing, settling and underwriting government bonds as an agent; buying and selling government bonds and financial bonds; operating interbank borrowing and lending; buying and selling foreign exchange, and buying and selling foreign exchange as an agent; operating bank card business; providing letter of credit services and guaranty, receiving and paying funds as an agent, and operating insurance business as an agent; providing safe deposit box service; selling funds, etc. As at 30 June 2025, the total assets, net assets and net assets per share of WeBank were RMB714,725 million, RMB57,804 million and RMB14.75, respectively. Therefore, WeBank is very different from the Bank in terms of operation model and operation scale. Mr. LIN Li is just one of the directors of WeBank and not the chairman. In addition, in accordance with the Articles of Association, Mr. LIN Li shall recuse himself from voting on the proposals in relation to WeBank. As such, the interest of Mr. LIN Li in WeBank is not in conflict with his duties as a Director of the Bank.

Save as disclosed above, none of other Directors of the Bank holds any interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Bank.

CHAPTER 5 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

(VIII) Interests of the Directors and chief executives in the securities of the Bank or its associated corporations under Hong Kong laws and regulations

1. As at 31 December 2025, the following Directors of the Bank had the following interests or short positions in the shares of the Bank as recorded in the register required to be kept by the Bank pursuant to Section 336 of the SFO and as the Bank is aware of:

Name	Position	Class of shares	Long/short position	Capacity	Number of shares (share)	Notes	Percentage of the relevant class of shares in issue (%)	Percentage of all the issued ordinary shares (%)
GAO Yingxin	Executive Director	A	Long position	Beneficial owner	200,000		0.0006	0.0005
		H	Long position	Beneficial owner	300,000		0.0036	0.0007
ZHANG Juntong	Executive Director	A	Long position	Beneficial owner	150,000		0.0004	0.0003
		H	Long position	Beneficial owner	200,000		0.0024	0.0005
LIU Yonghao	Non-Executive Director	A	Long position	Interest held by his controlled corporation(s)	1,930,715,189	1	5.44	4.41
		H	Long position	Interest held by his controlled corporation(s)	370,789,500	2	4.46	0.85
SHI Yuzhu	Non-Executive Director	A	Long position	Interest held by his controlled corporation(s)	1,379,679,587	3	3.89	3.15
		H	Long position	Interest held by his controlled corporation(s)	713,501,653	4	8.58	1.63
LIN Li	Non-Executive Director	A	Long position	Interest held by his controlled corporation(s)	1,966,999,113	5	5.55	4.49
		H	Long position	Interest held by his controlled corporation(s)	199,310,000	6	2.40	0.46

Notes:

1. The 1,930,715,189 A shares comprised 102,387,827 A shares held by South Hope Industrial Co., Ltd. and 1,828,327,362 A shares held by New Hope Liuhe Investment Co., Ltd. According to the SFO, New Hope Holdings Group Co., Ltd. was deemed to be interested in the 102,387,827 A shares held by South Hope Industrial Co., Ltd. and 1,828,327,362 A shares held by New Hope Liuhe Investment Co., Ltd. through direct and indirect control over several enterprises. As Mr. LIU Yonghao had control over New Hope Holdings Group Co., Ltd., he was deemed to be interested in the 1,930,715,189 A shares as mentioned above.

Such interests held by Mr. LIU Yonghao and the interests held by New Hope Holdings Group Co., Ltd., New Hope Group Co., Ltd., Ms. LI Wei and Ms. LIU Chang, the details of which are disclosed in the section headed "Substantial shareholders' and other persons' interests or short positions in the shares and underlying shares of the Bank under Hong Kong laws and regulations" in this Annual Report, were the same block of shares.

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2. The 370,789,500 H shares comprised 302,789,500 H shares held by South Hope Industrial Co., Ltd. and 68,000,000 H shares held by New Hope Chemical Investment Co., Ltd. According to the SFO, New Hope Holdings Group Co., Ltd. was deemed to be interested in the 302,789,500 H shares held by South Hope Industrial Co., Ltd. and 68,000,000 H shares held by New Hope Chemical Investment Co., Ltd. through direct and indirect control over several enterprises. As Mr. LIU Yonghao had control over New Hope Holdings Group Co., Ltd., he was deemed to be interested in the 370,789,500 H shares as mentioned above.
3. The 1,379,679,587 A shares were held by Shanghai Giant Lifetech Co., Ltd. According to the SFO, Shanghai Giant Investment Group Co., Ltd. had control over Shanghai Giant Lifetech Co., Ltd. As Mr. SHI Yuzhu held 97.86% of the issued share capital of Shanghai Giant Investment Group Co., Ltd., he was deemed to be interested in the 1,379,679,587 A shares as mentioned above.
4. The 713,501,653 H shares were held by Alpha Frontier Limited. According to the SFO, Shanghai Cibi Business Information Consulting Co., Ltd. had control over Alpha Frontier Limited. Shanghai Giant Investment Group Co., Ltd. (see note 3 above) was deemed to be interested in the 713,501,653 H shares held by Alpha Frontier Limited through its control over Shanghai Cibi Business Information Consulting Co., Ltd.
5. The 1,966,999,113 A shares were held by Shenzhen Liye Group Co., Ltd. (the details are disclosed in the section headed "Substantial shareholders' and other persons' interests or short positions in the shares and underlying shares of the Bank under Hong Kong laws and regulations" in this Annual Report). As Mr. LIN Li had control over Shenzhen Liye Group Co., Ltd., he was deemed to be interested in the 1,966,999,113 A shares as mentioned above according to the SFO.
6. The 199,310,000 H shares were held by Hong Kong Liye Group Co., Ltd. According to the SFO, Mr. LIN Li was deemed to be interested in the 199,310,000 H shares as mentioned above as he had control over Shenzhen Liye Group Co., Ltd., which had control over Hong Kong Liye Group Co., Ltd.

2. As at 31 December 2025, the following Director of the Bank had the following interests in Pengzhou Minsheng Rural Bank Co., Ltd. (a subsidiary of the Bank):

Name	Position	Long/short position	Capacity	Contribution to the registered capital	Note	Percentage of the total registered capital (%)
LIU Yonghao	Non-Executive Director	Long position	Interest held by his controlled corporation(s)	RMB2,000,000	1	3.64

Note:

1. New Hope Group Co., Ltd. is interested in RMB2 million of the registered capital of Pengzhou Minsheng Rural Bank Co., Ltd. New Hope Holdings Group Co., Ltd. was deemed to be interested in the equity interest held by New Hope Group Co., Ltd. in Pengzhou Minsheng Rural Bank Co., Ltd. through direct control over New Hope Group Co., Ltd. As Mr. LIU Yonghao had control over New Hope Holdings Group Co., Ltd., he was deemed to be interested in the equity interest held by New Hope Group Co., Ltd. in Pengzhou Minsheng Rural Bank Co., Ltd. according to the SFO.

3. As at 31 December 2025, the following Director of the Bank had the following interests in Shanghai Songjiang Minsheng Rural Bank Co., Ltd. (a subsidiary of the Bank):

Name	Position	Long/short position	Capacity	Contribution to the registered capital	Note	Percentage of the total registered capital (%)
SHI Yuzhu	Non-Executive Director	Long position	Interest held by his controlled corporation(s)	RMB24,000,000	1	10

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Note:

1. Shanghai Giant Lifetech Co., Ltd. is interested in RMB24 million of the registered capital of Shanghai Songjiang Minsheng Rural Bank Co., Ltd. Mr. SHI Yuzhu held 97.86% of the issued share capital of Shanghai Giant Investment Group Co., Ltd., which had control over Shanghai Giant Lifetech Co., Ltd. Mr. SHI Yuzhu was deemed to be interested in the equity interest held by Shanghai Giant Lifetech Co., Ltd. in Shanghai Songjiang Minsheng Rural Bank Co., Ltd. according to the SFO.

4. As at 31 December 2025, the following Directors of the Bank had the following interests in Linzhi Minsheng Rural Bank Co., Ltd. (a subsidiary of the Bank):

Name	Position	Long/short position	Capacity	Contribution to the registered capital	Note	Percentage of the total registered capital (%)
SHI Yuzhu	Non-Executive Director	Long position	Interest held by his controlled corporation(s)	RMB2,500,000	1	2.83
LIU Yonghao	Non-Executive Director	Long position	Interest held by his controlled corporation(s)	RMB1,500,000	1	1.7

Note:

1. In January 2026, the Bank disclosed the Announcement on Related Party Transactions of China Minsheng Banking Corp., Ltd. (Announcement No.: 2026-001) 《中國民生銀行股份有限公司關聯交易公告》(公告編號: 2026-001號)), in which it is stated that the Bank has acquired the relevant shares. As at the disclosure date of this Report, Mr. LIU Yonghao and Mr. SHI Yuzhu no longer have equity interest in Linzhi Minsheng Rural Bank Co., Ltd.

Save as disclosed above, as far as the Bank is aware, as at the end of the Reporting Period, none of other Directors or chief executives held or was deemed to hold any interests and/or short positions in the shares, underlying shares or debentures of the Bank or any of its associated corporations (as defined in the SFO), which were recorded in the register required to be kept under Section 352 of the SFO, or which were required to be notified to the Bank and the SEHK pursuant to Divisions 7 and 8 of Part XV of the SFO and the Model Code set out in Appendix C3 to the Hong Kong Listing Rules, nor had any Directors or chief executives been granted such rights.

(IX) Contractual rights and interests and service contracts of Directors

During the Reporting Period, Directors of the Bank and entities connected with a Director of the Bank had no material interest in the significant contracts that the Bank or any of its subsidiaries entered into. None of the Directors of the Bank has entered into or intends to enter into any service contract with the Bank which is not terminable by the Bank within one year without payment of compensation (excluding statutory compensation).

(X) Financial, business and family relationships among Directors and Senior Management

The Bank has made enquiries to confirm that, there is no relationship between the members of the Board (including financial, business, family or other material or relevant relationships).

IV. Board of Directors

The Board of Directors is responsible to the shareholders' meeting and is the decision-making body of the Bank, and its functions and powers are exercised collectively by the Board of Directors.

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(I) Composition of the Board of Directors and its performance

As at the disclosure date of this Report, the Board of the Bank had 15 Directors, of which six were Non-Executive Directors, three were Executive Directors and six were Independent Non-Executive Directors. All Non-Executive Directors held key positions in large renowned enterprises and were experienced in management, finance and accounting, while the Executive Directors had been engaged in banking operation and management for a long time with extensive professional experiences. The six Independent Non-Executive Directors were renowned experts in economics, finance, accounting and law respectively. One of them was from Hong Kong SAR and was familiar with the IFRS Accounting Standards and regulations of the Hong Kong capital market and equipped with extensive banking management experience. The number of Independent Non-Executive Directors of the Bank exceeded one-third of the total number of Board members, meeting the relevant regulatory requirements.

For the details and changes of the Board members, please refer to the section headed “III. Directors and Senior Management” in “Chapter 5 Corporate Governance, Environment and Society” of this Report.

The Board had reviewed the implementation and effectiveness of the diversity policy of the Bank, and included one female director and one director with Chinese (Hong Kong SAR) nationality into the Board. The structure of the Board embodies qualities including professionalism, independence and diversity, which help ensure that the Board can make decision in a rational manner.

The Bank considers diversified composition of the Board is beneficial to enhance the operating quality of the Bank. Therefore, the Bank formulated the Policy of Board Diversity 《董事會成員多元化政策》 in August 2013, specifying that the Bank should take various factors, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and term of office, into consideration in determining the members of the Board for more diversified Board composition. The final candidates shall be elected based on his/her value and contributions to the Board. The Nomination Committee shall supervise the implementation of the Policy of Board Diversity, and shall analyse and assess the structure, composition and diversity of members of the Board based on the requirements for diversified composition of the Board and make suggestions to the Board annually.

(II) Duties of the Board of Directors

In accordance with the Articles of Association, the Board of Directors mainly exercises the following functions and powers: to convene shareholders’ meetings and implement the resolutions of shareholders’ meetings; to decide on the Bank’s operating plans, investment plans and internal management units setting; to formulate development strategies of the Bank and supervise the implementation; to formulate annual financial budget, final accounts and profit distribution plans; to appoint or remove senior executives and decide on matters relating to their remuneration, rewards and punishments; to formulate the Bank’s basic management system; to set compliance management objectives and perform compliance management duties; to take charge of the Bank’s information disclosure; to receive briefings on work reports of the President of the Bank and examine the President’s performance; and to execute other duties and powers authorised by laws and regulations, department rules or the Articles of Association. The Board of Directors shall examine and update various corporate governance policies and systems such as the Articles of Association in accordance with the laws and regulations applicable to the Bank, department rules, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and the Hong Kong Listing Rules, and ensure that the Bank complies with the policies and systems.

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(III) Responsibilities of corporate governance of the Board of Directors

The corporate governance of the Bank is vested in the Board. The duties include: (1) to develop and review the corporate governance policies and practices of the Bank; (2) to review and monitor the training and continuous professional development of Directors and Senior Management; (3) to review and monitor the policies and practices in compliance with legal and regulatory requirements of the Bank; (4) to formulate, review and monitor the code of conduct of employees and Directors; and (5) to review the compliance of the Bank with the provisions of the Corporate Governance Code 《企業管治守則》 and disclosure in the Corporate Governance section in the Annual Report.

During the Reporting Period, through review and confirmation, the duty performance of the Board of the Bank abided by the provisions as set out in Appendix C1 to the Hong Kong Listing Rules.

(IV) Attendance of the Directors at meetings in 2025

During the Reporting Period, the Board of Directors of the Bank convened a total of 11 meetings, considered 98 proposals, and received briefings on 90 reports. These meetings included 7 on-site meetings and 4 meetings of mail-voting.

Director	Attendance in person/Number of meetings							
	Special Committees of the Board							
	Shareholders' Meeting	Meeting of Board of Directors	Strategic Development and Consumer Rights Protection Committee	Nomination Committee	Compensation and Remuneration Committee	Risk Management Committee	Audit Committee	Related Party Transactions Supervision Committee
Executive Directors								
GAO Yingxin	1/1	11/11	9/9	5/5	5/5			
WANG Xiaoyong	1/1	11/11	9/9			11/13		
ZHANG Juntong	1/1	11/11				13/13		
Non-Executive Directors								
LIU Yonghao	1/1	11/11	9/9	5/5				
SHI Yuzhu	1/1	11/11	9/9	5/5				
SONG Chunfeng	1/1	11/11				13/13	10/10	
LIANG Xinjie	1/1	10/10			5/5		9/9	
LIN Li		5/5	5/5					
ZHENG Haiyang		1/1				2/2		
Independent Non-Executive Directors								
QU Xinjiu	1/1	11/11		5/5			10/10	5/5
WEN Qiuju	1/1	11/11		5/5	5/5		10/10	5/5
SONG Huanzheng	1/1	11/11	9/9	5/5	5/5	13/13		5/5
YEUNG Chi Wai, Jason	1/1	11/11	9/9	5/5	5/5			5/5
CHENG Fengchao	1/1	11/11		5/5	5/5	13/13	10/10	5/5
LIU Hanxing	1/1	11/11		5/5	5/5	13/13	10/10	5/5

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Notes:

1. "Attendance in person" included onsite attendances and those through telephone and video conferences.
2. Vice Chairman WANG Xiaoyong entrusted another Director to attend two meetings of the Risk Management Committee of the Board and to exercise voting rights on his behalf.
3. Former Vice Chairman ZHANG Hongwei attended in person one Board meeting, one meeting of the Strategic Development and Consumer Rights Protection Committee, and one meeting of the Nomination Committee. During his term of office, one Board meeting was convened, no shareholders' meeting was convened. Former Director ZHAO Peng attended in person five Board meetings, three meetings of the Nomination Committee and seven meetings of the Risk Management Committee; he entrusted another Director to attend three Board meetings and to exercise voting rights on his behalf, and was absent from one shareholders' meeting and two Board meetings due to personal matters; during his term of office, 10 Board meetings were convened, one shareholders' meeting was convened.
4. For the changes in the special committees of the Board, please refer to the section headed "V. Special Committees of the Board of Directors" in "Chapter 5 Corporate Governance, Environment and Society" of this Report.
5. According to the Working Rules for Involvement of Independent Directors in the Preparation of Annual Report 《獨立董事年報工作制度》 of the Bank, the Independent Non-Executive Directors who are not members of the Audit Committee shall be invited to attend the meetings of the Audit Committee of the Board to consider issues related to annual report. Independent Non-Executive Directors SONG Huanzheng and YEUNG Chi Wai, Jason, attended two meetings of the Audit Committee of the Board as non-voting delegates.

(V) Independence and performance of Independent Non-Executive Directors

The qualifications, number, and proportion of the Independent Non-Executive Directors of the Bank meet regulatory provisions. None of the Independent Non-Executive Directors has any business or financial interests in the Bank and its subsidiaries; nor do they assume any management roles of the Bank. The Board of the Bank has received the annual report from each Independent Non-Executive Director upon self-inspection of his or her independence in accordance with the Measures for the Administration of Independent Directors of Listed Companies 《上市公司獨立董事管理辦法》 released by the CSRC and Article 3.13 of the Hong Kong Listing Rules. Based on the performance of Independent Non-Executive Directors and the report on self-inspection of independence, the Board believed that the Independent Non-Executive Directors complied with laws, administrative regulations and relevant requirements of the regulatory authorities regarding independence.

During the Reporting Period, the Independent Non-Executive Directors of the Bank performed their duties faithfully, diligently and independently. They attended shareholders' meetings, and the meetings of the Board and its special committees on time, reviewed various proposals, and provided independent and objective opinions and suggestions. They also expressed independent opinions on matters such as related party transactions, nomination and remuneration of Directors and Senior Management, appointment of accounting firms and profit distribution. They attended one chairman-independent directors special meeting, five independent director special meetings, and three briefings on performance, engaging in thorough communications on related party transactions and market value management. The Independent Non-Executive Directors actively participated in special research and investigations on retail business, risk evaluation and internal control and management as well as field visits to business outlets, submitted professional reports on important matters, performed duty on-site at the Bank and implemented the on-duty policy, received special briefings from professional departments, and provided constructive opinions and suggestions.

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During the Reporting Period, the Bank strengthened the guarantee for the duty performance of Independent Non-Executive Directors, actively cooperated with and assisted them in performing their duties, and provided them with necessary working conditions and personnel support for their performance of duties. The Bank sent various meeting notices of the Board and the special committees of the Board and materials required for duty performance to the Independent Non-Executive Directors in a timely manner to ensure that they had the same right to be informed as other Directors. The Bank attached great importance to the relevant opinions and suggestions of Independent Non-Executive Directors, adopted such opinions and suggestions according to actual conditions, and organised the implementation efficiently. The Senior Management and relevant departments communicated smoothly with the Independent Non-Executive Directors, actively cooperated with their exercise of powers, and had never refused, hindered or concealed relevant information or interfered with their independent exercise of powers. The Bank maintained liability insurance for the Independent Non-Executive Directors and provided them with appropriate allowances.

During the Reporting Period, none of the Independent Non-Executive Directors had raised objections to the proposals of the Board of Directors and its special committees. For details of the performance of the Independent Non-Executive Directors, please refer to the 2025 Work Report of Independent Directors disclosed on the same day as this Annual Report.

(VI) Chairman of the Board of Directors and President

The roles and duties of Chairman of the Board of Directors and President of the Bank are performed by different persons with clearly defined responsibilities in line with the Hong Kong Listing Rules.

Mr. GAO Yingxin served as Chairman of the Board of Directors of the Bank. He was responsible for leading the Board and acting as Chairman of the Board meetings, and ensuring that all Directors were well informed of the issues to be discussed during the Board meetings. He was also responsible for managing the operation of the Board and ensuring that the Board discussed all major and relevant issues in a timely and constructive manner. To achieve this, Chairman of the Board collaborated with relevant Senior Management to ensure that the Directors receive appropriate, complete and reliable information for their consideration and review.

Mr. WANG Xiaoyong served as President of the Bank. He was responsible for the business operation of the Bank, the implementation of strategies and business plans of the Bank, and the daily operation and management of the Bank.

(VII) Securities transactions by Directors and relevant employees

The Bank has adopted its own code of conduct of the Directors regarding transactions in securities, on terms no less exacting than the Model Code as set out in Appendix C3 to the Hong Kong Listing Rules. The Bank has made specific enquiries to all Directors who have confirmed that they have complied with the above-mentioned code during the Reporting Period. The Bank also formulated the guidelines for dealings in securities of the Bank by employees, which are no more lenient than the Model Code. The Bank is not aware of any non-compliance with these guidelines by the relevant employees.

(VIII) Responsibility statement of Directors regarding preparation of financial statements

All Directors of the Bank had acknowledged their responsibilities for the preparation of the financial statements of the Bank for the year ended 31 December 2025.

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V. Special Committees of the Board of Directors

As at the end of the Reporting Period, the Board of Directors of the Bank had the following six special committees: the Strategic Development and Consumer Rights Protection Committee, the Nomination Committee, the Compensation and Remuneration Committee, the Risk Management Committee, the Audit Committee, and the Related Party Transactions Supervision Committee. Except for the Strategic Development and Consumer Rights Protection Committee, all other special committees have an Independent Non-Executive Director as chairman. As at the disclosure date of this Report, all members of the Related Party Transactions Supervision Committee were Independent Non-Executive Directors, and Independent Non-Executive Directors accounted for more than 50% of members in the Nomination Committee, the Compensation and Remuneration Committee, and the Audit Committee.

As at the disclosure date of this Report, the composition of special committees of the Board of Directors of the Bank was as follows:

Special committee	Members
Strategic Development and Consumer Rights Protection Committee	GAO Yingxin (chairman), LIU Yonghao, WANG Xiaoyong, SHI Yuzhu, LIN Li, SONG Huanzheng, YEUNG Chi Wai, Jason
Nomination Committee	QU Xinjiu (chairman), GAO Yingxin, LIU Yonghao, SHI Yuzhu, WEN Qiuju, SONG Huanzheng, YEUNG Chi Wai, Jason, CHENG Fengchao, LIU Hanxing
Compensation and Remuneration Committee	YEUNG Chi Wai, Jason (chairman), GAO Yingxin, LIANG Xinjie, WEN Qiuju, SONG Huanzheng, CHENG Fengchao, LIU Hanxing
Risk Management Committee	LIU Hanxing (chairman), WANG Xiaoyong, SONG Chunfeng, ZHENG Haiyang, SONG Huanzheng, CHENG Fengchao, ZHANG Juntong
Audit Committee	WEN Qiuju (chairman), SONG Chunfeng, LIANG Xinjie, QU Xinjiu, CHENG Fengchao, LIU Hanxing
Related Party Transactions Supervision Committee	SONG Huanzheng (chairman), QU Xinjiu, WEN Qiuju, YEUNG Chi Wai, Jason, CHENG Fengchao, LIU Hanxing

Notes:

1. In January 2025, Director LIANG Xinjie was appointed as a member of the Compensation and Remuneration Committee and the Audit Committee of the Board.
2. In March 2025, due to personal health reasons, Mr. ZHANG Hongwei resigned from the positions of a member of the Strategic Development and Consumer Rights Protection Committee and the Nomination Committee of the Board.
3. In July 2025, Director LIN Li was appointed as a member of the Strategic Development and Consumer Rights Protection Committee of the Board.
4. In November 2025, Director ZHENG Haiyang was appointed as a member of the Risk Management Committee of the Board.
5. In December 2025, due to personal reasons, Mr. ZHAO Peng resigned from the positions of a member of the Risk Management Committee and the Nomination Committee of the Board.

CHAPTER 5 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

(I) Strategic Development and Consumer Rights Protection Committee

1. Main duties

Studying and considering mid- to long-term development strategy planning, supervising and evaluating the implementation of the strategies; studying and considering the development strategy planning, basic management system, and the annual business plan of the inclusive finance business; studying and considering the strategies, policies and goals, work plans and reports regarding consumer rights protection; considering the performance of social responsibilities in respect of the economy, environmental protection and public welfare; studying and considering major events related to data governance; studying and formulating relevant systems for external investments, proposing suggestions and plans for material investment decisions of the Bank; managing the consolidated financial statements of the Group, including the Bank and its subsidiaries; studying and formulating relevant systems for external merger and acquisition, studying strategies for merger and acquisition, and proposing implementation plans.

2. Duty performance

During the Reporting Period, the Strategic Development and Consumer Rights Protection Committee convened a total of 9 meetings on 26 February, 28 March, 15 April, 9 June, 29 August, 10 September, 29 September, 24 October, 26 December, respectively, and considered 25 proposals on work reports and plans in relation to annual final accounts and business plan, profit distribution, inclusive finance, consumer rights protection, green finance, data governance, capital management, ESG and social responsibility, and on system revision. The Committee received briefings on 18 reports in relation to mid- to long-term strategy, IT planning, data strategy execution evaluation, and consolidated management. In accordance with regulatory rules, the Articles of Association and other provisions, the Committee improved duty performance mechanism, optimised consideration procedures and enhanced decision-making efficiency. The Committee studied and considered business plans and special planning, regularly evaluated the implementation of mid- to long-term strategies and IT plans as well as data strategies, and advanced the steady progress of key strategies. The Committee studied and considered reports on inclusive finance, consumer rights protection, green finance, and data governance, studied and transmitted documents such as regulatory rules and notices, and followed problem rectifications. The Committee regularly considered work reports on social responsibility and ESG, and promoted the Bank to proactively implement national policies and regulatory requirements and fulfill its social responsibilities.

(II) Nomination Committee

1. Main duties

Studying and formulating standards and procedures of selection of Directors and Senior Management and making suggestions to the Board of Directors regarding the candidates for Directors and Senior Management; examining the qualifications of candidates for Independent Non-Executive Directors, and annually examining the independence and performance of Independent Non-Executive Directors; formulating work procedures for adding members of Directors and Senior Management under special circumstances and carrying out the nomination for adding members when appropriate; annually analysing and evaluating the structure, number and diversity of the Board of Directors, and making suggestions to the Board of Directors.

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2. Nomination procedures and process by the Nomination Committee

The procedures for nominating Directors of the Bank are as follows: (1) Within the number of Board members stipulated in the Articles of Association and according to the number of candidates to be selected and appointed, the Nomination Committee of the Board proposes the list of candidates for Directors based on opinions of shareholders extensively collected; shareholders individually or jointly holding 3% or more of shares carrying voting rights of the Bank also have the right to nominate candidates for Directors to the Board; shareholders individually or jointly holding 1% or more of shares carrying voting rights of the Bank have the right to nominate candidates for Independent Directors; (2) The Nomination Committee of the Board conducts examination of the qualifications of the candidates, and submits the list of qualified candidates to the Board for consideration; (3) Upon the approval by the Board, the Nomination Committee of the Board submits the list of candidates for Directors in written to the shareholders' meeting; (4) The candidates will be voted at the shareholders' meeting one by one; (5) In case of temporary addition of members of Directors, the Nomination Committee of the Board or eligible shareholders propose the candidates to the Board for consideration; the shareholders' meeting carries out election or replacement; (6) The number of candidates for Directors nominated by a shareholder and its related party shall not exceed one third of the total number of Board members in principle, unless otherwise specified by the state.

3. Duty performance

During the Reporting Period, the Nomination Committee convened a total of five meetings on 3 March, 28 March, 30 May, 23 July, and 26 December, respectively, considered eight proposals, and received briefings on one report. The Committee conscientiously performed its duties in accordance with the Terms of Reference of the Nomination Committee of the Board 《董事會提名委員會工作細則》 and the Annual Work Plan of the Nomination Committee of the Board 《董事會提名委員會工作計劃》. The Committee examined the independence and annual duty performance of Independent Non-Executive Directors, conducted preliminary examination of the qualifications of candidates for Directors and Senior Management to be appointed, and analysed and evaluated the structure, number and diversity of the Board.

(III) Compensation and Remuneration Committee

As at the disclosure date of this Report, the Compensation and Remuneration Committee of the 9th session of the Board had a total of seven members, more than 50% of whom are Independent Non-Executive Directors. The Chairman of the Committee is YEUNG Chi Wai, Jason, an Independent Non-Executive Director, and members include GAO Yingxin, LIANG Xinjie, WEN Qiuju, SONG Huanzheng, CHENG Fengchao and LIU Hanxing.

1. Main duties

Studying and formulating remuneration policies and systems and evaluation systems of the Directors and Senior Management, making suggestions to the Board, and carrying out regular evaluations; reviewing the material remuneration system of the Bank and making suggestions to the Board; studying and formulating performance evaluation standards and plans as well as resignation policy of the Directors and Senior Management; studying and determining the classes of positions and remuneration of Senior Management; determining the remuneration and incentive and restraint plans for the Directors and Senior Management, including non-pecuniary benefits, pension and compensations (including compensation for loss of office or dismissal or termination of office or appointment which is not due to misconduct), and making suggestions to the Board; examining and approving compensation arrangements for Directors and Senior Management in respect of their loss or termination of office or appointment, or dismissal or removal due to misconduct; studying and formulating incentive share option scheme of the Bank and its subsidiaries, and employee share ownership scheme, the conditions for the incentive grantee's obtainment and exercise of equities are met, shareholding plan arrangements for the Directors and Senior Management in the subsidiary to be split, and making suggestions to the Board; reviewing and/or approving matters related to share plan stated in the Hong Kong Listing Rules.

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2. Duty performance

During the Reporting Period, the Compensation and Remuneration Committee convened a total of five meetings on 26 January, 6 March, 14 March, 29 April, and 8 December, respectively, considered 14 proposals, and received briefings on three reports. The Committee actively conducted various work regarding remuneration and evaluation of the Senior Management. The Committee considered the matters in relation to remuneration of Directors and Senior Management and the positions and the remuneration of the Senior Management of the Bank; considered the execution of recourse and recovery of the performance-based remuneration of the whole bank and relevant systems for the management of remuneration and performance; conducted duty performance evaluation of Directors and Senior Management; considered the comprehensive performance evaluation results of operating units; and considered relevant matters such as authorisation regarding the liability insurance for Directors of the Bank. The Committee also received briefings on the reports on performance evaluation results of principal executives of subsidiaries and the reports on the renewal of liability insurance for Directors, Supervisors, and Senior Management.

(IV) Risk Management Committee

1. Main duties

Studying the macro-economic situation, regulations, policies and systems issued by the regulatory authorities, formulating risk preferences and risk management strategies, examining various major risk management policies, and ensuring the establishment of risk limits; considering important systems and procedures, key matters and plans regarding risk management, improving the risk management structure and process, and supervising the Senior Management to effectively identify, measure, monitor, control and address various risks in a timely manner; staying updated on the management of various types of risks, receiving briefings on and considering the reports on comprehensive risk management, reports on various specific risks, risk assessment reports and other reports related to risk management, and putting forward guiding opinions on comprehensive risk management; carrying out risk management investigation and research, assessing and monitoring the soundness and effectiveness of the comprehensive risk management system of the Bank, identifying potential risks and management loopholes in time, putting forward specific rectification requirements and suggestions, and supervising the Senior Management to conduct comprehensive risk management; supervising and reviewing the handling of major risk events in the Bank's operation and management, examining the handling plans for major risk events, and matters in relation to writing off large-amount bad loans, etc.

2. Duty performance

During the Reporting Period, the Risk Management Committee convened a total of 13 meetings on 14 January, 5 March, 10 March, 17 March, 16 April, 3 June, 9 June, 30 July, 20 August, 8 September, 20 October, 24 November and 10 December, respectively, considered 55 proposals, and received briefings on 38 reports. The Risk Management Committee continued to strengthen the organic integration of Party leadership and corporate governance, adhered to a risk culture of being prudent and cautious, implemented the risk preference of "seeking progress in stability, optimising structure and enhancing quality and effectiveness", and took the opportunity of preparations for the compliant implementation of advanced capital measurement approach to supervise the management team in building an "upgraded version" of comprehensive risk management system, thereby enhancing the effective support of the Board's risk management for strategic decision-making. In terms of execution, the Committee actively promoted preparations for the compliant implementation of the advanced approach, performed supervisory duties in relation to the development of the internal rating system, gave full play to the functions of the special committee, and monitored various specific risk management and changes in risks. In terms of management, the Committee strengthened the guidance of risk preferences, effectively supervised the transmission and execution of risk preferences, conducted evaluations on the Board's comprehensive risk management, urged rectification and overall improvement, performed its duty of considering the write-off of large-amount bad loans, ensured the implementation of meeting spirits, and supervised the execution of the Board's opinions on risk management.

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(V) Audit Committee

As at the disclosure date of this Report, the Audit Committee of the Board had four Independent Non-Executive Directors and two Non-Executive Directors. All the four Independent Non-Executive Directors are experts in finance, law and management, of whom the Chairman Ms. WEN Qiuju is a certified public accountant with extensive experience in accountancy and audit. Two Non-Executive Directors are the key persons in charge of domestic renowned companies and have extensive experience in management and sufficient professional knowledge in finance, accounting and law. The Audit Committee is well-structured with sufficient specialty and independence, which ensures the Audit Committee to perform its supervisory duty effectively.

1. Main duties

Examining the financial and accounting policies and practices of the Bank, reviewing regular financial reports to be disclosed by the Bank and reports on annual budget and final accounts, and giving opinions on the truthfulness, completeness and accuracy of the information to be disclosed in such financial reports; supervising and assessing the work of external auditors, making suggestions on the appointment or replacement of external auditors and reviewing the expenses and terms of engagement of external auditors; supervising, evaluating, and guiding internal auditing; supervising and examining the establishment of the internal control system of the Bank and guiding the internal control evaluation of internal audit departments; reviewing and supervising irregularities whistle-blown by employees of the Bank in financial reports, internal control or other fields; coordinating the communications between the management and external auditors, as well as the relationship between internal and external auditors; reviewing matters related to the Bank's appointment or dismissal of the financial head and providing professional opinions; supervising the implementation of the Board's cash dividend policies and shareholder return plans, as well as the corresponding decision-making processes and information disclosures; supervising the performance of duties by Directors and the Senior Management, and supervising and evaluating the fulfillment of responsibilities by the Board, the Senior Management, and their individual members; submitting proposals to the shareholders' meetings to convene extraordinary shareholders' meetings and extraordinary Board meetings in accordance with the provisions of the Company Law; exercising the functions and powers of the Board of Supervisors as stipulated by the Company Law and regulatory rules from September 2025.

2. Duty performance

During the Reporting Period, the Audit Committee convened a total of 10 meetings on 14 January, 3 March, 14 March, 21 April, 4 June, 2 July, 15 August, 21 October, 26 November and 12 December, respectively, considered 26 proposals, and received briefings on 33 reports. The Committee organised and completed the annual renewal of external auditors and proposed suggestions on audit expenses. The Committee reviewed and received briefings on the report on audit plans from external auditors, supervised the procedures of external audit and its effectiveness, and urged external auditors to exercise due diligence. The Committee reviewed regular financial reports as well as reports on annual budget and final accounts of the Bank. The Committee received briefings on the report on audit results of the financial reports and management suggestions on internal control of the Bank from external auditors, and urged the Senior Management to make response. The Committee supervised the construction of the internal control mechanism of the Bank, considered internal control evaluation plans and reports, and promoted the improvement in the internal control mechanism. The Committee supervised and guided internal audit, considered annual internal audit plans and various basic systems, regularly received briefings on reports on internal audit and special audits, and urged the management to strengthen rectification of problems identified during the audits. Additionally, the Committee diligently performed the newly assumed responsibilities of the former Board of Supervisors, revised and improved the Terms of Reference of the Audit Committee of the Board, reviewed work reports on strategy, risk management, remuneration, and other areas, and organised performance evaluation of the Board, the Senior Management, and their individual members.

During the Reporting Period, the Audit Committee had no objection to the matters under its supervision.

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3. Reviewing annual results

KPMG Huazhen LLP and KPMG, the external auditors of the Bank, had audited the financial reports prepared by the Bank in accordance with the CAS and the IFRS, respectively, and issued standard and unqualified auditors' reports. The Audit Committee of the Board of the Bank had reviewed the 2025 Annual Report and the 2025 annual results announcement for the year ended 31 December 2025.

(VI) Related Party Transactions Supervision Committee

1. Main duties

Managing related party transactions of the Bank and controlling related risks, and formulating basic management system for related party transactions; identifying related parties of the Bank and reporting to the Board; defining related party transactions of the Bank in accordance with laws, regulations, and the Articles of Association; reviewing and filing related party transactions of the Bank in accordance with the commercial principles of justness and fairness with a focus on the compliance, fairness, and necessity of the related party transactions. The material related party transactions of the Bank shall be examined and approved by the Related Party Transactions Supervision Committee and submitted to the Board for approval; if such material related party transactions shall be submitted to the shareholders' meeting for consideration in accordance with laws, administrative regulations, rules, and relevant provisions of the securities regulatory authorities of the place where the Bank's stocks are listed, it shall also obtain the approval of the shareholders' meeting; examining the information disclosure of material related party transactions of the Bank; taking the lead in the data governance of related party transactions, and considering material matters related to data governance of related party transactions, etc.

2. Duty performance

During the Reporting Period, the Related Party Transactions Supervision Committee convened a total of five meetings on 11 March, 15 May, 23 July, 16 October and 12 December, respectively, considered 12 proposals, and received briefings on three reports. The Committee considered and approved the 2024 related party transaction report, the work summary and plan of the Committee, as well as 10 related party transaction proposals, and received briefings on the reports on internal transactions and related party transaction data self-inspection. The Committee strictly adhered to laws, regulations, and the Bank's internal policies, focused on "governance enhancement, risk prevention and control, and technology empowerment", and effectively managed related party transactions, with particular attention to compliance, fairness, and necessity. The Committee rigorously followed corporate governance procedures, strengthened the management of large-amount transactions, and conducted case-by-case examinations of material related party transactions with related parties before submitting them to the Board/shareholders' meeting for consideration. The Committee refined related party management, implemented systematic and automated penetration screening of potential related parties, and improved the completeness of the list of related parties. The Committee also guided system empowerment, enhanced the integration and data linkage between business systems and the related party transaction system, and deepened data governance and function application. Additionally, the Committee issued guiding opinions for internal transactions to provide continuous and effective guidance on the Bank's internal transaction management.

VI. Senior Management

As at the date of disclosure of this Report, the Senior Management of the Bank had eight members, including President WANG Xiaoyong, Executive Vice President ZHANG Juntong, Executive Vice President & Board Secretary LI Bin, Executive Vice President LIN Yunshan, Executive Vice President HUANG Hongri, Executive Vice President LI Wenshi, Chief Information Officer ZHANG Bin, and Business Director GONG Zhijian.

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The Senior Management of the Bank is responsible to the Board of Directors, carries out business management activities in accordance with the Articles of Association and authorisation of the Board of Directors, implements the resolutions of the shareholders' meeting and the Board of Directors, and reports the operation and management of the Bank in a timely, accurate and complete manner in line with requirements of the Board of Directors. The business management activities conducted by the Senior Management within the scope of their power in accordance with the law shall be free from improper interference by shareholders and the Board of Directors. The major duties of President of the Bank include: Taking charge of the routine operation and management of the Bank and reporting to the Board of Directors; organising the implementation of resolutions of the Board of Directors, annual operation plans and investment schemes of the Bank; and formulating schemes on the setting of internal management departments and business outlets, basic management systems and specific rules and regulations of the Bank.

VII. Employees

As at the end of the Reporting Period, the Group had 61,658 employees, of which 58,982 were employees of the Bank and 2,676 were employees of the subsidiaries of the Bank. Divided by work nature, 6,068 employees were categorised as employees in management posts and 52,914 employees as employees in professional posts³. The Bank had 25,302 male employees and 33,680 female employees, accounting for 42.9% and 57.1%, respectively. 13,378 employees had graduate degree or above, accounting for 22.7%, 43,616 employees had bachelor's degree, accounting for 73.9%, and 1,988 employees had college degree or below, accounting for 3.4%. 1,544 employees of the Bank had retired. As at the end of the Reporting Period, the number of employees of Minsheng Financial Leasing, Minsheng Royal Fund, CMBC International, CMBC Wealth Management and Minsheng rural banks were 315, 264, 140, 280 and 1,677, respectively.

The Group upholds the "people-oriented" value and is committed to providing equal opportunities for all employees. As at the end of 2025, male and female employees (including the Senior Management) accounted for 43% and 57% of the Group's workforce, respectively.

The guiding principles of human resources and remuneration policies of the Bank are: Focusing on business development strategies and mid- to long-term development goals, the Bank strives to establish high-quality strategic talent teams with adequate members and reasonable structure. Centring on value creation and key businesses, the Bank puts emphasis on improving the internal income distribution structure, and constantly optimises the remuneration and incentive mechanism with value creation as the core. At the same time, it establishes a remuneration mechanism under which remuneration and incentives match with risks, and strengthens the restraining role of remuneration and incentives in risk management and control, so as to push forward high-quality development.

The Bank has established a sound total remuneration allocation mechanism, and the total annual remuneration of employees of the whole bank is determined after comprehensively considering the total number and structure of employees, development of young employees, risk control, operating results and other factors. The total remuneration of branches and sub-branches is floated by linking to customer basis, risk control, economic benefit, sustainable development, social responsibility and other critical indicators, so as to reflect the long-term value orientation.

³ Employees in professional posts include those engage in product research and development, risk management, IT and operation support, etc.

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In terms of employee remuneration, the Bank implemented and improved the job position-based remuneration management system, and followed the value orientation principles of “setting up job positions as needed, setting remuneration according to job positions, changing remuneration when changing job positions, and getting paid according to performance”. The remuneration of employees is composed of basic remuneration, performance-based remuneration and welfare, of which, the performance-based remuneration is linked to the comprehensive performance of the institution (department) and the individual, in an aim to strengthen operating results orientation and encourage value creation. For employees in posts having significant impact on risks, the Bank determined their remuneration based on their position value, professional capabilities, real value contribution and other factors. In the meantime, the Bank continued to optimise income distribution structure, and increase the competitiveness of remuneration of frontline employees and young talents, so as to cultivate a professional backbone force for the sustainable and high-quality development of the Bank.

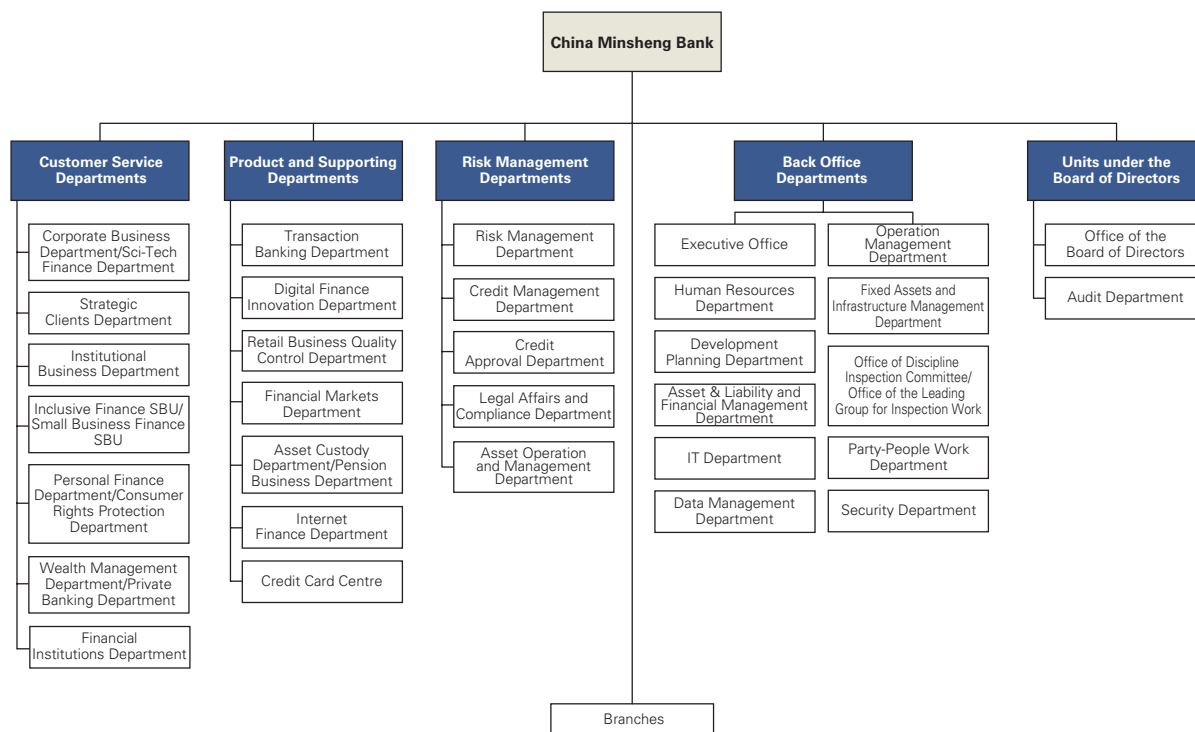
In order to improve the incentive and restraint mechanism for performance-based remuneration, give full play to its guiding role in corporate governance and risk management and control, strike a balance between current and long-term development as well as benefits and risks, and prevent radical operation behaviours and violations of laws and regulations, the Bank sets up the mechanism for deferred payment, recourse and recovery of performance-based remuneration regarding the Senior Management, employees in key posts and employees in posts having significant impact on risks. During the Reporting Period, the Bank revised relevant administrative measures for deferred payment, recourse and recovery of performance-based remuneration, and according to the requirements of the relevant regulations, submitted to the Board of Directors for review of the report on the recourse and recovery of performance-based remuneration of the whole bank, including the development of the recourse and recovery of performance-based remuneration mechanism of the whole bank, and the implementation of the recourse and recovery of performance-based remuneration in the case of violations of laws, regulations and disciplines, occurrence of abnormal risk exposure, or major risk incidents, etc.

During the Reporting Period, the Bank closely aligned with the needs of implementing strategies, business development and compliant operation, and established and improved a segmented and classified training system covering both professional and management sequences, with a view to enhancing employees’ ability to perform their duties and constantly improving the systematic and professional level of the training work.

During the Reporting Period, guided by the idea of “enhancing mid- and senior-level management capabilities, driving core business growth in an in-depth manner, and comprehensively supporting high-quality team development”, the Bank continued to optimise the training empowerment mechanism. The Bank enhanced strategy publicity, and organised the “Strategy Execution Lecture (戰略執行大講堂)” to promote effective strategy execution. By iterating learning map, the Bank supported the step-by-step and sustainable improvement of employee capabilities. The Bank focused on the development of key talent groups, conducted special training sessions for high-rank personnel, young managerial talent, tier-2 branch presidents and sub-branch presidents under the “Subbase Project (支點工程)”, and cross-border talent, and organised regionally centralised training for new employees. The Bank took “data capability” as a breakthrough point to establish a data talent empowerment system of the whole bank to cultivate multi-skilled talent with “integration of business and data”. The Bank continued to optimise and upgrade the training platform, ran online training brands such as “Morning Knowledge Supply (晨光充電站)” to reinforce business empowerment. The Bank also embedded risk compliance courses into various training scenarios to entrench risk compliance awareness. By consolidating the foundation of training and improving training quality and efficiency, the Bank provided solid support for the high-quality development of the whole bank.

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VIII. Setting of Departments of the Bank



IX. Business Network

As at the end of the Reporting Period, the Bank had 41 tier-1 branches and 107 tier-2 branches (including remote sub-branches) in the Chinese mainland, as well as two tier-1 branches outside the Chinese mainland. The total number of branch-level institutions was 150.

During the Reporting Period, the Bank completed the acquisition of Pu'er Minsheng Rural Bank and Linzhi Minsheng Rural Bank and turned them into branches, and the business opening of these two tier-2 branches had been approved.

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Major branches of the Bank as at the end of the Reporting Period are shown as follows:

Name of branch	Number of outlets	Headcount	Total assets (in RMB million, excluding deferred income tax assets)	Address
Head Office	1	12,325	3,333,450	No. 2 Fuxingmennei Avenue, Xicheng District, Beijing
Beijing Branch	177	4,260	961,988	Unit 02 on 1/F & 3/F-12/F, Tower B, Zhaotai International Centre, No. 10 Chaoyangmen Nan Avenue, Chaoyang District, Beijing
Shanghai Branch	101	2,745	508,871	No. 100 Pudong Nan Road, Pudong New Area, Shanghai
Guangzhou Branch	111	2,767	358,231	Minsheng Tower, No. 68 Liede Avenue, Zhujiang New Town, Tianhe District, Guangzhou, Guangdong Province
Shenzhen Branch	60	1,959	270,070	Minsheng Finance Tower, Haitian Road, Futian District, Shenzhen, Guangdong Province
Wuhan Branch	84	1,557	93,768	China Minsheng Bank Tower, No. 396 Xinhua Road, Jianghan District, Wuhan, Hubei Province
Taiyuan Branch	110	1,539	134,387	Block 3, Tower B, Shanxi International Finance Centre, No. 426 Nanzhonghuan Street, Xiaodian District, Taiyuan, Shanxi Province
Shijiazhuang Branch	118	2,048	128,610	Minsheng Bank Tower, No. 197 Yuhua Dong Road, Chang'an District, Shijiazhuang, Hebei Province
Dalian Branch	43	829	60,774	No. 52 and No. 54 Renmin Dong Road, Zhongshan District, Dalian, Liaoning Province
Nanjing Branch	167	3,406	381,869	Minsheng Bank, Block One, Zijin Finance Centre, No. 399 Jiangdong Zhong Road, Jianye District, Nanjing, Jiangsu Province
Hangzhou Branch	90	2,031	274,969	Block Jinzun, Zunbao Mansion, No. 98 Shimin Street, Qianjiang New Town, Shangcheng District, Hangzhou, Zhejiang Province
Chongqing Branch	93	1,337	135,262	Tongjuyuanjing Building, No. 9 Jianxin Bei Road, Jiangbei District, Chongqing
Xi'an Branch	93	1,400	101,487	Minsheng Bank, Building 5, Taihua Jinmao International, No. 16, Fenghui Nan Road, Gaoxin District, Xi'an, Shaanxi Province
Fuzhou Branch	42	951	65,842	1-6/F, North Section of 7/F, 17-21/F, No. 10 Gaohui Road, Aofeng Sub-district, Taijiang District, Fuzhou, Fujian Province
Jinan Branch	120	2,031	143,881	Bo'ao (Shandong) Building, No. 12376 Jingshi Road, Lixia District, Jinan, Shandong Province

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Name of branch	Number of outlets	Headcount	Total assets (in RMB million, excluding deferred income tax assets)	Address
Ningbo Branch	38	718	65,796	No. 815 Juxian Road, Gaoxin District, Ningbo, Zhejiang Province
Chengdu Branch	109	1,624	171,336	China Minsheng Tower, No. 535 Jiaozi Avenue, Gaoxin District, Chengdu, Sichuan Province
Tianjin Branch	49	963	87,229	China Minsheng Bank Tower, No. 43 Jianshe Road, Heping District, Tianjin
Kunming Branch	66	978	83,233	No. 11800 Caiyun Bei Road, Kunming, Yunnan Province
Quanzhou Branch	41	652	43,649	No. 110 Binhai Street, Fengze District, Quanzhou, Fujian Province
Suzhou Branch	33	1,103	115,774	Minsheng Finance Tower, Block 23, Times Square, Industrial Park, Suzhou, Jiangsu Province
Qingdao Branch	52	941	72,878	No. 190 Hai'er Road, Laoshan District, Qingdao, Shandong Province
Wenzhou Branch	25	606	72,169	Minsheng Bank, Finance Tower, No. 1 Huaijiang Road, Lucheng District, Wenzhou, Zhejiang Province
Xiamen Branch	31	529	37,822	Xiamen Minsheng Bank Tower, No. 50 Hubin Nan Road, Xiamen, Fujian Province
Zhengzhou Branch	102	1,537	138,035	Minsheng Bank Tower, No. 1 CBD Shangwu Waihuan Road, Zhengdong New District, Zhengzhou, Henan Province
Changsha Branch	42	1,058	72,368	Minsheng Tower, No. 189 Binjiang Road, Yuelu District, Changsha, Hunan Province
Changchun Branch	24	572	23,511	Minsheng Tower, No. 500 Changchun Avenue, Nangan District, Changchun, Jilin Province
Hefei Branch	76	1,010	94,160	1-4/F & 6-22/F, Yinbao Building, Intersection of Wuhu Xi Road and Jinzhai Road, Shushan District, Hefei, Anhui Province
Nanchang Branch	41	665	64,138	No. 545, Huizhan Road, Honggutan New District, Nanchang, Jiangxi Province
Shantou Branch	31	528	36,925	1-9/F, Block 2, Baoneng Times Bay, No. 1 Shangang Road, Shantou, Guangdong Province
Nanning Branch	43	644	67,313	1-3/F, 3M/F, 30-31/F and 36/F, Block C, China Resources Building, No. 136-5 Minzu Avenue, Nanning, Guangxi Zhuang Autonomous Region
Hohhot Branch	26	484	35,019	China Minsheng Bank Tower, Block C, Oriental Junzuo, No. 20 Chilechuan Avenue, Saihan District, Hohhot, Inner Mongolia Autonomous Region

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Name of branch	Number of outlets	Headcount	Total assets (in RMB million, excluding deferred income tax assets)	Address
Shenyang Branch	38	522	27,111	No. 65 Nanjing Bei Street, Heping District, Shenyang, Liaoning Province
Hong Kong Branch	1	292	220,061	Flat 3701-02, 3712-16, 37/F and 40/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong SAR
Guiyang Branch	38	556	54,573	Block 8, Tianyi International Plaza, No. 33 Changling Nan Road, Gaoxin District, Guiyang, Guizhou Province
Haikou Branch	13	219	13,274	Zhonghuan International Plaza, No. 77 Binhai Avenue, Longhua District, Haikou, Hainan Province
Lhasa Branch	5	190	14,313	No. 1, 1/F, Block F1, Hailiang Shiji Xincheng Phase 2.1, No. 11 Beijing Avenue, Liuwu New Area, Lhasa, Xizang Autonomous Region
Shanghai Pilot Free Trade Zone Branch	1	129	91,795	40-41/F, No. 100 Pudong Nan Road, Pudong New Area, Shanghai
Harbin Branch	16	370	27,756	1-6/F, Zone One, Olympic Centre, No. 11 Aijian Road, Daoli District, Harbin, Heilongjiang Province
Lanzhou Branch	12	279	21,597	1-4/F, Gansu Daily Press Plaza, No. 123 Baiyin Road, Chengguan District, Lanzhou, Gansu Province
Urumchi Branch	11	252	25,471	No. 314, Yangziji Road, Saybagh District, Urumqi, Xinjiang Uygur Autonomous Region
Xining Branch	7	152	9,596	1-4/F, Annex Building of Telecom Industrial Tower, No. 102 Kunlun Zhong Road, Chengzhong District, Xining, Qinghai Province
Yinchuan Branch	10	194	16,255	Minsheng Bank Tower, No. 106 Shanghai Xi Road, Jinfeng District, Yinchuan, Ningxia Hui Autonomous Region
London Branch	1	30	4,829	23rd Fl 20 Fenchurch Street, London, UK
Inter-region adjustment	–	–	-1,222,771	
Total	2,392	58,982	7,538,674	

Notes:

1. The number of institutions includes the Head Office, tier-1 branches, tier-2 branches (including remote sub-branches), business outlets of sub-branches (including business departments), community sub-branches, and small-business sub-branches.
2. The headcount of the Head Office includes the total number of employees in the departments of the Head Office, the Credit Card Centre and the centralised operation, exclusive of employees of branches. Of which, the headcount of the Credit Card Centre was 7,619.
3. Inter-region adjustment arises from the reconciliation and elimination of inter-region balances.

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X. Incentive Share Option Scheme, Employee Share Ownership Scheme or Other Employee Incentive Measures and Their Implementations During the Reporting Period

Up to date, the Bank had no incentive share option scheme, employee share ownership scheme or other employee incentive measures.

XI. Rights of Shareholders

(I) Procedures for convening extraordinary shareholders' meetings

In accordance with the Articles of Association of the Bank, the Bank shall convene an extraordinary shareholders' meeting within two months at the request of the shareholders individually or jointly holding 10% or more of shares of the Bank with voting rights.

Shareholders may request to convene an extraordinary shareholders' meeting by the following procedures:

Shareholders individually or jointly holding 10% or more of shares of the Bank with voting rights shall have the right to request the Board of Directors in writing to convene an extraordinary shareholders' meeting. The Board of Directors shall make a written response as to whether or not it will convene the extraordinary shareholders' meeting within ten days upon receipt of the request. If the Board of Directors agrees to convene the extraordinary shareholders' meeting, a notice of convening such meeting shall be issued within five days after the resolution of the Board of Directors is passed. Approval of the relevant shareholders shall be sought if the resolution contained in the notice alters the original request.

If the Board of Directors refuses to convene the extraordinary shareholders' meeting, or fails to respond within ten days upon receipt of the request, shareholders individually or jointly holding 10% or more of shares of the Bank with voting rights shall have the right to propose to the Audit Committee in writing to convene such extraordinary shareholders' meeting. If the Audit Committee agrees thereto, a notice of convening such extraordinary shareholders' meeting shall be issued within five days upon receipt of the proposal. Approval of the relevant shareholders shall be sought if the resolution contained in the notice alters the original request.

If the Audit Committee fails to give the notice of such shareholders' meeting within the specified period, it shall be deemed to have failed to convene and preside over such meeting and shareholders who individually or jointly hold 10% or more of shares of the Bank with voting rights for no less than 90 consecutive days may convene and preside over the meeting.

The Board of Directors and the Board Secretary shall provide assistance when necessary for the shareholders' meetings convened by the Audit Committee or shareholders. The Board of Directors shall provide the register of shareholders as at the record date. Necessary costs of such shareholders' meetings shall be borne by the Bank.

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(II) Procedures for putting forward proposals at shareholders' meetings

In accordance with the Articles of Association of the Bank, shareholders individually or jointly holding 1% or more of shares of the Bank with voting rights may put forward provisional proposals to the Bank, which shall be submitted to the Board of Directors in writing ten days prior to the date of the shareholders' meeting. Provisional proposals shall have clear topics and specific matters to be resolved. Within two days upon receipt of the proposal, the Board of Directors shall issue a supplementary notice on such meeting, announce the contents of the provisional proposal, and submit the provisional proposal to the shareholders' meeting for consideration.

Shareholders may put forward proposals at shareholders' meeting through the Office of the Board of Directors of the Bank. The contact details are set out in the section headed "XII. Communications with Shareholders".

(III) Convening extraordinary meetings of the Board of Directors

The Bank's Articles of Association stipulates that shareholders representing more than one tenth of the voting rights may propose to convene an extraordinary meeting of the Board of Directors. The Chairman of the Board of Directors shall convene and preside over the Board meeting within ten days after receipt of the proposal.

(IV) Making enquiries to the Board of Directors

Shareholders have the right to make enquiries about relevant information of the Bank, including the Articles of Association, register of shareholders, summaries of shareholders' meetings, financial and accounting reports, etc., in accordance with the Articles of Association after they provide the Office of the Board of Directors with written documents certifying the class and number of shares of the Bank held by them and the Bank verifies their identities. Shareholders meeting the provisions of the Articles of Association may consult the Bank's accounting books and accounting vouchers. The contact details are set out in the section headed "XII. Communications with Shareholders".

XII. Communications with Shareholders

(I) Information disclosure

As a company listed both in Shanghai and Hong Kong SAR, in strict compliance with laws, regulations and regulatory provisions of the SSE and the SEHK, the Bank continued to improve the information disclosure system. In 2025, the Bank revised the Administrative Rules for Information Disclosure 《信息披露事務管理制度》 and the Administrative Measures for Postponing and Exempting Information Disclosure 《暫緩與豁免信息披露管理辦法》 in accordance with the provisions of the latest regulatory system, further consolidated the foundation for information disclosure compliance, built a compliant and long-term management mechanism, and fulfilled its information disclosure obligations in a law-abiding and compliant manner. During the Reporting Period, the Bank published four regular reports and 47 extraordinary announcements on the SSE. The Bank also published 94 information disclosure documents on the SEHK. The Bank did not get any punishment for information disclosure from the regulatory authorities. The Bank received attention and recognition of domestic and international authoritative institutions and media for its information disclosure work. It won the "2024 Golden Award for Information Disclosure" in the Golden Bull Awards for Listed Companies by China Securities Journal, the "Corporate Governance Award" in the 2025 "SSE Eagle • Gold Quality" Awards by Shanghai Securities News and www.cs.com.cn, and was rated as the "Best Practice Case of Board of Directors" and the "Best Practice Case of Office of Board of Directors" of Listed Companies in 2025 by the China Association for Public Companies. The 2024 Annual Report of the Bank was nominated for the "Best Annual Report (Large-Cap)" in the Greater China region by IR Impact, an authoritative international investor relations institution.

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(II) Investor relations

The Bank formulated the Working Rules for Investor Relations Management of China Minsheng Banking Corp., Ltd. 《中國民生銀行股份有限公司投資者關係管理工作制度》 in compliance with the relevant requirements of domestic and overseas laws, regulations and normative documents and carried out investor relations management through investor relations website, telephone, fax, email, e-interaction platform of the SSE and other channels, and by means of shareholders' meetings, investor briefings, roadshows, analysts' meetings, reception of visits, symposiums and others. During the Reporting Period, the Bank efficiently organised investor relations activities, attached great importance to investors' appeals and suggestions, and maintained full and effective communications with investors. In 2025, the Bank won the "Best IR Impact" Award in Greater China issued by IR Impact, an international authoritative institution for investor relations, and was rated as the "IR Dedicated Company" by the Hong Kong Investor Relations Association.

1. Shareholders' meetings

In June 2025, the 2024 Annual Shareholders' Meeting was held in Beijing, which was attended by 3,102 shareholders and authorised proxies in person or via online voting. For the annual shareholders' meeting, the Bank used intelligent SMS reminders to ensure that small- and medium-sized investors who wished to vote were able to attend and cast their votes in a timely manner. After the meeting, Chairman, President and the key members of the Senior Management had in-depth communications with minority shareholders who attended the meeting in person.

2. Performance briefings

During the Reporting Period, the Bank held three performance briefings, namely annual, interim and third quarter briefings, which were attended by Chairman, President, all Independent Directors, and the key members of the Senior Management. Specifically, the 2024 annual performance briefing was held by the means of online and offline. It was live streamed on Weixin, the website and the mobile banking App via "Minsheng Video Podcast Room (民生播客廳)". This was included in the "2024 Best Practice of Annual Performance Briefing (2024年報業績說明會最佳實踐)" by the China Association for Public Companies.

3. Adequate communications with institutional investors and capital market

In 2025, combining its distinctive and competitive advantages and key areas of interest in the capital market, the Bank conducted a series of communication activities, covering themes such as "Supply Chain and Corporate Banking", "Wealth Management and Retail Banking", "Risk Management", and "Asset-Liability and Financial Management". Mainstream securities firms and investment institutions from within and outside the Chinese mainland were invited for communications, and roadshows were organised in Shanghai, together with thematic investor visits to branches in Beijing, Shenzhen, Chengdu and Hangzhou, to enhance understanding and recognition of the capital market about the Bank. During the Reporting Period, the Bank organised and participated in over 160 investor relations activities of various types and received over 900 visits of various institutional investors, nearly doubling as compared with the previous year.

4. Convenience for small- and medium-sized investors

The Bank consistently provided convenience for small- and medium-sized investors to participate in investor relations activities and exercise the rights of shareholders, and responded to their appeals in a timely manner. The Bank opened two investor hotlines, and throughout the year, answered nearly 500 calls, and handled over 100 consulting e-mails. The Bank launched the bilingual investor relations website in both Chinese and English, through which small- and medium-sized investors could inquire and download visualised financial data, flexibly search announcements and circulars, subscribe to reminders of investor relations activities and make appointments for online and offline communications. The website also provided a special column of "Q&A for Investors" to take up the questions of common concern raised by small- and medium-sized investors. The investor relations website of the Bank was nominated as the "Best Investor Relations Website (最佳投資者關係網站)" in Greater China by the IR Impact, an international authoritative institution.

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Investors may inquire the Bank's relevant information or contact the investor relations team by the following ways:

Address: China Minsheng Bank Building, No. 2 Fuxingmennei Avenue, Xicheng District, Beijing, China
 Postal code: 100031
 IR website: ir.cmbc.com.cn
 IR hotline: 86-10-58560975, 86-10-58560824
 Facsimile: 86-10-58560720
 Email: cmbc@cmbc.com.cn

XIII. Amendments to Articles of Association in 2025

The Bank amended its Articles of Association in accordance with laws, regulations and regulatory provisions, including the Company Law, the CSRC's Guidelines for the Articles of Association of Listed Companies 《上市公司章程指引》, the Measures for the Administration of Independent Directors of Listed Companies, the Transitional Arrangements for the Implementation of Supporting Rules under the New Company Law 《關於新〈公司法〉配套制度規則實施相關過渡期安排》, the NFRA's Rules on Compliance Management of Financial Institutions, the Notice on Matters Concerning the Alignment between the Regulatory Provisions on Corporate Governance and the Company Law 《關於公司治理監管規定與公司法銜接有關事項的通知》, and the SSE's Stock Listing Rules 《股票上市規則》. The Proposal on Amending the Articles of Association of China Minsheng Banking Corp., Ltd. 《關於修訂〈中國民生銀行股份有限公司章程〉的議案》 was considered and approved at the 2024 Annual Shareholders' Meeting of the Bank on 26 June 2025. The amended Articles of Association was approved by the NFRA and took effect in September 2025.

XIV. Continuous Professional Development Training of Directors

During the Reporting Period, every Director of the Bank abided by their obligations and duties as a director and kept abreast of the business operation and development of the Bank. The Bank encouraged the Directors to take part in continuous professional development through various forms. All Directors participated in multiple specialised training sessions organised by the Listed Companies Association of Beijing. The Independent Non-Executive Directors attended the subsequent training sessions for independent directors organised by the SSE, and proactively participated in the special training programmes or seminars organised by the Bank with topics covering macroeconomic policies, AML, green finance (ESG), and consumer rights protection. They also reviewed special reports on regulatory policies, capital management and data governance, so as to deepen their understanding and judgment of new situation and new policies, and gain comprehensive insights into the Bank's business development, as well as to enhance the knowledge and skills required for their duty performance.

Directors LIANG Xinjie and LIN Li, and Director ZHENG Haiyang participated in pre-appointment training on the materials related to laws and regulations and corporate governance of both Hong Kong SAR and the Chinese mainland on 5 July 2024 and 27 June 2025. They confirmed their understanding of their responsibilities as Directors of the Bank. All the three Directors obtained legal advice from the legal adviser as to Hong Kong laws of the Bank, ensuring a clear understanding of the requirements under the Hong Kong Listing Rules that are applicable to them as directors, and the possible consequences of making a false declaration or giving false information to the SEHK.

XV. Training of Company Secretary

During the financial year ended 31 December 2025, Mr. WANG Honggang, the then Company Secretary, had undertaken not less than 15 hours of relevant professional training programmes organised by the SEHK and other professional institutions.

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XVI. Compliance with the Corporate Governance Code Set Out in Appendix C1 to the Hong Kong Listing Rules

During the Reporting Period, the Bank fully complied with the provisions of the Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules, and complied with most of the recommended best practices contained therein.

XVII. Risk Management of the Board of Directors

The Board of Directors is responsible for the establishment and improvement of effective risk management and internal control system, and supervises and evaluates the construction of internal control and risk management system as well as the risk status of the Bank (including effectiveness examination). The system aims to provide reasonable (rather than absolute) assurance that there will not be material misrepresentation or loss, and to manage (rather than eliminate) the risk of failure to achieve business objectives. During the Reporting Period, the Board of Directors examined the adequacy and effectiveness of the risk management and internal control of the whole bank through its Risk Management Committee and Audit Committee. The Board of Directors was of the view that the Bank's risk management and internal control were adequate and effective. For details of the Bank's risk management, please refer to the section headed "XII. Risk Management" in "Chapter 3 Management Discussion and Analysis" of this Report.

By focusing on improving risk management and performing its duties, the Board of Directors of the Bank established and improved the list of duty performance for the Board of Directors and the special committees, and strengthened lawful and compliant duty performance according to regulatory provisions such as the Guidelines for Macroprudential Policy (Trial) 《宏觀審慎政策指引(試行)》 issued by the PBOC, the Corporate Governance Guidelines for Banking and Insurance Institutions 《銀行保險機構公司治理準則》 and the Guidelines for Comprehensive Risk Management of Banking Financial Institutions 《銀行業金融機構全面風險管理指引》 issued by the former CBIRC as well as internal management needs of the Bank. It consolidated the management foundation, improved the institutional system, and improved the refined management. It considered the annual statement of risk preference and reports on implementation, paid attention to the key areas including the compliant implementation of advanced capital measurement approach, risk management system optimisation, risk preference strategy formulation, system and procedure improvement, system and tool improvement, as well as digital and intelligent risk control, improved the mechanism for identification, measurement, assessment, monitoring, reporting, control and mitigation of various risks, and supervised the Senior Management to carry out comprehensive risk management, in a bid to achieve more proactive, scientific and forward-looking risk management. The Risk Management Committee is established under the Board of Directors. For the details of its duties and duty performance, please refer to the section headed "(IV) Risk Management Committee" of "V. Special Committees of the Board of Directors" in this Chapter.

The procedures for processing and publishing insider information and internal monitoring measures of the Bank: The Bank has formulated the administrative rules for information disclosure and the administrative rules for insiders. The Board of Directors is responsible for information disclosure and insider information management of the Bank, and the Board Secretary is authorised to organise, coordinate and implement. Persons accountable for reporting insider information, reporting links and disclosure approval procedures, and the requirements for registration and confidentiality management of insiders are clearly prescribed in relevant rules of the Bank. The Bank managed and monitored insider information by faithfully and comprehensively filing the list of all insiders in all links before the information is made public and the content and time of insider information known to the insiders.

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XVIII. Internal Control and Internal Audit

(I) Internal control evaluation

The Bank has set up a comprehensive internal control governance structure with clear division of responsibilities among the Board of Directors and the management team, and maintained effective operation of internal control management systems. In compliance with the Law of the People's Republic of China on Commercial Banks 《中華人民共和國商業銀行法》, the Guidelines for Internal Control of Commercial Banks 《商業銀行內部控制指引》, the Basic Standard for Corporate Internal Control 《企業內部控制基本規範》 and other laws and regulations and regulatory rules, the Bank has formed a set of rational and comprehensive internal control systems. During the Reporting Period, in accordance with the latest provisions of the regulatory system, the Bank revised the Measures on Internal Control of China Minsheng Bank 《中國民生銀行內部控制辦法》, further optimised the organisational framework and responsibilities for internal control management, and enhanced the integrated internal control management with the Group.

Each year, the Bank's Board of Directors and its Audit Committee evaluate the effectiveness of internal control, and review the internal control evaluation report. In 2025, there was no material deficiency in internal control of the Bank. The Bank engaged KPMG Huazhen LLP to conduct audit on internal control, which believed that the Bank maintained effective internal control of financial reports in all material aspects as at 31 December 2025 in accordance with the Basic Standard for Corporate Internal Control and relevant provisions. The 2025 Internal Control Evaluation Report of China Minsheng Bank 《中國民生銀行2025年度內部控制評價報告》 and the 2025 Internal Control Audit Report of China Minsheng Bank 《中國民生銀行2025年度內部控制審計報告》 were published on the website of the SSE, the HKEXnews website of the SEHK, and the website of the Bank.

(II) Internal audit

The Bank has adopted an independent internal audit model with a vertical management structure topped by the Head Office. Internal audit work is reported to the Board of Directors and its Audit Committee with notices given to the Senior Management, ensuring the independence and effectiveness of internal audit. The Bank has set up the Audit Department at the Head Office with six regional audit centres in North, East, South, Central, Northeast, and West China. The Bank has formulated a well-structured internal audit system, established an integrated audit inspection system combining conventional audit and digital audit, and strengthened full-process management of audit projects, thus ensuring significant improvement in audit inspection and management efficiency. Risk-oriented internal audit has been adopted, covering major business lines including corporate banking, retail banking, financial markets, credit card, IT, infrastructure projects, and finance and accounting, as well as key internal control management procedures. The audit scope has also extended to risk management areas including credit risk, market risk, liquidity risk, operational risk, and compliance risk.

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During the Reporting Period, in terms of internal audit, the Bank focused on the strategic deployment of the whole bank and the larger picture of reform and development, remained committed to its core businesses, returned to supervision basics, and strengthened supervision and evaluation on material risks, important customer groups, key products and internal control systems and mechanisms of the whole bank. The Bank continued to build up the professional audit competence, accelerated the transformation to digital and intelligent audit, and deepened the utilisation of audit results. By strengthening coordination between regulatory authorities and audit department and between audit and inspection works, as well as coordinating efforts with departments related to discipline inspection and compliance, the Bank established an effective supervisory collaboration and constantly improved the quality and efficiency of audit supervision, thus escorting the high-quality development of the whole bank. During the Reporting Period, in accordance with the annual audit plan, the Audit Department conducted internal control evaluation on 20 operating units and subsidiaries under consolidated management. The Bank conducted special audit, agile audit, research and other works on corporate banking, small business and personal credit, risk management, asset and liability and financial management, IT, and infrastructure projects, among other fields, giving effective play to the role of internal audit in supervision, evaluation and consulting by precisely revealing issues and providing well-targeted audit suggestions. At the same time, the Bank earnestly handled “second-half” work of audit rectification, improved the supervision system for rectifying problems identified in the audits, and constantly tracked and urged the audited units to make rectifications of problems identified by adopting multiple measures such as continuous supervision and subsequent audits. All these efforts vigorously promoted the continuous improvement of the internal control and the steady enhancement of the management level of the Bank.

XIX. Management and Control of Subsidiaries During the Reporting Period

During the Reporting Period, the Bank managed its subsidiaries in strict compliance with regulatory requirements for consolidated management and the strategic deployments of the Bank in group-based management. Firstly, the Bank enhanced Party-building leadership, strengthened the management and supervision of the Party Committee of the Bank over significant matters of subsidiaries, reinforced the Party’s leadership, gave full play to the political core role of Party organisations, and promoted subsidiaries to serve the overall development of “One Minsheng”. Secondly, the Bank improved corporate governance, optimised the corporate governance systems and mechanisms of subsidiaries, and guided the Party committees of subsidiaries to establish and improve their decision-making systems and procedures. The Bank enhanced duty performance of assigned directors, and provided effective guidance and supervision over subsidiaries’ business development and risk management, thereby promoting effective communication and coordination with the parent bank. Thirdly, the Bank deepened strategic execution, adhered to the Group’s strategic orientation, and clarified the strategic positioning of subsidiaries. The Bank advanced the integrated and coordinated operations among subsidiaries through the establishment of a leading mechanism for business collaboration of subsidiaries, building a group-wide integrated coordination system featuring resource sharing and business complementation. At the same time, the Bank strengthened process management of strategy execution, such as tracking, supervision, and review, and promoted subsidiaries to integrate deeply into customers, products, and operation and management systems of the parent bank, in a bid to realise collaboration with the parent bank in customer service and support. Fourthly, the Bank reinforced risk management, and incorporated subsidiaries into the comprehensive risk management framework. In accordance with the principle of “one company, one policy,” the Company established risk preference, risk management strategies and requirements for each subsidiary, and guided subsidiaries to conduct business in an orderly manner within the Group’s overall risk preference and risk management strategy framework. The Bank guided subsidiaries to carry out consolidated risk management covering market risk, credit risk, unified credit granting, operational risk, liquidity risk, reputation risk, legal and compliance risk and IT risk, and prevented cross-border, cross-industry, and cross-institutional risk contagion. Fifthly, the Bank strengthened regular supervision, coordinated supervision resources and efforts of the Party Committee inspection, internal audit, and risk and compliance functions of the parent bank to form a joint supervisory force over subsidiaries. In alignment with the Group’s integrated development planning and strategic layout, the Bank enhanced supervision and guidance over subsidiaries with a focus on key regulatory concerns.

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XX. ESG Governance, Environmental and Social Responsibilities

In 2025, from the perspective of strategic development, the Bank continued to deepen the development of a high-level ESG management system, optimised the governance framework, deepened the implementation of philosophies, innovated distinctive practices, and comprehensively integrated ESG into the entire chain of corporate governance, operation and management, and business development, thereby steadily enhancing the level of ESG management and sustainable development capabilities.

The Bank attached great importance to the common value of all stakeholders, focused on key areas of ESG, soundly fulfilled the concept of green development, proactively performed social and governance responsibilities, and consolidated the foundation for high-quality development. For details of the performance of social responsibilities and ESG, please refer to the 2025 Corporate Social Responsibility Report 《2025年度社會責任報告》 and the 2025 Sustainability (ESG) Report 《2025年度可持續發展(ESG)報告》 as well as the ESG section on the website of the Bank.

(I) ESG governance

The Board of the Bank attached great importance to ESG work, and comprehensively supervised the implementation of ESG strategic plans and policy systems to consolidate the foundation of sustainable development. It guided and supervised the management team to efficiently carry out ESG-related works by regularly considering ESG reports and corporate social responsibility reports, discussing ESG matters, and paying attention to the regulatory requirements for ESG and the inspection and assessment results made by external auditing institutions. The Strategic Development and Consumer Rights Protection Committee of the Board took charge of considering the performance of social responsibilities in terms of economic, environmental and public welfare undertakings of the Bank, providing suggestions to the Board, regularly monitoring the execution of plans and policies, supervising the implementation effectiveness, and assisting the Board in supervising the management team to carry out ESG-related works.

The Bank deepened the development of the ESG working mechanism to ensure proper management of business-related ESG risks and effective fulfillment of ESG responsibilities. The Bank pushed forward the ESG work from the perspective of strategic planning, and has built a three-level working mechanism including the “decision-making team, management team and implementation team”. The Bank has set up an ESG leading group with Chairman as the head and President as the deputy head, and has established an ESG working group composed of relevant departments, which managed, organised and implemented ESG works from three aspects, namely overall planning, coordinated promotion and implementation.

During the Reporting Period, the Board considered and approved the 2024 Environmental, Social and Governance (ESG) Report 《2024年度環境、社會及管治(ESG)報告》 and the 2024 Corporate Social Responsibility Report 《2024年度社會責任報告》, specifying ESG management strategies, risk analysis, important matters and other contents. The Board, on the basis of fully understanding the results and progress of ESG works of the Bank, took the best practices of global peers as the directions of ESG works, and worked with the management team to carry out targeted improvements in key areas of ESG, including financing environment impact, consumer rights protection, green finance, inclusive finance and business ethics, etc.

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The Bank proactively communicated with the stakeholders. By establishing a long-term communication mechanism, it understood the appeals of stakeholders in a timely manner and made active responses. The Bank took ESG topics to which the stakeholders paid close attention as the direction of actions and reference for information disclosure. During the Reporting Period, in order to have a comprehensive and accurate understanding of internal and external stakeholders on the assessment of importance of the Bank's ESG topics, the Bank conducted a special questionnaire survey among shareholders, institutional investors, customers, suppliers and employees. It invited the participants to evaluate the importance of ESG topics of the Bank from their own perspectives, and conducted substantial analysis and dual-importance assessment on the topics based on the investigation results. These initiatives provided decision-making support and implementation guidance for the Bank's improvement in ESG management and information disclosure quality.

(II) Performance of environmental responsibilities

The Bank and its subsidiaries were not included in the list of enterprises legally required to disclose environmental information, nor in the list of key pollutant-discharging units published by the environmental protection authority. The Bank attached great importance to environmental protection and climate change, proactively responded to the national initiative for building a Beautiful China, and took the initiative to recognise the risks and opportunities brought by the policies related to "carbon peak and carbon neutrality" and green finance. It formulated goals for green finance, resolutely implemented the green development strategy, and constantly improved the green finance system. The Bank incorporated the philosophy of environmental protection and low carbon into procurement and operation, reduced carbon footprints during operation process, and further promoted the construction of ecological civilisation.

The Bank closely followed green development and improved top-level design. During the Reporting Period, the Bank improved its environmental, social and governance-related policies and systems, thereby strengthening institutional safeguards for green development. In terms of green finance, the Bank strictly implemented the arrangement for the conclusion of the Five-Year Development Plan for Green Finance of China Minsheng Bank (2021-2025) 《中國民生銀行綠色金融五年發展規劃(2021-2025)》, released the Administrative Measures on Green Finance of China Minsheng Bank (Revised in 2025) 《中國民生銀行綠色金融管理辦法(2025年修訂)》, clarifying the green finance management system where "the Board undertakes primary responsibility, the Senior Management is responsible for organising implementation, and multiple departments execute in a coordinated manner". The Bank formulated and released the Work Plan for Carbon Peak and Carbon Neutrality of China Minsheng Bank (Trial) 《中國民生銀行碳達峰、碳中和工作方案(試行)》 and the Development Plan for Transition Finance of China Minsheng Bank (2025-2027) 《中國民生銀行轉型金融發展規劃(2025-2027年)》, clarifying the carbon peak and carbon neutrality goals and the requirements for the development of transition finance. The Bank made clear the annual development goals and implementation strategies for green credit in the Guiding Opinions on Green Finance Credit 《綠色金融信貸政策指導意見》. It formulated and released the Administrative Measures on Environmental, Social and Governance Risk of Legal Person Customers 《法人客戶環境、社會和治理風險管理辦法》, comprehensively integrating ESG risk management requirements into such links as customer due diligence, compliance review, credit approval, contract management, fund appropriation, and post-lending management, and proactively conducting risk management and control. The Bank has built an ESG rating system for legal person customers on a scientific basis, independently researched and developed a complete set of ESG rating model tools, and completed system embedding and promotion and application within the whole bank. During the Reporting Period, the Bank has completed the ESG rating of nearly 10,000 customers, and integrated ESG rating results into the full-process management and application of investment and financing. The Bank launched and advanced carbon accounting projects of investment and financing businesses of the whole bank, and finished the carbon accounting pilot projects of some credit assets in eight major high-emission industries.

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The Bank deployed green finance products to respond to climate change. The Bank proactively promoted the deployment of green finance to support environment-friendly financing needs. It iterated the sustainable development and green finance product system to enhance climate risk monitoring and assessment and comprehensively support the development of green finance. During the Reporting Period, on the basis of “Minsheng Carbon Peak and Carbon Neutrality” green finance products, the Bank constantly boosted the innovation of segmented scenarios and comprehensive service modes by centring on major directions including green, low-carbon, circular economy and biodiversity protection, enhanced innovation in transition finance and carbon finance, thereby vigorously supporting green and low-carbon financing demands and propelling enterprises to improve sustainability performance. The Bank explored the development of sustainable development products and innovation in carbon finance, and pushed for the execution of multiple innovation businesses, such as loans linked to carbon footprint, syndicated loans linked to biodiversity protection indicators, syndicated loans linked to overseas sustainable development, and transition loans. The Bank proactively served the national carbon market, rolled out financial service solutions for China Certified Emission Reduction (CCER) carbon market, facilitated various market players to participate in the carbon market, increased CCER value and promoted enterprises to reduce emissions voluntarily. The Bank primarily promoted the “Shanghai Clearing House Minsheng Bank Green Bond Selection Index (上海清算所民生銀行綠色債券精選指數)” and products linked to the index, providing more convenient and efficient green finance investment tools for investors. As at the end of 2025, the balance of green loans of the whole bank amounted to RMB358,227 million, representing an increase of 20.29% as compared with the end of the previous year.

The Bank practised green operations to facilitate “carbon peak and carbon neutrality” goals. The Bank deeply integrated the philosophy of resource conservation and environmental protection throughout the whole process and all aspects of operation and management and business operation to solidly advance green and low-carbon transition of its operations and serve the implementation of the national “carbon peak and carbon neutrality” strategies. The Bank put in place a green operation system, deepened the promotion of centralised operation model, and comprehensively promoted the intensive, standardised and digitalised level of businesses. While evidently increasing service efficiency, the Bank further practised the philosophy of green operation. By proactively developing intelligent bank and eco-bank, and updating audio guide, remote banking and other smart service scenarios, the Bank has built a coordinated service model integrating online and offline and on-site and remote approaches, and explored and launched multiple inclusive paperless financial products. The Bank upgraded online platforms, enriched online product system, and innovated online products and services, which efficiently reduced the use of paper vouchers and the frequency of visits to offline sites, and lowered the carbon footprints of operations. The Bank practised green publicity, and has set up electronic advertising screens at all operating units, business outlets and office areas to reduce the use of paper posters and publicity materials.

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The Bank advocated green office and practised environmental protection. The Bank practised green and low-carbon sustainable development, comprehensively integrated energy conservation, carbon reduction and emission reduction requirements into procurement, office and other links, and fulfilled the responsibilities for environmental protection with real actions. In terms of green procurement, the Bank strengthened procurement management and supplier management, proactively promoted the implementation of green procurement policies, pushed suppliers to improve their capabilities in environmental and social risk management, and worked with suppliers to jointly assume social responsibilities and build green ecosystem. In terms of green office, the Bank strengthened green and environmental protection awareness among all employees through institutional improvement and philosophy promotion, and advocated conservation and recycling of water, electricity, catering, and office supplies. The Bank took multiple measures to guide its employees to cultivate green, low-carbon, cyclic and sustainable work and lifestyles. The Bank deepened the promotion and application of the collaborative office platform of “iMinsheng (i民生)” and successfully held two sessions of “iMinsheng” Innovative Application Competition, and proactively advanced digital, intelligent, online and paperless office operation. The Bank has established an enterprise-level knowledge base, released the smart AI-based App of “iQ&A (i問答)”, and thus efficiently improved office efficiency. The Bank advocated the method of online meeting, and the number of online meetings held in the year totalled 582,527. As at the end of 2025, the Bank cumulatively substituted online agile management for 1,479 paper-based approval processes, promoted the quality improvement and upgrading of organisational operation model and enriched the green and low-carbon corporate culture.

(III) Performance of social responsibilities

The Bank stuck to close integration of its own development with social progress, strove to provide professional, integrated and considerate financial services to create a symbiotic, sharing and win-win ecosystem, and advanced the incorporation of ESG-related philosophy into business development, customer service, rural revitalisation, charity and public welfare, etc.

The Bank provided high-quality services based on the value of “customer first”. The Bank upheld the value of “customer first” and attached great importance to customer services. During the Reporting Period, the Bank consistently optimised the layout of outlets, and further expanded the coverage of financial service channels by promoting community grid-based service model, so as to ensure that its financial services benefited more underdeveloped regions, and to improve offline service networks. The Bank enhanced the construction of elderly-friendly and accessible service facilities at outlets, established model rooms of elderly-friendly outlets and optimised relevant service procedures. The Bank developed mobile Apps suitable for different groups, gave play to the advantages of community grid-based services, and optimised financial and non-financial products and services for special groups by upgrading the elderly version of mobile banking and promoting door-to-door services. In terms of consumer rights protection, the Bank improved the management mechanism for the marketing and publicity of products and services, and personal information protection and complaints, so as to protect consumers’ legitimate rights and interests and create high-quality financial service experience.

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The Bank served NSOEs and MSEs by implementing inclusive finance. The Bank fully supported the development of the real economy, and gave full play to its advantages in serving NSOEs and MSEs. The Bank deepened small business finance services, expanded the customer group of supply chain through chain-based marketing, and relied on “Minsheng E-Chain” and other products to serve the upstream and downstream customers of core enterprises. The Bank advanced the specialisation of scenarios, implemented the “SME Credit Plan (中小信貸計劃)” and the “MSE Honeycomb Plan (小微蜂巢計劃)”, released the “Government Subsidy Loan (國補貸)”, “E-Easy Innovation Loan (易創E貸)” and other products, and enhanced comprehensive financial services for industrial clusters, industrial parks, sci-tech enterprises and micro and small foreign trade enterprises. As at the end of the Reporting Period, the balance of inclusive small business loans of the Bank amounted to RMB677,606 million, representing an increase of RMB14,888 million, or 2.25%, as compared with the end of the previous year, higher than the average growth rate of various loans. Of which, the balance of inclusive legal person loans amounted to RMB190,414 million, representing an increase of RMB41,708 million, or 28.05%, as compared with the end of the previous year. The NPL ratio of inclusive small business loans was 1.52%, representing an increase of 0.06 percentage points as compared with the end of the previous year. During the Reporting Period, the cumulative amount of inclusive small business loans disbursed amounted to RMB691,789 million, with an average interest rate of 3.50%, representing a decrease of 77BP as compared with the previous year.

The Bank facilitated common prosperity by promoting rural revitalisation. The Bank consciously integrated itself into the national strategy to financially support rural revitalisation and facilitate common prosperity. The Bank took serving the all-round rural revitalisation as one of the strategic businesses, and has built a three-tier coordinated service system featuring “coordination by the Head Office, implementation by branches, enhancement by sub-branches (總行統籌、分行主戰、支行深耕)” to ensure policies and resources directly reached the frontline. The Bank continued to increase the allocation of credit resources to agriculture-related sectors, focusing on key areas including food security, industrial prosperity, rural development and farmers’ income growth. The Bank leveraged the differentiated strengths of a joint-stock bank, and enhanced the efficiency of financial resource allocation and the sustainability of services through product innovation, model optimisation and mechanism reform. The balance of agricultural loans achieved steady growth, with significantly expanded service coverage. The Bank effectively ensured the transition from microcredit for targeted poverty alleviation to microcredit for people lifted out of poverty, continued to increase credit support for regions lifted out of poverty and nationally designated key assistance counties, and supported the development of rural infrastructure projects such as hydropower and photovoltaic facilities. The Bank continued to improve the effectiveness of financial assistance, with growth of loans to regions lifted out of poverty for several consecutive years. The Bank has been awarded the highest rating of “Good” for five consecutive years in the assessment and evaluation of paired assistance performance of central institutions.

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The Bank delivered its warmth through charity and public welfare works. Adhering to the philosophy of sharing development achievements with the society, the Group donated RMB180 million throughout the year, and the charity and public welfare programmes benefited 2.65 million people. The Bank carried out public welfare practices, and has supported the “AIDS Prevention and Control Programme” of China Red Ribbon Foundation for 18 consecutive years, supported Beijing Meijiang Education Foundation in establishing “Minsheng Beautiful Xinjiang Class” in Xinjiang region for 16 consecutive years which funded a total of 1,770 students, and conducted the “Guangcai • Minsheng” Medical Care Programme for Children with Congenital Heart Disease (“光彩•民生”先天性心臟病患兒救治項目) in collaboration with the China Guangcai Foundation for 13 consecutive years, offering free medical treatment to 1,391 child patients with congenital heart disease. The Bank has held the “Power of Minsheng’s Love – ME Charity Innovation Funding Scheme (我決定民生愛的力量——ME公益創新資助計劃)” for 11 consecutive years, donating a cumulative amount of RMB127 million, funding 275 innovative public welfare projects and directly benefiting over 417.9 thousand people. These projects covered multiple fields, including rural revitalisation, community development, educational support, health and well-being, and ecological civilisation. During the Reporting Period, the Bank worked with the China Guangcai Foundation in exploring and advancing the public welfare programme of “Guangcai Youth • Beijing Initiative (光彩少年•北京行動)”, which planned to carry out a series of public welfare programmes on adolescent mental health in the Beijing area over the five-year period from 2025 to 2029. By enhancing mental health education capabilities in primary and secondary schools, the initiative aims to build a strong psychological protective net for the healthy growth of adolescents. The Bank also attached importance to biodiversity protection, and supported a number of public welfare initiatives, including the “Protection Network for Saving Great Bustard (拯救大鵝保護網絡)”, the “ME-New Habitat Plan for Castor Fiber Birulai (ME—蒙新河狸新家園計劃)”, the “Dolphin Conservation Public Welfare Programme (愛海豚公益計劃)” and the “Biodiversity Promotion Initiative (生物多樣性促進行動)”. In addition, the Bank remained committed to ecological and environmental protection by supporting public welfare projects such as “Building Civilised Fishing Villages Through Eco-Friendly Coastal Activities (以生態趕海構建文明漁村)”, “China Rural River Conservation (中國鄉村河流保護)”, and the “Guizhou River Day Initiative (貴州河流日行動)”.

The Bank carried out cultural welfare undertakings to serve the society with arts. The Bank has been deeply engaged in cultural public welfare initiatives for many consecutive years. It funded the operation of six public welfare art institutions, proactively contributing to the national strategy of building China into a culturally strong country and meeting the public’s growing cultural needs. During the Reporting Period, the Bank supported its public welfare art institutions in successfully hosting a number of major exhibitions. “The Origin of Civilisation: Exploring the Early Chinese Civilisation (文明的源起：早期中華文明探尋大展)” and the “Capital of Photography 1910s-2020s (攝影之都1910年代-2020年代)” concluded successfully, while newly curated exhibitions such as the “Whisper of Peaks and Streams: A Grand View of Anhui’s Culture and Arts (山水有清音：安徽文化藝術大觀)” and “Promptoscape: 2025 AI Art Documentation Exhibition (提視造境 Promptoscape: 2025人工智能藝術文獻展)” attracted widespread attention. These exhibitions drew more than 100 thousand on-site visitors, organised over 200 public education activities, and benefited more than 200 thousand people through combined online and offline activities. In promoting fine traditional Chinese culture, the Bank supported its public welfare art institutions in hosting the calligraphy show of “Poetry, Calligraphy and Ink: Minsheng Enjoyment” (“詩書翰墨•悅享民生”民生書法大會), which organised more than 6,000 calligraphy and cultural activities nationwide, and collected over 20 thousand calligraphy works, effectively advancing the popularisation and inheritance of calligraphy culture. During the Reporting Period, the Bank also supported its public welfare art institutions to further implement the “MA+ Art Empowerment Project (MA+ 民生藝術賦能項目)” in Hua County in Henan Province, injecting cultural momentum into rural revitalisation.

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During the Reporting Period, the ESG practices of the Bank were highly recognised by government authorities, authoritative organisations and mainstream media, and have won a range of honours, including the highest AAA in MSCI ESG Ratings for two consecutive years by MSCI, an international authoritative index institution; the “Best Practice Case of Board of Directors” and the “Best Practice Case of Sustainable Development (可持續發展最佳實踐案例)” by the China Association for Public Companies; the “China Enterprise ESG100 Index” jointly issued by haiwainet.cn (the official website of People’s Daily Overseas Edition), All-China Environment Federation and China Quality Certification Centre; and the “Award for Best Risk Data and Analytical Technology Implementation in China” and the “Award for Best Supply Chain Finance Implementation in China (Joint-Stock Bank) (中國最佳供應鏈金融實施(股份行))” by the Asian Banker. **In terms of environmental responsibilities**, the Bank won a series of honours and awards, including the “Innovation Case of Green Finance in the Banking Industry (銀行業綠色金融創新案例)” by China Financial Media, and the “Best Sustainable Finance Institution (最佳可持續發展金融機構)” by the Green Finance Forum of 60. Its green finance innovation cases were included in the product carbon footprint report of the Ministry of Ecology and Environment. **In terms of social responsibilities**, the Bank was awarded the title of “Leader (領跑者)” of the Standards for Financial Enterprises for six consecutive years by authorities including the State Administration for Market Regulation and the PBOC, and received accolades such as the “Responsible Whale Bull Award • ESG Pioneer Enterprise (責任鯨牛獎•ESG先鋒企業)” jointly issued by the China Enterprise Reform and Development Society and the Responsibility Cloud Research Institute. The Bank’s corporate social responsibility reports have been rated “Five-Star (Excellent) (五星級(卓越))” by the Expert Committee for China Corporate Social Responsibility Report Rating for many consecutive years.

XXI. Execution of the “Quality Improvement and Efficiency Enhancement for Greater Returns” Initiative

In accordance with relevant requirements of the Regulatory Guidelines for Listed Companies No. 10 – Market Value Management 《上市公司監管指引第10號——市值管理》 and the SSE initiative on the “Quality Improvement and Efficiency Enhancement for Greater Returns (提質增效重回報)” special campaign for SSE-listed companies, on 29 March 2025, the Bank disclosed the 2025 Valuation Enhancement Plan and Action Plan for “Quality Improvement and Efficiency Enhancement for Greater Returns” of China Minsheng Banking Corp., Ltd. 《中國民生銀行股份有限公司2025年估值提升計劃暨“提質增效重回報”行動方案》. During the Reporting Period, the Bank focused on the key priorities set out in the action plan, consolidated the foundation for high-quality development, refined and implemented relevant measures, strengthened risk management and control, optimised shareholder return mechanisms, and enhanced corporate governance and information disclosure standards, in a bid to increase its long-term investment value.

(I) Adhering to strategic guidance and building a value-oriented bank

During the Reporting Period, the Bank remained committed to its strategic positionings of “a bank for NSOEs, an agile and open bank, and a bank with considerate services”; took “strengthening customer group management, optimising structure, controlling risks, and driving revenue growth” as the main strategic direction, focused on basic customer groups, basic products, basic services and basic management, drove liability cost reduction and asset structure optimisation through in-depth customer management, guided the whole bank to focus on value creation, and promoted the steady elevation in the operation quality and efficiency.

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Firstly, the Bank deepened customer group management to consolidate the foundation for development. With integrated management of MSMEs, large enterprises and individual customers as the core, the Bank strengthened high-quality customer acquisition, continued to deepen engagement with existing customers, and improved the customer management system. **In terms of corporate clients,** the Bank made full use of strategic client group as the pivot and the cornerstone, with stronger supply chain ecosystem traction. As at the end of the Reporting Period, the balance of loans (including discounted bills) of strategic clients at head office and branch levels amounted to RMB1,474,675 million, representing an increase of RMB27,670 million as compared with the end of the previous year; the number of core supply chain customers brought in by strategic clients was 3,421, representing an increase of 927 as compared with the end of the previous year; the number of corporate financing clients from supply chains brought in by strategic clients was 43,368, representing an increase of 12,870 as compared with the end of the previous year. The Bank extended institutional customer groups to lower tiers, broadened coverage and strengthened supply chains, thereby reinforcing the foundation for institutional business development. The Bank continued to enhance its layered and classified management of MSME customer groups, promoted the implementation of new models for SME customers, and optimised the structure of MSE customers. As at the end of the Reporting Period, the number of SME customers with balance of loans increased by 23.01% as compared with the end of the previous year. **In terms of retail customers,** the Bank deepened layered and classified management strategies for retail customer groups, driving effective growth in retail financial assets. As at the end of the Reporting Period, total retail AUM of the Bank amounted to RMB3,283,848 million, representing an increase of RMB337,601 million, or 11.46%, as compared with the end of the previous year; the number of private banking customers was 74,671, representing an increase of 12,568, or 20.24%, as compared with the end of the previous year. **In terms of financial institution customers,** the Bank deepened the management of financial institution customer groups and ecosystem development, optimised the structure of interbank liabilities, expanded low-cost interbank demand deposits, and promoted the decrease in the cost ratio of interest-bearing interbank liabilities.

Secondly, the Bank optimised the asset and liability structure to enhance quality and effectiveness of operations. **In terms of liability business,** the Bank focused on “expanding funding sources, adjusting structure and reducing costs”, took refined liability management as a key driver of value creation, closely aligned corporate, retail and financial institution customer groups management and transaction processes, and has built a fund transaction network and achieved internal circulation and allocation of funds. The Bank strengthened the management of key customer groups, including institutional, supply chain, payroll agency and acceptance customers, expanded transaction volumes and improved traffic management, thereby promoting the accumulation of low-cost deposits. During the Reporting Period, the cost ratio of deposits was 1.74%, representing a decrease of 40BP as compared with the corresponding period of the previous year. **In terms of asset business,** the Bank concentrated on the “five major sectors”, with increased focus on supply chain finance, MSMEs, sci-tech finance and cross-border finance. While serving the real economy, the Bank also optimised the asset structure. The balances of loans to sci-tech enterprises, green loans, inclusive loans and loans to elderly care industry all recorded growth as compared with the beginning of the year. **In terms of intermediary business,** the Bank stuck to value creation through services, and cultivated new growth drivers along the value chain of “wealth management, transaction banking and investment portfolios”. The Bank improved a robust product shelf for wealth management, strengthened comprehensive service and asset allocation capabilities, and expanded the scale of financial assets. Focusing on the four major scenarios of collection, payment, management and control, the Bank optimised the settlement and cash management product system, strengthened product adaptability management, and improved the penetration of transaction banking products. The Bank captured market transaction opportunities, and enhanced investment and transaction capabilities and comprehensive income contributions of bonds, foreign exchange and precious metals. During the Reporting Period, net fee and commission income of the Group amounted to RMB18,321 million, representing an increase of RMB76 million, or 0.42%, as compared with the corresponding period of the previous year.

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Thirdly, the Bank strengthened refined cost management to boost its operating efficiency. The Bank consolidated a full-dimensional linkage mechanism connecting capital, expenses and operation performance, and improved the input-output efficiency and operational efficiency. On the one hand, the Bank enhanced intensive and refined capital management. It adhered to endogenous capital circulation, formulated forward-looking capital plans, and maintained an appropriate level of capital replenishment. The Bank increased support for green finance, inclusive finance, agricultural sectors and the manufacturing industry; enhanced the liquidation of non-interest-bearing assets to elevate capital utilisation efficiency and value returns in core businesses; and has established a sound evaluation system for risk-weighted asset returns to improve capital use efficiency. On the other hand, the Bank intensified refined cost management, with a focus on key areas including outsourcing services, IT expenditure, equipment management, and rental and property management, thus improving cost management efficiency. During the Reporting Period, the cost-to-income ratio of the Group stood at 36.52%, representing a decrease of 2.03 percentage points as compared with the corresponding period of the previous year.

Fourthly, the Bank reinforced innovation empowerment to facilitate value creation. The Bank strengthened data integration and AI applications, and drove end-to-end digital and intelligent upgrading of core processes covering marketing, risk management and operations. The Bank integrated diverse businesses spanning corporate banking, retail banking, operations and credit cards onto the unified operating platform of “Minsheng E-Bank (民生E行)”, and improved the operational experience of frontline employees. It enriched the portfolio of scenario-based digital products and promoted the “E-Minsheng Family”, a digital and intelligent service platform covering “personnel, finance and operations” for MSMEs, to empower their digital transformation. The Bank consolidated the support of digital and intelligent foundation. With the development of an enterprise-level knowledge platform and the comprehensive application of AI as the core, the Bank deployed the application of large-model technologies in a forward-looking manner, and advanced the integrated application of new quality digital productive forces with business scenarios.

(II) Consolidating the risk control system and improving asset quality

During the Reporting Period, the Bank strictly implemented the risk preference of “seeking progress in stability, optimising structure, and enhancing quality and effectiveness”, continued to improve its comprehensive risk management system, and strengthened risk compliance to empower business development.

Firstly, the Bank reinforced its internal risk control system. The Bank practised the philosophy of “compliant operation is the core competitiveness”, conscientiously implemented new regulatory rules, and continued to advance the internalisation of external regulations. The Bank carried out the activity of the “Year of High-Quality and Compliant Development” in an in-depth manner, and reinforced the development of compliance culture. The Bank strengthened coordination among the three lines of defence. It implemented the policy of virtual provision of allowance to fulfill the risk management responsibilities of operating units.

Secondly, the Bank promoted balanced loan growth. The Bank deepened researches in key fields and industries of the “five major sectors”, and promoted the strong integration of industry research with marketing strategies, credit policies and approval guidelines. The Bank optimised risk authorisation policies, enhanced flexibility in authorisation for various types of loans, and improved the authorisation management mechanism, thereby promoting precise and efficient loan placement.

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Thirdly, the Bank focused on risk prevention and control in key areas. The Bank prudently prevented and mitigated risks in relation to government platforms and real estate businesses. In the MSMEs sector, the Bank strengthened the development of risk management teams, proactively identified potentially risky customers, and effectively prevented the risk of asset quality downgrading. In the credit card sector, the Bank solidly advanced risk resolution efforts.

Fourthly, the Bank improved the effectiveness of collection and disposal. The Bank promoted the transformation of non-performing asset disposal from a preservation-oriented approach to active management, and optimised the asset operation and management model.

Fifthly, the Bank expanded and upgraded intelligent risk control. The Bank improved the smart risk control system to enable more forward-looking, proactive and intelligent risk management. It developed dedicated AI-assisted analytical tools covering corporate operations, financing activities and guarantee conditions, and elevated the digital and intelligent level of review and approval processes. Furthermore, the Bank strengthened data application and model analysis to improve the capability to prevent and handle non-traditional risks such as telecom fraud and cyberattacks.

For other specific analysis about the Bank's operations, please refer to "Chapter 3 Management Discussion and Analysis" of this Report.

(III) Prioritising investor returns and maintaining a stable dividend distribution policy

The Bank formulated its profit distribution plan by taking into account business performance, capital planning, and market environment, as well as capital replenishment needs and the continuity and stability of its dividend distribution policy, thereby delivering reasonable investment returns to investors. Since 2018, the Bank's annual cash dividends have consistently accounted for over 30% of the net profit attributable to holders of ordinary shares, and since 2024, an additional interim dividend distribution has been introduced. In 2025, total cash dividends distributed amounted to RMB8,274 million, accounting for 30.14% of the net profit attributable to holders of ordinary shares. In 2026, the Bank plans to maintain its dividend distribution frequency, and to demonstrate a positive image to investors and the capital market through a stable dividend distribution policy, thereby enhancing investors' sense of gain. In August 2025, the Bank was selected for the "2025 Cash Dividend Ranking of Listed Companies (2025年上市公司現金分紅榜單)" by the China Association for Public Companies.

(IV) Optimising corporate governance and enhancing quality and effectiveness of duty performance

The Bank improved the modern corporate governance system and governance framework, constantly perfected the operation mechanism of the Board, gave full play to the role of Independent Directors, and further increased the standardised and professional level of corporate governance.

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Firstly, the Bank continued to improve its corporate governance system. During the Reporting Period, the Bank lawfully and compliantly advanced the corporate governance procedures for the cancellation of the Board of Supervisors, amended the Articles of Association, the Terms of Reference of the Audit Committee of the Board of Directors and other systems, clarifying that the Audit Committee of the Board of Directors exercises the function and power of the Board of Supervisors set out in the Company Law and regulatory systems. After approval of the Articles of Association by the NFRA in September 2025, the Bank no longer has the Board of Supervisors. To ensure smooth transition of the responsibilities of the former Board of Supervisors, the Bank comprehensively rationalised the system of accountability checklists for the Audit Committee of the Board of Directors, and further clarified the responsibility positioning of each governance body. The Audit Committee of the Board of Directors integrated supervisory resources, gave full play to the professionalism of members in audit, finance, risk control and law, and earnestly fulfilled its supervisory responsibilities.

Secondly, the Bank strengthened the construction of the Board. During the Reporting Period, the Bank appointed three new Non-Executive Directors with rich practical experience in financial investment, risk management, corporate strategy and other fields, providing strong support for the scientific decision-making and professional performance of duties by the Board of Directors. The Board of Directors fully fulfilled its responsibilities, and during the Reporting Period, it had held 11 Board meetings, considered 98 proposals and received briefings on 90 reports. It proactively carried out special surveys by centring on the implementation of the Bank's development strategies and major decisions, and tracked the execution of resolutions, thus ensuring the effective implementation of the decisions of the Board.

Thirdly, the Bank gave full play to the role of Independent Directors. It constantly improved the safeguard mechanisms for duty performance of Independent Directors, and convened one special meeting between Chairman and Independent Directors to fully listen to the opinions and suggestions of Independent Directors on corporate governance and business development. The Bank held five special meetings of Independent Directors to consider related party transactions and other important matters. The Independent Directors attached great importance to market value management, proactively participated in the Bank's shareholders' meetings and performance communication meetings, enhanced communications with minority shareholders, and submitted the Market Value Management Proposal 《市值管理建議書》 to the Bank, offering several suggestions on enhancing market value management. The Bank implemented the opinions and suggestions raised by Independent Directors across various occasions one by one, and effectively gave play to the role of Independent Directors in "decision-making participation, supervisory checks and balances, and professional consultation".

(V) Strengthening investor communication and delivering corporate value

In 2025, the Bank organised and participated in over 160 investor relations activities through a variety of forms, including hosting performance briefings, shareholders' communication meetings and performance roadshows, participating in brokerage strategy meetings, and paying research visits, and received over 900 visits of various institutional investors, nearly doubling as compared with the previous year.

CHAPTER 5 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

During the Reporting Period, combining its distinctive and competitive advantages and key areas of interest in the capital market, the Bank conducted a series of thematic communication activities, covering topics such as “supply chain and corporate banking”, “wealth management and retail banking”, “risk management”, and “asset-liability and financial management”. Mainstream securities firms and investment institutions from within and outside the Chinese mainland were invited for communications, and roadshows were organised in Shanghai, together with thematic investor visits to branches in Beijing, Shenzhen, Chengdu and Hangzhou, to enhance understanding and recognition of the capital market about the Bank.

In 2025, the Bank won the “Best IR Impact” Award in Greater China issued by IR Impact, an international authoritative institution for investor relations, and was awarded as the “IR Dedicated Company” by the Hong Kong Investor Relations Association.

(VI) Ensuring high-quality information disclosure to enhance transparency and accuracy

The Bank strictly complied with laws, regulations, and regulatory provisions of the SSE and the SEHK, fulfilling its information disclosure obligations in a lawful and compliant manner. During the Reporting Period, the Bank published four regular reports on the SSE, enhanced the quality and readability of such reports. Through typical cases including “Launching Cross-Industry Cooperation with Sam’s Club (攜手山姆會員店開展跨界合作)”, “Empowering the Development of Foreign Trade MSMEs with ‘All Across the World’ (‘民生跨境一家’品牌助力中小微外貿企業發展)” and “Issuing the Beijing-Tianjin-Hebei Card to Advance Regional Coordination (區域協同發佈京津冀三地卡)”, the Bank vividly demonstrated the highlights of its featured businesses and operating achievements. The Bank used charts and graphs to display the variation trend in key financial data and business indicators, so as to enhance the visualisation of the periodic reports and respond to investor concerns. The Bank issued 47 extraordinary announcements to ensure timely, accurate, and complete disclosure of information. It also deepened its voluntary information disclosure by proactively releasing the announcement on major operating results of the first quarter, positively delivering the Bank’s investment value to the market. The Bank drew attention and recognition of domestic and international authoritative institutions and media for its information disclosure work. It won the “2024 Golden Award for Information Disclosure” in the Golden Bull Awards for Listed Companies by China Securities Journal, the “Corporate Governance Award” in the 2025 “SSE Eagle • Gold Quality” Awards by Shanghai Securities News and www.cs.com.cn, and the “Best Practice Case of Board of Directors” and the “Best Practice Case of Office of Board of Directors” of Listed Companies in 2025 by the China Association for Public Companies. The 2024 Annual Report of the Bank was nominated for the “Best Annual Report (Large-Cap)” in the Greater China region by IR Impact, an authoritative international investor relations institution.

CHAPTER 5 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

(VII) Giving high priority to the protection of investor interests

The Bank consistently provided convenience for small- and medium-sized investors to participate in investor relations activities and exercise the rights of shareholders, and responded to their appeals in a timely manner.

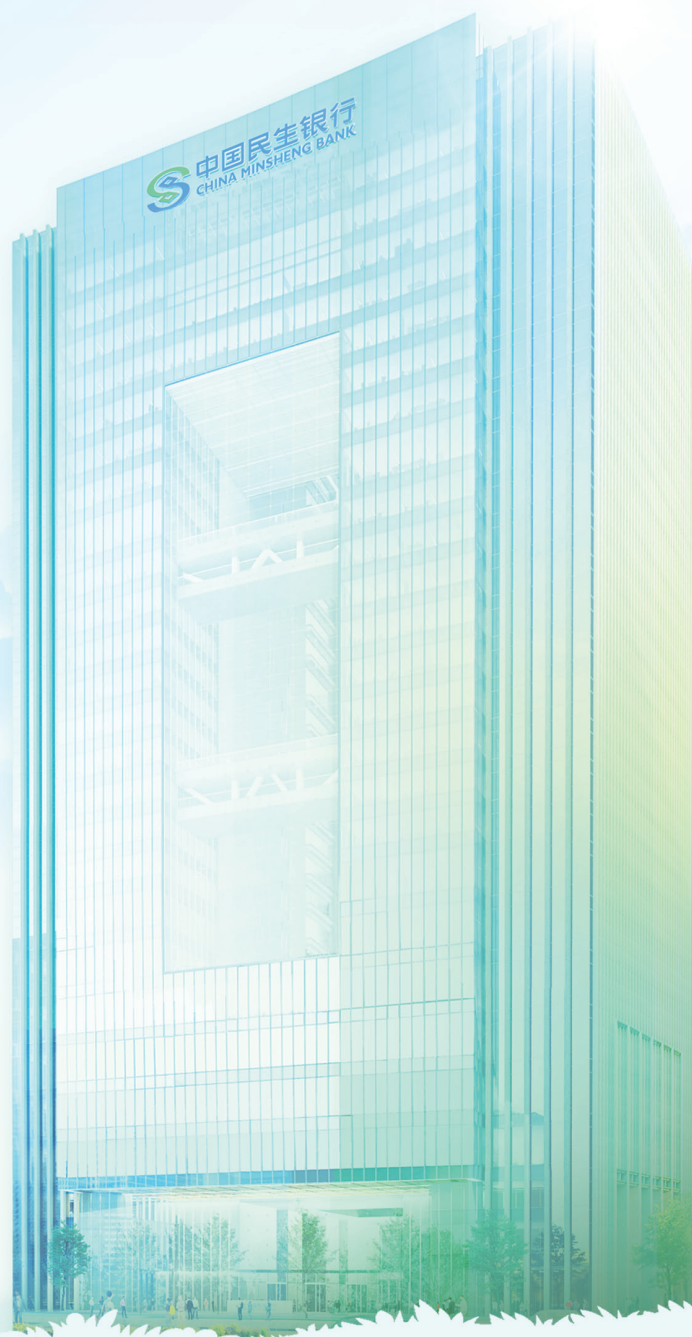
The annual performance briefing was held both online and offline, and was livestreamed on Weixin, the website and the mobile banking App via “Minsheng Video Podcast Room”, attracting 13 thousand views and being included as the “2024 Best Practice of Annual Performance Briefing” by the China Association for Public Companies. For the annual shareholders’ meeting, the Bank used intelligent SMS reminders to ensure that small- and medium-sized investors who wished to vote were able to attend and cast their votes in a timely manner. After the annual shareholders’ meeting, Chairman, President and other members of the Senior Management had in-depth communications with over 30 minority shareholders who attended the meetings in person, and candidly answered their questions.

To enable the small- and medium-sized investors to understand the Company’s conditions in a timely manner, the Bank opened two investor hotlines, and throughout the year, the Bank answered nearly 500 calls, and handled over 100 consulting e-mails. The Bank launched the bilingual investor relations website in both Chinese and English, through which small- and medium-sized investors could inquire and download visualised financial data, flexibly search announcements and circulars, subscribe to reminders of investor relations activities and make appointments for online and offline communications. The website also provided a special column of “Q&A for Investors” to take up the questions of common concern raised by small- and medium-sized investors. The investor relations website of the Bank was nominated as the “Best Investor Relations Website” in Greater China by the IR Impact, an international authoritative institution.

(VIII) Encouraging long-term investment and voluntary shareholding increase by substantial shareholders

The Bank proactively promoted shareholding increases by its substantial shareholders, continued to attract institutional investors, and conveyed and practised the philosophy of long-term investment. **Firstly**, China Great Wall Asset Management Co., Ltd. recognised the Bank’s business strategy and voluntarily increased its shareholding in the Bank. **Secondly**, the Bank attracted institutional investors, including fund management companies, insurance companies, asset management companies, and NSOEs, to gradually engage in or increase shareholdings. When diversified new investors came in and the existing shareholders increased their shareholdings, the Bank’s equity structure has become more stable and robust, bolstering market confidence.

Report of the Board of Directors



CHAPTER 6 REPORT OF THE BOARD OF DIRECTORS

I. Performance of Main Businesses, Financial Results and Business Development

For details of the main businesses, analysis of key indicators of financial results and business development of the Bank, please refer to “Chapter 2 Summary of Accounting Data and Financial Indicators” and “Chapter 3 Management Discussion and Analysis” of this Report.

II. Environmental Policy of the Company and Its Performance

The Bank published the 2025 Sustainability (ESG) Report in accordance with Rule 13.91 of the Hong Kong Listing Rules, the Environmental, Social and Governance Reporting Guide contained in Appendix C2 to the Hong Kong Listing Rules, and the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Sustainability Report (Trial) 《上海證券交易所上市公司自律監管指引第14號－可持續發展報告(試行)》. Please refer to the website of the SSE, the HKEXnews website of the SEHK and the website of the Bank.

III. Compliance with Relevant Laws and Regulations

The Board of Directors is of the view that during the Reporting Period, the Bank legally operated its business, and its decision-making procedure was in compliance with relevant laws, regulations and the Articles of Association. During the Reporting Period, it is not aware of any breach of laws and regulations and the Articles of Association or any act which would prejudice the interests of the Bank and its shareholders by any existing Directors or Senior Management when performing their duties.

IV. Subsequent Events

Save as disclosed above, from the settlement date of the financial year to the date of this Report, the Bank had no material events.

V. Profit and Dividend Distribution

(I) Annual dividend distribution for 2024

The Bank distributed the annual dividends to all shareholders according to the profit distribution plan for 2024, which was considered and approved at the 11th meeting of the 9th session of the Board and at the 2024 Annual Shareholders’ Meeting. On the basis of the total share capital of the Bank as at the record dates, the Bank distributed cash dividend for 2024 to holders of A shares and H shares whose names appeared on the registers as at the record dates for every share being held. The cash dividend of RMB0.062 (tax inclusive) was distributed for every share, and the total cash dividends amounted to RMB2,714 million. Together with the interim cash dividend for 2024 already distributed, the Bank distributed a cash dividend for the whole year of 2024 of RMB0.192 (tax inclusive) for every share being held, and the total cash dividends amounted to RMB8,406 million. The cash dividends were denominated and declared in RMB and were paid in RMB or in Hong Kong dollar to holders of equity shares.

CHAPTER 6 REPORT OF THE BOARD OF DIRECTORS

The Bank distributed the cash dividends to holders of A shares and investors of Shanghai Stock Connect (滬股通) in July 2025 in accordance with relevant provisions, and distributed the cash dividends to holders of H shares and investors of Hong Kong Stock Connect (港股通) in August 2025 in accordance with relevant provisions. The implementation of the distribution plan was thus completed. For details, please refer to the announcement of the Bank dated 26 June 2025 published on the HKEXnews website of the SEHK and the announcement dated 4 July 2025 published on the website of the SSE, respectively.

(II) Interim profit distribution for 2025

The Bank distributed interim dividends to all shareholders in accordance with the authorisation proposal, which was considered and approved at the 2024 Annual Shareholders' Meeting, and the interim profit distribution plan for 2025, which was considered and approved at the 14th meeting of the 9th session of the Board. On the basis of the total share capital of the Bank as at the record dates, the Bank distributed interim cash dividends for 2025 of RMB0.136 (tax inclusive) to holders of A shares and H shares whose names appeared on the registers as at the record dates for every share being held. The total cash dividends amounted to RMB5,954 million. The cash dividends were denominated and declared in RMB and were paid in RMB or in Hong Kong dollar to holders of equity shares.

The Bank distributed the cash dividends to holders of A shares and investors of Shanghai Stock Connect in September 2025 in accordance with relevant provisions, and distributed the cash dividends to holders of H shares and investors of Hong Kong Stock Connect in October 2025 in accordance with relevant provisions. The implementation of the distribution plan was thus completed. For details, please refer to the announcement of the Bank dated 29 August 2025 published on the HKEXnews website of the SEHK and the announcement dated 10 September 2025 published on the website of the SSE, respectively.

(III) Annual profit distribution plan for 2025

According to the audited financial reports of the Bank for 2025, the provision of statutory surplus reserve of RMB2,941 million was made based on 10% of the net profit of the Bank in 2025. The provision of general reserve of RMB2,050 million was made based on the difference between 1.5% of the year-end balance of risk assets in 2025 and the general reserve that had been accrued.

According to the Articles of Association of China Minsheng Banking Corp., Ltd. in respect of profit distribution, having considered various factors including the capital adequacy ratio required by the regulatory authorities, its sustainable business development and the interim profit distribution, the Bank proposed to distribute a cash dividend of RMB0.53 (tax inclusive, the same below) for 2025 to holders of A shares and H shares whose names appear on the registers as at the record dates for every 10 shares being held. Based on the number of shares of the Bank in issue as at 31 December 2025, being 43,782 million shares, the total cash dividends to be distributed would be RMB2,320 million. Together with the total amount of interim cash dividends for 2025 that had been distributed, being RMB5,954 million (a cash dividend of RMB1.36 for every 10 shares), the total cash dividends of RMB8,274 million would be distributed in 2025 (a cash dividend of RMB1.89 for every 10 shares), accounting for 30.14% of the net profit of the Group, which was RMB27,451 million, realised in 2025 attributable to holders of ordinary shares of the Bank.

CHAPTER 6 REPORT OF THE BOARD OF DIRECTORS

The actual amount of total cash dividends to be paid will be subject to the total number of shares recorded on the register as at the record dates. The cash dividends will be denominated and declared in RMB and be paid in RMB or in Hong Kong dollar to holders of equity shares. The actual amount of dividends to be paid in Hong Kong dollar shall be calculated based on the benchmark exchange rate of RMB against Hong Kong dollar as quoted by the PBOC on the date of the shareholders' meeting.

VI. Dividend Distribution of Ordinary Shares in the Past Three Years

	2025	2024	2023
Dividends to be paid for every 10 shares (tax inclusive, RMB)	1.89	1.92	2.16
Number of shares issued on capitalisation of surplus reserve for every 10 shares (share)	—	—	—
Cash dividends (tax inclusive, RMB million)	8,274	8,406	9,457
Net profit attributable to holders of ordinary shares of the Bank (RMB million)	27,451	27,980	31,507
Cash dividends/Net profit attributable to holders of ordinary shares of the Bank (%)	30.14	30.04	30.02

Note: The dividends of ordinary shares in 2025 included the interim cash dividends that had been distributed. The annual profit distribution plan for 2025 was subject to the approval of the 2025 Annual Shareholders' Meeting before implementation.

VII. Formulation and Implementation of Dividend Distribution Policy for Ordinary Shares

According to the provisions in the Articles of Association, the distribution of profits of the Bank emphasises on reasonable investment income to investors. The profit distribution policy shall be sustainable and stable. The Bank shall distribute dividends in profit-making years. Of which, the policy goal for cash dividends is to maintain relatively stable dividend payout ratio. The Bank shall take full account of the opinions of the Independent Directors and public investors in deliberating on its dividend distribution policy. The Board of Directors shall fully consider the Bank's operating performance, capital plan, and sustainable development needs, as well as the opinions of shareholders, Independent Directors and the Audit Committee, when assessing the timing, conditions, and minimum ratio of cash dividends, along with the conditions for adjustments and the relevant decision-making procedures. On the basis of ensuring continuous, stable, and well-balanced returns for all shareholders, the Board of Directors shall formulate the profit distribution plan accordingly. When the Independent Directors believe that a specific cash dividend plan may harm the interests of the Bank or minority shareholders, they are entitled to express an independent opinion. In the event that the Board of Directors does not adopt or does not fully adopt the opinions of the Independent Directors, it shall record such opinions and the specific reasons for not adopting it in the resolution of the Board of Directors, and disclose them. Before the profit distribution policy is considered at the shareholders' meeting, the Bank shall proactively communicate with shareholders through multiple channels, particularly minority shareholders, to fully consider their opinions and appeals, and promptly respond to their questions.

CHAPTER 6 REPORT OF THE BOARD OF DIRECTORS

To the extent that the normal working capital requirement is fulfilled, the Bank shall distribute dividends primarily in cash. The profits distributed to holders of ordinary shares in the form of cash dividend for each year shall not be less than ten percent (10%) of the distributable profits attributable to holders of ordinary shares of the Bank of the year. The Bank may distribute interim cash dividends. The upper limit of the interim dividends for the following year, as approved at the annual shareholders' meeting, shall not exceed the net profit attributable to holders of ordinary shares in the corresponding period. The Board of Directors may formulate the specific interim dividend distribution plan in accordance with the profit distribution conditions and the resolution of the shareholders' meeting.

In the event that adjustments are required to be made to the Bank's profit distribution policy due to the needs of operation and long-term development of the Bank, the profit distribution policy after adjustment shall not violate the relevant requirements of the regulatory authorities of the places where the Bank is listed. Any proposal regarding adjustments to the profit distribution policy shall solicit opinions from the Independent Directors and the Audit Committee in advance, be subject to the due consideration of the opinions of minority shareholders and be proposed to the shareholders' meeting of the Bank for approval after consideration by the Board. Any proposal regarding the adjustments to the Bank's cash dividend policy shall be approved by more than two thirds of the votes of the shareholders attending the shareholders' meeting of the Bank. Online voting shall be made available when such proposal is voted at the shareholders' meeting. The voting results of the minority investors shall be disclosed separately.

During the Reporting Period, the formulation and execution of the Bank's profit distribution policy complied with relevant provisions of the Articles of Association and requirements of the resolutions of the shareholders' meetings, which featured clearly specified criteria and proportion of dividend distribution, as well as complete decision-making procedures and mechanisms. The Independent Directors also provided their opinions, fully protecting the legitimate rights and interests of minority investors.

VIII. Taxes and Tax Exemption

The shareholders of the Bank shall pay relevant taxes in accordance with the following provisions as well as tax laws and regulations updated from time to time, enjoy possible tax exemption where appropriate, and shall consult their professional tax and legal advisors regarding specific tax payment matters. All the tax laws and regulations cited below were released prior to 31 December 2025.

CHAPTER 6 REPORT OF THE BOARD OF DIRECTORS

(I) Holders of A shares

In accordance with the Notice on Issues Concerning the Implementation of Differentiated 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 Differentiated 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)), if a shareholder holds shares for more than one year, his or her dividends and bonuses shall be temporarily exempt from individual income tax; if the shareholder holds shares for more than one month to one year (inclusive), 50% of his or her dividends and bonuses shall be temporarily included in taxable income; if the shareholder holds shares for within one month (inclusive), all of his or her dividends and bonuses shall be taxable income. A tax rate of 20% applies to all the aforesaid income for levying individual income tax. Individual income tax shall be levied on dividends and bonuses of securities investment funds acquired from listed companies also in accordance with the aforesaid provisions.

In accordance with the provisions of Item 2 of Article 26 of the Enterprise Income Tax Law of the People's Republic of China 《中華人民共和國企業所得稅法》, dividends, bonuses and other equity investment proceeds distributed between qualified resident enterprises shall be tax-free income.

In accordance with the provisions of Article 83 of the Implementing Regulations of the Enterprise Income Tax Law of the People's Republic of China 《中華人民共和國企業所得稅法實施條例》, dividends, bonuses and other equity investment gains generated between qualified resident enterprises as referred to in Item 2 of Article 26 of the Enterprise Income Tax Law of the People's Republic of China are the returns of investment made directly by one resident enterprise in another resident enterprise. The income from such equity investments as dividends and bonuses, as mentioned in Item 2 of Article 26 of the Enterprise Income Tax Law of the People's Republic of China, shall not include the investment income acquired by holding the listed common share of the resident enterprise for less than 12 months.

In accordance with the provisions of the Enterprise Income Tax Law of the People's Republic of China and the regulations on its implementation, enterprise income tax shall be levied on dividends acquired by shareholders of non-resident enterprises at a reduced rate of 10%.

CHAPTER 6 REPORT OF THE BOARD OF DIRECTORS

(II) Holders of H shares

In accordance with the Notice on Issues Concerning the Administration of Individual Income Tax Collection after the Annulment of Document Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) (《關於國稅發(1993)045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函〔2011〕348號)), individual income tax shall be withheld at a rate of 10% on the dividends distributed to individual resident shareholders outside the Chinese mainland by a domestic enterprise with no foreign investment issuing shares in Hong Kong SAR. Individual resident shareholders outside the Chinese mainland may enjoy relevant tax preference in accordance with the provisions of the tax agreement signed between the home country of their identity and China as well as the tax treaties between the Chinese mainland and Hong Kong SAR (Macao SAR). Regarding the matters in connection with distribution of dividends to individual holders of H shares whose names appeared on the register of H-share shareholders on the record date of dividends distribution, the Bank shall withhold and pay individual income tax at the rate of 10%, unless otherwise provided by tax laws and regulations as well as relevant tax treaties.

In accordance with the provisions of the Enterprise Income Tax Law of the People's Republic of China and the regulations on its implementation, the withholding agent shall withhold and pay enterprise income tax at a rate of 10% on the income of a non-resident enterprise acquired from the Chinese mainland. Therefore, any H shares registered in the name of non-individual enterprises, including HKSCC Nominees Limited, other proxies or trustees or other organisations and groups, shall be deemed the shares held by shareholders of non-resident enterprise, and the Bank shall withhold and pay enterprise income tax at a rate of 10% when distributing dividends to the shareholders.

In accordance with the current practice of the Inland Revenue Department, there is no need to pay tax in Hong Kong SAR on the H share dividends distributed by the Bank.

The tax matters regarding Shanghai-Hong Kong Stock Connect shall be undertaken in accordance with the provisions of the Notice on Taxation Policies Concerning the Pilot Programme of an Interconnection Mechanism for Transactions in the Shanghai and Hong Kong Stock Markets (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)).

The tax matters regarding Shenzhen-Hong Kong Stock Connect (深港通) shall be undertaken in accordance with the provisions of the Notice on Taxation Policies Concerning the Pilot Programme of an Interconnection Mechanism for Transactions in the Shenzhen and Hong Kong Stock Markets (Cai Shui [2016] No. 127) (《關於深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〔2016〕127號)).

CHAPTER 6 REPORT OF THE BOARD OF DIRECTORS

(III) Holders of domestic preference shares

The matters regarding payment of individual income tax on individually acquired dividends from non-publicly issued domestic preference shares shall be undertaken in accordance with relevant tax laws and regulations of China.

The resident enterprise shareholders (including institutional investors) as stipulated by the Enterprise Income Tax Law of the People's Republic of China shall pay tax on their income from cash dividends; the payment of tax by other shareholders on their income from cash dividends shall comply with relevant provisions.

In accordance with the Guiding Opinions of the State Council on Conducting Pilot Programme on Preference Shares (Guo Fa [2013] No. 46) 《國務院關於開展優先股試點的指導意見》(國發〔2013〕46號)), the dividends, bonuses, and other investment yields that an enterprise acquires by investing in preference shares and that meets conditions as stipulated by the tax laws can be tax-free enterprise income.

IX. Substantial Shareholders

For details of substantial shareholders of the Bank, please refer to "Chapter 4 Changes in Share Capital and Information on Shareholders" in this Report.

X. Share Capital and Issuance of Shares and Bonds

For details of share capital and issuance of shares and bonds of the Bank as at 31 December 2025, please refer to "Chapter 4 Changes in Share Capital and Information on Shareholders" in this Report.

XI. Auditing Opinions Issued by the Accounting Firm

The 2025 annual financial statements of the Bank prepared in accordance with the IFRS Accounting Standards had been audited by KPMG, and the standard and unqualified auditors' report had been issued accordingly.

XII. Pre-Emptive Rights

Pre-emptive rights are not prescribed in the Company Law and the Articles of Association, and the Bank is not required by the above provisions to issue new shares to the current shareholders based on the holding proportion of the shareholders. In accordance with Article 27 of the Articles of Association, the Bank may increase its registered capital by public offering of ordinary shares to unspecified objects, issuance of ordinary shares to its existing shareholders, distribution of new ordinary shares to its existing shareholders, private placing of ordinary shares to specified objects, conversion of preference shares to ordinary shares, and any other methods permitted by the applicable laws and administrative regulations. There is no compulsory rule in relation to pre-emptive rights in the Articles of Association.

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XIII. Charity and Other Donations

During the Reporting Period, the total amount of charitable donations of the Group was RMB180 million.

XIV. Directors and Senior Management

For details of the name list, profiles, contract arrangements and remuneration of Directors and Senior Management of the Bank, please refer to “Chapter 5 Corporate Governance, Environment and Society” in this Report.

The details of retirement benefits provided by the Bank to its employees during the Reporting Period are set out in Note 4.33 “Other Liabilities” to the Financial Statements.

XV. Contracts of Management and Administrative Management

During the Reporting Period, the Bank did not enter into any administrative management contract relating to overall business or major business of the Bank.

XVI. Indemnity and Insurance of Directors and Senior Management

During the Reporting Period, the Bank has maintained effective liability insurance for the Directors and Senior Management in respect of potential legal proceedings arising from the business operation of the Bank.

XVII. Relationship with Customers and Employees

The Group considers that it is important to maintain good relationship with its customers and strives to provide more efficient and convenient services to customers so as to maximise the value and return. In 2025, there were no significant or material disputes between the Group and its customers.

For details of the relationship between the Bank and its employees, please refer to the 2025 Corporate Social Responsibility Report and the 2025 Sustainability (ESG) Report.

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XVIII. Consumer Rights Protection

During the Reporting Period, the Bank fully implemented the important work arrangements of the CPC and the State, and adhered to the strategic positioning of “a bank with considerate services” when performing its duty in consumer rights protection. By optimising the management system, improving the management mechanism, deepening key tasks, refining complaint management, and enhancing educational publicity and training, among other measures, the Bank continued to consolidate and enhance the management system of consumer rights protection, steadily enhanced the empowerment of digital tools for consumer rights protection, and comprehensively improved its standardised operation capabilities and customer service experience. In terms of optimising the management system, the Bank continued to optimise the governance system for consumer rights protection, and strengthened the overall management planning. During the Reporting Period, the Board of Directors and the Strategic Development and Consumer Rights Protection Committee of the Board of Directors regularly reviewed the annual consumer rights protection work report and work plan, annual corporate social responsibility report, annual ESG report, etc., reviewed the implementation of the five-year development plan, interim consumer rights protection work report, etc., urged and guided the management team to earnestly fulfil the management responsibility for consumer rights protection, improved the management system and aligned it with the corporate governance and management and development strategy, thereby ensuring that all tasks were conducted around the core line, and important development strategies were implemented. The Audit Committee of the Board of Directors held meetings to review annual consumer rights protection work report and work plan, and special audit report on consumer rights protection, etc. The Senior Management carefully implemented the requirements of the regulatory authorities, the Board of Directors, and the Audit Committee of the Board of Directors, coordinated the formulation of annual work plan, scheme and tasks for consumer rights protection, made decisions and arrangements on key tasks through work meetings of the Consumer Rights Protection Committee of the Head Office, work meetings of President, special meeting, and field research visits among other means, and integrated the management requirements for consumer rights protection into all links and procedures of businesses, thereby effectively resolving pain points and difficulties in customer services and improving the quality and effectiveness of consumer rights protection. In terms of improving the institutional system for the management on consumer rights protection, in light of changes in external laws and regulations as well as regulatory requirements, the Bank continued to enrich and improve the three-tier institutional system, covering special system for consumer rights protection, internalised system and operational system. In terms of improving the management mechanism, the Bank further incorporated the review on consumer rights protection into risk management and internal control system, continued to update and improve the institutional system for review on consumer rights protection, and strengthened closed-loop management of consumer rights protection review, inspection and post-supervision. The Bank optimised the appraisal mechanism for consumer rights protection, revised the appraisal system, adjusted appraisal indicators, increased the assessment weight and the application scope of review results. In terms of deepening important tasks, the Bank closely followed regulatory trends, centred on the strategy of “a bank with considerate services”, constantly improved key working mechanisms such as appropriateness, marketing behaviour, information disclosure, cooperative institutions, and personal information protection, so as to integrate the management requirements for consumer rights protection into all business links and improve customer service capabilities. In terms of consumer financial education, the Bank has built an educational

CHAPTER 6 REPORT OF THE BOARD OF DIRECTORS

publicity system with equal emphasis on “centralisation and normalisation”, fulfilled regulatory requirements by launching a series of intensive educational publicity programmes, including the “15 March” campaign, “15 May” campaign, the “Financial Knowledge Promotion Tour (普及金融知識萬里行)”, and the “Financial Education Promotion Week (金融教育宣傳周)”, effectively enhancing the financial literacy of the general public. The Bank has strengthened its primary responsibilities and has established a regular financial education mechanism consisting of “setting up an online column, making full use of an offline service zone, delivering a tangible benefit to the public, and partnering with an external institution”, ensuring that financial education was carried out as a sustained and fundamental task. The Bank deepened segmented and classified internal consumer protection training for employees, helping staff at different levels and positions improve their professional capabilities in consumer protection and customer service standards, and thus establishing a positive image in the banking industry.

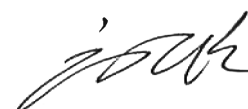
In terms of complaint management, the Bank made significant breakthroughs in addressing key and difficult issues, refined working mechanisms such as classified complaint management and escalated handling of repeated complaints, and strove to effectively resolve complex and difficult complaints. The Bank paid close attention to consumer appeals, improved the quality and effectiveness of root-cause rectification, earnestly practised “customer first” and effectively elevated its customer service standards. In 2025, the Bank handled a total of 155,737 customer complaints⁴. In terms of business distribution, the complaints were concentrated in credit cards (75.84%), debit cards (11.63%), and loans (5.76%); in terms of geographic distribution, the complaints were mainly concentrated in Beijing (79.02%), Jiangsu (2.04%), and Guangdong (2.03%). The Bank remained committed to its corporate value of “customer first”, adhered to the philosophy of “considerate and dedicated services”, accelerated the enhancement of digital and intelligent capabilities in complaint handling, improved the quality and effectiveness of customer issue resolution, earnestly listened to customer appeals, strengthened the root-cause settlement of complaint-related problems, effectively safeguarded the legitimate rights and interests of customers, and significantly elevated the customer service experience.

⁴ To more accurately reflect the actual situation of customer complaints, repeated complaints, as well as complaints related to repayment negotiations, credit report disputes, and the “Campaign Against Illegal Use of Phone and Bank Cards (斷卡行動)”, were excluded from the complaint statistics during the Reporting Period.

CHAPTER 6 REPORT OF THE BOARD OF DIRECTORS

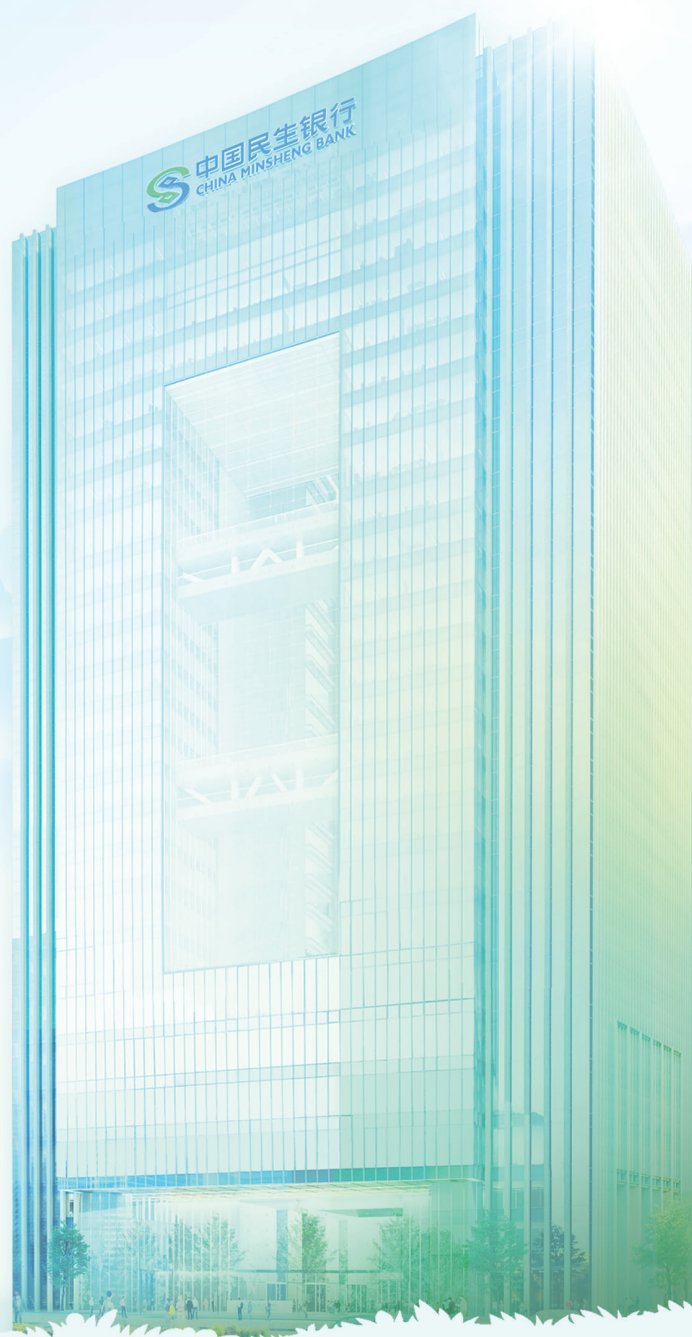
XIX. Evaluation on the Implementation of Administrative Rules for Information Disclosure by the Board of Directors

During the Reporting Period, the Bank, in strict compliance with the laws and regulations and regulatory requirements concerning information disclosure, proactively performed the obligation of information disclosure, meticulously implemented the administrative rules for information disclosure, and disclosed true, accurate and complete information in a timely and fair manner.



By Order of the Board of Directors
GAO Yingxin
Chairman
30 March 2026

Major Events



CHAPTER 7 MAJOR EVENTS

I. Material Litigation and Arbitration

During the Reporting Period, the Bank had no litigation or arbitration proceeding that had significant impact on its operations. In the course of daily operations, the Bank was involved in a number of litigations and arbitrations, most of which were initiated by the Bank for the recovery of non-performing loans, as well as those arose from customer disputes and other causes. As at 31 December 2025, there were 283 pending lawsuits and arbitrations involving the Bank as defendant or respondent, with an involved amount of approximately RMB5,521 million. The Bank believes that the aforementioned litigations and arbitrations will not have a material adverse impact on its financial condition or operating results.

Since January 2023, the Beijing Branch of the Bank has successively filed lawsuits against entities including Wuhan Centre Building Development Investment Co., Ltd., Wuhan CBD Co., Ltd., Oceanwide Holdings Co., Ltd., and China Oceanwide Holdings Group Co., Ltd. over financial lending contract disputes. As at the date of disclosure of this Report, the lawsuits between the Bank and Wuhan Centre Building Development Investment Co., Ltd. and Wuhan CBD Co., Ltd. have been initiated enforcement proceedings with one case suspended. For the seven lawsuits between the Bank and Oceanwide Holdings Co., Ltd. and China Oceanwide Holdings Group Co., Ltd., the Bank has obtained the enforceable judgments, all of which the Bank has won, and initiated enforcement proceedings, with two cases ruled for termination of enforcement.

II. Purchase and Sale of Assets and Mergers by Absorption

During the Reporting Period, the Bank had no material purchase and sale of assets.

On 26 December 2025, the 5th extraordinary meeting of the 9th session of the Board of Directors of the Bank considered and approved the Resolution on the Merger by Absorption of Minsheng Rural Banks by China Minsheng Bank (關於中國民生銀行吸收合併民生村鎮銀行的決議). The merger by absorption of Minsheng rural banks by the Bank will be implemented upon approval by the regulatory authorities.

III. Material Contracts and Their Performances

The Bank participated in and won the bid for the land use right of Plot Z4 at Core Area of Beijing CBD in East Third Ring Road, Chaoyang District, Beijing. Currently, the installation of mechanical and electrical equipment and interior decoration are under progress.

The Bank participated in and won the bid for the land use right of Plot G at the Strait Financial Business District on the south of Aofeng Road and the east of Aofeng Side Road in Taijiang District, Fuzhou. This project has been completed and passed government acceptance and filing procedures. The branch has completed its relocation.

The Shunyi Headquarters Phase II Cloud Computing Data Centre Project in Beijing has passed the completion acceptance.

CHAPTER 7 MAJOR EVENTS

IV. Major Guarantees

During the Reporting Period, no major guarantees of the Bank were required to be disclosed except for the financial guarantees provided within the business scope approved by the regulatory authorities; the Bank did not enter into any guarantee contracts in violation of the external guarantee procedures prescribed by laws, administrative regulations and the CSRC.

Specific Explanation and Independent Opinions of the Independent Directors Regarding External Guarantees of China Minsheng Banking Corp., Ltd.

In accordance with the Regulatory Guidelines for Listed Companies No. 8 – Regulatory Requirements for Fund Transactions and External Guarantees of Listed Companies 《上市公司監管指引第8號——上市公司資金往來、對外擔保的監管要求》 and relevant rules of the SSE, the Independent Directors of China Minsheng Banking Corp., Ltd. carried out an investigation on the external guarantees of the Bank in 2025 on an impartial, fair and objective basis. Specific explanation and independent opinions are issued as below:

After verification, the external guarantee business carried out by the Bank in 2025 mainly involved issuance of letters of guarantee. It is a regular banking business within the business scope of the Bank approved by the relevant regulatory authorities. The Bank attached great importance to the compliance and risk management of guarantee business. Based on risk characteristics of this business, the Bank has formulated and strictly implemented relevant operating processes and approval procedures. As at 31 December 2025, the balance of letters of guarantee issued by the Bank amounted to RMB128,926 million. Such business was normally operated.

During the Reporting Period, no material illegal guarantee has been identified in the Bank.

Independent Directors
QU Xinjiu, WEN Qiuju, SONG Huanzheng
YEUNG Chi Wai, Jason, CHENG Fengchao, LIU Hanxing
30 March 2026

CHAPTER 7 MAJOR EVENTS

V. Commitments by the Bank and Its Relevant Entities

According to the relevant rules of the CSRC, the Bank considered and approved the Proposal on Impacts on Dilution of Current Returns of the Non-public Issuance of Preference Shares and the Relevant Remedial Measures of China Minsheng Banking Corp., Ltd. 《關於中國民生銀行股份有限公司非公開發行優先股攤薄即期回報及填補措施的議案》 at the First Extraordinary General Meeting for 2016 on 1 February 2016, in which remedial measures on the dilution of current returns that might arise from the non-public issuance of preference shares were formulated. These measures included strengthening capital management and optimising resources allocation, promoting the transformation of business model and management mechanism, enhancing comprehensive management and refined management, improving comprehensive risk management, and further increasing its corporate value. At the same time, the Directors and the Senior Management of the Bank also made commitments to effectively execute the remedial measures on current returns. During the Reporting Period, the Bank and the Directors and the Senior Management of the Bank did not violate any of the aforesaid commitments.

VI. Appointment of Accounting Firms

Upon the approval by the 2024 Annual Shareholders' Meeting of the Bank, the Bank appointed KPMG Huazhen LLP as the domestic accounting firm and KPMG as the international accounting firm of the Bank for 2025.

In 2025, the Bank paid a total remuneration of RMB9.81 million for the services provided by KPMG Huazhen LLP and KPMG, including audit of annual financial reports (domestic and international), review of interim financial reports (domestic and international), agreed procedures for quarterly financial reports, internal control auditing and related services. The amount included a service fee of RMB1.0 million for internal control audit. At the same time, the Bank paid a total of RMB7.22 million to KPMG and its member firms in 2025 for non-audit business. KPMG Huazhen LLP and KPMG confirmed that such non-audit business did not compromise their audit independence.

In 2025, KPMG Huazhen LLP and KPMG provided audit services to the Bank for the second year. SHI Jian, ZHANG Luyang and LEUNG Tat Ming, the signing accountants, provided services for the Bank for the second year. Upon the approval by the First Extraordinary General Meeting for 2024 of the Bank, the Bank changed its domestic auditing firm and the external auditor for internal control auditing for 2024 to KPMG Huazhen LLP, and changed its international auditing firm for 2024 to KPMG. Save as disclosed above, there has been no other change of accounting firms by the Bank during the past three years.

VII. Material Related Party Transactions

During the Reporting Period, there was no related party that controlled the Bank, and the related party transactions of the Bank were mainly credit granting to related parties. All credit grantings to related parties were provided in compliance with relevant laws and regulations and were in accordance with the credit granting conditions and the approval procedures of the Bank. The credit granting did not have any adverse impacts on the operating results and financial position of the Bank. For other related-party transactions of the Group, please refer to Note 9 "Related Parties" to the Financial Statements.

CHAPTER 7 MAJOR EVENTS

In accordance with the rules 14A.49 and 14A.71 under Chapter 14A of the Hong Kong Listing Rules, the connected transactions and the continuing connected transactions of the Bank during the Reporting Period were as follows:

Continuing connected transactions between the Bank and Dajia Life Insurance Co., Ltd. for agency sales of financial products

1. Details of the transactions

On 31 July 2023, the 38th meeting of the 8th session of the Board of the Bank considered and approved the Proposal on Entering into Supplementary Agreement on Business Cooperation Framework for Agency Sales of Financial Products between the Bank and Dajia Life Insurance Co., Ltd. (《關於本行與大家人壽保險股份有限公司簽署金融產品代理銷售業務合作框架補充協議的議案》). Within the limit of related party transactions of the Group approved by the shareholders' meeting, the Bank entered into a supplementary agreement on business cooperation framework for agency sales of financial products with Dajia Life Insurance Co., Ltd., adjusting the annual cap of service fees for 2023 for the agency sales of financial products from RMB350 million to RMB700 million with a term from 1 January 2023 to 31 December 2023; adding the annual cap of service fees for 2024 at RMB1,200 million with a term from 1 January 2024 to 31 December 2024; and adding the cap of service fees at RMB1,000 million with a term from 1 January 2025 to 8 June 2025. From 1 January 2025 to 8 June 2025, the actual service fees incurred were RMB73 million.

On 30 May 2025, the 3rd extraordinary meeting of the 9th session of the Board of the Bank considered and approved the Proposal on Entering into the Business Cooperation Framework Agreement on Agency Sales of Financial Products between the Bank and Dajia Life Insurance Co., Ltd. (《關於本行與大家人壽保險股份有限公司簽署金融產品代理銷售業務合作框架協議的議案》). Within the limit of related party transactions of the Group approved by the shareholders' meeting, the Bank entered into an agreement on business cooperation framework for agency sales of financial products with Dajia Life Insurance Co., Ltd., setting the cap of service fees at RMB150 million for the agency sales business of financial products with a term from 9 June 2025 to 31 December 2025; setting the annual cap of service fees at RMB250 million with a term from 1 January 2026 to 31 December 2026; setting the cap of service fees at RMB150 million with a term from 1 January 2027 to 8 June 2027. From 9 June 2025 to 31 December 2025, the actual service fees incurred were RMB59 million.

The cooperation between the Bank and Dajia Life Insurance Co., Ltd. was beneficial for both parties to achieve sharing of resources and mutual complementing of advantages which in turn can further increase the Bank's income from its retail banking intermediary business. Entering into the business cooperation framework agreement could simplify the disclosure procedure and reduce compliance cost of the Bank.

CHAPTER 7 MAJOR EVENTS

As at the date of the abovementioned agreement, Dajia Life Insurance Co., Ltd. held approximately 17.84% equity interests of the Bank, and was therefore a substantial shareholder of the Bank. Thus, Dajia Life Insurance Co., Ltd. constituted a connected person of the Bank and the transactions between the Group and Dajia Life Insurance Co., Ltd. constituted continuing connected transactions under the Hong Kong Listing Rules. As the highest applicable percentage ratios for the annual cap of service fees receivable from Dajia Life Insurance Co., Ltd. under the abovementioned business cooperation framework agreement for agency sales of financial products all exceeded 0.1% but less than 5%, the transactions constituted non-exempted continuing connected transactions of the Bank, and were subject to the requirements on reporting and announcement but were exempted from the requirement for independent shareholders' approval under Chapter 14A of the Hong Kong Listing Rules. For details, please refer to the connected transaction announcements of the Bank dated 31 July 2023 and 30 May 2025 on the HKEXnews website of the SEHK and the website of the Bank.

2. Opinions of the Independent Directors

The Independent Non-Executive Directors of the Bank have reviewed the continuing connected transactions regarding the business cooperation with Dajia Life Insurance Co., Ltd. for agency sale services of financial products, and confirmed that the transactions were:

- (1) among the day-to-day business of the Bank;
- (2) based on general or more favourable business terms; and
- (3) based on the provisions of agreement governing the relevant transactions, which were fair and reasonable, and were in accordance with the overall interests of the Bank's shareholders.

3. Opinions of the auditors

Pursuant to rule 14A.56 of the Hong Kong Listing Rules, the Board engaged KPMG, the international auditor of the Bank, to perform relevant procedures on the continuing connected transactions regarding the business cooperation with Dajia Life Insurance Co., Ltd. for agency sales of financial products according to Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to the Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The Board confirmed that the auditor has reported the results of its procedures to the Board. Regarding the disclosed continuing connected transactions, nothing below has come to the attention of the auditor that:

- (1) the continuing connected transactions have not been approved by the Board of the Bank;
- (2) for the connected transactions involving the provision of products or services by the Group, the pricing of the connected transactions was, in all material aspects, not in accordance with the pricing policies of the Group;

CHAPTER 7 MAJOR EVENTS

- (3) the connected transactions were not carried out, in all material aspects, in accordance with the terms set out in the relevant agreements governing the connected transactions;
- (4) the aggregate amount of the continuing connected transactions exceeded the annual cap in the announcements on continuing connected transactions of the Bank dated 31 July 2023 and 30 May 2025 on the HKEXnews website of the SEHK and the website of the Bank.

VIII. Repurchase, Sale or Redemption of Securities

Save as disclosed in this Report, during the 12 months ended 31 December 2025, the Group had neither sold any securities of the Bank nor repurchased or redeemed any securities of the Bank (including sale of treasury shares).

IX. Administrative Penalties Imposed on the Bank and Directors, Senior Management and Controlling Shareholders of the Bank

As far as the Bank is aware, during the Reporting Period, the Bank was not subject to any investigation by the competent authorities according to law due to suspected crime; neither the Bank nor any of its Directors or Senior Management was subject to criminal penalty, nor was any of them subject to investigation or administrative penalty by the CSRC due to suspected violation of laws and regulations, or subject to material administrative penalty by other competent authorities; none of the Directors or Senior Management of the Bank was subject to mandatory measures according to law due to suspected crime, or was detained by discipline inspection and supervision authorities due to severe violation of disciplines and laws or duty-related crimes, which then affected their performance of duties; none of the Directors or Senior Management of the Bank was subject to mandatory measures imposed by other competent authorities due to suspected violation of laws and regulations, which then affected their performance of duties.

X. Integrity of the Bank, Controlling Shareholders and De Facto Controllers

The Bank does not have any controlling shareholder or de facto controller. Dajia Life Insurance Co., Ltd. is the largest shareholder. During the Reporting Period, the Bank, the largest shareholder and its ultimate controller did not have any obligations specified in legally effective court documents which were not fulfilled or any overdue debt in large amounts.

XI. Non-Operating Fund Occupation by Controlling Shareholders and Other Related Parties

The Bank does not have any controlling shareholder. Dajia Life Insurance Co., Ltd. is the largest shareholder. The Bank does not have any condition of non-operating fund occupation by the largest shareholder and its ultimate controller and other related parties.

FINANCIAL REPORTS

- I. Independent Auditor's Report
- II. Financial Statements for the Year 2025 (Consolidated Statement of Profit or Loss, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows)
- III. Notes to the Consolidated Financial Statements for the Year 2025
- IV. Unaudited Supplementary Financial Information for the Year 2025

INDEPENDENT AUDITOR'S REPORT

To the shareholders of China Minsheng Banking Corp., Ltd.

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

Opinion

We have audited the consolidated financial statements of China Minsheng Banking Corp., Ltd. (the "Bank") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statements 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 ethical responsibilities in accordance with IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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.

The key audit matter	How the matter was addressed in our audit
Measurement of expected credit loss allowance for loans and advances to customers and financial investments at amortised cost Refer to Note 2.10, Note 3.2, Note 4.17 and Note 4.18 to the consolidated financial statements. As at 31 December 2025, total loans and advances to customers in the Group's consolidated balance sheet was RMB4,467,526 million, and the allowance for expected credit losses (ECLs) was RMB93,966 million. Total financial investments at amortised cost subject to the ECL assessment was RMB1,351,692 million, and allowance for ECLs was RMB11,541 million. The Group uses an expected credit loss ("ECL") model to measure the loss allowance for loans and advances to customers and financial in accordance with IFRS 9, Financial instruments. The determination of loss allowances using the ECL model is subject to a number of key parameters and assumptions, including the credit risk staging, probability of default, loss given default, exposures at default, discount rate, adjustments for forward-looking information and other adjustment factors. Extensive management judgment is involved in the selection of those parameters and the application of the assumptions. The determination of the loss allowances is heavily dependent on the external macro environment and the Group's internal credit risk management strategy. The ECL allowance for corporate loans and financial investments at amortised cost considers the historical losses, internal and external credit grading and adjustment factors. The ECL allowance for personal loans and advances takes into consideration historical overdue data, the historical loss experience for personal loans and adjustment factors.	Our audit procedures to assess ECL allowance for loans and advances to customers and financial investments at amortised cost included the following: • with the assistance of KPMG's IT specialists, understanding and assessing the design, implementation and operating effectiveness of key internal controls over the credit approval, recording and monitoring, the credit risk staging, ECL model update and the measurement of ECL allowance for loans and advances to customers and financial investments at amortised cost. • with the assistance of KPMG's financial risk management specialists, assessing the appropriateness of the ECL model used by management for determining the loss allowances and the key parameters and assumptions in the model, which included credit risk staging, probability of default, loss given default, exposure at default, adjustments for forward-looking information, other management adjustments and assessing the appropriateness of related key management judgment. • assessing key parameters involving judgment by seeking evidence from external sources and comparing to The Group's 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 compared with prior period and considered the consistency of judgment. • comparing the macroeconomic forward-looking information in the models with market information to assess whether they were aligned with market and economic development.

INDEPENDENT AUDITOR'S REPORT

Key Audit Matters *(continued)*

The key audit matter	How the matter was addressed in our audit
Measurement of expected credit loss allowance for loans and advances to customers and financial investments at amortised cost <i>(continued)</i> Management also exercises judgment in determining the quantum of loss given default based on a range of factors. These factors include the financial situation of the borrower, the guarantee type, the seniority of the claim, the recoverable amount of any collaterals, and repayment sources of the borrower. Management refers to valuation reports issued by qualified third party valuers and considers the impact of various factors including the market price, location, status and use when assessing the value of collaterals. The enforceability, timing and means of realisation of the collateral can also have an impact on the recoverable amount of collateral.	• assessing the completeness and accuracy of data used for the key parameters in the ECL model. For key internal data, we compared the total balance of the loan and financial investment list used by management to assess the ECL allowances with the general ledger to check the completeness of the data. We also selected samples to compare information of individual loan and advance to customers and financial investment with the underlying agreements and other documentation to check the accuracy of the data. In addition, we checked the accuracy of key external data used by management by comparing them with public sources. • 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. In addition, we involved KPMG's IT specialists to assess the logics and compilation of the loans and advances' overdue information on a sample basis. • evaluating the reasonableness of management's assessment on whether the credit risk of loans and advances to customers and financial investments has, or has not, increased significantly since initial recognition and whether the mentioned financial instruments are credit-impaired. We assessed the staging of corporate loans and advances and financial investments at amortised cost by industry sectors and used a risk-based approach to select samples in industries which are more vulnerable to the current economic situation and samples which met specific risk criteria. We checked overdue information, made enquiries of the client managers about the borrowers' business operations, inspected borrowers' financial information and researched about borrowers' businesses to check the credit risk of the borrower and the reasonableness of the risk stage.

INDEPENDENT AUDITOR'S REPORT

Key Audit Matters *(continued)*

The key audit matter	How the matter was addressed in our audit
Measurement of expected credit loss allowance for loans and advances to customers and financial investments at amortised cost <i>(continued)</i> We identified the measurement of ECL allowance of loans and advances to customers and financial investments at amortised cost as a key audit matter because of the inherent uncertainty and management judgment involved, and its significance to the financial results and capital of The Group.	- evaluating the reasonableness of loss given default for credit-impaired corporate loans and advances and financial investments at amortised cost on a sample basis, through inquiries, exercise of professional judgment and independent queries, including inspecting the financial situation of the borrower, the guarantee type, the seniority of the claim, the recoverable amount of collateral, and repayment sources of the borrower; considering the timing and means of realisation of collaterals; assessing management's valuation of collaterals based on the nature, condition, use and market price; and evaluating the consistency of the application of key assumptions by management and comparing it with our data sources. - assessing the accuracy of the Group's calculation on the ECL allowance for loans and advances to customers and financial investments at amortised cost on a sample basis. - assessing the reasonableness of the disclosures in the financial statements in relation to the ECL allowance for loans and advances to customers and financial investments at amortised cost against applicable accounting standards.
Consolidation of structured entities Refer to Note 2.4(1), Note 3.5 and Note 7 to the consolidated financial statements. 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 a structured entity through initiating, managing or holding investments. These structured entities mainly include wealth management products, assets-backed securities, funds, trust investment plans and assets management plans.	Our audit procedures to assess the consolidation of structured entities included the following: - making enquiries of management and inspecting relevant documents used by management relating to the judgment process over whether a structured entity is consolidated or not to assess whether the Group has an appropriate process in this regard. - performing the following audit procedures on the structured entities on a sample basis:

INDEPENDENT AUDITOR'S REPORT

Key Audit Matters *(continued)*

The key audit matter	How the matter was addressed in our audit
Consolidation of structured entities <i>(continued)</i> In determining whether the Group should consolidate a structured entity, management is required to consider the power it possesses, its exposure to variable returns, and its ability to use its power to affect returns. These factors are not purely quantitative and need to be considered collectively in the overall substance of the transactions. We identified consolidation of structured entities as a key audit matter because of the complex nature of certain of these structured entities and because of the judgment exercised by management in the qualitative assessment of the terms and for the nature of each entity.	– inspecting the related contracts, internal establishment documents and information disclosed to the investors to understand the purpose of establishment of the structured entity and the involvement that the Group has with the structured entities and to assess management's judgment over whether the Group has the ability to exercise power over the structured entities. – 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 judgment as to the exposure, or rights, to variable returns from the Group's involvement in such entity. – inspecting management's analysis of the structured entity, including qualitative analysis and calculation of the magnitude and variability associated with the Group's economic interests in the structured entity, to assess management's judgment over the Group's ability to affect its own returns from the structured entity. – assessing management's judgment over whether the structured entities should be consolidated or not. • assessing the reasonableness of the disclosures in the financial statements related to consolidation of structured entities against prevailing accounting standards.

INDEPENDENT AUDITOR'S REPORT

Key Audit Matters *(continued)*

The key audit matter	How the matter was addressed in our audit
Measurement of financial instruments' fair value	
Refer to Note 2.10, Note 3.3 and Note 4.18 to the consolidated financial statements.	Our audit procedures to assess the measurement of financial instruments' fair value included the following:
Financial instruments carried at fair value account for a significant part of the Group's assets/liabilities. The fair value adjustments of financial instruments may impact either the profit or loss and other comprehensive income.	assessing the design, implementation and operating effectiveness of key internal controls of financial reporting over the model building, model validation, independent valuation and front office and back office reconciliations for financial instruments.
The valuation of the Group's financial instruments, held at fair value, is based on a combination of market data and valuation models which often require a considerable number of inputs. Many of these inputs are obtained from readily available data, in particular for level 1 and level 2 financial instruments in the fair value hierarchy, the valuation models for which use quoted market prices and observable inputs, respectively. Where one or more significant unobservable inputs, such as credit risk, liquidity and discount rate, are involved in the valuation models, as in the case of fair value measurements that are classified as level 3 in the fair value hierarchy, extensive management judgments are involved.	- assessing the level 1 fair value of financial instruments, on a sample basis, by comparing the fair value applied by the Group with publicly available market data. - with the assistance of our financial risk management specialists, assessing the fair value of level 2 and level 3 financial instruments, on a sample basis, by evaluating the appropriateness of the Group's valuation models, evaluating the reasonableness of the inputs and the appropriateness of the application used by the Group; or obtaining inputs independently, and comparing our valuation results with that of the Group.
We identified the measurement of financial instruments' fair value as a key audit matter because of assets and liabilities measured at fair value are material to the Group and the degree of complexity involved in the valuation techniques and the degree of judgment exercised by management in determining the inputs used in the valuation models.	assessing the reasonableness of the disclosures in the financial statements in relation to fair value of financial instruments against applicable accounting standards.

INDEPENDENT AUDITOR'S REPORT

Other Information

The directors of the Bank 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 as part of our engagement to audit the consolidated financial statements. We have performed an assurance engagement on the disclosed continuing connected transactions that form part of the other information and provided a separate assurance practitioner's conclusion thereon that is included within the other information.

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 that 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 of the Bank 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

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 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 judgment and maintain professional scepticism 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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements *(continued)*

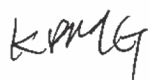
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, 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 Leung Tat Ming.



Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

30 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

		Year ended 31 December	
	Note 4	2025	2024
Interest income		222,855	251,086
Interest expense		(122,729)	(152,396)
Net interest income	1	100,126	98,690
Fee and commission income		22,138	22,094
Fee and commission expense		(3,817)	(3,849)
Net fee and commission income	2	18,321	18,245
Net trading gain	3	3,832	3,554
Net gain from investment securities	4	15,647	10,019
Including: disposals of financial assets measured at amortised cost		6,553	1,867
Net other operating income	5	1,751	2,615
Operating expenses	6	(52,707)	(53,098)
Credit impairment losses	7	(53,950)	(45,474)
Other impairment losses	8	(761)	(466)
Profit before income tax		32,259	34,085
Income tax expense	10	(1,677)	(1,363)
Net profit		30,582	32,722
Net profit attributable to:			
Equity holders of the Bank		30,563	32,296
Non-controlling interests		19	426
Earnings per share (expressed in RMB Yuan)			
Basic and diluted earnings per share	11	0.63	0.64

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

		Year ended 31 December	
	Note 4	2025	2024
Net profit		30,582	32,722
Other comprehensive income of the year, net of tax	41	(2,127)	5,251
Items that will not be reclassified subsequently to profit or loss:			
Changes in fair value of equity instruments designated as measured at fair value through other comprehensive income		472	128
Items that may be reclassified subsequently to profit or loss:			
Financial assets at fair value through other comprehensive income			
Changes in fair value		(2,247)	4,646
Allowance for impairment losses		5	383
Effective hedging portion of gains or losses arising from cash flow hedging instruments		(7)	5
Exchange difference on translating foreign operations		(350)	89
Total comprehensive income of the year		28,455	37,973
Total comprehensive income attributable to:			
Equity holders of the Bank		28,548	37,461
Non-controlling interests		(93)	512

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

	Note 4	31 December 2025	31 December 2024
ASSETS			
Cash and balances with central bank	12	254,754	285,449
Balances with banks and other financial institutions	13	126,084	117,731
Precious metals		69,311	31,136
Placements with banks and other financial institutions	14	231,195	186,456
Derivative financial assets	15	17,362	30,283
Financial assets held under resale agreements	16	51,473	76,958
Loans and advances to customers	17	4,374,231	4,396,036
Financial investments:	18	2,424,329	2,398,702
– Financial assets at fair value through profit or loss		371,581	377,457
– Financial assets measured at amortised cost		1,340,151	1,480,798
– Financial assets at fair value through other comprehensive income		712,597	540,447
Long-term receivables	19	98,066	112,382
Property and equipment	20	54,865	59,347
Right-of-use assets	21(1)	11,393	12,650
Deferred income tax assets	22	58,673	58,149
Other assets	24	60,831	49,690
Total assets		7,832,567	7,814,969

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

	Note 4	31 December 2025	31 December 2024
LIABILITIES			
Borrowings from central bank		228,560	261,108
Deposits and placements from banks and other financial institutions	26	971,739	1,073,706
Financial liabilities at fair value through profit or loss	27	70,926	43,228
Borrowings from banks and other financial institutions	28	112,407	111,993
Derivative financial liabilities	15	24,527	34,073
Financial assets sold under repurchase agreements	29	260,794	248,124
Deposits from customers	30	4,347,799	4,332,681
Lease liabilities	21(2)	8,066	9,078
Provisions	31	1,727	1,730
Debt securities issued	32	1,012,008	941,025
Current income tax liabilities		4,977	4,548
Deferred income tax liabilities	22	238	243
Other liabilities	33	85,602	96,864
Total liabilities		7,129,370	7,158,401

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

	Note 4	31 December 2025	31 December 2024
EQUITY			
Share capital	34	43,782	43,782
Other equity instrument		125,000	95,000
Including: Preference shares	35	20,000	20,000
Perpetual bonds	36	105,000	75,000
Reserves			
Capital reserve	34	58,141	58,087
Surplus reserve	38	64,829	61,888
General reserve	38	101,642	99,279
Other reserves	41	5,245	7,192
Retained earnings	38	290,998	277,631
Total equity attributable to equity holders of the Bank		689,637	642,859
Non-controlling interests	39	13,560	13,709
Total equity		703,197	656,568
Total liabilities and equity		7,832,567	7,814,969

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

Approved and authorised for issue by the Board of Directors on 30 March 2026.



Gao Yingxin

Chairman



Wang Xiaoyong

President



Wen Qiuju

Director

(Company Seal)



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

Note 4	Attributable to equity shareholders of the Bank											
	Reserves											Total equity
	Share capital	Other equity instrument	Capital reserve	Surplus reserve	General reserve	Investment revaluation reserve	Exchange reserve	Cash flow		Non-controlling interests		
								hedging reserve	Retained earnings			
	34	35&36	34	38	38	41	41	41	38	Total	39	
At 31 December 2024	43,782	95,000	58,087	61,888	99,279	6,602	602	(12)	277,631	642,859	13,709	656,568
(I) Net profit	-	-	-	-	-	-	-	-	30,563	30,563	19	30,582
(II) Other comprehensive income, net of tax	-	-	-	-	-	(1,758)	(250)	(7)	-	(2,015)	(112)	(2,127)
Total comprehensive income	-	-	-	-	-	(1,758)	(250)	(7)	30,563	28,548	(93)	28,455
(III) Capital injection and deduction by equity holders												
1. Capital injection by other equity instrument holders	-	30,000	(1)	-	-	-	-	-	-	29,999	-	29,999
(IV) Profit distribution												
1. Appropriation to surplus reserve	-	-	-	2,941	-	-	-	-	(2,941)	-	-	-
2. Appropriation to general reserve	-	-	-	-	2,357	-	-	-	(2,357)	-	-	-
3. Cash dividends	-	-	-	-	-	-	-	-	(8,668)	(8,668)	(24)	(8,692)
4. Preference shares dividends	-	-	-	-	-	-	-	-	(634)	(634)	-	(634)
5. Perpetual bond interest	-	-	-	-	-	-	-	-	(2,478)	(2,478)	-	(2,478)
(V) Transfers within the owners’ equity												
1. Other comprehensive income transferred to retained earnings	-	-	-	-	-	68	-	-	(68)	-	-	-
(VI) Others												
1. Subsidiaries shares repurchased	-	-	-	-	-	-	-	-	-	-	-	-
2. Equity transaction with minority shareholders	-	-	48	-	6	-	-	-	(43)	11	(32)	(21)
3. Equity reclassification of equity transactions with minority shareholders	-	-	7	-	-	-	-	-	(7)	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-	-
At 31 December 2025	43,782	125,000	58,141	64,829	101,642	4,912	352	(19)	290,998	689,637	13,560	703,197

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

(Expressed in millions of Renminbi, unless otherwise stated)

	Attributable to equity shareholders of the Bank											Total equity
	Share capital	Other equity instrument	Capital reserve	Surplus reserve	General reserve	Investment revaluation reserve	Exchange reserve	Cash flow hedging reserve	Retained earnings	Total	Non-controlling interests	
Note 4	34	35&36	34	38	38	41	41	41	38		39	
At 31 December 2023	43,782	95,000	58,111	58,805	95,237	1,507	532	(17)	271,645	624,602	13,199	637,801
(I) Net profit	-	-	-	-	-	-	-	-	32,296	32,296	426	32,722
(II) Other comprehensive income, net of tax	-	-	-	-	-	5,090	70	5	-	5,165	86	5,251
Total comprehensive income	-	-	-	-	-	5,090	70	5	32,296	37,461	512	37,973
(III) Profit distribution												
1. Appropriation to surplus reserve	-	-	-	3,083	-	-	-	-	(3,083)	-	-	-
2. Appropriation to general reserve	-	-	-	-	4,042	-	-	-	(4,042)	-	-	-
3. Cash dividends	-	-	-	-	-	-	-	-	(16,032)	(16,032)	(14)	(16,046)
4. Perpetual bond interest	-	-	-	-	-	-	-	-	(3,440)	(3,440)	-	(3,440)
(IV) Transfers within the owners' equity												
1. Other comprehensive income transferred to retained earnings	-	-	-	-	-	5	-	-	(5)	-	-	-
(V) Others												
1. Subsidiaries shares repurchased	-	-	-	-	-	-	-	-	(2)	(2)	(1)	(3)
2. Equity transaction with minority shareholders	-	-	(15)	-	-	-	-	-	-	(15)	-	(15)
3. Equity reclassification of equity transactions with minority shareholders	-	-	(5)	-	-	-	-	-	300	295	13	308
4. Others	-	-	(4)	-	-	-	-	-	(6)	(10)	-	(10)
At 31 December 2024	43,782	95,000	58,087	61,888	99,279	6,602	602	(12)	277,631	642,859	13,709	656,568

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

	Year ended 31 December	
	2025	2024
Cash flows from operating activities:		
Profit before income tax	32,259	34,085
<i>Adjustments for:</i>		
– Credit impairment losses	53,950	45,474
– Other impairment losses	761	466
– Depreciation and amortisation	8,615	8,710
– Gains on disposal of property and equipment of property and equipment	(437)	(366)
– Losses from changes in fair value	(3,356)	1,353
– Net gains on disposal of investment securities	(11,364)	(7,858)
– Interest expense on debt securities issued	19,003	19,452
– Interest expense on lease liabilities	251	317
– Interest income from financial investments	(54,039)	(56,891)
Subtotal	45,643	44,742
<i>Changes in operating assets:</i>		
Net decrease in balances with central bank, banks and other financial institutions	21,154	45,869
Net (increase)/decrease in placements with banks and other financial institutions	(67,597)	5,049
Net decrease/(increase) in financial assets held under resale agreements	25,520	(41,213)
Net increase in loans and advances to customers	(12,240)	(107,796)
Net increase in financial assets held for trading purposes	(26,870)	(21,597)
Net increase in other operating assets	(46,002)	(1,866)
Subtotal	(106,035)	(121,554)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

	Year ended 31 December	
	2025	2024
<i>Changes in operating liabilities:</i>		
Net decrease in borrowings from central bank	(31,842)	(64,396)
Increase/(decrease) in deposits from customers	28,143	(33,908)
Net decrease in deposits and placements from banks and other financial institutions	(114,898)	(166,508)
Net increase in financial assets sold under repurchase agreements	12,623	56,858
Income tax paid	(1,069)	(3,314)
Net increase in other operating liabilities	9,959	56,442
Subtotal	(97,084)	(154,826)
Net cash generated from operating activities	(157,476)	(231,638)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

	Year ended 31 December	
Note 4	2025	2024
Cash flows from investing activities:		
Proceeds from sale and redemption of investments and investment income	3,459,194	1,664,192
Proceeds from disposal of property and equipment, intangible assets and other long-term assets	10,281	6,210
Cash payment for investments	(3,392,239)	(1,703,501)
Cash paid for acquisition of non-controlling interests shares in subsidiaries	(23)	(15)
Cash payment for purchase of property and equipment, intangible assets and other long-term assets	(9,299)	(9,707)
Net cash generated from investing activities	67,914	(42,821)
Cash flows from financing activities:		
Capital injection by holders of other equity instruments	30,000	40,000
Proceeds from issue of debt securities	1,774,314	1,383,818
Payments for redemption of other equity instruments	–	(40,000)
Repayment of debt securities issued	(1,715,172)	(1,127,757)
Subsidiaries shares repurchased	–	(3)
Dividends paid and interest paid on debt securities issued	(16,998)	(27,252)
Interest paid on perpetual bonds	(2,478)	(3,440)
Cash payment in other financing activities	(3,243)	(3,506)
Net cash generated from financing activities	66,423	221,860
Effect of exchange rate changes on cash and cash equivalents	(965)	253
Net decrease in cash and cash equivalents	(24,104)	(52,346)
Cash and cash equivalents at 1 January	184,990	237,336
Cash and cash equivalents at 31 December	160,886	184,990

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

1 General information

China Minsheng Banking Corp., Ltd. (the “Bank”) is a national joint-stock commercial bank established in the People’s Republic of China (the “PRC”) on 7 February 1996 with the approval of the State Council of the PRC and the People’s Bank of China (“PBOC”).

The Bank obtained the financial service certificate No. B0009H111000001 as approved by the China Banking and Insurance Regulatory Commission (The former “CBIRC”) (In 2023, the regulator was renamed as the National Financial Regulation Administration, The “NFRA”); and the business license as approved by the Beijing Administration for Industry and Commerce; the unified social credit code is No. 91110000100018988F.

The Bank’s A Shares and H Shares are listed in the Shanghai Stock Exchange and the Stock Exchange of Hong Kong Limited, the stock codes are 600016 and 01988, respectively.

In these consolidated financial statements for the year ended 31 December 2025, Chinese mainland refers to the PRC excluding the Hong Kong Special Administrative Region of the PRC (“Hong Kong”), the Macau Special Administrative Region of the PRC (“Macau”) and Taiwan. Abroad of China refers to Hong Kong, Macau, Taiwan and other countries. Overseas refers to areas of other countries and regions, outside Chinese mainland, Hong Kong, Macau, and Taiwan.

The Bank and its subsidiaries (collectively the “Group”) mainly provide corporate and personal banking, treasury business, financial leasing, fund and asset management, investment banking and other financial services in the PRC.

As at 31 December 2025, the Bank had 43 tier-one branches and 33 subsidiaries (including 29 rural banks and 4 affiliated institutions).

2 Summary of material accounting policies

The accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

2.1 Basis of preparation

(1) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, as issued by the IASB. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance (Cap.622) for this financial year and the comparative period.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

2 Summary of material accounting policies *(continued)*

2.1 Basis of preparation *(continued)*

(2) 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 judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

2.2 Amendments effective in 2025 relevant to and adopted by the Group

The Group has adopted the following IFRS Accounting Standards amendments issued by the IASB that are first effective for the financial year ended 31 December 2025.

Standards/Amendments		Effective date	Notes
Amendments to IAS 21	Lack of Exchangeability	1 January 2025	(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 FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

2 Summary of material accounting policies (*continued*)

2.3 Standards and amendments relevant to the Group that are not yet effective in current year and have not been adopted before their effective dates by the Group

The Group has not adopted the following standards and amendments that have been issued by the IASB but are not yet effective.

Standards/Amendments		Effective for annual periods beginning on or after	Notes
Amendment to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	1 January 2026	(i)
Annual Improvements to IFRS Accounting Standards	Volume 11	1 January 2026	(ii)
Amendment to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026	(iii)
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027	(iv)
IFRS 19 and its amendments	Subsidiaries without Public Accountability Disclosures	1 January 2027	(v)
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency	1 January 2027	(vi)
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between and Investor and its Associate or Joint Venture	The effective date has been deferred indefinitely	(vii)

(i) Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments

On 30 May 2024, the IASB issued amendments to IFRS 9 and IFRS 7, which include requirements on clarifying the classification of financial assets with environmental, social or governance ("ESG") targets and similar features, the settlement of liabilities through electronic payment systems, and disclosures regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. 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 FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

2 Summary of material accounting policies *(continued)*

2.3 Standards and amendments relevant to the Group that are not yet effective in current year and have not been adopted before their effective dates by the Group *(continued)*

(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 contain narrow amendments to IFRS Accounting Standards and accompanying guidance as part of its regular maintenance of the Standards. The Group anticipates that the adoption of the amendments will not have a significant impact on the Group's consolidated financial statements.

(iii) Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature – dependent Electricity

On 18 December 2024, the IASB issued targeted amendments – Contracts referencing nature-dependent electricity (Amendments to IFRS 9 and IFRS 7), which 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. The Group anticipates that the adoption of the amendments will not have a significant impact on the Group's consolidated financial statements.

(iv) IFRS 18: Presentation and Disclosure in Financial Statements

On 9 April 2024, the IASB issued IFRS 18, which aims to improve the transparency and comparability of information about an entity's financial performance by introducing a more structured income statement, enhancing disclosures on management-defined performance measures, and enhancing requirements on aggregation and disaggregation of information. The Group is evaluating the impact of the standards.

(v) IFRS 19 and its amendments: Subsidiaries without Public Accountability: Disclosures

On 5 May 2024, the IASB issued IFRS 19, which allows eligible subsidiaries to apply IFRS Accounting Standards with reduced disclosures. On 21 August 2025, the IASB issued amendments to IFRS 19 to help eligible subsidiaries by reducing disclosure requirements for standards and amendments issued between February 2021 and May 2024. The Group anticipates that the adoption of the standards and amendments will not have a significant impact on the Group's consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

2 Summary of material accounting policies (*continued*)

2.3 Standards and amendments relevant to the Group that are not yet effective in current year and have not been adopted before their effective dates by the Group (*continued*)

(vi) Amendments to IAS 21: Translation to a Hyperinflationary Presentation Currency

On 13 November 2025, the IASB issued narrow-scope amendments to IAS21 to clarify the requirements for translating a company's financial statements from a non-hyperinflationary functional currency into a hyperinflationary presentation currency, when the company has a non-hyperinflationary functional currency, or a hyperinflationary functional currency and a foreign operation with a non-hyperinflationary functional currency. The Group anticipates that the adoption of the amendments will not have a significant impact on the Group's consolidated financial statements.

(vii) 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 recognized when a transaction involves a business. A partial gain or loss is recognized 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.

2.4 Consolidation

(1) 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

2 Summary of material accounting policies *(continued)*

2.4 Consolidation *(continued)*

(1) Basis of consolidation *(continued)*

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.

(2) 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 recognised 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 recognised at their fair values; except that deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 – Income Taxes and IAS 19 – Employee Benefits, respectively.

Goodwill is measured as the excess of the difference between (i) the consideration transferred, the fair value of any non-controlling interests in the acquiree, and the fair value of the Group's previously held equity interest in the acquiree (if any) and (ii) the net fair value of the identifiable assets acquired and the liabilities and contingent liabilities incurred or assumed.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

2 Summary of material accounting policies (*continued*)

2.4 Consolidation (*continued*)

(2) Business combinations (*continued*)

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 recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

(3) 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. Goodwill on acquisition of associates is included in investment in associates.

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 recognised directly in the consolidated statement of profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
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2 Summary of material accounting policies *(continued)*

2.4 Consolidation *(continued)*

(4) Investment in associate

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. 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.

The post-acquisition profit or loss of an associate is incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, investment in an associate is initially recognised at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of loss of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further loss. Additional loss is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

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; when that is the case, the entire carrying amount of the investment (including goodwill) 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 recognised forms part of the carrying amount of the investment. Any reversal of an impairment loss is recognised, to the extent that the recoverable amount of the investment subsequently increases.

When an entity in the Group transacts with the Group's associate, profits and losses resulting from the transaction are recognised in the Group's consolidated financial statements only to the extent of the interest in the associate 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 FINANCIAL STATEMENTS

For the year ended 31 December 2025
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2 Summary of material accounting policies (*continued*)

2.5 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.

For specific accounting policies related to the interest income of financial assets and the interest expense of financial liabilities, please refer to the Note 2.10(4) Subsequent measurement of financial instruments.

2.6 Fee and commission income

Fee and commission income is recognised when the Group fulfils 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 recognises revenue when control is passed to the customer at a certain point in time, including insurance agency fee, merchant acquiring service fee, settlement and clearing services and bond underwriting fee, etc. For the performance obligations satisfied over time, the Group recognises revenue according to the progress toward satisfaction of the obligation over the time, including consultancy and advisory fee and custodial fee, etc.

2.7 Foreign currency translations

The functional currency of the Domestic Operations is Chinese Renminbi ("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 FINANCIAL STATEMENTS

For the year ended 31 December 2025
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2 Summary of material accounting policies *(continued)*

2.7 Foreign currency translations *(continued)*

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in the consolidated statement of profit or loss in the period in which they arise, except for the following:

- (1) Exchange differences arising on a monetary item that forms part of the Bank's net investment in the Overseas Operations.
- (2) 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 amortised cost of the monetary assets and other changes in the carrying amount. Translation differences related to changes in the amortised cost are recognised in the consolidated statement of profit or loss, and other changes in the carrying amount are recognised 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 recognised directly in other comprehensive income, in which cases, the exchange differences are also recognised directly in other comprehensive income.

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's Overseas Operations are translated into the presentation currency of the Group at the rates of exchange prevailing at the end of the reporting period, and their income and expenses are translated at exchange rates at the date of the transactions, or a rate that approximates the exchange rates of the date of the transaction. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the foreign currency translation reserve and non-controlling interests, as appropriate. The accumulated foreign currency translation reserve related to the Overseas Operations will be reclassified from equity to the consolidated statement of profit or loss on disposal of all or part of the Overseas Operations.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
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2 Summary of material accounting policies (*continued*)

2.8 Income tax

Current income tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the end of each reporting period, and any adjustment to tax payable in respect of previous periods.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax also arises from unused tax losses and unused tax credits. A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

At the end of each reporting period, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled according to the requirements of tax laws. The Group also considers the possibility of realisation and the settlement of deferred tax assets and deferred tax liabilities in the calculation.

Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if the Group has the legally enforceable right to offset current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity. Otherwise, the balances of deferred tax assets and deferred tax liabilities, and movements therein, are presented separately from each other and are not offset.

Current income tax and movements in deferred tax balances are recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
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2 Summary of material accounting policies *(continued)*

2.9 Employee benefits

(1) Short-term employee benefits

In the reporting period in which an employee has rendered services, the Group recognises 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, including salaries, bonuses, allowance, staff welfare, medical insurance, employment injury insurance, maternity insurance, housing funds as well as labour union fee and staff and workers' education fee.

(2) Post-employment benefits-defined contribution plans

The Group's post-employment benefits are primarily the payments for basic pension fund and unemployment insurance related to government mandated social welfare programs, as well as the annuity scheme established. The contribution amounts to the basic pension plan and unemployment insurance program are calculated based on the benchmarks and ratios stipulated by the state. In accordance with relevant annuity policies of the state, the Bank and some subsidiaries have also established supplementary defined contribution retirement plans, or annuity plans, for their qualified employees.

Contributions to the post-employment benefits plans are recognised in the consolidated statement of profit or loss for the period in which the related payment obligation is incurred.

2.10 Financial instruments

(1) Initial recognition, classification and measurement of financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

For purchases or sales of financial assets in a regular way, the related assets and liabilities are recognised or sold assets are derecognised 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 plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
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2 Summary of material accounting policies (*continued*)

2.10 Financial instruments (*continued*)

(1) Initial recognition, classification and measurement of financial instruments (*continued*)

(a) 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:

Amortised cost ("AC");

Fair value through other comprehensive income ("FVOCI"); or

Fair value through profit or loss ("FVPL").

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 FVPL. 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.

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 only consideration for the time value of money, credit risk, other basic leading risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic leading arrangement, the related financial asset is classified and measured at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
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2 Summary of material accounting policies *(continued)*

2.10 Financial instruments *(continued)*

(1) Initial recognition, classification and measurement of financial instruments *(continued)*

(a) Financial assets *(continued)*

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 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, etc. Classification and measurement of debt instruments depend on the Group's business models for managing the financial asset and the cash flow characteristics of the financial asset.

Based on these factors, the Group classifies its debt instruments into one of the following three measurement categories:

- AC: Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and the contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding, and that are not designated at FVPL, are measured at amortised cost.
- FVOCI: Financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling the assets; and the contractual terms give rise on specified dates to cash flows that are SPPI, and that are not designated at FVPL, are measured at FVOCI.
- FVPL: Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL.

The Group may also irrevocably designate financial assets at FVPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases.

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For the year ended 31 December 2025
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2 Summary of material accounting policies *(continued)*

2.10 Financial instruments *(continued)*

(1) Initial recognition, classification and measurement of financial instruments *(continued)*

(a) Financial assets *(continued)*

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

The Group subsequently measures all equity investments at FVPL, except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI.

(b) Financial liabilities

The Group's financial liabilities are classified into financial liabilities at amortised cost and financial liabilities carried at FVPL on initial recognition. Financial liabilities at FVPL is applied to derivative financial liabilities, 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:

- It eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- 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.
- The financial liability contains one or more embedded derivatives which significantly modify the cash flows otherwise required.

Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition or when the continuing involvement approach applies, whereby a financial liability is recognised for the consideration received for the transfer. In subsequent periods, the Group recognises any expenses incurred on the financial liability; In applying the continued involvement approach of accounting for the measurement of the transferred liability, please refer to the Note 2.10(7) Derecognition of financial assets.

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For the year ended 31 December 2025
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2 Summary of material accounting policies *(continued)*

2.10 Financial instruments *(continued)*

(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 recognised 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.

(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. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Indications that a market is inactive are when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

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 in an orderly transaction, 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
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2 Summary of material accounting policies (*continued*)

2.10 Financial instruments (*continued*)

(4) Subsequent measurement of financial instruments

Subsequent measurement of financial instruments depends on the categories:

(a) Amortised cost

The amortised 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 amortisation 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 liability is included in “interest income” and “interest expenses” respectively using the effective interest rate method.

Effective interest method is used in the calculation of the amortised cost of a financial asset or a financial liability and in the allocation and recognition of the interest income or interest expense in profit or loss over the relevant period. Effective interest rate is that exactly discounts estimated future cash flows through the expected life of a financial asset or financial liability to the gross carrying amount of a financial asset or the amortised cost of a financial liability. When calculating effective interest rate, the Group estimates the expected cash flows by considering all contractual terms of the financial instrument but does not consider expected credit losses. The calculation includes all amounts paid or received by the Group that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

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:

- POCI financial assets, whose interest income is calculated, since initial recognition, by applying the credit-adjusted effective interest rate to their amortised cost. Credit-adjusted effective interest rate is that exactly discounts the estimated future cash flows through the expected life of the financial asset to the amortised cost of a financial asset that is a purchased or originated credit-impaired financial asset;
- 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 amortised cost (i.e. net of the expected credit loss provision). If, in a subsequent period, the financial assets improve their qualities so that they are no longer credit-impaired and the improvement in credit quality is related objectively to a certain event occurring after the application of the above-mentioned rules, then the interest income is calculated by applying the effective interest rate to their gross carrying amount.

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2 Summary of material accounting policies *(continued)*

2.10 Financial instruments *(continued)*

(4) Subsequent measurement of financial instruments *(continued)*

(b) Fair value through other comprehensive income

Debt instruments

Movements in the carrying amount are taken through other comprehensive income ("OCI"), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI 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.

Equity instruments

The equity instrument investments that are not held for trading are designated as FVOCI. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as investment income when the Group's right to receive payments is established.

(c) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are stated at fair value and a gain or loss on a financial assets that is measured at fair value should be recognised in profit or loss.

(d) Financial liabilities at fair value through profit or loss

Financial liabilities at FVPL are measured at fair value with all gains or losses recognised 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:

- changes in fair value of such financial liabilities due to changes in the Group's own credit risk are recognised in other comprehensive income; and
- other changes in fair value of such financial liabilities are recognised in profit or loss of the current period. If the accounting of changes in the credit risk of the financial liabilities in accordance with the above paragraph will create or enlarge accounting mismatches in profit or loss, the Group recognises all gains or losses on such financial liabilities (including amounts arising from changes in its own credit risk) in the profit or loss of the current period.

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For the year ended 31 December 2025
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2 Summary of material accounting policies *(continued)*

2.10 Financial instruments *(continued)*

(4) Subsequent measurement of financial instruments *(continued)*

(d) Financial liabilities at fair value through profit or loss *(continued)*

When the liabilities designated as at fair value through profit or loss is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to retained earnings.

(5) Impairment of financial instruments

The Group assesses on a forward-looking basis the ECL associated with its debt instrument assets carried at amortised 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 reflects:

- (a) An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- (b) The time value of money; and
- (c) 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
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2 Summary of material accounting policies *(continued)*

2.10 Financial instruments *(continued)*

(5) Impairment of financial instruments *(continued)*

For financial instruments whose impairment losses are measured using the ECL models, the Group assesses whether their credit risk has increased significantly since their initial recognition, and applies a three-stage impairment model to calculate their impairment allowance and recognise 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 10.2(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 10.2(1).

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 10.2(1).

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 recognised in other comprehensive income and the impairment loss is recognised 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 recognised in profit or loss. For POCI financial assets, at the reporting date, the Group only recognises the cumulative changes in lifetime expected credit losses since initial recognition.

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2 Summary of material accounting policies (*continued*)

2.10 Financial instruments (*continued*)

(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 derecognises the original financial asset and recognises 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 recognised 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 recognised in profit or loss as a gain or loss on derecognition.

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 recognises 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).

(7) Derecognition of financial assets

Financial asset is derecognised when one of the following conditions is met: (i) the Group's contractual rights to the cash flows from the financial asset expire; (ii) the financial asset has been transferred and the Group transfers substantially all of the risks and rewards of ownership of the financial asset; or (iii) 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, and retains control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset, whereby the related liabilities is recognised accordingly.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and, where applicable, the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the consolidated statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
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2 Summary of material accounting policies *(continued)*

2.10 Financial instruments *(continued)*

(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 recognised in profit or loss.

(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 (i) and (ii) below are met:

- (i) 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
- (ii) 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.

(10) Derivative financial instruments

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of the reporting period. The resulting gain or loss is recognised in the consolidated statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

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2 Summary of material accounting policies (*continued*)

2.10 Financial instruments (*continued*)

(11) Embedded derivative financial instruments

Certain derivatives are embedded in hybrid contracts, such as the conversion option in a convertible bond. 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:

- (a) Their economic characteristics and risks are not closely related to those of the host contract;
- (b) A separate instrument with the same terms would meet the definition of a derivative; and
- (c) The hybrid contract is not measured at fair value through profit or loss.

These embedded derivatives are separately accounted for at fair value, with changes in fair value recognised in the consolidated statement of profit or loss unless the Group chooses to designate the hybrid contracts at fair value through profit or loss.

(12) Hedge accounting

The Group uses cash flow hedge accounting and fair value hedge accounting. The Group documents, at inception, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items. The Group assesses the hedge effectiveness both at hedge inception and on an ongoing basis.

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2 Summary of material accounting policies *(continued)*

2.10 Financial instruments *(continued)*

(12) Hedge accounting *(continued)*

(a) Cash flow hedge

Cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction that could ultimately affect the profit or loss.

The effective portion of changes in the fair value of hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in equity in the "other comprehensive income". The ineffective portion is recognised immediately in the profit or loss. Amounts accumulated in equity are reclassified to the profit or loss in the same periods when the hedged item affects the profit or loss.

When a hedging instrument expires or is sold, or the hedge designation is revoked or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss on the hedging instrument existing in equity at that time remains in equity and is reclassified to the profit or loss when the forecast transaction ultimately occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss existing in other comprehensive income is immediately transferred to the profit or loss.

(b) Fair value hedge

Fair value hedge is a hedge of the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect profit or loss.

The changes in fair value of hedging instruments that are designated and qualify as fair value hedges are recorded in profit or loss, together with the changes in fair value of the hedged item attributable to the hedged risk. The net difference is recognised as ineffectiveness in the profit or loss.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity. If the hedged item is de-recognised, the unamortised carrying value adjustment is recognised immediately in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

2 Summary of material accounting policies *(continued)*

2.10 Financial instruments *(continued)*

(13) Offsetting financial assets and financial liabilities

When the Group has a legal right to set off the recognised 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. Besides, 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.

(14) Financial assets held under repurchase agreement, financial assets sold under resale agreements and securities lending

Financial assets transferred as collateral in connection with repurchase agreements, involving fixed repurchase dates and prices, are not derecognised. 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 derecognised are disclosed in Note 6.3 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 recognised in the consolidated statement of financial position (Note 6.3 Contingent Liabilities and Commitments – Collateral).

The difference between the purchase and sale price is recognised as interest expense or income over the term of the agreements using the effective interest method.

Securities lending transactions are generally secured, with collateral taking the form of securities or cash. Securities lent to counterparties by the Group are recorded in the consolidated financial statements. Securities borrowed from counterparties by the Group are not recognised in the consolidated financial statements of the Group. Cash collateral received or advanced is recognised as a liability or an asset in the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
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2 Summary of material accounting policies *(continued)*

2.11 Precious metals

Precious metals comprise gold, silver and other precious metals.

Precious metals that are related to the Group's trading activities are initially recognised at fair value, with changes in fair value arising from re-measurement recognised directly in the consolidated statement of profit or loss in the period in which they arise.

2.12 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 derecognised. Other subsequent expenditure is recognised in the consolidated statement of profit or loss in the period in which they are incurred.

Depreciation is recognised as a component of operating expenses in the consolidated statement of profit or loss so as to recognise 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, with the effect of any changes in estimate accounted for on a prospective basis.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
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2 Summary of material accounting policies (*continued*)

2.12 Property and equipment (*continued*)

The useful lives, estimated residual value rates and annual depreciation rates of each class of property and equipment are as follows:

	Estimated useful lives	Estimated net residual value	Annual depreciation rates
Buildings	5 – 30 years	5%	3.17% – 19.00%
Operating equipment	3 – 20 years	5%	4.75% – 31.67%
Scientific and technological equipment	3 – 10 years	5%	9.50% – 31.67%
Transportation facility	5 years	5%	19.00%
Other fixed assets	5 – 30 years	5%	3.17% – 19.00%

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 derecognised 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 recognised 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 2.19 Impairment of tangible and intangible assets other than goodwill.

2.13 Land use rights

Land use rights are classified in right-of-use assets and amortised over a straight-line basis over their authorized useful lives.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

2 Summary of material accounting policies (*continued*)

2.14 Foreclosed assets

Foreclosed financial assets are initially recognised at fair value, and foreclosed non-financial assets are initially measured at the fair value of the waived creditors' rights and other costs such as taxes directly attributable to the assets. At the end of each reporting period, foreclosed non-financial assets are measured at the lower of their carrying amount and fair value less costs to sell. When the fair value less costs to sell is lower than a foreclosed non-financial asset's carrying amount, an impairment loss is recognised in the consolidated statement of profit or loss.

When a foreclosed asset is disposed, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

When a foreclosed asset needs to be transferred for own use, it is transferred at its carrying amount including the impairment allowance at the transition day.

The Group disposes of foreclosed assets through various means. In principle, foreclosed assets should not be transferred for own use, but, in the event that they are needed for the Group's own business or management purposes, they are managed as newly acquired property and equipment.

2.15 Investment property

Investment property is property held to earn rental income or for capital appreciation, or both.

Investment property is initially measured at its acquisition cost. 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 recognised in the consolidated statement of profit or loss in the period in which they are incurred.

Investment properties are measured using the cost model. Depreciation and amortisation is recognised the same way as property and equipment and land use rights.

The accounting policies of impairment of investment property are included in Note 2.19 Impairment of tangible and intangible 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 recognised. A reversal of an impairment loss is recognised in the consolidated statement of profit or loss.

When an investment property is sold, transferred, retired or damaged, the Group recognises the amount of any proceeds on disposal, net of the carrying amount and related expenses, in the consolidated statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

2 Summary of material accounting policies (*continued*)

2.16 Leases

Lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration.

(1) Lessee

The Group recognised the right-of-use assets at the commencement date, and recognised 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 exercises a purchase option or an option to terminate the lease.

The right-of-use assets of the Group include buildings, land use rights, office equipment and others. 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 recognised on a straight-line basis as an expense in profit or loss instead of the right-of-use asset or lease liabilities. 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.

(2) Lessor

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. An operating lease is a lease other than a finance lease.

(a) Operating leases

The Group recognises lease payments from operating leases as income on a straight-line basis when the Group lease out owned buildings, machineries and equipment as well as motor vehicles.

(b) Finance leases

At the commencement date, the Group recognises finance lease receivables with the finance lease asset derecognised. The finance lease receivables are recorded as long-term receivables in the consolidated statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
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2 Summary of material accounting policies *(continued)*

2.17 Cash and cash equivalents

Cash and cash equivalents include cash at bank and on hand, unrestricted balances held with central banks and highly liquid financial assets with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value.

2.18 Intangible assets

Intangible assets acquired separately and with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment loss. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives which generally range from 5 to 20 years.

Intangible assets with indefinite useful lives are not amortised, 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 recognised in the consolidated statement of profit or loss.

2.19 Impairment of tangible and intangible 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 recognised 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 recognised. A reversal of an impairment loss is recognised in the consolidated statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
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2 Summary of material accounting policies (*continued*)

2.20 Dividend/Interest distribution

Dividend distribution to the Bank's ordinary equity holders is recognised 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.

As authorized by the ordinary equity holders in the annual general meeting, the Board of Directors has the sole discretion to declare and distribute dividends on preference shares or interests on perpetual bonds. Preference shares dividend or perpetual bonds interest distribution is recognised as a liability in the Group's and the Bank's financial statements in the period in which the dividends or interests are approved by the Board of Directors of the Bank.

2.21 Provisions

Provisions are recognised 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.

2.22 Fiduciary activities

The Group acts as a custodian, trustee and in other fiduciary capacities to safeguard assets for customers in accordance with custody agreements between the Group and securities investment funds, social security funds, insurance companies, trust companies, qualified foreign institutional investors, annuity schemes and other institutions and individuals. 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. Therefore, assets under custody are not recognised 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 instruction of its customers who are the lenders providing funds for the entrusted loans. The Group is responsible for the arrangement and collection of the entrusted loans and receives a commission for the services rendered. As the Group does not assume the economic risks and rewards of the entrusted loans and the funding for the corresponding entrusted funds, they are not recognised as assets and liabilities of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

2 Summary of material accounting policies (*continued*)

2.23 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 terms of a debt instrument.

Financial guarantees are initially recognised 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 amortisation 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.

For loan commitments and financial guarantee contracts, the loss allowance is recognised 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 recognised 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 recognised as a provision.

2.24 Contingent liabilities

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 recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised, but disclosed, unless the possibility of an outflow of resources embodying economic benefits is probable. The Group's contingent liabilities are disclosed in Note 6 Contingent liabilities and commitments.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

2 Summary of material accounting policies (*continued*)

2.25 Operating segments

The Group determines its operating segments on the basis of its internal organisational structure, management requirements and internal reporting practices.

An operating segment is a component of the Group that meets all the following requirements: (i) it engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses relating to transactions with other components of the Group; (ii) its operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and (iii) separate financial information is available. The operating segments that meet the specified criteria have been aggregated, and the operating segment that meets quantitative thresholds have been reported separately.

2.26 Preference shares and perpetual bonds

Preference shares issued by the Group contain no contractual obligation to deliver cash or another financial asset; or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Group. Preference shares issued are non-derivative instruments that will be settled in the Group's own equity instruments, but includes no contractual obligation for the Group to deliver a variable number of its own equity instruments. The Group classifies preference shares issued as an equity instrument. Fees, commissions and other transaction costs of preference shares issuance are deducted from equity.

Perpetual bonds issued by the Group contain no contractual obligation to deliver cash or another financial asset; or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Group. Perpetual bonds issued include no terms and arrangements that the bonds must or will alternatively be settled in the Group's own equity instruments. The Group classifies perpetual bonds issued as an equity instrument. Fees, commissions and other transaction costs of perpetual bonds issuance are deducted from equity.

2.27 Materiality

Financial Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

The Group assesses whether the financial information is material depending on the nature and magnitude, or both, considering entity-specific situation. When considering the nature of the information, the Group considers whether the nature of such information is related to normal operating activity, whether it has significant impact on the Group's financial position, operating results, and cash flows. When considering the magnitude of the information, the Group considers the proportion of such information of total assets, total liabilities, total equity, total operating income, total operating expenses, profit after tax, total other comprehensive income, and respective financial statement line items.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
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3 Critical accounting estimates and judgments

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgments, estimates and assumptions that affect the carrying amounts of assets and liabilities. The estimates and related assumptions are based on historical experience and other relevant factors including reasonable expectations for future events.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as appropriate.

The following are the critical judgments 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.

3.1 Classification of financial assets

The critical judgments the Group has made in determining the classification of financial assets include analysis of business models and characteristics of contractual cash flows.

The Group determines the business model for managing financial assets at the level of financial asset portfolio. The factors considered include how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

When assessing whether the contractual cash flow of financial assets is consistent with the basic lending arrangement, the Group has the following main judgments: Whether the principal may be subject to change in the duration or amount of money due to prepayments during the duration; whether interests only included time value of money, credit risk, other basic borrowing risks, and considerations for costs and profits. For example, whether the amount paid in advance reflect only the outstanding principal and interest on the outstanding principal, as well as reasonable compensation for early termination of the contract.

3.2 Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised 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 behaviour (the possibility of default of customers and expected losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in Note 10.2 Credit risk.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
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3 Critical accounting estimates and judgments (*continued*)

3.3 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.

3.4 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 judgment 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, based on management's assessment, such differences will affect the current income tax and deferred income tax during the period in which such a determination is made.

3.5 Consolidation of structured entities

Where the Group acts as asset manager of or investor in structured entities, the Group makes significant judgment 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 FINANCIAL STATEMENTS

For the year ended 31 December 2025
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3 Critical accounting estimates and judgments *(continued)*

3.6 Derecognition of financial assets

In its normal course of business, the Group transfers its financial assets through various types of transactions including regular way sales and transfers, securitization, financial assets sold under repurchase agreements, securities lending, etc. The Group applies significant judgment in assessing whether it has transferred these financial assets which qualify for a full or partial derecognition.

Where the Group enters into structured transactions by which it transfers financial assets to structured entities, the Group analyses whether the substance of the relationship between the Group and these structured entities indicates that it controls these structured entities to determine whether the Group needs to consolidate these structured entities. This will determine whether the following derecognition analysis should be conducted at the consolidated level or at the entity level from which the financial assets are transferred.

The Group analyses the contractual rights and obligations in connection with such transfers to determine whether the derecognition criteria are met based on the following considerations:

- whether it has transferred the rights to receive contractual cash flows from the financial assets or the transfer qualifies for the “pass through” of those cash flows to independent third parties.
- the extent to which the associated risks and rewards of ownership of the financial assets are transferred. Significant judgment is applied in the Group’s estimation with regard to the cash flows before and after the transfers and other factors that affect the outcomes of Group’s assessment on the extent that risks and rewards are transferred.
- where the Group has neither retained nor transferred substantially all of the risks and rewards associated with their ownership, the Group analyses whether it has relinquished its controls over these financial assets by assessing whether the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer, and if the Group has continuing involvement in these transferred financial assets. Where the Group has not retained control, it derecognises these financial assets and recognises separately as assets or liabilities any rights and obligations created or retained in the transfer. Otherwise the Group continues to recognise these financial assets to the extent of its continuing involvement in the financial asset.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements

4.1 Net interest income

	Year ended 31 December	
	2025	2024
Interest income arising from:		
Loans and advances to customers	152,010	174,559
Including: Corporate loans and advances	80,969	91,736
Personal loans and advances	69,557	79,212
Discounted bills	1,484	3,611
Financial investments	54,039	56,891
Including: Financial assets measured at amortised cost	39,650	44,647
Financial assets at fair value through other comprehensive income	14,389	12,244
Long-term receivables	5,820	6,947
Placements with banks and other financial institutions	4,888	6,032
Balances with central bank	3,785	4,253
Financial assets held under resale agreements	723	1,099
Balances with banks and other financial institutions	1,590	1,305
Subtotal	222,855	251,086
Interest expense arising from:		
Deposits from customers	(73,519)	(88,873)
Deposits from banks and other financial institutions	(14,740)	(24,796)
Debt securities issued	(19,003)	(19,452)
Borrowings from central bank	(4,806)	(7,333)
Borrowings from banks and other financial institutions and others	(3,684)	(4,643)
Financial assets sold under repurchase agreements	(4,609)	(3,425)
Borrowed funds and others	(2,368)	(3,874)
Subtotal	(122,729)	(152,396)
Net interest income	100,126	98,690
Of which:		
Interest income from impaired loans and advances to customers	1,926	1,169

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements *(continued)*

4.2 Net fee and commission income

	Year ended 31 December	
	2025	2024
Fee and commission income from		
Bank card services	9,546	10,337
Agency services	3,428	3,653
Custodian and other fiduciary services	4,292	4,209
Settlement services	2,784	1,980
Credit commitments	1,088	1,027
Others	1,000	888
Subtotal	22,138	22,094
Fee and commission expense	(3,817)	(3,849)
Net fee and commission income	18,321	18,245

4.3 Net trading gain

	Year ended 31 December	
	2025	2024
Net gains from interest rate products	1,233	3,779
Net gain/(losses) from foreign-exchange and foreign exchange products	778	(530)
Others	1,821	305
Total	3,832	3,554

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
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4 Notes to the consolidated financial statements (*continued*)

4.4 Net gain from investment securities

	Year ended 31 December	
	2025	2024
Financial assets at fair value through profit or loss	7,749	4,224
Financial assets at fair value through other comprehensive income	2,443	2,995
Financial assets measured at amortised cost	6,553	1,867
Others	(1,098)	933
Total	15,647	10,019

4.5 Net other operating income

	Year ended 31 December	
	2025	2024
Operating leases income	3,213	4,080
Government subsidies	437	458
Others	(1,899)	(1,923)
Total	1,751	2,615

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements *(continued)*

4.6 Operating expenses

	Year ended 31 December	
	2025	2024
Staff costs, including directors' emoluments		
– Salaries, bonuses, allowances and subsidies payables	28,218	28,250
– Post-employment benefits-defined contribution plan	3,072	3,065
Depreciation and amortisation	6,983	6,844
Short-term lease expenses, low-value lease expenses and property management expenses	1,044	976
Tax and surcharges		
– Urban Maintenance Construction Tax	758	793
– Educational fee surcharge	334	352
– Other	609	635
Office expenses, business expenses and others	11,689	12,183
Total	52,707	53,098

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements *(continued)*

4.7 Credit impairment losses

	Year ended 31 December	
	2025	2024
Loans and advances to customers	47,901	39,006
Financial assets measured at amortised cost	3,936	4,465
Financial assets at fair value through other comprehensive income	525	374
Long-term receivables	1,142	1,098
Others	446	531
Total	53,950	45,474

4.8 Other impairment losses

	Year ended 31 December	
	2025	2024
Foreclosed assets	730	391
Others	31	75
Total	761	466

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements (*continued*)

4.9 Directors and supervisors' emoluments

- (1) The aggregate of the emoluments before individual income tax in respect of the directors and supervisors who held office during the year is as follows:

For the year ended 31 December 2025 (in thousands of RMB)

	Year ended 31 December 2025			
	Basic salaries, allowances and other benefits	Contributions to pension schemes	Discretionary bonus	Total
Gao Yingxin ⁽ⁱ⁾	3,183	109	—	3,292
Liu Yonghao	695	—	—	695
Wang Xiaoyong ^{(i)(ii)(v)}	3,102	109	—	3,211
Shi Yuzhu	695	—	—	695
Song Chunfeng ⁽ⁱⁱⁱ⁾	—	—	—	—
Liang Xinjie ^{(iii)(v)}	—	—	—	—
Lin Li	261	—	—	261
Zheng Haiyang ⁽ⁱⁱⁱ⁾	—	—	—	—
Qu Xinjiu	820	—	—	820
Wen Qiuju	895	—	—	895
Song Huanzheng	900	—	—	900
Yang Zhiwei	890	—	—	890
Cheng Fengchao ^(v)	900	—	—	900
Liu Hanxing ^(v)	900	—	—	900
Zhang Juntong ^(v)	2,880	109	—	2,989
Zhang Hongwei ^{(i)(ii)(iii)(iv)(v)}	—	—	—	—
Zhao Peng ^{(iii)(iv)}	—	—	—	—

- (i) The Bank defers part of the performance remuneration of the Executive Directors, which is not included in the above disclosure. Refer to Note 9 for deferred payment matters.
- (ii) The emoluments before tax of the Executive Directors who serve on a full-time basis are pending approval by the Board of Directors. The Bank will make further disclosure upon approval. The amount of the emoluments not accrued is not expected to have significant impacts on the Group's 2025 financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
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4 Notes to the consolidated financial statements *(continued)*

4.9 Directors and supervisors' emoluments *(continued)*

(1) The aggregate of the emoluments before individual income tax in respect of the directors and supervisors who held office during the year is as follows: *(continued)*

(iii) During the Reporting Period, Mr. Song Chunfeng, Mr. Liang Xinjie, Mr. Zheng Haiyang, Mr. Zhang Hongwei, Mr. Zhao Peng has not received remuneration as a Director.

(iv) Since September 2024, Mr. Zhao Peng has ceased to receive remuneration as a Director, and Mr. Zhang Hongwei has not received remuneration as a Director.

(v) On 12 March 2024, Mr. Zheng Wanchun resigned from the positions of Vice Chairman, Executive Director, President of the Bank, as well as a member of the Strategic Development and Consumer Rights Protection Committee and the Risk Management Committee of the Board due to retirement upon reaching the prescribed age.

On 12 March 2024, Mr. Yuan Guijun resigned from the positions of Executive Director, Executive Vice President of the Bank, as well as a member of the Risk Management Committee and the Related Party Transactions Supervision Committee of the Board due to retirement upon reaching the prescribed age.

On 12 March 2024, Mr. Zhang Juntong resigned from the positions of Chairman of the Board of Supervisors, Employee Supervisor of the Bank, as well as a member of the special committees of the Board of Supervisors due to work adjustment.

On 12 March 2024, Mr. Wang Yugui resigned from the positions of External Supervisor of the Bank and a member of the special committees of the Board of Supervisors due to the expiration of his term of office for a cumulative period of six years.

On 27 May 2024, Mr. Gong Zhijian ceased to serve as an Employee Supervisor and a member of the special committees of the Board of Supervisors due to his appointment as Business Director of the Bank.

On 7 June 2024, Mr. Long Ping was elected as an Employee Supervisor of the Eighth Board of Supervisors of the Bank. On 12 June 2024, Mr. Long Ping was elected as a member of the Supervisory Committee of the Board of Supervisors.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
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4 Notes to the consolidated financial statements *(continued)*

4.9 Directors and supervisors' emoluments *(continued)*

- (1) The aggregate of the emoluments before individual income tax in respect of the directors and supervisors who held office during the year is as follows: *(continued)*

(v) *(continued)*

On 26 June 2024, the Bank's 2023 Annual General Meeting elected the Ninth Board of Directors, which consists of 16 Directors, including seven Non-Executive Directors: Mr. Zhang Hongwei, Mr. Liu Yonghao, Mr. Shi Yuzhu, Mr. Song Chunfeng, Mr. Zhao Peng, Mr. Liang Xinjie, and Mr. Lin Li; six Independent Directors: Mr. Qu Xinjiu, Ms. Wen Qiuju, Mr. Song Huanzheng, Mr. Yang Zhiwei, Mr. Cheng Fengchao, and Mr. Liu Hanxing; and three Executive Directors: Mr. Gao Yingxin, Mr. Wang Xiaoyong, and Mr. Zhang Juntong. Mr. Lu Zhiqiang, Mr. Wu Di, and Mr. Yang Xiaoling ceased to serve as Directors of the Bank. In August 2024, the qualification of Mr. Wang Xiaoyong and Mr. Zhang Juntong as Directors was approved by the NFRA.

On 26 June 2024, Mr. Gao Yingxin was elected as Chairman of the Board, and Mr. Zhang Hongwei, Mr. Liu Yonghao, and Mr. Wang Xiaoyong were elected as Vice Chairmen of the Board. In August 2024, the qualification of Mr. Wang Xiaoyong as Vice Chairman was approved by the NFRA.

On 26 June 2024, Mr. Yang Yu was elected as Vice Chairman of the Supervisory Board and Convener of the Supervisory Board, and Mr. Weng Zhenjie was elected as Vice Chairman of the Supervisory Board.

On 11 October 2024, Mr. Yang Yu resigned from the positions of Vice Chairman of the Ninth Supervisory Board, Employee Supervisor of the Bank, and member of the Supervisory Committee and Nomination and Evaluation Committee of the Board of Supervisors due to retirement upon reaching the prescribed age.

On January 2025, the qualification of Mr. Liang Xinjie as a Director was approved by the NFRA.

On 15 March 2025, Mr. Zhang Hongwei resigned from the positions of Vice Chairman, Non-Executive Director of the Bank, as well as a member of the Strategic Development and Consumer Rights Protection Committee and the Nomination Committee of the Board due to personal health reasons.

On 26 June 2025, the Bank's 2024 Annual General Meeting elected Mr. Zheng Haiyang as Non-Executive Director of the Bank. On 7 November 2025, the qualification of Mr. Zheng Haiyang as a Director was approved by the NFRA.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements *(continued)*

4.9 Directors and supervisors' emoluments *(continued)*

- (1) The aggregate of the emoluments before individual income tax in respect of the directors and supervisors who held office during the year is as follows: *(continued)*

(v) *(continued)*

On 17 July 2025, the qualification of Mr. Lin Li as a Director was approved by the NFRA.

On 26 December 2025, Mr. Zhao Peng resigned from the positions of Non-Executive Director of the Bank, as well as a member of the Risk Management Committee of the Board and Committee of the Board due to personal health reasons.

For the year ended 31 December 2024 (in thousands of RMB)

	Year ended 31 December 2024			
	Basic salaries, allowances and other benefits	Contributions to pension schemes	Discretionary bonus	Total
Gao Yingxin ⁽ⁱ⁾	3,234	112	1,621	4,967
Liu Yonghao	995	—	—	995
Wang Xiaoyong ^{(i)(ii)(v)}	1,787	44	689	2,520
Shi Yuzhu	875	—	—	875
Song Chunfeng ⁽ⁱⁱⁱ⁾	—	—	—	—
Zhao Peng ^(iv)	590	—	—	590
Liang Xinjie ^(v)	—	—	—	—
Qu Xinjiu	885	—	—	885
Wen Qiuju	990	—	—	990
Song Huanzheng	985	—	—	985
Yang Zhiwei	975	—	—	975
Cheng Fengchao ^(v)	775	—	—	775
Liu Hanxing ^(v)	743	—	—	743
Zhang Juntong ^(v)	2,750	112	871	3,733
Weng Zhenjie ⁽ⁱ⁾⁽ⁱⁱ⁾	928	—	—	928
Wu Di	865	—	—	865
Lu Zhongnan	825	—	—	825
Li Yu	815	—	—	815
Long Ping ^(v)	1,499	63	543	2,105

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements *(continued)*

4.9 Directors and supervisors' emoluments *(continued)*

- (1) The aggregate of the emoluments before individual income tax in respect of the directors and supervisors who held office during the year is as follows: *(continued)*

	Year ended 31 December 2024			Total
	Basic salaries, allowances and other benefits	Contributions to pension schemes	Discretionary bonus	
Mao Bin	148	5	37	190
Gong Zhijian ^(iv)	2,057	112	962	3,131
Zhang Hongwei ^{(iii)(v)}	675	–	–	675
Lu Zhiqiang	475	–	–	475
Zheng Wanchun ^(v)	810	22	212	1,044
Yang Xiaoling	390	–	–	390
Xie Zhichun ^(v)	285	–	–	285
Peng Xuefeng ^(v)	165	–	–	165
Yuan Guijun ^(v)	691	22	165	878
Yang Yu	1,971	74	849	2,894
Wang Yugui ^(v)	185	–	–	185
Zhao Fugao	–	–	–	–
Zhang Liqing	400	–	–	400

- (i) The Bank defers part of the performance remuneration of the Executive Directors, the Chairman and the Vice-Chairman of the Supervisory Board, which is not included in the above disclosure. Refer to Note 9 for deferred payment matters.
- (ii) The emoluments before tax of the Executive Directors, the Chairman and the Vice-Chairman who serve on a full-time basis are pending approval by the Board of Directors. The Bank will make further disclosure upon approval. The amount of the emoluments not accrued is not expected to have significant impacts on the Group's 2024 financial statements.
- (iii) During the Reporting Period, Mr. Song Chunfeng has not received remuneration as a Director, and Mr. Zhao Fugao has not received remuneration as a Supervisor.
- (iv) Since September 2024, Mr. Zhao Peng has ceased to receive remuneration as a Director, and Mr. Zhang Hongwei has not received remuneration as a Director.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements (*continued*)

4.9 Directors and supervisors' emoluments (*continued*)

(1) The aggregate of the emoluments before individual income tax in respect of the directors and supervisors who held office during the year is as follows: (*continued*)

- (v) On 9 June 2023, Mr. Cheng Fengchao was elected as an Independent Non-Executive Director of the Bank, and his qualification was approved by the NFRA in February 2024. Mr. Peng Xuefeng ceased to serve as an Independent Non-Executive Director of the Bank due to the expiration of his term of office.

On 9 June 2023, Mr. Liu Hanxing was elected as an Independent Non-Executive Director of the Bank, and his qualification was approved by the NFRA in March 2024. Mr. Xie Zhichun ceased to serve as an Independent Non-Executive Director of the Bank due to the expiration of his term of office.

On 12 March 2024, Mr. Zheng Wanchun resigned from the positions of Vice Chairman, Executive Director, President of the Bank, as well as a member of the Strategic Development and Consumer Rights Protection Committee and the Risk Management Committee of the Board due to retirement upon reaching the prescribed age.

On 12 March 2024, Mr. Yuan Guijun resigned from the positions of Executive Director, Executive Vice President of the Bank, as well as a member of the Risk Management Committee and the Related Party Transactions Supervision Committee of the Board due to retirement upon reaching the prescribed age.

On 12 March 2024, Mr. Zhang Juntong resigned from the positions of Chairman of the Board of Supervisors, Employee Supervisor of the Bank, as well as a member of the special committees of the Board of Supervisors due to work adjustment.

On 12 March 2024, Mr. Wang Yugui resigned from the positions of External Supervisor of the Bank and a member of the special committees of the Board of Supervisors due to the expiration of his term of office for a cumulative period of six years.

On 27 May 2024, Mr. Gong Zhijian ceased to serve as an Employee Supervisor and a member of the special committees of the Board of Supervisors due to his appointment as Business Director of the Bank.

On 7 June 2024, Mr. Long Ping was elected as an Employee Supervisor of the Eighth Board of Supervisors of the Bank. On 12 June 2024, Mr. Long Ping was elected as a member of the Supervisory Committee of the Board of Supervisors.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements *(continued)*

4.9 Directors and supervisors' emoluments *(continued)*

- (1) The aggregate of the emoluments before individual income tax in respect of the directors and supervisors who held office during the year is as follows: *(continued)*

(v) *(continued)*

On 26 June 2024, the Bank's 2023 Annual General Meeting elected the Ninth Board of Directors, which consists of 16 Directors, including seven Non-Executive Directors: Mr. Zhang Hongwei, Mr. Liu Yonghao, Mr. Shi Yuzhu, Mr. Song Chunfeng, Mr. Zhao Peng, Mr. Liang Xinjie, and Mr. Lin Li; six Independent Directors: Mr. Qu Xinjiu, Ms. Wen Qiuju, Mr. Song Huanzheng, Mr. Yang Zhiwei, Mr. Cheng Fengchao, and Mr. Liu Hanxing; and three Executive Directors: Mr. Gao Yingxin, Mr. Wang Xiaoyong, and Mr. Zhang Juntong. Mr. Lu Zhiqiang, Mr. Wu Di, and Mr. Yang Xiaoling ceased to serve as Directors of the Bank. In August 2024, the qualification of Mr. Wang Xiaoyong and Mr. Zhang Juntong as Directors was approved by the NFRA.

On 26 June 2024, Mr. Gao Yingxin was elected as Chairman of the Board, and Mr. Zhang Hongwei, Mr. Liu Yonghao, and Mr. Wang Xiaoyong were elected as Vice Chairmen of the Board. In August 2024, the qualification of Mr. Wang Xiaoyong as Vice Chairman was approved by the NFRA.

On 26 June 2024, Mr. Yang Yu was elected as Vice Chairman of the Supervisory Board and Convener of the Supervisory Board, and Mr. Weng Zhenjie was elected as Vice Chairman of the Supervisory Board.

On 11 October 2024, Mr. Yang Yu resigned from the positions of Vice Chairman of the Ninth Supervisory Board, Employee Supervisor of the Bank, and member of the Supervisory Committee and Nomination and Evaluation Committee of the Board of Supervisors due to retirement upon reaching the prescribed age.

On January 2025, the qualification of Mr. Liang Xinjie as a Director was approved by the NFRA.

On 15 March 2025, Mr. Zhang Hongwei resigned from the positions of Vice Chairman, Non-Executive Director of the Bank, as well as a member of the Strategic Development and Consumer Rights Protection Committee and the Nomination Committee of the Board due to personal health reasons.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements (*continued*)

4.9 Directors and supervisors' emoluments (*continued*)

- (2) None of the five individuals with the highest emoluments for the year ended 31 December 2025 were directors or supervisors of the Bank (2024: None of the five individuals with the highest emoluments were directors or supervisors of the Bank). The aggregate of the emoluments in respect of the five individuals during the year was as follows (in thousands of RMB):

	Year ended 31 December	
	2025	2024
Basic salaries, allowances and benefits	25,270	18,138
Contributions to pension schemes	427	209
Discretionary bonus	8,370	12,568
Total	34,067	30,915

The number of the five highest paid individuals whose emoluments fell within the following bands is set out below:

	Year ended 31 December	
	2025	2024
From RMB5,000,001 to RMB7,000,000	3	4
From RMB7,000,001 to RMB9,000,000	2	1

The Group had not paid any emoluments to the directors or supervisors or any of the five highest-paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements *(continued)*

4.10 Income tax expense

	Year ended 31 December	
	2025	2024
Current income tax for the year	1,498	6,471
Deferred income tax (Note 4.22)	179	(5,108)
Total	1,677	1,363

Reconciliation between income tax expense and accounting profit of the Group is listed as follows:

	Year ended 31 December	
	2025	2024
Profit before income tax	32,259	34,085
Income tax at the tax rate of 25%	8,065	8,521
Effect of non-taxable income (a)	(8,981)	(9,460)
Effect of non-deductible expenses (b)	2,863	2,869
Effect of interest expense on perpetual debt	(620)	(860)
Settlement variance and others	350	293
Income tax expense	1,677	1,363

(a) The non-taxable income mainly represents interest income arising from PRC government bonds and municipal bonds, as well as dividends arising from fund investments, which are exempted from income tax.

(b) It mainly includes tax effects of losses written-off that are not deductible before tax, as well as business entertainment expenses and deposit insurance premiums in excess of their respective pre-tax deductible limits.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
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4 Notes to the consolidated financial statements *(continued)*

4.10 Income tax expense *(continued)*

OECD Pillar Two model rules

In December 2021, the OECD published Tax Challenges Arising from the Digitalisation of the Economy – Global Anti-Base Erosion Model Rules (the “Pillar Two”).

As of 31 December 2025, Pillar Two legislation has come into effect in certain jurisdictions where the Group operates. The Group has performed an assessment of the relevant jurisdictions and concluded that the potential top-up tax would not have a material impact on the Group.

At the same time, the Group has adopted the amendments to IAS 12-Income Taxes issued in May 2023, and has applied the temporary exception to the recognition and disclosure of deferred tax assets and liabilities related to Pillar Two income taxes.

4.11 Earnings per share

	Year ended 31 December	
	2025	2024
Profit for the year attributable to equity holders of the Bank	30,563	32,296
Less: profit for the year attributable to other equity instrument holders of the Bank	(3,112)	(4,316)
Net profit attributable to ordinary equity holders of the Bank	27,451	27,980
Weighted average number of ordinary shares in issue (in millions)	43,782	43,782
Basic/diluted earnings per share (in RMB Yuan)	0.63	0.64

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
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4 Notes to the consolidated financial statements *(continued)*

4.12 Cash and balances with central bank

	31 December 2025	31 December 2024
Cash	4,193	5,260
Balances with central bank		
Mandatory reserve deposits	222,567	241,643
Surplus reserve deposits	27,145	37,561
Fiscal deposits and others	739	864
Subtotal	250,451	280,068
Interest accrued	110	121
Total	254,754	285,449

The Group places mandatory reserve deposits in accordance with the relevant provisions of PBOC or local regulators. The mandatory reserve deposits are not available for use in the Group's daily business.

As at 31 December 2025 the mandatory reserve deposits rate applicable to domestic branches of the Bank for RMB deposits is 5.5% (31 December 2024: 6.0%) and the reserve rate for foreign currency deposits is 4.0% (31 December 2024: 4.0%). The amount of mandatory reserve deposits of the subsidiaries and overseas branches of the Group are determined by local jurisdiction.

Surplus reserve deposits maintained with the PBOC is for the purposes of clearing interbank transactions.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements *(continued)*

4.13 Balances with banks and other financial institutions

	31 December 2025	31 December 2024
Chinese mainland		
– Banks	92,227	82,973
– Other financial institutions	6,484	7,624
Subtotal	98,711	90,597
Overseas		
– Banks	25,782	25,766
– Other financial institutions	1,502	1,260
Subtotal	27,284	27,026
Interest accrued	97	110
Less: allowance for impairment losses	(8)	(2)
Total	126,084	117,731

For the years ended 31 December 2025 and 2024, there was no transfer of the movements in carrying amount of book value and the impairment loss allowances of balances with banks and other financial institutions between stages.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
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4 Notes to the consolidated financial statements (*continued*)

4.14 Placements with banks and other financial institutions

	31 December 2025	31 December 2024
Chinese mainland		
– Banks	8,289	5,534
– Other financial institutions	186,331	122,702
Subtotal	194,620	128,236
Overseas		
– Banks	34,142	55,732
– Other financial institutions	3,363	3,506
Subtotal	37,505	59,238
Interest accrued	649	467
Less: allowance for impairment losses	(1,579)	(1,485)
Total	231,195	186,456

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements (*continued*)

4.14 Placements with banks and other financial institutions (*continued*)

Movements in allowance for impairment losses of placements with banks and other financial institutions

	Year ended 31 December 2025			
	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 January 2025	(292)	–	(1,193)	(1,485)
Net charge	(91)	–	–	(91)
Others	(3)	–	–	(3)
Balance as at 31 December 2025	(386)	–	(1,193)	(1,579)

	Year ended 31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 January 2024	(537)	–	(976)	(1,513)
Net reversal/(charge)	250	–	(217)	33
Others	(5)	–	–	(5)
Balance as at 31 December 2024	(292)	–	(1,193)	(1,485)

4.15 Derivatives

A derivative is a financial instrument, the value of which changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other similar variables. The Group uses derivative financial instruments mainly including forwards, swaps and options.

The notional amount of a derivative represents the amount of an underlying asset upon which the value of the derivative is based. It indicates the volume of business transacted by the Group but does not reflect the risk.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements *(continued)*

4.15 Derivatives *(continued)*

- (1) The notional amount and fair value of unexpired derivative financial instruments held by the Group are set out in the following tables:

	31 December 2025		
	Notional amount	Fair value Assets	Liabilities
Foreign exchange derivatives	2,873,260	10,543	(10,032)
Interest rate derivatives	2,979,895	977	(857)
Precious metal derivatives	85,064	5,811	(13,635)
Others	2,470	31	(3)
Total		17,362	(24,527)

	31 December 2024		
	Notional amount	Fair value Assets	Liabilities
Foreign exchange derivatives	3,259,181	26,568	(25,530)
Interest rate derivatives	2,417,938	1,844	(687)
Precious metal derivatives	74,984	1,839	(7,856)
Others	1,941	32	–
Total		30,283	(34,073)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements (*continued*)

4.15 Derivatives (*continued*)

(2) Hedges

		31 December 2025		
		Notional amount	Fair value Assets	Liabilities
Cash flow hedges				
– Currency swap contracts	(a)	18,855	91	(73)
Fair value hedges				
– Interest rate swap contracts	(b)	21,259	38	(307)
Total			129	(380)

		31 December 2024		
		Notional amount	Fair value Assets	Liabilities
Cash flow hedges				
– Currency swap contracts	(a)	17,517	24	(235)
Fair value hedges				
– Interest rate swap contracts	(b)	29,573	379	(127)
Total			403	(362)

(a) The Group uses foreign exchange swaps to hedge against cash flow fluctuations arising from its exposures to foreign exchange risks. The hedged items include foreign bond investments of the Group, loans and advances denominated in foreign currencies, and foreign currency lending to other banks and financial institutions. For the years ended 31 December 2025 and 2024, the accumulative profits or losses recognised in other comprehensive income arising from fair value changes of cash flow hedging instruments were insignificant.

(b) The Group uses interest rate swaps to hedge against changes in fair value of fixed rate bonds. For the years ended 31 December 2025 and 2024, the fair value changes of hedging instruments and the net gains or losses arising from the hedged risk relating to the hedged items, which were the ineffective part of fair value hedging recognised in fair value changes, were insignificant.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
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4 Notes to the consolidated financial statements *(continued)*

4.16 Financial assets held under resale agreements

Financial assets held under resale agreements are listed as follows according to collateral:

	31 December 2025	31 December 2024
Bonds	49,341	76,538
Others	2,112	435
Subtotal	51,453	76,973
Interest accrued	24	32
Less: allowance for impairment losses	(4)	(47)
Total	51,473	76,958

For the years ended 31 December 2025 and 2024, there were no transfer of book value and the allowance for impairment losses of financial assets held under resale agreements between stages.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements (*continued*)

4.17 Loans and advances to customers

	31 December 2025	31 December 2024
Measured at amortised cost:		
Corporate loans and advances		
– Corporate loans	2,588,697	2,447,412
Personal loans and advances		
– Micro lending (1)	587,672	643,014
– Residential mortgage	573,393	559,218
– Credit cards	432,460	477,247
– Others	85,359	91,080
Gross balance	1,678,884	1,770,559
Less: allowance for impairment losses	(93,295)	(92,404)
Subtotal	4,174,286	4,125,567
Measured at fair value through other comprehensive income:		
Corporate loans and advances		
– Corporate loans	36,779	13,500
– Discounted bills	126,250	219,009
Subtotal	163,029	232,509
Interest accrued	36,916	37,960
Total	4,374,231	4,396,036

(1) Micro lending is a loan product offered to the micro enterprise owners and proprietors.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements (*continued*)

4.17 Loans and advances to customers (*continued*)

(1) Loans and advances to customers (excluding interest accrued) analysed by types of collateral

	31 December 2025		31 December 2024	
	Amount	(%)	Amount	(%)
Unsecured loans	1,443,341	32.58	1,351,269	30.36
Guaranteed loans	913,741	20.62	838,572	18.84
Loans secured by				
– Tangible assets other than monetary assets	1,713,165	38.67	1,759,337	39.53
– Monetary assets	360,363	8.13	501,302	11.27
Total	4,430,610	100.00	4,450,480	100.00

(2) Overdue loans (excluding interest accrued) analysed by overdue period

	31 December 2025				
	Less than 3 months	3 months to 1 year	1 to 3 years	More than 3 years	Total
Unsecured loans	15,711	9,665	7,220	2,339	34,935
Guaranteed loans	483	1,935	7,099	2,117	11,634
Loans secured by					
– Tangible assets other than monetary assets	11,249	11,516	14,136	2,366	39,267
– Monetary assets	20	5,956	3,205	786	9,967
Total	27,463	29,072	31,660	7,608	95,803
% of total loans and advances to customers	0.62	0.66	0.71	0.17	2.16

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
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4 Notes to the consolidated financial statements (*continued*)

4.17 Loans and advances to customers (*continued*)

(2) Overdue loans (excluding interest accrued) analysed by overdue period (*continued*)

	31 December 2024				Total
	Less than 3 months	3 months to 1 year	1 to 3 years	More than 3 years	
Unsecured loans	11,596	10,840	6,652	1,971	31,059
Guaranteed loans	3,230	4,922	5,109	1,043	14,304
Loans secured by					
– Tangible assets other than monetary assets	10,021	12,815	17,478	2,156	42,470
– Monetary assets	2,719	1,214	689	504	5,126
Total	27,566	29,791	29,928	5,674	92,959
% of total loans and advances to customers	0.62	0.67	0.67	0.13	2.09

Overdue loans represent loans of which the principal or interest are overdue for 1 day or more.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements (*continued*)

4.17 Loans and advances to customers (*continued*)

(3) Movements in allowance for impairment losses

(a) Movements in allowance for impairment losses of loans and advances to customers measured at amortised cost are as follows:

	Year ended 31 December 2025			
	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 January 2025	(26,369)	(23,025)	(43,010)	(92,404)
Transfer:				
to stage 1	(2,946)	2,646	300	–
to stage 2	629	(725)	96	–
to stage 3	287	4,537	(4,824)	–
Net reversal/(charge)	2,649	(10,359)	(40,292)	(48,002)
Write-offs and transfer out	–	–	52,477	52,477
Recoveries of amounts previously written off	–	–	(7,712)	(7,712)
Others	(7)	(3)	2,356	2,346
Balance as at 31 December 2025	(25,757)	(26,929)	(40,609)	(93,295)

	Year ended 31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 January 2024	(26,033)	(25,422)	(45,338)	(96,793)
Transfer:				
to stage 1	(2,620)	2,334	286	–
to stage 2	639	(829)	190	–
to stage 3	343	4,071	(4,414)	–
Net reversal/(charge)	1,308	(3,177)	(37,109)	(38,978)
Write-offs and transfer out	–	–	51,183	51,183
Recoveries of amounts previously written off	–	–	(8,844)	(8,844)
Others	(6)	(2)	1,036	1,028
Balance as at 31 December 2024	(26,369)	(23,025)	(43,010)	(92,404)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements *(continued)*

4.17 Loans and advances to customers *(continued)*

(3) Movements in allowance for impairment losses *(continued)*

(b) Movements in allowance for impairment losses of loans and advances to customers at fair value through other comprehensive income are as follows:

	Year ended 31 December 2025			
	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 January 2025	(274)	(1)	(450)	(725)
Net reversal/(charge)	65	(11)	47	101
Recoveries of amounts previously written off	–	–	(47)	(47)
Balance as at 31 December 2025	(209)	(12)	(450)	(671)

	Year ended 31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 January 2024	(199)	(2)	(450)	(651)
Net (charge)/reversal	(75)	1	46	(28)
Recoveries of amounts previously written off	–	–	(46)	(46)
Balance as at 31 December 2024	(274)	(1)	(450)	(725)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements *(continued)*

4.18 Financial investments

Contingent liabilities and commitments

		31 December 2025	31 December 2024
Financial assets at fair value through profit or loss	(1)	371,581	377,457
Financial assets measured at amortised cost	(2)	1,340,151	1,480,798
Financial assets at fair value through other comprehensive income	(3)	712,597	540,447
Total		2,424,329	2,398,702

(1) Financial assets at fair value through profit or loss

		31 December 2025	31 December 2024
Held for trading purpose			
Debt securities			
Government		9,225	14,782
Policy banks		86,913	51,789
Banks and non-bank financial institutions		16,862	49,428
Corporates		62,588	32,841
Subtotal		175,588	148,840
Equity investments		643	1,655
Investment funds	(a)	3,155	2,314
Subtotal		179,386	152,809

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements *(continued)*

4.18 Financial investments *(continued)*

(1) Financial assets at fair value through profit or loss *(continued)*

		31 December 2025	31 December 2024
Other financial assets at fair value through profit or loss			
Debt securities			
Banks and non-bank financial institutions		4,980	16,693
Policy banks		2,644	–
Corporates		5,456	10,678
Equity investments		22,278	15,581
Investment funds	(a)	131,492	159,584
Trust and asset management plans	(b)	19,730	18,254
Others		5,615	3,858
Subtotal		192,195	224,648
Total		371,581	377,457
Listed		190,913	175,678
– Of which: listed in Hong Kong		2,638	5,642
Unlisted		180,668	201,779
Total		371,581	377,457

Debt securities traded in China Domestic Interbank Bond Market are classified as listed bonds.

(a) As at 31 December 2025 and 31 December 2024, the underlying investment funds primarily include public bond funds and public money market funds.

(b) As at 31 December 2025 and 31 December 2024, the underlying assets of trust and asset management plans primarily include bonds and others (Note 10.2 (7)).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements *(continued)*4.18 Financial investments *(continued)*

(2) Financial assets measured at amortised cost

	31 December 2025	31 December 2024
Debt securities		
Government	997,564	1,155,464
Policy banks	85,178	73,798
Banking and non-banking financial institutions	100,253	65,452
Corporates	111,319	134,681
Subtotal	1,294,314	1,429,395
Trust and asset management plans (a)	28,806	32,210
Debt financing plans	8,522	8,525
Others	2,451	2,973
Interest accrued	17,599	19,143
Less: allowance for impairment losses	(11,541)	(11,448)
Total	1,340,151	1,480,798
Listed	1,241,130	1,411,178
– Of which: listed in Hong Kong	8,570	8,632
Unlisted	92,963	61,925
Interest accrued	17,599	19,143
Less: allowance for impairment losses (b)	(11,541)	(11,448)
Total	1,340,151	1,480,798

(a) As at 31 December 2025 and 31 December 2024, the underlying assets of trust and asset management plans primarily are credit assets (Note 10.2(7)).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements *(continued)*

4.18 Financial investments *(continued)*

(2) Financial assets measured at amortised cost *(continued)*

(b) Movements in allowance for impairment losses

	Year ended 31 December 2025			
	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 January 2025	(1,467)	(401)	(9,580)	(11,448)
Transfer				
to stage 2	57	(183)	126	–
to stage 3	39	–	(39)	–
Net reversal/(charge)	567	222	(4,725)	(3,936)
Write-offs and transfer out	–	–	3,289	3,289
Recoveries of amounts previously written off	–	–	(214)	(214)
Others	(1)	–	769	768
Balance as at 31 December 2025	(805)	(362)	(10,374)	(11,541)

	Year ended 31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 January 2024	(2,016)	(340)	(7,854)	(10,210)
Transfer				
to stage 2	53	(330)	277	–
to stage 3	10	557	(567)	–
Net reversal/(charge)	514	(288)	(4,691)	(4,465)
Write-offs and transfer out	–	–	2,665	2,665
Recoveries of amounts previously written off	–	–	(201)	(201)
Others	(28)	–	791	763
Balance as at 31 December 2024	(1,467)	(401)	(9,580)	(11,448)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

4.18 Financial investments (continued)

(3) Financial assets at fair value through other comprehensive income

	31 December 2025	31 December 2024
Debt securities		
Government	242,329	191,141
Policy banks	72,659	33,808
Banks and non-bank financial institutions	230,964	173,067
Corporates	152,443	129,421
Subtotal	698,395	527,437
Equity investments	8,081	7,512
Interest accrued	6,121	5,498
Total	712,597	540,447
Listed	676,088	515,730
– Of which: listed in Hong Kong	28,313	23,713
Unlisted	30,388	19,219
Interest accrued	6,121	5,498
Total	712,597	540,447

The Group designates certain non-trading equity investments as financial assets at fair value through other comprehensive income. For the year ended 31 December 2025, dividend income of RMB52 million (for the year ended 31 December 2024: RMB47 million) recognised for such equity investments was included in the profit or loss. The amount transferred from other comprehensive income to retained earnings on disposal of such equity instruments was RMB69 million for the year ended 31 December 2025 (for the year ended 31 December 2024: RMB5 million).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements *(continued)*

4.18 Financial investments *(continued)*

(3) Financial assets at fair value through other comprehensive income *(continued)*

A. Fair value

	31 December 2025	31 December 2024
Debt securities		
Cost	704,711	530,931
Cumulative amount of change in fair value that is accrued to other comprehensive income	(195)	2,004
Fair value	704,516	532,935
Equity investment		
Cost	4,383	4,280
Cumulative amount of change in fair value that is accrued to other comprehensive income	3,698	3,232
Fair value	8,081	7,512
Total	712,597	540,447

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements *(continued)*

4.18 Financial investments *(continued)*

(3) Financial assets at fair value through other comprehensive income *(continued)*

B. Movements in allowance for impairment losses

	Year ended 31 December 2025			
	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 January 2025	(892)	(11)	(1,546)	(2,449)
Transfer:				
to stage 2	1	(1)	–	–
to stage 3	–	11	(11)	–
Net charge	(42)	(35)	(448)	(525)
Write-offs and transfer out	–	–	485	485
Others	(104)	–	–	(104)
Balance as at 31 December 2025	(1,037)	(36)	(1,520)	(2,593)

	Year ended 31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 January 2024	(777)	(66)	(1,333)	(2,176)
Transfer:				
to stage 2	3	(3)	–	–
to stage 3	–	56	(56)	–
Net (charge)/reversal	(219)	2	(157)	(374)
Write-offs and transfer out	–	–	–	–
Others	101	–	–	101
Balance as at 31 December 2024	(892)	(11)	(1,546)	(2,449)

As at 31 December 2025, the financial assets at fair value through other comprehensive income included credit-impaired financial assets of which carrying amount was RMB1,099 million (31 December 2024: RMB1,214 million), with allowance for impairment losses of RMB1,520 million (31 December 2024: RMB1,546 million).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements (*continued*)

4.19 Long-term receivables

	31 December 2025	31 December 2024
Finance lease receivables	20,759	24,852
Sales and leaseback receivables	91,984	104,619
Less: unearned finance lease income	(12,160)	(14,227)
Present value of minimum finance lease receivables	100,583	115,244
Less: allowance for impairment losses	(2,517)	(2,862)
Total	98,066	112,382

(1) Finance lease receivables are analysed by the remaining terms as follows:

	31 December 2025	31 December 2024
Indefinite (a)	5,265	8,462
Less than 1 year	45,743	55,186
1 year to 2 years	25,543	33,758
2 years to 3 years	12,199	16,662
3 years to 5 years	9,208	7,922
More than 5 years	14,785	7,481
Total	112,743	129,471

(a) The amount represents the balances being impaired or overdue for more than one month.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements (*continued*)

4.19 Long-term receivables (*continued*)

(2) Movements in allowance for impairment losses of long-term receivables:

	Year ended 31 December 2025			
	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 January 2025	(675)	(413)	(1,774)	(2,862)
Transfer:				
to stage 1	(75)	62	13	–
to stage 2	22	(36)	14	–
to stage 3	9	21	(30)	–
Net reversal/(charge)	278	(71)	(1,349)	(1,142)
Write-offs and transfer out	–	–	1,729	1,729
Recoveries of amounts previously written off	–	–	(241)	(241)
Others	1	1	(3)	(1)
Balance as at 31 December 2025	(440)	(436)	(1,641)	(2,517)

	Year ended 31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 January 2024	(707)	(436)	(1,636)	(2,779)
Transfer:				
to stage 1	(2)	1	1	–
to stage 2	193	(196)	3	–
to stage 3	315	250	(565)	–
Net charge	(477)	(31)	(590)	(1,098)
Write-offs and transfer out	–	–	1,186	1,186
Recoveries of amounts previously written off	–	–	(169)	(169)
Others	3	(1)	(4)	(2)
Balance as at 31 December 2024	(675)	(413)	(1,774)	(2,862)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements *(continued)*

4.20 Property and equipment

	31 December 2025	31 December 2024
Property and equipment	54,861	59,345
Property and equipment to be disposed	4	2
Total	54,865	59,347

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements (*continued*)4.20 Property and equipment (*continued*)

	Buildings	Leasehold improvement	Office equipment and others	Motor vehicles	Operating lease fixed assets	Construction in progress ("CIP")	Total
Original cost							
Balance as at 1 January 2025	25,034	3,995	10,680	445	43,246	7,186	90,586
Increase	155	492	460	8	2,914	1,002	5,031
CIP transfers	324	-	-	-	-	-	324
Decrease and other movement	(23)	(1,158)	(1,034)	(27)	(4,847)	(2,429)	(9,518)
Balance as at 31 December 2025	25,490	3,329	10,106	426	41,313	5,759	86,423
Accumulated depreciation							
Balance as at 1 January 2025	(7,923)	(2,731)	(7,686)	(376)	(11,587)	-	(30,303)
Increase	(814)	(556)	(885)	(19)	(1,632)	-	(3,906)
Decrease and other movement	13	1,135	971	25	1,356	-	3,500
Balance as at 31 December 2025	(8,724)	(2,152)	(7,600)	(370)	(11,863)	-	(30,709)
Impairment losses							
Balance as at 1 January 2025	-	-	(1)	-	(518)	(419)	(938)
Increase	(22)	-	-	-	-	-	(22)
Decrease and other movement	-	-	1	-	97	9	107
Balance as at 31 December 2025	(22)	-	-	-	(421)	(410)	(853)
Carrying amount							
Balance as at 1 January 2025	17,111	1,264	2,993	69	31,141	6,767	59,345
Balance as at 31 December 2025	16,744	1,177	2,506	56	29,029	5,349	54,861

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements (*continued*)

4.20 Property and equipment (*continued*)

	Buildings	Leasehold improvement	Office equipment and others	Motor vehicles	Operating lease fixed assets	Construction in progress ("CIP")	Total
Original cost							
Balance as at 1 January 2024	23,345	3,921	10,172	470	44,602	7,885	90,395
Increase	232	569	1,116	7	4,047	1,029	7,000
CIP transfers	1,630	–	–	–	–	(1,728)	(98)
Decrease and other movement	(173)	(495)	(608)	(32)	(5,403)	–	(6,711)
Balance as at 31 December 2024	25,034	3,995	10,680	445	43,246	7,186	90,586
Accumulated depreciation							
Balance as at 1 January 2024	(7,195)	(2,629)	(7,316)	(382)	(11,453)	–	(28,975)
Increase	(792)	(570)	(931)	(23)	(1,866)	–	(4,182)
Decrease and other movement	64	468	561	29	1,732	–	2,854
Balance as at 31 December 2024	(7,923)	(2,731)	(7,686)	(376)	(11,587)	–	(30,303)
Impairment losses							
Balance as at 1 January 2024	–	–	–	–	(523)	(413)	(936)
Increase	–	–	(1)	–	(18)	–	(19)
Decrease and other movement	–	–	–	–	23	(6)	17
Balance as at 31 December 2024	–	–	(1)	–	(518)	(419)	(938)
Carrying amount							
Balance as at 1 January 2024	16,150	1,292	2,856	88	32,626	7,472	60,484
Balance as at 31 December 2024	17,111	1,264	2,993	69	31,141	6,767	59,345

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
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4 Notes to the consolidated financial statements (*continued*)

4.20 Property and equipment (*continued*)

As at 31 December 2025 and 31 December 2024, the Group did not have any property and equipment which were acquired by means of finance lease or held for sale.

As at 31 December 2025, there were still certain properties and buildings, with a carrying value of RMB250 million (31 December 2024: RMB306 million), in the process of registration for certificates of ownership. The management believes such proceedings would not weaken the Group's rights to these assets nor have any significant impact on the Group's operations.

4.21 Lease contract

(1) Right-of-use assets

	Buildings	Transportation facilities	Office equipment and others	Land use rights	Total
Original cost					
Balance as at 1 January 2025	18,998	3	90	4,688	23,779
Increase	2,463	–	11	32	2,506
Decrease	(3,853)	–	(29)	(148)	(4,030)
Balance as at 31 December 2025	17,608	3	72	4,572	22,255
Accumulated depreciation/ amortisation					
Balance as at 1 January 2025	(9,475)	(1)	(32)	(1,621)	(11,129)
Increase	(2,630)	(1)	(14)	(124)	(2,769)
Decrease	2,986	–	11	39	3,036
Balance as at 31 December 2025	(9,119)	(2)	(35)	(1,706)	(10,862)
Carrying amount					
Balance as at 1 January 2025	9,523	2	58	3,067	12,650
Balance as at 31 December 2025	8,489	1	37	2,866	11,393

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements *(continued)*

4.21 Lease contract *(continued)*

(1) Right-of-use assets *(continued)*

	Buildings	Transportation facilities	Office equipment and others	Land use rights	Total
Original cost					
Balance as at 1 January 2024	19,158	–	95	4,646	23,899
Increase	2,938	3	7	70	3,018
Decrease	(3,098)	–	(12)	(28)	(3,138)
Balance as at 31 December 2024	18,998	3	90	4,688	23,779
Accumulated depreciation/ amortisation					
Balance as at 1 January 2024	(9,081)	–	(28)	(1,511)	(10,620)
Increase	(2,933)	(1)	(13)	(110)	(3,057)
Decrease	2,539	–	9	–	2,548
Balance as at 31 December 2024	(9,475)	(1)	(32)	(1,621)	(11,129)
Carrying amount					
Balance as at 1 January 2024	10,077	–	67	3,135	13,279
Balance as at 31 December 2024	9,523	2	58	3,067	12,650

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements *(continued)*

4.21 Lease contract *(continued)*

(2) Lease liabilities

	31 December 2025	31 December 2024
Lease liabilities	8,066	9,078

As at 31 December 2025, the Group's lease payments relating to lease contracts signed but yet to be executed amounted to RMB126 million (31 December 2024: RMB113 million).

4.22 Deferred income tax assets and liabilities

(1) Deferred income tax items

	31 December 2025	31 December 2024
Deferred income tax assets	58,673	58,149
Deferred income tax liabilities	(238)	(243)
Total	58,435	57,906

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
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4 Notes to the consolidated financial statements (*continued*)

4.22 Deferred income tax assets and liabilities (*continued*)

(2) Deferred income tax assets and liabilities without taking into consideration the offsetting of balances within the same tax jurisdiction are as follows:

	31 December 2025		31 December 2024	
	Deferred income tax assets/(liabilities)	Deductible/(taxable) temporary differences	Deferred income tax assets/(liabilities)	Deductible/(taxable) temporary differences
Deferred income tax assets				
Asset impairment allowance	59,874	239,496	57,461	229,864
Employee benefits payable	3,535	14,140	3,380	13,518
Fair value losses of derivatives	6,040	24,160	8,424	33,697
Fair value losses of financial assets at fair value through other comprehensive loss	2	8	44	178
Financial assets at fair value through profit or loss	679	2,716	2,566	10,263
Lease liabilities	2,015	8,060	2,259	9,084
Others	352	1,408	330	1,324
Subtotal	72,497	289,988	74,464	297,928
Deferred income tax liabilities				
Fair value gains of derivatives	(4,272)	(17,088)	(7,448)	(29,794)
Fair value gain of financial assets at fair value through other comprehensive income	(1,522)	(6,088)	(2,272)	(9,094)
Financial assets at fair value through profit or income	(5,946)	(23,784)	(4,246)	(17,054)
Right-of-use assets	(2,134)	(8,536)	(2,385)	(9,589)
Others	(188)	(752)	(207)	(776)
Subtotal	(14,062)	(56,248)	(16,558)	(66,307)
Deferred income tax assets, net	58,435	233,740	57,906	231,621

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
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4 Notes to the consolidated financial statements (*continued*)

4.22 Deferred income tax assets and liabilities (*continued*)

(3) Movements in deferred income tax assets and liabilities without taking into consideration the offsetting of balances within the same tax jurisdiction are as follows:

	Asset impairment allowance	Fair value losses	Others	Gross deferred income tax assets	Gross deferred income tax liabilities
Balance as at 1 January 2025	57,461	11,034	5,969	74,464	(16,558)
Recognised in profit or loss	2,413	(4,271)	(67)	(1,925)	1,746
Recognised in other comprehensive income	–	(42)	–	(42)	750
Balance as at 31 December 2025	59,874	6,721	5,902	72,497	(14,062)
Balance as at 1 January 2024	50,886	9,578	6,944	67,408	(13,030)
Recognised in profit or loss	6,575	1,684	(975)	7,284	(2,176)
Recognised in other comprehensive income	–	(228)	–	(228)	(1,352)
Balance as at 31 December 2024	57,461	11,034	5,969	74,464	(16,558)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements *(continued)*

4.23 Investment in subsidiaries

(1) Directly held subsidiaries

	31 December 2025	31 December 2024
Minsheng Financial Leasing Co., Ltd. ("Minsheng Financial Leasing")	3,302	3,302
CMBC International Holdings Limited ("CMBC International")	3,494	3,494
Minsheng Royal Fund Limited ("Minsheng Royal Fund")	190	190
CMBC Wealth Management Co., Ltd. ("CMBC Wealth Management")	5,000	5,000
Pengzhou Rural Bank Co., Ltd. ("Pengzhou Rural Bank")	20	20
Cixi Rural Bank Co., Ltd. ("Cixi Rural Bank")	107	107
Songjiang Rural Bank Co., Ltd. ("Songjiang Rural Bank")	70	70
Qijiang Rural Bank Co., Ltd. ("Qijiang Rural Bank")	30	30
Tongnan Rural Bank Co., Ltd. ("Tongnan Rural Bank")	27	25
Meihekou Rural Bank Co., Ltd. ("Meihekou Rural Bank")	188	184
Ziyang Rural Bank Co., Ltd. ("Ziyang Rural Bank")	172	172
Jiangxia Rural Bank Co., Ltd. ("Jiangxia Rural Bank")	41	41
Changyuan Rural Bank Co., Ltd. ("Changyuan Rural Bank")	26	26
Yidu Rural Bank Co., Ltd. ("Yidu Rural Bank")	26	26
Jiading Rural Bank Co., Ltd. ("Jiading Rural Bank")	102	102
Zhongxiang Rural Bank Co., Ltd. ("Zhongxiang Rural Bank")	36	36
Penglai Rural Bank Co., Ltd. ("Penglai Rural Bank")	51	51
Anxi Rural Bank Co., Ltd. ("Anxi Rural Bank")	74	74
Funing Rural Bank Co., Ltd. ("Funing Rural Bank")	52	52
Taichang Rural Bank Co., Ltd. ("Taichang Rural Bank")	76	76

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements *(continued)*

4.23 Investment in subsidiaries *(continued)*

(1) Directly held subsidiaries *(continued)*

	31 December 2025	31 December 2024
Ningjin Rural Bank Co., Ltd. ("Ningjin Rural Bank")	20	20
Zhangpu Rural Bank Co., Ltd. ("Zhangpu Rural Bank")	25	25
Puer Rural Bank Co., Ltd. ("Puer Rural Bank")	32	15
Jinghong Rural Bank Co., Ltd. ("Jinghong Rural Bank")	60	60
Zhidan Rural Bank Co., Ltd. ("Zhidan Rural Bank")	7	7
Ningguo Rural Bank Co., Ltd. ("Ningguo Rural Bank")	20	20
Yuyang Rural Bank Co., Ltd. ("Yuyang Rural Bank")	25	25
Guichi Rural Bank Co., Ltd. ("Guichi Rural Bank")	26	26
Tiantai Rural Bank Co., Ltd. ("Tiantai Rural Bank")	31	31
Tianchang Rural Bank Co., Ltd. ("Tianchang Rural Bank")	20	20
Tengchong Rural Bank Co., Ltd. ("Tengchong Rural Bank")	20	20
Xiang'an Rural Bank Co., Ltd. ("Xiang'an Rural Bank")	36	36
Linzhi Rural Bank Co., Ltd. ("Linzhi Rural Bank")	45	45
Total	13,451	13,428

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements (*continued*)

4.23 Investment in subsidiaries (*continued*)

(2) Basic information of directly held subsidiaries

Name		Place of incorporation and operation	Principal activities	Registered capital	% of ownership held by the Bank	% of voting rights held by the Bank
Minsheng Financial Leasing		Tianjin China	Leasing	RMB5,095 million	54.96%	54.96%
CMBC International		Hong Kong China	Investment banking	HKD4,207 million	100.00%	100.00%
Minsheng Royal Fund		Guangdong China	Fund management	RMB300 million	63.33%	63.33%
CMBC Wealth Management		Beijing China	Wealth Management	RMB5,000 million	100.00%	100.00%
Pengzhou Rural Bank	(a)	Sichuan China	Commercial bank	RMB55 million	36.36%	36.36%
Cixi Rural Bank		Zhejiang China	Commercial bank	RMB189 million	64.68%	64.68%
Songjiang Rural Bank	(a)	Shanghai China	Commercial bank	RMB150 million	35.00%	35.00%
Qijiang Rural Bank	(b)	Chongqing China	Commercial bank	RMB61.57 million	48.73%	51.27%
Tongnan Rural Bank	(a)(c)	Chongqing China	Commercial bank	RMB50 million	55.00%	55.00%
Meihekou Rural Bank	(d)	Jilin China	Commercial bank	RMB193 million	99.06%	99.06%
Ziyang Rural Bank		Sichuan China	Commercial bank	RMB211 million	81.41%	81.41%
Jiangxia Rural Bank		Hubei China	Commercial bank	RMB86 million	51.00%	51.00%
Changyuan Rural Bank		Henan China	Commercial bank	RMB50 million	51.00%	51.00%
Yidu Rural Bank		Hubei China	Commercial bank	RMB52.4 million	51.00%	51.00%
Jiading Rural Bank		Shanghai China	Commercial bank	RMB200 million	51.00%	51.00%

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements *(continued)*

4.23 Investment in subsidiaries *(continued)*

(2) Basic information of directly held subsidiaries *(continued)*

Name	Place of incorporation and operation	Principal activities	Registered capital	% of ownership held by the Bank	% of voting rights held by the Bank
Zhongxiang Rural Bank	Hubei China	Commercial bank	RMB70 million	51.00%	51.00%
Penglai Rural Bank	Shandong China	Commercial bank	RMB100 million	51.00%	51.00%
Anxi Rural Bank	Fujian China	Commercial bank	RMB128 million	57.99%	57.99%
Funing Rural Bank	Jiangsu China	Commercial bank	RMB85 million	51.00%	51.00%
Taicang Rural Bank	Jiangsu China	Commercial bank	RMB135 million	51.00%	51.00%
Ningjin Rural Bank	Hebei China	Commercial bank	RMB40 million	51.00%	51.00%
Zhangpu Rural Bank	Fujian China	Commercial bank	RMB50 million	51.00%	51.00%
Puer Rural Bank	(e) Yunnan China	Commercial bank	RMB30 million	93.50%	93.50%
Jinghong Rural Bank	Yunnan China	Commercial bank	RMB75 million	80.40%	80.40%
Zhidan Rural Bank	Shaanxi China	Commercial bank	RMB15 million	51.00%	51.00%
Ningguo Rural Bank	Anhui China	Commercial bank	RMB41.6 million	51.00%	51.00%
Yuyang Rural Bank	Shaanxi China	Commercial bank	RMB64 million	51.00%	51.00%
Guichi Rural Bank	Anhui China	Commercial bank	RMB53 million	51.00%	51.00%
Tiantai Rural Bank	Zhejiang China	Commercial bank	RMB60 million	51.00%	51.00%

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements *(continued)*

4.23 Investment in subsidiaries *(continued)*

(2) Basic information of directly held subsidiaries *(continued)*

Name		Place of incorporation and operation	Principal activities	Registered capital	% of ownership held by the Bank	% of voting rights held by the Bank
Tianchang Rural Bank	(f)	Anhui China	Commercial bank	RMB46.52 million	51.00%	51.00%
Tengchong Rural Bank		Yunnan China	Commercial bank	RMB52 million	51.00%	51.00%
Xiang'an Rural Bank		Fujian China	Commercial bank	RMB77 million	51.00%	51.00%
Linzhi Rural Bank		Xizang China	Commercial bank	RMB56.6 million	86.11%	86.11%

- (a) Although the Bank holds half or less than half of the voting rights in these rural banks, it has the majority of the seats in their boards of directors, which enables it to govern their operating policies. These companies are regarded as the Bank's subsidiaries and have been consolidated in these financial statements.
- (b) Some natural person shareholders and the Bank signed a concerted action agreement, stipulating that the parties should take "concerted action," the Bank is deemed to have control over the subsidiary and includes it in the scope of consolidated financial statements.
- (c) The Bank has completed the acquisition of a total of 2.50 million shares of Tongnan Rural Bank held by minority shareholders. As at 31 December, 2025, the Bank's ownership of equity shares and voting rights of Tongnan Rural Bank have changed to 55.00% (31 December, 2024: 50.00%).
- (d) The Bank has completed the acquisition of a total of 4.00 million shares of Meihekou Rural Bank held by minority shareholders. As at 31 December 2025, the Bank's ownership of equity shares and voting rights of Meihekou Rural Bank have changed to 99.06% (31 December, 2024: 98.30%).
- (e) The Bank has completed the acquisition of a total of 12.75 million shares of Puer Rural Bank held by minority shareholders. As at 31 December, 2025, the Bank's ownership of equity shares and voting rights of Puer Rural Bank have changed to 93.50% (31 December, 2024: 51.00%).
- (f) Tianchang Rural Bank converted RMB1.75 million retained earnings to paid-in capital. After the increase of capital, the Bank's ownership of equity shares and voting rights in this subsidiary remains at 51%. As at 31 December 2025, the registered capital of Tianchang Rural Bank was RMB46.52 million as it had completed the registration of changes with industry and commerce authorities.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements (*continued*)

4.24 Other assets

		31 December 2025	31 December 2024
Interest receivable	(1)	12,309	10,970
Items in the process of clearance and settlement		9,261	2,610
Prepayments for leased assets	(2)	7,359	6,491
Other debt receivables and advances		6,230	5,552
Intangible assets	(4)	5,945	4,962
Investment properties		4,671	2,820
Foreclosed assets	(3)	4,408	4,941
Fee and commission receivable		2,527	3,328
Prepayment		2,105	2,691
Long-term deferred expenses		1,500	1,713
Legal costs receivable		1,217	1,419
Research and development		1,099	1,512
Continuously involved assets		999	999
Operating lease receivable		560	85
Goodwill	(5)	208	213
Others		5,162	4,611
Subtotal		65,560	54,917
Less: allowance for impairment losses			
– Foreclosed assets		(625)	(800)
– Others		(4,104)	(4,427)
Total		60,831	49,690

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements *(continued)*

4.24 Other assets *(continued)*

- (1) In accordance with the requirements of the Notice on the Revision and Issuance of the Format of Financial Statements of Financial Enterprises in 2018, the interests of financial instruments at the reporting date are listed in the financial instruments using the effective interest rate method. Interests of relevant financial instruments which were past due but have not been collected at the reporting date are listed in other assets.
- (2) Prepayments for leased assets are the prepayments made by the Group for acquiring leased assets which would be finance leased out or operating leased out.
- (3) Foreclosed assets include buildings, land use rights and transportation facilities. The Group disposed foreclosed assets of RMB1,698 million for the year ended 31 December 2025 (For the year ended 31 December 2024: RMB1,761 million).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements (*continued*)4.24 Other assets (*continued*)

(4) Intangible assets

	Year ended 31 December	
	2025	2024
Cost		
Balance as at 1 January	12,634	9,114
Increase	2,682	3,522
Decrease	(133)	(2)
Balance as at 31 December	15,183	12,634
Accumulated amortisation		
Balance as at 1 January	(7,672)	(6,384)
Increase	(1,677)	(1,300)
Decrease	111	12
Balance as at 31 December	(9,238)	(7,672)
Carrying amount		
Balance as at 1 January	4,962	2,730
Balance as at 31 December	5,945	4,962

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements (*continued*)

4.24 Other assets (*continued*)

(5) Goodwill arising from CMBC International

	Year ended 31 December	
	2025	2024
Balance as at 1 January	213	208
Exchange difference	(5)	5
Balance as at 31 December	208	213

As at 31 December 2025 and 31 December 2024, no impairment loss of the Group's goodwill is recognised.

4.25 Allowances for impairment losses

		Year ended 31 December 2025				
	Note 4	Balances as at 1 January 2025	Net charge for the year	Write-offs and transfer out	Other	Balances as at 31 December 2025
Balances with banks and other financial institutions	13	2	6	–	–	8
Placements with banks and other financial institutions	14	1,485	91	–	3	1,579
Financial assets held under resale agreements	16	47	3	–	(46)	4
Loans and advances to customers	17	93,129	47,901	(52,477)	5,413	93,966
Financial investments	18	13,897	4,461	(3,774)	(450)	14,134
Long-term receivables	19	2,862	1,142	(1,935)	448	2,517
Property and equipment	20	938	22	(93)	(14)	853
Other assets	24	5,227	1,026	(1,476)	–	4,777
Total		117,587	54,652	(59,755)	5,354	117,838

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements (*continued*)

4.25 Allowances for impairment losses (*continued*)

		Year ended 31 December 2024				
	Note 4	Balances as at 1 January 2024	Net charge/ (reversal) for the year	Write-offs and transfer out	Other	Balances as at 31 December 2024
Balances with banks and other financial institutions	13	4	298	–	(300)	2
Placements with banks and other financial institutions	14	1,513	(33)	–	5	1,485
Financial assets held under resale agreements	16	26	21	–	–	47
Loans and advances to customers	17	97,444	39,006	(51,183)	7,862	93,129
Financial investments	18	12,386	4,839	(2,665)	(663)	13,897
Long-term receivables	19	2,779	1,098	(1,186)	171	2,862
Property and equipment	20	936	19	–	(17)	938
Other assets	24	5,007	846	(626)	–	5,227
Total		120,095	46,094	(55,660)	7,058	117,587

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements (*continued*)

4.26 Deposits and placements from banks and other financial institutions

	31 December 2025	31 December 2024
Chinese mainland		
Banks	116,446	103,376
Other financial institutions	788,435	903,479
Overseas		
Banks	29,110	33,470
Other financial institutions	34,576	28,749
Subtotal	968,567	1,069,074
Interest accrued	3,172	4,632
Total	971,739	1,073,706

4.27 Financial liabilities at fair value through profit or loss

	31 December 2025	31 December 2024
Financial liabilities related to precious metals	44,807	9,564
Financial liabilities designated at fair value through profit or loss (1)	25,876	33,633
Others	243	31
Total	70,926	43,228

(1) For the year ended 2025, there were no significant changes in the fair value of the Group's financial liabilities designated at fair value through profit or loss attributable to the changes in the Group's own credit risk.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements (*continued*)

4.28 Borrowings from banks and other financial institutions

	31 December 2025	31 December 2024
Unsecured borrowings	90,803	88,472
Borrowings secured by – Tangible assets and monetary assets	20,885	22,594
Subtotal	111,688	111,066
Interest accrued	719	927
Total	112,407	111,993

As at 31 December 2025 and 31 December 2024, the secured borrowings were secured by property and equipment and finance lease receivables as collateral; the above collateral has been included in the disclosure of assets pledged (Note 6.3(1)).

4.29 Financial assets sold under repurchase agreements

Financial assets sold under repurchase agreements by underlying assets are shown as follows:

	31 December 2025	31 December 2024
Bonds	214,052	175,195
Bills	46,211	72,444
Subtotal	260,263	247,639
Interest accrued	531	485
Total	260,794	248,124

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements (*continued*)

4.30 Deposits from customers

	31 December 2025	31 December 2024
Demand deposits		
– Corporate customers	1,048,098	1,051,320
– Personal customers	432,823	396,934
Time deposits (including call deposits)		
– Corporate customers	1,837,276	1,895,490
– Personal customers	957,394	901,419
Other ⁽¹⁾	1,647	3,932
Subtotal	4,277,238	4,249,095
Interest accrued	70,561	83,586
Total	4,347,799	4,332,681

(1) Others include: outward remittance and payable remittance, etc.

The pledged deposits included in deposits from customers are analysed as follows:

	31 December 2025	31 December 2024
Pledged deposits for bank acceptances	261,689	280,633
Pledged deposits for letters of credit and guarantees	58,153	44,597
Other pledged deposits	11,612	28,185
Total	331,454	353,415

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements (*continued*)

4.31 Provisions

	31 December 2025	31 December 2024
Credit loss of off-balance sheet credit commitments ⁽¹⁾	1,204	1,058
Litigation provision	334	522
Others	189	150
Total	1,727	1,730

(1) The movements of credit loss of off-balance sheet credit commitments are as follows:

	Year ended 31 December 2025			
	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 January 2025	(1,008)	(49)	(1)	(1,058)
Transfer:				
to stage 1	(14)	14	–	–
to stage 2	6	(6)	–	–
to stage 3	1	1	(2)	–
Net (charge)/reversal	(163)	21	(4)	(146)
Balance as at 31 December 2025	(1,178)	(19)	(7)	(1,204)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements *(continued)*

4.31 Provisions *(continued)*

(1) The movements of credit loss of off-balance sheet credit commitments are as follows:
(continued)

	Year ended 31 December 2024			Total
	Stage 1	Stage 2	Stage 3	
Balance as at 1 January 2024	(1,065)	(146)	(1)	(1,212)
Transfer:				
to stage 1	(13)	13	–	–
to stage 2	5	(5)	–	–
to stage 3	2	2	(4)	–
Net reversal	63	87	4	154
Balance as at 31 December 2024	(1,008)	(49)	(1)	(1,058)

4.32 Debt securities issued

		31 December 2025	31 December 2024
Certificates of interbank deposit		867,661	803,492
Financial bonds	(1)	63,990	47,983
Tier-two capital bonds	(2)	69,993	79,994
Medium-term and short-term notes	(3)	8,207	7,143
Subtotal		1,009,851	938,612
Interest accrued		2,157	2,413
Total		1,012,008	941,025

For the years ended 31 December 2025 and 2024, there were no overdue principal and interest or other defaults with respect to these bonds. None of these bonds are secured.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements (*continued*)4.32 Debt securities issued (*continued*)

(1) Financial bonds

		31 December 2025	31 December 2024
2025-3-year floating rate financial bonds	(a)	5,999	—
2025-3-year fixed rate financial bonds	(b)	19,999	—
2025-3-year fixed rate financial bonds	(c)	9,999	—
2024-3-year fixed rate financial bonds	(d)	2,396	2,394
2023-3-year fixed rate financial bonds	(e)	2,398	2,395
2023-3-year fixed rate financial bonds	(f)	1,599	1,597
2023-3-year fixed rate financial bonds	(g)	20,000	19,999
2023-3-year fixed rate financial bonds	(h)	1,600	1,598
2022-3-year fixed rate financial bonds	(i)	—	20,000
Total		63,990	47,983

- (a) RMB6 billion worth of floating-rate financial bonds were issued on 2 December 2025, with a term of 3 years, and a coupon rate of 1.88% for the first interest cycle.
- (b) RMB20 billion worth of fixed-rate financial bonds were issued on 20 February 2025, with a term of 3 years, and a fixed coupon rate of 1.85% per annum.
- (c) RMB10 billion worth of fixed-rate financial bonds were issued on 18 February 2025, with a term of 3 years, and a fixed coupon rate of 1.70% per annum.
- (d) RMB3 billion worth of fixed-rate financial bonds were issued on 28 May 2024, with a term of 3 years, and a fixed coupon rate of 2.49% per annum. This bond was issued by Minsheng Financial Leasing Co., Ltd. The Bank subscribed RMB600 million.
- (e) RMB3 billion worth of fixed-rate financial bonds were issued on 25 July 2023, with a term of 3 years, and a fixed coupon rate of 3.19% per annum. This bond was issued by Minsheng Financial Leasing Co., Ltd., and Minsheng Bank subscribed for RMB600 million.
- (f) RMB2 billion worth of fixed-rate financial bonds were issued on 25 May 2023, with a term of 3 years, and a fixed coupon rate of 3.27% per annum. This bond is issued by Minsheng Financial Leasing Co., Ltd. The Bank subscribed RMB400 million.
- (g) RMB20 billion worth of fixed-rate financial bonds were issued on 18 May 2023, with a term of 3 years, and a fixed coupon rate of 2.68% per annum.
- (h) RMB2 billion worth of fixed-rate financial bonds were issued on 20 March 2023, with a term of 3 years, and a fixed coupon rate of 3.40% per annum. This bond was issued by Minsheng Financial Leasing Co., Ltd. The Bank subscribed RMB400 million.
- (i) RMB20 billion worth of fixed-rate financial bonds were issued on 7 April 2022, with a term of 3 years, and a fixed coupon rate of 2.95% per annum. Fully redeemed on 20 April, 2025 by the Bank.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements (*continued*)

4.32 Debt securities issued (*continued*)

(2) Tier-two capital bonds

		31 December 2025	31 December 2024
2025 1st tranche-10-year fixed rate tier-two capital bonds	(a)	39,996	–
2024 1st tranche-10-year fixed rate tier-two capital bonds	(b)	29,997	29,997
2020-10-year fixed rate tier-two capital bonds	(c)	–	49,997
Total		69,993	79,994

- (a) Tier-two capital bonds with a nominal value of RMB40 billion, a term of 10 years, and a fixed coupon rate of 2.35% per annum, were issued on 25 April 2025. The Bank has an option to redeem all or part of the bonds at par value during the period from the last day of the fifth year to the maturity date.
- (b) Tier-two capital bonds with a nominal value of RMB30 billion, a term of 10 years, and a fixed coupon rate of 2.50% per annum, were issued on 24 June 2024. The Bank has an option to redeem all or part of the bonds at par value during the period from the last day of the fifth year to the maturity date.
- (c) Tier-two capital bonds with a nominal value of RMB50 billion, a term of 10 years, and a fixed coupon rate of 3.75% per annum, were issued on 24 June 2020. The Bank has an option to redeem all or part of the bonds at par value during the period from the last day of the fifth year to the maturity date. As at 27 June 2025, the amount was fully redeemed by the Bank.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
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4 Notes to the consolidated financial statements (*continued*)

4.32 Debt securities issued (*continued*)

(3) Medium-term and short-term notes

		31 December 2025	31 December 2024
2025-3-year medium-term notes	(a)	997	–
2025-3-year medium-term notes	(b)	2,103	–
2024-3-year medium-term notes	(c)	2,108	2,157
2024-2-year medium-term notes	(d)	2,999	2,987
2023-2-year medium-term notes	(e)	–	1,999
Total		8,207	7,143

- (a) Medium-term notes with a nominal value of RMB1 billion of medium-term notes were issued on 9 September 2025, with a term of 3 years. The coupon rate is 1.95%.
- (b) Medium-term notes with a nominal value of USD300 million of medium-term notes were issued on 29 September 2025, with a term of 3 years, floating interest rate.
- (c) Medium-term notes with a nominal value of USD300 million of medium-term notes were issued on 13 September 2024, with a term of 3 years, floating interest rate.
- (d) Medium-term notes with a nominal value of RMB3 billion of medium-term notes were issued on 12 March 2024, with a term of 2 years. The coupon rate is 3.08%.
- (e) Medium-term notes with a nominal value of RMB2 billion of medium-term notes were issued on 10 January 2023, with a term of 2 years. The coupon rate is 3.15%. As at 10 January 2025, the amount was fully redeemed by the Bank.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements *(continued)*

4.33 Other liabilities

	31 December 2025	31 December 2024
Items in the process of clearance and settlement	40,846	60,697
Employee benefits payable (1)	14,597	13,993
Lease payments received in advance	6,728	6,665
Accrued expenses	3,985	3,353
Other tax payable (2)	3,742	3,633
Notes payable	3,771	2,274
Output value added tax to be transferred	2,650	2,778
Continuously involved liabilities	999	999
Deferred fee and commission income	954	499
Payable for long-term assets	814	507
Intermediate collection and payment	501	371
Others	6,015	1,095
Total	85,602	96,864

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements *(continued)*

4.33 Other liabilities *(continued)*

(1) Employee benefits payable

	1 January 2025	Increase	Decrease	31 December 2025
Short-term employee benefits				
– Salaries, bonuses and allowances	13,346	22,721	(22,090)	13,977
– Staff welfare fees	5	1,702	(1,707)	–
– Social insurance(a) and supplementary insurance	131	1,626	(1,605)	152
– Housing fund	127	1,963	(1,958)	132
– Labour union fee, staff and workers' education fee	34	477	(489)	22
Subtotal	13,643	28,489	(27,849)	14,283
Post-employment benefits-defined contribution plans				
– Basic pension insurance plans	172	2,341	(2,346)	167
– Unemployment insurance	22	80	(81)	21
– Annuity scheme(b)	156	682	(712)	126
Subtotal	350	3,103	(3,139)	314
Total	13,993	31,592	(30,988)	14,597

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements *(continued)*

4.33 Other liabilities *(continued)*

(1) Employee benefits payable *(continued)*

	1 January 2024	Increase	Decrease	31 December 2024
Short-term employee benefits				
– Salaries, bonuses and allowances	13,794	22,689	(23,137)	13,346
– Staff welfare fees	–	1,582	(1,577)	5
– Social insurance(a) and supplementary insurance	133	1,799	(1,801)	131
– Housing fund	126	1,934	(1,933)	127
– Labour union fee, staff and workers' education fee	42	493	(501)	34
Subtotal	14,095	28,497	(28,949)	13,643
Post-employment benefits-defined contribution plans				
– Basic pension insurance plans	164	2,304	(2,296)	172
– Unemployment insurance	21	78	(77)	22
– Annuity scheme(b)	159	712	(715)	156
Subtotal	344	3,094	(3,088)	350
Total	14,439	31,591	(32,037)	13,993

(a) Social insurance includes medical insurance, maternity insurance and employment injury insurance.

(b) For the year ended 31 December 2025, the contributions to the annuity schemes of the Bank and some subsidiaries were calculated at 3% of the employees' total annual salary (for the year ended 31 December 2024: 3%).

The Group has set up a defined contribution plan for its Hong Kong and London employees in accordance with the contribution rates prescribed by local regulations.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
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4 Notes to the consolidated financial statements *(continued)*

4.33 Other liabilities *(continued)*

(2) Other tax payable

	31 December 2025	31 December 2024
Value added tax	2,624	2,588
Others	1,118	1,045
Total	3,742	3,633

4.34 Share capital and capital reserve

	31 December 2025	31 December 2024
Ordinary shares listed in Chinese mainland (A shares)	35,462	35,462
Ordinary shares listed in Hong Kong (H shares)	8,320	8,320
Total shares	43,782	43,782

All A shares and H shares are ordinary shares, have a par value of RMB1 per share and rank pari passu with the same rights and benefits.

The Group's capital reserve of RMB58,141 million as at 31 December 2025 (RMB58,087 million at 31 December 2024), mainly represents capital premium.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements *(continued)*

4.35 Preference Shares

(1) Outstanding Preference Shares at year end

Financial Instrument outstanding	Issue date	Accounting classification	Dividend rate	Issue price	Amount		In original currency	In RMB	Maturity	Conversion	
					(million shares)					condition	Conversion
Domestic Preference Shares	15/10/2019	Equity	4.38%	RMB100/ Share	200		20,000	20,000	None	Mandatory	None

The dividend yield for the first five years after the issuance of preferred stock is 4.38%, and the dividend yield will be reset to 3.17%.

On 31 December 2025 the issuance cost of preferred shares issued by the Bank was RMB25 million (31 December 2024: RMB25 million).

(2) Domestic Preference Shares Main Clauses

(a) Dividend

The non-public offering domestic preference shares (the “Domestic Preference Shares”) adopts the dividend rate that can be adjusted in stages, with 5 years as a dividend rate adjustment period, and within a dividend rate adjustment period, dividends are paid at the same dividend rate as agreed. The dividend rate for the first dividend rate adjustment period will be determined by enquiry. The dividend rate of the Domestic Preference Shares shall not be higher than the annual weighted average return on net assets of the Bank in the last two fiscal years. The nominal dividend rate includes two parts: the benchmark interest rate and the fixed premium. The fixed premium is the dividend rate determined at the time of issuance minus the benchmark interest rate at the time of issuance. Dividends are paid annually.

(b) Conditions to distribution of dividends

The Bank could pay dividends while the Bank still has distributable after-tax profit after making up previous years’ losses, contributing to the statutory reserve and making general provisions, and the Bank’s capital adequacy ratio meets regulatory requirements. Preference shareholders of the Bank are senior to the ordinary shareholders on the right to dividends. The Issuer shall have the right to cancel, in whole or in part, distributions of dividends and any such cancellation shall not constitute an event of default. Any cancellation of any distribution, no matter in whole or in part, will require the deliberation and approval of the general shareholders meeting. And the Issuer shall give notice to the investors on such cancellation in a timely manner.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements *(continued)*

4.35 Preference Shares *(continued)*

(2) Domestic Preference Shares Main Clauses *(continued)*

(c) Dividend stopper

The Bank will not pay dividends to the ordinary shareholders unless the Bank resolves to pay a full dividend on the current preference shares.

(d) Order of distribution and liquidation method

The Domestic Preference Shareholders have priority over the ordinary shareholders in the distribution of the Bank's remaining property, but the order of repayment is ranked after the depositors, general creditors and subordinated debts (including but not limited to subordinated debts, mixed capital bonds and secondary capital instruments).

(e) Mandatory conversion trigger events

If the core tier one capital adequacy ratio of the Bank falls to 5.125% (or below), the Domestic Preference Shares will be converted into A-share common shares in full or in part, so as to restore the core tier one capital adequacy ratio to more than 5.125%. In the case of partial conversion, all the Domestic Preference Shares shall be converted to shares on the same conditions in proportion.

When the earlier of the following two situations occurs, the Domestic Preference Shares will be converted into A-share common shares in full: (1) the banking regulatory authority under the State Council determines that the Bank will not survive without the conversion; (2) the relevant departments determine that the Bank will not survive without the public sector's capital injection or the support of the same effect.

(f) Redemption

With the prior approval of the banking regulatory authority under the State Council, the Bank may exercise the right of redemption under the following circumstances: (1) use the same or higher quality capital instruments to replace the redeemed Domestic Preference Shares, and the Bank's income ability is sustainable; (2) or the capital level after the exercise of the right of redemption is still significantly higher than the regulatory capital requirements specified by the banking regulatory authority under the State Council. The redemption price is the sum of the nominal amount and the dividend that has been resolved to be paid but has not been paid in the current period.

The Bank has the right to redeem all or part of the domestic Preferred Shares on the preferred stock dividend date of each year, starting from the date of expiration of 5 years after the issue date (i.e., 15 October 2019), and the redemption period shall expire on the date of conversion or redemption in full. In the case of partial redemption, all domestic preferred shares issued will be redeemed on the same terms and in proportion.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements *(continued)*

4.35 Preference Shares *(continued)*

(2) Domestic Preference Shares Main Clauses *(continued)*

(g) Dividend setting mechanism

Non-cumulative dividend is a dividend on preference shares, which does not cumulate upon omission of payment so as to require payment of a passed or omitted dividend of one year out of earnings of a following year. After receiving dividend at agreed dividend rate, preference shareholders of the Bank will not participate the distribution of residual profits with ordinary shareholders. The Domestic Preference Shares holders are prioritised on dividend distribution over ordinary shareholders.

The dividend of the Domestic Preference Shares shall be paid in cash once a year. The interest starting date is the payment deadline of preference stock investors (18 October 2019). The dividend payment day shall be the day of every full year since the deadline for payment of preference stock investors. In case of any legal holiday or rest day in China, it shall be postponed to the next trading day, and the dividend payable during the extended period shall not be charged with additional interest.

(3) Changes in preference shares outstanding

	1 January 2025		Movements		31 December 2025	
	Amount (million shares)	Book value	Amount (million shares)	Book value	Amount (million shares)	Book value
Domestic Preference Shares	200	20,000	–	–	200	20,000

	1 January 2024		Movements		31 December 2024	
	Amount (million shares)	Book value	Amount (million shares)	Book value	Amount (million shares)	Book value
Domestic Preference Shares	200	20,000	–	–	200	20,000

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements (*continued*)

4.36 Perpetual Bonds

(1) Outstanding Perpetual Bonds at year end

Financial Instrument outstanding	Issue date	Accounting classification	Dividend rate	Issue price	Amount (million pieces)	In original currency	In RMB	Maturity	Conversion condition	Conversion
2021 Undated Capital Bonds (Series 1)	19/04/2021	Equity	4.30%	100 RMB/ Note	300	30,000	30,000	None	None	None
2022 Undated Capital Bonds (Series 1)	14/06/2022	Equity	4.20%	100 RMB/ Note	50	5,000	5,000	None	None	None
2024 Undated Capital Bonds (Series 1)	15/08/2024	Equity	2.35%	100 RMB/ Note	300	30,000	30,000	None	None	None
2024 Undated Capital Bonds (Series 2)	30/10/2024	Equity	2.73%	100 RMB/ Note	100	10,000	10,000	None	None	None
2025 Undated Capital Bonds (Series 1)	19/06/2025	Equity	2.30%	100 RMB/ Note	300	30,000	30,000	None	None	None
Total							105,000			

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements *(continued)*

4.36 Perpetual Bonds *(continued)*

(2) Main Clauses

(a) Principal Amount

2021 Undated Tier 1 Capital Bonds RMB30 billion.

2022 Undated Tier 1 Capital Bonds-Series 1 RMB5 billion.

2024 Undated Tier 1 Capital Bonds-Series 1 RMB30 billion.

2024 Undated Tier 1 Capital Bonds-Series 2 RMB10 billion.

2025 Undated Tier 1 Capital Bonds-Series 1 RMB30 billion.

(b) Maturity Date

The Bonds will continue to be outstanding so long as the Issuer's business continues to operate.

(c) Distribution Rate

The Distribution Rate of the Bonds will be adjusted at defined intervals, with a Distribution Rate Adjustment Period every 5 years since the Payment Settlement Date. In any Distribution Rate Adjusted Period, the Distribution Payments on the Bonds will be made at a prescribed fixed Distribution Rate. The Distribution Rate at the time of issuance will be determined by book running and centralized allocation.

The Distribution Rate is determined by a benchmark rate plus a fixed spread. The benchmark rate is the arithmetic average of the yields to maturity of 5 trading days prior to the Announcement Date of the Subscription Agreement, as indicated by the yield to maturity curve of applicable 5-year China Treasury Notes (rounded up to 0.01%) published on ChinaBond.com.cn or other websites approved by the China Central Depository & Clearing Co., Ltd. The fixed spread is the difference between the Distribution Rate and the benchmark rate as determined at the time of issuance. The fixed spread will not be adjusted once determined.

(d) Conditional Redemption Rights of the Issuer

The Bonds Issuance sets conditional Redemption Rights for the Issuer. From the fifth anniversary since the issuance of the Bonds, the Issuer may redeem the Bonds in whole or in part on each Distribution Payment Date (including the fifth Distribution Payment Date since the Issuance). If, after the Issuance, the Bonds no longer qualify as Additional Tier 1 Capital as a result of an unforeseeable change or amendment to relevant provisions of supervisory regulations, the Issuer may redeem all but not part of the Bonds.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements *(continued)*

4.36 Perpetual Bonds *(continued)*

(2) Main Clauses *(continued)*

(e) Subordination

The claims in respect of the Bonds, in the event of a winding-up of the Issuer, will be subordinated to claims of depositors, general creditors, and subordinated indebtedness that ranks senior to the Bonds; will rank in priority to all classes of shares held by the Issuer's shareholders and rank pari passu with the claims in respect of any other Tier 1 Capital instruments of the Issuer that rank pari passu with the Bonds. If subsequent amendments to the PRC Enterprise Bankruptcy Law or relevant regulations are applicable, such relevant laws and regulations shall prevail.

(f) Distribution Payment

The Issuer 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. When exercising such right, the Issuer will take into full consideration the interest of the Bondholders. The Issuer 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 Issuer, except in relation to dividend distributions to ordinary shares. Any cancellation of any distribution on the Bonds, no matter in whole or in part, will require the deliberation and approval of the general shareholders meeting. And the Issuer shall give notice to the investors on such cancellation in a timely manner.

The Bonds do not have any step-up mechanism or any other incentive to redeem.

(g) Put Option

Put Option of investors is not applicable.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements (*continued*)

4.36 Perpetual Bonds (*continued*)

(3) Changes in perpetual bonds outstanding

Perpetual Bonds	1 January 2025		Movements		31 December 2025	
	Amount (million pieces)	Issue Amount	Amount (million pieces)	Issue Amount/ (Redemption Amount)	Amount (million pieces)	Issue Amount
2021 Undated Capital Bonds	300	30,000	–	–	300	30,000
2022 Undated Capital Bonds (Series 1)	50	5,000	–	–	50	5,000
2024 Undated Capital Bonds (Series 1)	300	30,000	–	–	300	30,000
2024 Undated Capital Bonds (Series 2)	100	10,000	–	–	100	10,000
2025 Undated Capital Bonds (Series 1)	–	–	300	30,000	300	30,000
Total		75,000		30,000		105,000

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements *(continued)*

4.36 Perpetual Bonds *(continued)*

(3) Changes in perpetual bonds outstanding *(continued)*

Perpetual Bonds	1 January 2024		Movements		31 December 2024	
	Amount (million pieces)	Issue Amount	Amount (million pieces)	Issue Amount/ (Redemption Amount)	Amount (million pieces)	Issue Amount
2019 Undated Capital Bonds	400	40,000	(400)	(40,000)	–	–
2021 Undated Capital Bonds (Series 1)	300	30,000	–	–	300	30,000
2022 Undated Capital Bonds (Series 1)	50	5,000	–	–	50	5,000
2024 Undated Capital Bonds (Series 1)	–	–	300	30,000	300	30,000
2024 Undated Capital Bonds (Series 2)	–	–	100	10,000	100	10,000
Total		75,000		–		75,000

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements *(continued)*

4.37 Related information attributable to the holders of equity instruments

Preference shares and perpetual bonds issued by the Bank are classified as equity instruments and are listed in the consolidated balance sheet under shareholders' equity. In accordance with the relevant regulations of the former CBIRC, the preferred shares and perpetual bonds issued by the Bank have met the criteria of qualifying other Tier 1 capital instruments.

Interests attributable to the holders of equity instruments

	31 December 2025	31 December 2024
Total equity attributable to equity holders of the Bank	689,637	642,859
Equity attributable to ordinary equity holders of the Bank	564,637	547,859
Equity attributable to other equity holders of the Bank	125,000	95,000
Total equity attributable to non-controlling interests	13,560	13,709
Equity attributable to non-controlling interests of ordinary shares	13,560	13,709

4.38 Surplus reserve, general reserve and retained earnings

(1) Surplus reserve

Under the PRC laws, Articles of the Bank and the resolution of the Board of Directors, the Bank is required to appropriate 10% of its net profit. Until the statutory surplus reserve reaches 50% of its registered capital, the Bank will still appropriate 10% of its net profit as statutory surplus reserve. Subject to the approval of the equity shareholders, the statutory surplus reserve can be used for replenishing the accumulated losses or increasing the Bank's share capital. The statutory surplus reserve amount used to increase the share capital is limited to a level where the balance of the statutory surplus reserve after such capitalisation is not less than 25% of the share capital.

The Group appropriated RMB2,941 million statutory surplus reserve for the year ended 31 December 2025 (for the year ended 31 December 2024: RMB3,083 million).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements *(continued)*

4.38 Surplus reserve, general reserve and retained earnings *(continued)*

(2) General reserve

Pursuant to the Measures for Managing the Appropriation of Provisions of Financial Enterprises (Cai Jin [2012] No. 20) issued by the MOF, the Bank is required to provide for impairment losses of its assets and set aside a general reserve through the appropriation of net profits to cover potential losses against its assets. The general reserve is part of the equity shareholders' interests and should not be less than 1.5% of the year-end balance of risk-bearing assets.

The Bank's subsidiaries appropriate their profits to the general reserve according to the applicable local regulations, which were included in the Group's general reserve.

The Group appropriated RMB2,363 million of profits to the general reserve for the year ended 31 December 2025 (for the year ended 31 December 2024: RMB4,042 million).

(3) Retained earnings

As at 31 December 2025, the retained earnings included the statutory surplus reserve of RMB1,917 million contributed by the subsidiaries (31 December 2024: RMB1,790 million). The surplus reserve of the subsidiaries included in the retained earnings cannot be distributed.

4.39 Non-controlling interests

As at 31 December 2025, the non-controlling interests in the subsidiaries were RMB13,560 million (31 December 2024: RMB13,709 million).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
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4 Notes to the consolidated financial statements (*continued*)

4.40 Dividends/Interests

(1) Dividends for ordinary shares

The Board of directors approved the cash dividends distribution plan for 2025 interim at the Board Meeting on 29 August 2025. The profit distribution plan would distribute cash dividends to registered A-share and H-share shareholders on the equity registration date. The cash dividends declared was RMB1.36 (tax inclusive) for every 10 shares. A total dividend of RMB5,954 million (tax inclusive) was based on total number of shares of 43,782 million as at 30 June 2025.

The shareholders approved the cash dividends distribution plan for 2024 at the Annual General Meeting on 26 June 2025. The profit distribution plan would distribute cash dividends to registered A-share and H-share shareholders on the equity registration date. The cash dividends declared was RMB0.62 (tax inclusive) for every 10 shares. A total dividend of RMB2,714 million (tax inclusive) was based on total number of shares of 43,782 million as at 31 December 2024.

The shareholders approved the cash dividends distribution plan for 2024 interim at the Annual General Meeting on 25 October 2024. The cash dividends declared would distribute cash dividends to registered A-share and H-share shareholders on the equity registration date. The cash dividend declared was RMB1.30 (including tax) for every 10 shares. A total dividend of RMB5,692 million (including tax) was based on the total number of shares of 43,782 million as on 30 June 2024.

The shareholders approved the cash dividends distribution plan for 2023 at the Annual General Meeting on 26 June 2024. The profit distribution plan would distribute cash dividends to registered A-share and H-share shareholders on the equity registration date. The cash dividends declared was RMB2.16 (tax inclusive) for every 10 shares. A total dividend of RMB9,457 million (tax inclusive) was based on the total number of shares of 43,782 million as on 31 December 2023.

(2) Dividends for preference shares

According to the resolution on the distribution of dividends for domestic preference shares passed at the Board of Directors' meeting held on 29 September 2025, dividend approved was amounted to RMB634 million (including tax), calculated at the coupon rate of 3.17% (including tax) before the first reset date pursuant to the terms and conditions of domestic preference shares. The dividend payment date was 20 October 2025.

According to the resolution on the distribution of dividends for domestic preference shares passed at the Board of Directors' meeting held on 29 August 2024, dividend approved was amounted to RMB876 million (including tax), calculated at the coupon rate of 4.38% (including tax) before the first reset date pursuant to the terms and conditions of domestic preference shares. The dividend payment date was 18 October 2024.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the consolidated financial statements (*continued*)

4.40 Dividends/Interests (*continued*)

(3) Interests for perpetual bonds

On 1 November 2025, the Bank declared interest for 2024 Undated Capital Bonds (Series 2). Interest approved amounted to RMB273 million (including tax), calculated at the initial annual pay-out ratio of 2.73% (including tax) before the first reset date pursuant to the terms and conditions of perpetual bonds.

On 19 August 2025, the Bank declared interest for 2024 Undated Capital Bonds (Series 1). Interest approved amounted to RMB705 million (including tax), calculated at the initial annual pay-out ratio of 2.35% (including tax) before the first reset date pursuant to the terms and conditions of perpetual bonds.

On 16 June 2025, the Bank declared interest for 2022 undated capital bonds. Interest approved amounted to RMB210 million (including tax), calculated at the initial annual pay-out ratio of 4.20% (including tax) before the first reset date pursuant to the terms and conditions of perpetual bonds.

On 21 April 2025, the Bank declared interest for 2021 undated capital bonds. Interest approved amounted to RMB1,290 million (including tax), calculated at the initial annual pay-out ratio of 4.30% (including tax) before the first reset date pursuant to the terms and conditions of perpetual bonds.

On 16 June 2024, the Bank declared interest for 2022 undated capital bonds. Interest approved amounted to RMB210 million (including tax), calculated at the initial annual pay-out ratio of 4.20% (including tax) before the first reset date pursuant to the terms and conditions of perpetual bonds.

On 4 June 2024, the Bank declared interest for 2019 undated capital bonds. Interest approved amounted to RMB1,940 million (including tax), calculated at the initial annual pay-out ratio of 4.85% (including tax) before the first reset date pursuant to the terms and conditions of perpetual bonds.

On 21 April 2024, the Bank declared interest for 2021 undated capital bonds. Interest approved amounted to RMB1,290 million (including tax), calculated at the initial annual pay-out ratio of 4.30% (including tax) before the first reset date pursuant to the terms and conditions of perpetual bonds.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
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4 Notes to the consolidated financial statements *(continued)*

4.41 Other reserves

	Year ended 31 December	
	2025	2024
Items that will not be reclassified subsequently to profit or loss:		
Changes in fair value of equity instruments designated as measured at fair value through other comprehensive income	538	162
Items that may be reclassified subsequently to profit or loss:		
Financial assets at fair value through other comprehensive income		
Changes in fair value	(615)	8,792
Allowance for impairment losses	22	519
Amount transferred to profit or loss from other comprehensive income (a)	(2,424)	(2,785)
Less: Tax effect	709	(1,531)
Subtotal	(1,770)	5,157
Effective hedging portion of gains or losses arising from cash flow hedging instruments	(10)	6
Less: Tax effect	3	(1)
Subtotal	(7)	5
Exchange difference on translating foreign operations	(350)	89
Total	(2,127)	5,251

(a) It refers to the amount transferred to profit or loss due to disposal.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
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4 Notes to the consolidated financial statements *(continued)*

4.41 Other reserves *(continued)*

Investment revaluation reserve and cash flow hedging reserve attributable to equity holders of the Bank in the consolidated statement of financial position:

	Attributable to equity shareholders of the Bank			
	Investment revaluation reserve	Cash flow hedging reserve	Exchange reserve	Total
1 January 2025	6,602	(12)	602	7,192
Movement during the year	(1,690)	(7)	(250)	(1,947)
31 December 2025	4,912	(19)	352	5,245
1 January 2024	1,507	(17)	532	2,022
Movement during the year	5,095	5	70	5,170
31 December 2024	6,602	(12)	602	7,192

4.42 Notes to the consolidated cash flow statement

Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of cash flows consist of the following:

	31 December 2025	31 December 2024
Cash (Note 4.12)	4,193	5,260
Surplus deposit reserves with central bank (Note 4.12)	27,145	37,561
Balances with banks and other financial institutions		
– demand deposits	107,751	96,370
Original maturity within 3 months:		
– Balances with banks and other financial institutions	758	1,814
– Placements with banks and other financial institutions	21,039	43,985
Total	160,886	184,990

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
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4 Notes to the consolidated financial statements (*continued*)

4.43 Transferred financial assets

The Group enters into transactions in the normal course of business whereby it transfers recognised financial assets to third parties or to structured entities. In some cases these transfers may give rise to full or partial de-recognition of the financial assets concerned. In other cases where the transferred assets do not qualify for de-recognition as the Group retains substantially all the risks and rewards of these assets, the Group continues to recognise the transferred assets.

(1) Securitization transactions

The Group enters into securitization transactions by which it transfers loans to structured entities which issue asset-backed securities to investors. The Group assessed among other factors, whether or not to derecognise the transferred assets by evaluating the extent to which it retains the risks and rewards of the assets and whether it has relinquished control over these assets.

For the year ended 31 December 2025, the Group transferred loans through securitisation transactions with gross balance of RMB16,066 million (for the year ended 31 December 2024: RMB9,589 million). These transactions were all qualified for full de-recognition concluded by the Group.

(2) Transfer of non-performing financial assets

For the year ended 31 December 2025, the Group transferred non-performing financial assets through disposal to third parties, with gross balance of RMB16,000 million (for the year ended 31 December 2024: RMB12,268 million). The Group transferred substantially all the risks and rewards of these non-performing financial assets and therefore has derecognised them.

(3) Securities lending transactions

For debt securities lent to counterparties under securities lending agreements, the counterparties are allowed to sell or re-pledge 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 RMB82,351 million (31 December 2024: RMB125,457 million).

NOTES TO THE FINANCIAL STATEMENTS

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5 Segment information

The Group conducts business activities in key business lines and geographical regions.

Segment assets, liabilities, revenues, and expenditures are measured following the Group's accounting policies and internal management rules. The items of each segment include those which can be directly attributable to the segment or can be assigned to the segment based on reasonable criteria.

As a part of the management of assets and liabilities, the Group's capital resources are allocated to various business segments through the Treasury Department of the Head Office. The Group's internal transfer pricing mechanism uses market interest rates as the benchmark and determines transfer prices concerning the internal capital pool. The impact of internal trading has been offset when preparing the consolidated statements.

Capital expenditures of each segment refer to spending relating to purchasing fixed assets, intangible assets, and other long-term assets during the reporting period.

5.1 Business segments

(a) Corporate banking	Providing banking products and services for corporate customers, government agencies and financial institutions. These products and services include corporate deposits, corporate loans, investment business, interbank business, financial markets business and various corporate intermediary business.
(b) Retail banking	Provide financial products and services to individual customers, mainly including personal deposit and loan services, credit card and debit card services, wealth management, private banking and various retail intermediary businesses.
(c) Others	Group's bond investments and money markets transactions which conducted on-demand for liquidity management, and those other businesses which cannot form a single reportable segment and businesses of subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
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5 Segment information *(continued)*

5.1 Business segments *(continued)*

	Year ended 31 December 2025			
	Corporate banking	Retail banking	Others	Total
Operating income	68,470	56,597	14,610	139,677
Net interest income	49,245	44,747	6,134	100,126
Include: inter-segment net interest (expense)/income	(1,529)	(369)	1,898	–
Net fee and commission income	5,257	12,098	966	18,321
Net other income	13,968	(248)	7,510	21,230
Operating expenses	(13,161)	(19,053)	(20,493)	(52,707)
Credit impairment losses	(26,589)	(25,768)	(1,593)	(53,950)
Other impairment losses	(114)	(1)	(646)	(761)
Profit before income tax	28,606	11,775	(8,122)	32,259
Depreciation and amortisation	3,355	2,768	2,492	8,615
Capital expenditure	2,624	2,165	10,924	15,713

	As at 31 December 2025			
	Corporate banking	Retail banking	Others	Total
Segment assets	5,328,944	1,723,662	721,288	7,773,894
Deferred income tax assets				58,673
Total assets				7,832,567
Segment liabilities	(4,780,185)	(1,418,136)	(930,811)	(7,129,132)
Deferred income tax liabilities				(238)
Total liabilities				(7,129,370)
Credit commitments	916,349	507,062	–	1,423,411

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

5 Segment information (*continued*)5.1 Business segments (*continued*)

	Year ended 31 December 2024			
	Corporate banking	Retail banking	Others	Total
Operating income	68,257	54,892	9,974	133,123
Net interest income	52,384	43,246	3,060	98,690
Include: inter-segment net interest income/(expense)	7,800	(8,412)	612	–
Net fee and commission income	5,303	11,473	1,469	18,245
Net other income	10,570	173	5,445	16,188
Operating expenses	(14,027)	(20,793)	(18,278)	(53,098)
Credit impairment losses	(20,921)	(22,487)	(2,066)	(45,474)
Other impairment losses	(312)	(4)	(150)	(466)
Profit before income tax	32,997	11,608	(10,520)	34,085
Depreciation and amortisation	3,432	2,757	2,521	8,710
Capital expenditure	2,605	2,093	11,274	15,972
As at 31 December 2024				
	Corporate banking	Retail banking	Others	Total
Segment assets	5,144,314	1,745,584	866,922	7,756,820
Include: Investments in associates				–
Deferred income tax assets				58,149
Total assets				7,814,969
Segment liabilities	(4,944,030)	(1,291,332)	(922,796)	(7,158,158)
Deferred income tax liabilities				(243)
Total liabilities				(7,158,401)
Credit commitments	851,564	519,340	–	1,370,904

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For the year ended 31 December 2025
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5 Segment information (*continued*)

5.2 Geographical segments

The Group mainly operates in Chinese mainland, with branches distributing across different provinces, autonomous regions and municipalities directly under the Central Government of the country. The Group also has a number of subsidiaries in Chinese mainland and has one branch and subsidiaries in Hong Kong.

Head Office	Including head office, credit card centre and institutions directly under the head office
Yangtze River Delta	Including branches in Shanghai, Zhejiang Province and Jiangsu Province
Pearl River Delta	Including branches in Guangdong Province and Fujian Province
Bohai Rim	Including branches in Beijing, Tianjin, Shandong Province and Hebei Province
Northeastern Region	Including branches in Liaoning Province, Jilin Province and Heilongjiang Province
Central Region	Including branches in Shanxi Province, Henan Province, Hunan Province, Hubei Province, Anhui Province, Jiangxi Province and Hainan Province
Western Region	Including branches in Chongqing, Sichuan Province, Yunnan Province, Shaanxi Province, Gansu Province, Guizhou Province, Qinghai Province, Ningxia Hui Autonomous Region, Xinjiang Uygur Autonomous Region, Guangxi Zhuang Autonomous Region, Inner Mongolia Autonomous Region and Xizang Autonomous Region
Overseas and Subsidiaries	Including Hong Kong Branch, London Branch and subsidiaries

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

5 Segment information *(continued)*5.2 Geographical segments *(continued)*

	Year ended 31 December 2025		As at 31 December 2025
	Operating income	Profit before income tax	Segment assets (1)
Head Office	54,361	12,554	3,400,109
Yangtze River Delta	23,956	10,224	1,233,555
Pearl River Delta	14,973	3,793	807,513
Bohai Rim	12,280	(2,671)	1,384,929
Northeastern Region	2,567	1,546	139,143
Central Region	10,630	2,926	588,810
Western Region	11,046	831	695,289
Overseas and subsidiaries	9,864	3,056	459,489
Inter-segment elimination	–	–	(934,943)
Total	139,677	32,259	7,773,894

	Year ended 31 December 2024		As at 31 December 2024
	Operating income	Profit before income tax	Segment assets (1)
Head Office	47,933	7,676	3,416,362
Yangtze River Delta	21,404	7,054	1,254,041
Pearl River Delta	14,407	4,442	819,463
Bohai Rim	15,922	6,217	1,420,814
Northeastern Region	2,269	266	151,842
Central Region	10,815	2,474	573,712
Western Region	10,268	1,733	688,144
Overseas and subsidiaries	10,105	4,223	437,774
Inter-segment elimination	–	–	(1,005,332)
Total	133,123	34,085	7,756,820

(1) Segment assets do not include deferred tax assets.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

6 Contingent liabilities and commitments

6.1 Credit commitments

Credit commitments take the form of approved loans with signed contracts, credit card limits, financial guarantees and letters of credit. The Group regularly assesses the contingent losses of its credit commitments and makes allowances where necessary.

The contractual amounts of loans and credit card commitments represent the cash outflows should the contracts be fully drawn upon. The amounts of guarantees and letters of credit represent the maximum potential loss that would be recognised if counterparties fail to fully perform as contracted. Acceptances comprise undertakings by the Group to pay bills of exchange drawn on customers. The Group expects most acceptances to be settled simultaneously with the reimbursement from the customers.

As the credit facilities may expire without being drawn upon, the contract amounts set out in the following table do not represent expected future cash outflows.

	31 December 2025	31 December 2024
Bank acceptances	569,052	518,662
Guarantees	128,926	135,217
Letters of credit	200,237	141,076
Unused credit card commitments	506,953	519,213
Irrevocable credit commitments		
– original maturity date within 1 year	2,047	40,454
– original maturity date over 1 year	16,196	16,282
Total	1,423,411	1,370,904

6.2 Capital commitments

	31 December 2025	31 December 2024
Contracted but not paid for	11,862	14,852

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

6 Contingent liabilities and commitments *(continued)*

6.3 Collateral

(1) Assets pledged

The book value of assets used as collateral for business such as borrowings from banks and other financial institutions, selling for repurchase, borrowings from central bank, derivative transactions and precious metal transactions are as follows:

	31 December 2025	31 December 2024
Balances with banks and other financial institutions	9,192	11,072
Loans and advances to customers	37,376	130,692
Discounted bills	45,376	72,907
Financial investments	494,155	373,625
Long-term receivables	5,462	12,718
Property and equipment	11,034	9,627
Total	602,595	610,641

As at 31 December 2025, except for assets pledged mentioned above, the amount of RMB1,342 million of the Group's Balances with banks and other financial institutions was mainly used as special funds for a subsidiary's business (31 December 2024: RMB1,342 million).

(2) Collateral received

The Group received debt securities, bills and others as collateral in connection with the purchase of assets under resale agreements and securities lending transactions. As at 31 December 2025, the Group had no collateral that was sold or lent to counterparties, but obligated to return (31 December 2024: Nil).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

6 Contingent liabilities and commitments *(continued)*

6.4 Underwriting of securities

As at 31 December 2025, there was no unexpired underwriting commitment for the Group (31 December 2024: Nil).

6.5 Redemption commitments

As an underwriting agent of PRC government bonds, the Bank has the obligation to buy back those bonds sold should the holders decide to redeem the bonds early. The redemption price for the bonds at any time before their maturity date is based on the coupon value plus any interest unpaid and accrued up to the redemption date. The amount of redemption obligation, which represents the nominal value of government bonds underwritten and sold by the Bank, but not yet matured as at 31 December 2025 was RMB4,573 million (31 December 2024: RMB3,503 million). The original maturities of the bonds vary from one to five years.

6.6 Outstanding litigation

A number of outstanding litigation matters against the Group had arisen in the normal course of its business as at 31 December 2025 and 31 December 2024. The Group makes provisions for the estimated losses arising from such litigations based upon the opinions of the Group's internal and external legal counsels (Note 4.31).

7 Interests in structured entities

7.1 Consolidated structured entities

As at 31 December 2025, the consolidated structured entities amounted to RMB87,387 million (31 December 2024: RMB85,628 million).

7.2 Unconsolidated structured entities

(1) Invested structured entities in which the Group holds an interest

Unconsolidated invested structured entities include asset-backed securities, funds, trust and asset management plans and others. The Group holds interests in these structured entities and has no obligation or intention to provide financial support to these structured entities, and the Group records interest income, net trading gain and net gain from investment securities therefrom.

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For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

7 Interests in structured entities (*continued*)

7.2 Unconsolidated structured entities (*continued*)

(1) Invested structured entities in which the Group holds an interest (*continued*)

The following tables set out an analysis of the line items in the consolidated statement of financial position in which assets are recognised relating to the Group's interests in invested structured entities:

	31 December 2025			Total
	Financial assets at fair value through profit and loss	Financial assets measured at amortised cost	Financial assets at fair value through other comprehensive income	
Asset-backed securities	1,697	77,073	31,548	110,318
Funds	131,492	–	–	131,492
Trust and asset management plans	19,730	21,976	–	41,706
Others	5,566	–	–	5,566
Total	158,485	99,049	31,548	289,082

	31 December 2024			Total
	Financial assets at fair value through profit and loss	Financial assets measured at amortised cost	Financial assets at fair value through other comprehensive income	
Asset-backed securities	1,713	104,169	20,523	126,405
Funds	159,584	–	–	159,584
Trust and asset management plans	18,254	27,173	–	45,427
Others	3,607	–	–	3,607
Total	183,158	131,342	20,523	335,023

The maximum exposures to loss in the above asset-backed securities, funds, trust and asset management plans and others are the amortised cost or fair value of the assets held by the Group at the reporting date in accordance with the line items of these assets recognised in the consolidated statement of financial positions.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

7 Interests in structured entities *(continued)*

7.2 Unconsolidated structured entities *(continued)*

(2) Interests held in structured entities sponsored and managed but not consolidated by the Group

Structured entities sponsored and managed but not consolidated by the Group primarily include wealth management products, funds and asset management plans. The nature and purpose of these structured entities are to generate fees from managing assets on behalf of investors. Interests held by the Group are mainly fees charged by providing management services. The Group has no obligation or intention to provide financial support to these structured entities.

As at 31 December 2025, the balance of wealth management products sponsored and managed but not consolidated by the Group is RMB1,318,379 million (31 December 2024: RMB1,015,666 million), and the balance of funds and asset management plans sponsored and managed but not consolidated by the Group is RMB170,274 million (31 December 2024: RMB124,668 million).

For the year ended 31 December 2025, the amount of fee and commission income received from the above-mentioned structured entities by the Group is RMB4,077 million (for the year ended 31 December 2024: RMB2,516 million). As at 31 December 2025 and 31 December 2024, the carrying amounts of commission receivable being recognised are not material in the consolidated statement of financial positions.

8 Entrusted lending business

As at the end of the reporting period, the entrusted loans and entrusted funds were as follows:

	31 December 2025	31 December 2024
Entrusted loans	214,750	273,637
Entrusted funds	214,750	273,637

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
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9 Related parties

9.1 Related parties

- (1) Related parties of the Group refer to entities controlled, or jointly controlled by or under significant influence of the Group; entities that control, jointly control or have significant influence over the Group; or entities with which the Group is under control, joint control or significant influence of another party. Related parties can be a natural person, corporate or unincorporated organisation.

Related parties of the Group mainly include corporates or unincorporated organizations that hold or control more than 5% of the Bank's equity interests, and corporates or unincorporated organizations that hold less than 5% of the Bank's equity interests but have significant influence on the Bank, and the controlling shareholders, actual controllers, persons acting in concert, and ultimate beneficiaries of these entities as well as corporates or unincorporated organizations under the control of these entities; the directors and supervisors of the Bank, senior executives of the head office and key branches of the Bank, personnel with the power to approve or make decisions in connection with core businesses, such as large credit limits and asset transfers (hereinafter referred to as "insiders of the Bank"), their close family members, and the corporates or unincorporated organizations controlled by the aforementioned persons; corporate or unincorporated organizations the directors of the Bank, senior executives of the head office, close family members of the Bank serve as director or senior executives; the directors, supervisors and senior executives of the legal or unincorporated organizations holding or controlling more than 5% of the Bank's equity interests, as well as those holding less than 5% of the Bank's equity interests but having significant influence on the Bank, and also their controlling shareholders, actual controllers, persons acting in concert and ultimate beneficiaries; corporates or unincorporated organizations under control or significant influence of the Bank; and natural persons, corporates or unincorporated organizations identified by the Bank as being related on a substance over form basis and/or see-through basis.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
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9 Related parties (continued)

9.1 Related parties (continued)

(2) The Bank's major shareholders

Company name	Registered location	31 December 2025		31 December 2024		Business (a)	Legal form	Legal representative/ President
		No. of Shares of the Bank held by the Company (share)	Proportion of shares of the Bank held by the Company (%)	No. of Shares of the Bank held by the Company (share)	Proportion of shares of the Bank held by the Company (%)			
Dajia Life Insurance Co., Ltd.	Beijing	7,810,214,889	17.84	7,810,214,889	17.84	Insurance business	Joint stock limited company	He Xiaofeng
New Hope Liuhe Investment Co., Ltd.	Xizang	1,828,327,362	4.18	1,828,327,362	4.18	Commercial service	Limited company	Wang Pusong
Southern Hoper Industry Co., Ltd.	Xizang	405,177,327	0.93	405,177,327	0.93	Retailing	Limited company	Li Jianxiong
New Hope Chemical Investment Co. Ltd.	Sichuan	68,000,000	0.16	68,000,000	0.16	Research and experimental development	Limited company	Shao Jun
China Great Wall Asset Management Co., Ltd. (b)	Beijing	1,696,956,931	3.876	N/A	N/A	Other financial industries	Joint stock limited company	Li Junfeng
China Great Wall AMC (International) Holdings Company Limited (b)	Hong Kong	490,000,000	1.119	N/A	N/A	Other financial industries	Limited company	Wang Hai
Shanghai Jiante Life Technology Co., Ltd.	Shanghai	1,379,679,587	3.15	1,379,679,587	3.15	Retailing	Limited company	Wei Wei
Alpha Frontier Limited	Cayman Islands	713,501,653	1.63	713,501,653	1.63	Investment holding	Limited company	Zhang lv
Liberal Rise Limited	British Virgin Islands	84,522,480	0.19	84,522,480	0.19	Investment holding	Limited company	Shi Yuzhu
Shenzhen Liye Group Co., Ltd. (b)	Guangdong	1,966,999,113	4.49	N/A	N/A	Industrial and related supporting services	Limited company	Lin Li
Hong Kong Liye Group Co., Limited (b)	Hong Kong	199,310,000	0.46	N/A	N/A	Semiconductor trade	Limited company	Lin Cong
China Shipowners Mutual Assurance Association	Shanghai	1,324,284,453	3.02	1,324,284,453	3.02	Marine mutual insurance and services	National social group	Song Chunfeng

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For the year ended 31 December 2025
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9 Related parties (*continued*)

9.1 Related parties (*continued*)

(2) The Bank's major shareholders (*continued*)

(a) Particulars of principal operations:

Dajia Life Insurance Co., Ltd.: life insurance, health insurance, accident insurance and other types of life insurance business; reinsurance for the aforementioned business operations; business operations involving the use of insurance funds as permitted by relevant laws and regulations of the state; other business activities as approved by the former CBIRC.

New Hope Liuhe Investment Co., Ltd.: venture capital; investment management; financial advisory; wealth management consulting; and corporate reorganisation consultancy; market research; credit investigation, technology development and transfer, and technology consultancy services, etc.

Southern Hoper Industry Co., Ltd.: feed research and development; wholesale and retail: electronic products, hardware fittings and parts and electrical wares and products, household commodities, knitwear and textiles, stationery and office supplies (excluding color photocopiers), building materials (excluding hazardous chemicals and wood), agricultural product, by products and distinctive local goods and produce (excluding those specified by the state), chemical products (excluding hazardous chemicals), and machinery and equipment; investment and consulting services (excluding intermediary services).

New Hope Chemical Investment Co. Ltd.: research, development, and sales of chemical products (excluding hazardous substances); project investment with provision of technical consulting and after-sales services (excluding financial, securities, and futures-related activities) (prohibited from engaging in illegal fundraising or absorbing public funds); distribution of PVC, fertilizers, packaging materials, agricultural by-products, mineral products, chemical raw materials (non-hazardous), feed-grade calcium hydrogen phosphate, mechanical equipment, steel products, construction materials, metal materials (excluding precious and rare metals), environmental protection materials and equipment, rubber products, plastic products, mechanical & electrical products, auxiliary construction materials (excluding paints), hardware and electrical appliances, light textiles, textile raw materials, household appliances, paper and paper products, prepackaged food; import and export of goods; technology import and export operations.

China Great Wall Asset Management Co., Ltd.: acquiring and entrusted operation of non-performing asset of financial institution, managing, investing and disposal of non-performing assets; debt to equity conversion, management, investment and disposal of equity asset; outbound investment; buying and selling securities; issuance of financial bonds, interbank lending and commercial financing from other financial institution; bankruptcy administration; financial, investment, legal, and risk management consulting and consulting; asset and project appraisal; approved asset securitization business, financial institution custody and liquidation business; non financial institution non-performing asset business; other businesses approved by the banking regulatory authority of the state council.

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For the year ended 31 December 2025
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9 Related parties (*continued*)

9.1 Related parties (*continued*)

(2) The Bank's major shareholders (*continued*)

(a) Particulars of principal operations: (*continued*)

China Great Wall AMC (International) Holdings Company Limited: financial services activities, including investments in holding company, trusts, funds and related financial instruments.

Shanghai Giant Lifetech Co., Ltd.: food production and sales (through branch networks); sales of cosmetics, cleaning supplies, health care equipment, kitchenware; R&D, technological consultation, technological services and technology transfer in relation to health care food; wholesale non-physical means of pre-packaged food (excluding pre-cooked food and sauced food, frozen and refrigerated food); investment management; asset management; investment consulting; business information consulting; and business management consulting.

Alpha Frontier Limited: investment holdings.

Liberal Rise Limited: investment holdings.

Shenzhen Liye Group Co., Ltd.: investment in power industry, new energy industry and high-tech projects; domestic commercial and material supply and marketing industries; Economic information consultation; technical development of computer software and communication products; technical development and sales of new metal and non-metallic materials, as well as other domestic trade; engaged in technology development and consulting in biopharmaceutical technology; industrial design services; power generation technology services; energy storage technology service; technical services, development, consultation, exchange, transfer, and promotion.

Hong Kong Liye Group Co., Limited: investment

China Shipowners Mutual Assurance Association: marine mutual insurance; business training; maritime exchanges; international cooperation; and consulting services.

(b) During the reporting period, these companies have become the bank's major shareholders.

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For the year ended 31 December 2025
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9 Related parties (*continued*)

9.1 Related parties (*continued*)

(2) The Bank's major shareholders (*continued*)

The information of registered capital of the related parties as at the end of the reporting period is as below:

Company name	31 December 2025	31 December 2024
Dajia Life Insurance Co., Ltd.	RMB30,790 million	RMB30,790 million
New Hope Liuhe Investment Co., Ltd.	RMB577 million	RMB577 million
Southern Hoper Industry Co., Ltd.	RMB1,034 million	RMB1,034 million
New Hope Chemical Investment Co., Ltd.	RMB2,718 million	RMB2,718 million
China Great Wall Asset Management Co., Ltd. (a)	RMB46,800 million	N/A
China Great Wall AMC (International) Holdings Company Limited (a)	HKD358.6614 million	N/A
Shanghai Jiante Life Technology Co., Ltd.	RMB245 million	RMB245 million
Alpha Frontier Limited	USD17.5 thousand	USD17.5 thousand
Liberal Rise Limited	USD0.05 million	USD0.05 million
Shenzhen Liye Group Co., Ltd. (a)	RMB10,000 million	N/A
Hong Kong Liye Group Co., Limited (a)	HKD10 thousand	N/A
China Shipowners Mutual Assurance Association	RMB100 thousand	RMB100 thousand

(a) During the reporting period, these companies have become the bank's major shareholders.

(3) The detailed information of the Bank's subsidiaries is set out in Note 4.23.

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For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

9 Related parties (continued)

9.1 Related parties (continued)

(4) Relationship with related parties

Company name	Relationship with the Bank
Shanghai Giant Investment Management Co., Ltd.	Relate party of Shanghai Jiantel Life Technology Co., Ltd.
Guizhou Guoyuan Mining Development Co., Ltd.	Related party of the Bank holding equity interests arising from the bankruptcy reorganization of the borrower
Shanghai Cibi Business Information Consulting Co., Ltd.	Relate party of Shanghai Jiantel Life Technology Co., Ltd.
Shanghai Jukun Network Technology Co., Ltd.	Relate party of Shanghai Jiantel Life Technology Co., Ltd.
Orient Group Incorporation	Formerly served as a principal shareholder of the Bank
Oriental Group Co., Ltd.	Relate party of Orient Group Incorporation
Beijing Dacheng Hotel Co., Ltd.	Relate party of Orient Group Incorporation
Chongqing Yufu Expressway Co., Ltd.	Relate party of Tongfang Guoxin Investment Co., Ltd.
Tongfang Guoxin Investment Co., Ltd.	Relate party of Tongfang Guoxin Investment Co., Ltd.
Tianjin Haihui Real Estate Development Co., Ltd.	Relate party of Goodfirst Group Co., Ltd.
Xiamen Rongyin Co., Ltd.	Relate party of Goodfirst Group Co., Ltd.
Shanghai Songjiang Wanda Plaza Investment Co., Ltd.	Relate party of Dajia Life Insurance Co., Ltd.
Shanghai Yuye Industrial Development Co., Ltd.	Relate party of Tongfang Guoxin Investment Co., Ltd.
Kunming Dashanghui Industrial Co., Ltd.	Relate party of New Hope Liuhe Investment Co., Ltd.
Guangxi Xindi Investment Co., Ltd.	Relate party of Goodfirst Group Co., Ltd.
Chengdu Xinxin Qichuang Real Estate Co., Ltd.	Relate party of New Hope Liuhe Investment Co., Ltd.
Sichuan Dazhou Steel Group Co., Ltd.	Related party of the Bank holding equity interests arising from the bankruptcy reorganization of the borrower
New Hope Investment Group Co., Ltd.	Relate party of New Hope Liuhe Investment Co., Ltd.
Xiamen Hongfu Co., Ltd.	Relate party of Goodfirst Group Co., Ltd.
New Hope Group Co., Ltd.	Relate party of New Hope Liuhe Investment Co., Ltd.
Tianjin Yuanchuan Investment Co., Ltd.	Relate party of SINO-OCEAN GROUP HOLDING LIMITED
Chongqing Gengyu Real Estate Development Co., Ltd.	Relate party of New Hope Liuhe Investment Co., Ltd.
Tianjin Boda Warehousing Service Co., Ltd.	Relate party of SINO-OCEAN GROUP HOLDING LIMITED
Kunming Huguang Real Estate Development Co., Ltd.	Relate party of New Hope Liuhe Investment Co., Ltd.
Shenzhen Qianhai Micro Public Bank Co., Ltd.	Related party of the Bank's insiders

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For the year ended 31 December 2025
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9 Related parties (*continued*)

9.1 Related parties (*continued*)

(4) Relationship with related parties (*continued*)

Company name	Relationship with the Bank
Grass Green Group Co., Ltd.	Relate party of New Hope Liuhe Investment Co., Ltd.
Chongqing Yujinyue Real Estate Development Co., Ltd.	Relate party of New Hope Liuhe Investment Co., Ltd.
Dalian Jianhua Sludge Treatment Co., Ltd.	Relate party of SINO-OCEAN GROUP HOLDING LIMITED
Sichuan Dagang Trading Co., Ltd.	Relate party of Sichuan Dazhou Iron and Steel Group Co., Ltd.
Shanghai Xunjiu Technology Co., Ltd.	Related party of the Bank's insiders
Sichuan Petzmall Internet Technology Co., Ltd.	Relate party of New Hope Liuhe Investment Co., Ltd.
Shanghai Gold Partner Biotechnology Co., Ltd.	Relate party of Shanghai Jiantelife Technology Co., Ltd.
Shanghai Jianjiu Biotechnology Co., Ltd.	Relate party of Shanghai Jiantelife Technology Co., Ltd.
Shanghai Zhunji Business Consulting Partnership Enterprise (Limited Partnership)	Relate party of Shanghai Jiantelife Technology Co., Ltd.
Sichuan Hope Shenlan Energy Chemical Co., Ltd.	Relate party of CONTINENTAL HOPE GROUP CORP., LTD.
Tianjin Yuanxi Real Estate Development Co., Ltd.	Relate party of SINO-OCEAN GROUP HOLDING LIMITED
Hope Senlan Science and Technology Holding Corp., Ltd.	Relate party of CONTINENTAL HOPE GROUP CORP., LTD.
Hope Deepblue Air Conditioning Manufacture Corp., Ltd.	Relate party of CONTINENTAL HOPE GROUP CORP., LTD.
Chengdu Langhui Business Services Co., Ltd.	Related party of the Bank's insiders
Chengdu Paiji Pet Products Co., Ltd.	Relate party of New Hope Liuhe Investment Co., Ltd.
Quanzhou Fengze District best art auto parts shop	Related party of the Bank's insiders
Sichuan Langhui Xincheng Cultural Media Co., Ltd.	Related party of the Bank's insiders
Beijing ENRELY Technology Co., Ltd.	Related party of the Bank's insiders
Sanya Minsheng Tourism Co., Ltd.	Related parties of Minsheng E-commerce Holdings (Shenzhen) Co., Ltd.
Minsheng Real Estate Co., Ltd.	Companies funded by the Trade Union Committee of the Bank
Minsheng E-commerce Holdings (Shenzhen) Co., Ltd.	A company with joint capital contribution of the substantial shareholders of the Bank and the asset management plan of a second-tier subsidiary of the Bank
Minsheng Technology Co., Ltd.	Related party of Minsheng Real Estate Co., Ltd.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
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9 Related parties (*continued*)

9.1 Related parties (*continued*)

(5) Related natural persons

The related natural persons of the Group include: the directors of the Bank, senior executives of the head office and key branches of the Bank, personnel with the power to approve or make decisions in connection with core businesses, such as large credit limits and asset transfers, and their close family members; the directors and senior executives of the legal or unincorporated organizations holding or controlling more than 5% of the Bank's equity interests, as well as those holding less than 5% of the Bank's equity interests but having significant influence on the Bank, and also their controlling shareholders, actual controllers, persons acting in concert and ultimate beneficiaries; and natural persons identified by the Bank as being related on a substance over form basis and/or look-through basis. As at 31 December 2025, the Bank has 11,175 related natural persons, including 200 who were directors of the Bank and their close family members, 135 who were senior executives of the head office and their close family members, 10,672 who were senior executives of key branches of the Bank or people with the power to approve or make decisions in connection with core businesses, such as large credit limits and asset transfers, and their close family members, 97 who were directors and senior executives of the legal or unincorporated organizations holding or controlling more than 5% of the Bank's equity interests, as well as those holding less than 5% of the Bank's equity interests but having significant influence on the Bank, and also their controlling shareholders, actual controllers, persons acting in concert and ultimate beneficiaries, and 148 other natural persons.

Note: Among the Bank's directors and their close family members, 66 were also senior executives of the head office or close family members. Among the Bank's directors and their close family members, 11 were also directors, supervisors and senior executives of the legal or unincorporated organisations holding or controlling more than 5% of the Bank's equity interests, as well as those holding less than 5% of the Bank's equity interests but having significant influence on the Bank, and also their controlling shareholders, actual controllers, persons acting in concert and ultimate beneficiaries.

9.2 Related party transactions

(1) Material related party transactions

Material related party transactions refer to transactions where an individual transaction between the Group and a single related party amounts to more than 1% of the Group's net capital at the end of the previous quarter, or where the cumulative total of transactions between the Group and a single related party amounts to more than 5% of the Group's net capital at the end of the previous quarter.

For the year ended 31 December 2025, the Bank granted to Dajia Life Insurance Inc. a comprehensive credit limit of RMB26 billion with a term of 2 years. As at 31 December 2025 the loan balance was RMB4.625 billion.

(2) Pricing policy

Transactions between the Group and its related parties are mainly conducted in the normal course of its business and on normal commercial terms, following the pricing policies that are consistent with those applicable to similar transactions with independent non-related parties.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

9 Related parties (*continued*)9.2 Related party transactions (*continued*)

(3) Loans to related parties

Balances outstanding as at the end of the reporting period:

	Types of collateral	31 December 2025	31 December 2024
Shanghai Giant Investment Management Co., Ltd.	Pledged/Collateralised/ Guaranteed	3,712	–
Guizhou Guoyuan Mining Development Co., Ltd.	Pledged/Collateralised/ Guaranteed	3,335	3,335
Shanghai Cibi Business Information Consulting Co., Ltd.	Pledged/Guaranteed	3,306	3,308
Shanghai Jukun Network Technology Co., Ltd.	Pledged/Guaranteed	2,979	3,040
Orient Group Incorporation	Pledged/Collateralised/ Guaranteed	2,817	3,467
Oriental Group Co., Ltd.	Pledged/Guaranteed	2,542	2,542
Beijing Dacheng Hotel Co., Ltd.	Pledged/Collateralised/ Guaranteed	1,685	1,685
Chongqing Yufu Expressway Co., Ltd.	Pledged/Guaranteed	1,537	1,762
Tongfang Guoxin Investment Co., Ltd.	Pledged/Collateralised/ Guaranteed	1,266	1,260
Tianjin Haihui Real Estate Development Co., Ltd.	Pledged/Collateralised/ Guaranteed	966	978
Xiamen Rongyin Co., Ltd.	Pledged/Collateralised/ Guaranteed	877	890
Shanghai Songjiang Wanda Plaza Investment Co., Ltd.	Collateralised/Guaranteed	743	807
Shanghai Yuye Industrial Development Co., Ltd.	Pledged/Guaranteed	640	850
Kunming Dashanghui Industrial Co., Ltd.	Pledged/Collateralised/ Guaranteed	559	689

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For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

9 Related parties (continued)

9.2 Related party transactions (continued)

(3) Loans to related parties (continued)

Balances outstanding as at the end of the reporting period: (continued)

	Types of collateral	31 December 2025	31 December 2024
Guangxi Xindi Investment Co., Ltd.	Pledged/Collateralised/ Guaranteed	524	549
Chengdu Xinxin Qichuang Real Estate Co., Ltd. (a)	Collateralised/Guaranteed	480	N/A
Sichuan Dazhou Steel Group Co., Ltd.	Pledged/Collateralised/ Guaranteed	444	725
New Hope Investment Group Co., Ltd.	Pledged/Guaranteed	405	450
Xiamen Hongfu Co., Ltd.	Pledged/Guaranteed	385	390
New Hope Group Co., Ltd.	Guaranteed	327	240
Tianjin Yuanchuan Investment Co., Ltd.	Pledged/Collateralised/ Guaranteed	313	314
Chongqing Gengyu Real Estate Development Co., Ltd.	Collateralised/Guaranteed	293	803
Tianjin Boda Warehousing Service Co., Ltd.	Pledged/Collateralised/ Guaranteed	273	275
Kunming Heguang Real Estate Development Co., Ltd.	Pledged/Collateralised/ Guaranteed	271	–
Shenzhen Qianhai Micro Public Bank Co., Ltd. (a)	Pledged	256	N/A
Grass Green Group Co., Ltd.	Pledged/Guaranteed	92	124
Chongqing Yujinyue Real Estate Development Co., Ltd.	Pledged/Collateralised/ Guaranteed	68	70
Dalian Jianhua Sludge Treatment Co., Ltd.	Collateralised	64	67
Sichuan Dagang Trading Co., Ltd.	Guaranteed	17	–
Chengdu Paiji Pet Products Co., Ltd. (a)	Collateralised	6	N/A

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For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

9 Related parties (*continued*)9.2 Related party transactions (*continued*)(3) Loans to related parties (*continued*)Balances outstanding as at the end of the reporting period: (*continued*)

	Types of collateral	31 December 2025	31 December 2024
Shanghai Xunjiu Technology Co., Ltd.	Collateralised	5	5
Sichuan Petzmall Internet Technology Co., Ltd. (a)	Unsecured	2	N/A
Chengdu Langhui Business Services Co., Ltd. (a)	Collateralised	2	N/A
Quanzhou Fengze District best art auto parts shop	Collateralised	1	1
Sichuan Langhui Xincheng Cultural Media Co., Ltd. (a)	Collateralised	1	N/A
Beijing ENRELY Technology Co., Ltd. (b)	Guaranteed	0	3
Dajia Life Insurance Inc.	Pledged	–	18,201
Oceanwide Holding Co., Ltd. (c)	Pledged/Collateralised/ Guaranteed	N/A	6,800
China Oceanwide Holdings Group Co., Ltd. (c)	Pledged/Guaranteed	N/A	4,666
Wuhan Centre Building Development Investment Co., Ltd. (c)	Pledged/Collateralised/ Guaranteed	N/A	3,972
Shanghai Zhunji Business Consulting Partnership Enterprise (Limited Partnership)	Pledged/Collateralised/ Guaranteed	–	3,757
Wuhan CBD Co., Ltd. (c)	Collateralised/Guaranteed	N/A	3,046
Tianjin Shengshi Xinhe Real Estate Co., Ltd. (c)	Pledged/Collateralised	N/A	900
Beijing Xingtai Tonggang Real Estate Co., Ltd. (c)	Collateralised	N/A	778
YUNNAN TEXTILE CORPORATION (c)	Pledged/Collateralised/ Guaranteed	N/A	603
Shanghai Gold Partner Biotechnology Co., Ltd.	Guaranteed	–	145
Sichuan Hope Huaxi Construction Engineering General Contracting Co., Ltd. (c)	Guaranteed	N/A	80
Sichuan Hope Shenlan Energy Chemical Co., Ltd.	Guaranteed	–	60
Tianjin Yuanxi Real Estate Development Co., Ltd.	Pledged/Collateralised	–	52
Shanghai Jianjiu Biotechnology Co., Ltd.	Guaranteed	–	40
Hope Deepblue Air Conditioning Manufacture Corp., Ltd.	Guaranteed	–	31
Hope Senlan Science and Technology Holding Corp., Ltd.	Guaranteed	–	30

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

9 Related parties (continued)

9.2 Related party transactions (continued)

(3) Loans to related parties (continued)

Balances outstanding as at the end of the reporting period: (continued)

	Types of collateral	31 December 2025	31 December 2024
Hangzhou Xingyuan Environmental Protection Equipment Co., Ltd. (c)	Guaranteed	N/A	30
Shenzhen Sanjiang Intelligent Control Technology Co., Ltd. (c)	Collateralised	N/A	15
Wuxi Yuanmai Information Technology Co., Ltd. (c)	Pledged	N/A	3
Jiangsu Zhijun Power Equipment Co., Ltd. (c)	Collateralised	N/A	2
Individuals	Pledged/Collateralised/ Guaranteed	1,080	1,216
Total		32,273	73,056
Ratio to similar transactions (%)		0.74	1.66
Interest rate ranges of corporate related parties		0.63%-6.20%	2.30%-8.95%

(a) Since 2025, these companies have become related parties of the Group.

(b) The balance is rounded to less than RMB1 million.

(c) As at 31 December 2025, these companies were no longer related parties of the Group.

Amount of transactions:

	Year ended 31 December	
	2025	2024
Interest income from loans	1,437	2,826
Ratio to similar transactions (%)	0.95	1.62

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

9 Related parties (*continued*)9.2 Related party transactions (*continued*)

(4) Other transactions with related parties

Balances as at the end of the reporting period:

	31 December 2025		31 December 2024	
	Balance	Ratio to similar transactions (%)	Balance	Ratio to similar transactions (%)
Financial investments				
– Financial assets measured at amortised cost	3,445	0.26	3,541	0.24
– Financial assets at fair value through profit or loss	405	0.11	923	0.24
– Financial assets at fair value through other comprehensive income	506	0.07	303	0.06
Long-term receivables	–	–	37	0.03
Other assets (a)	779	1.39	696	1.51
Balances with banks and other financial institutions	19,123	8.27	–	–
Deposits and placements from banks and other financial institutions	1,661	0.19	605	0.06
Deposits from customers	15,317	0.35	27,954	0.65
Other liabilities	–	–	22	0.03
Intangible assets	53	0.60	36	0.45

- (a) Sanya Minsheng Tourism Co., Ltd. provides project management and business promotion assistant services for Minsheng Financial Leasing regarding its retail vehicle financial leasing business. For the year ended 31 December 2025, Other asset mainly include RMB561 million of auxiliary project management service fee to be amortized paid by Minsheng Financial Leasing to Sanya Minsheng Tourism Co., Ltd. (31 December 2024: RMB680 million).

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For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

9 Related parties (continued)

9.2 Related party transactions (continued)

(4) Other transactions with related parties (continued)

Interest rate ranges for transaction balances as at the end of reporting period

	31 December 2025	31 December 2024
Financial investments		
– Financial assets measured at amortised cost	4.19%-4.90%	4.90%-5.50%
– Financial assets at fair value through other comprehensive income	2.20%-5.32%	2.70%-5.50%
Long-term receivables	N/A	8.90%
Balances with banks and other financial institutions	1.95%-2.38%	N/A
Deposits and placements from banks and other financial institutions	0.05%-1.69%	0.10%-2.78%
Deposits from customers	0.00%-5.13%	0.00%-5.31%

Amount of transactions:

	Year ended 31 December			
	2025		2024	
	Balance	Ratio to similar transactions (%)	Balance	Ratio to similar transactions (%)
Interest income	310	0.14	160	0.06
Interest expense	262	0.21	527	0.35
Fee and commission income (a)	185	0.84	164	0.74
Operating expenses (b)	1,431	2.72	1,640	3.09
Net other operating income (c)	477	27.24	603	23.06

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

9 Related parties (*continued*)

9.2 Related party transactions (*continued*)

(4) Other transactions with related parties (*continued*)

Amount of transactions: (*continued*)

For the year ended 31 December 2025, the Bank entrusted related parties to develop software and systems, and paid a total of RMB452 million (for the year ended 31 December 2024: RMB943 million). The main service provider was Minsheng Fintech Co., Ltd.

- (a) For the years ended 31 December 2025, it mainly represents the Group's income from agency sales of insurance products for Dajia Life Insurance Inc.
- (b) Operating expenses of the Group were mainly for property management service, assets recovery service and business process outsourcing service provided by Minsheng Real Estate Co., Ltd. and its related parties, financial business outsourcing service, travel and publicity campaigns provided by Minsheng E-Commerce Holdings (Shenzhen) Co., Ltd. and its related parties.
- (c) For the year ended 31 December 2025, Minsheng Financial Leasing recognised RMB424 million fees for ancillary service in asset management provided by Sanya Minsheng Tourism Co., Ltd. (for the year ended 31 December 2024: RMB529 million).

Balance of off-balance sheet items:

	31 December 2025		31 December 2024	
	Balance	Ratio to similar transactions (%)	Balance	Ratio to similar transactions (%)
Letters of credit	60	0.06	—	—
Unused credit card commitments	460	0.09	540	0.10

Balances of loans guaranteed by related parties:

	31 December 2025	31 December 2024
Loans guaranteed by related parties	29,881	34,727
Ratio to similar transactions (%)	0.68	0.79

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

9 Related parties (*continued*)

9.2 Related party transactions (*continued*)

(5) Transactions with the annuity scheme

Apart from the obligation for defined contributions to the annuity scheme and normal banking transactions, no other significant transactions were conducted between the Group and the annuity scheme for the years ended 31 December 2025 and 2024.

(6) Transactions with key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the Bank's activities, directly or indirectly, including directors and senior management.

The Bank enters into transactions with key management personnel under normal commercial terms. These include loans and deposits, which are carried out at rates similar to those offered to third parties. Outstanding loans to the key management personnel amounted to RMB0.29 million as at 31 December 2025 (31 December 2024: RMB0.76 million), which have been included in the above loans granted to related parties.

Accrued salaries and other short-term benefits for the key management personnel before tax amounted to RMB53 million for the year ended 31 December 2025 (2024: RMB80 million). Of which, pre-tax compensations for the Executive Directors and executive officers included RMB23 million, to be paid in later years, accrued at no less than 50% of the performance-based compensations (2024: RMB29 million) in accordance with relevant regulations. The exact amounts of these deferred payments shall be determined at the end of their respective tenure based on their performance. In the case of violations of laws and regulations, non-compliances with rules and requirements, and other actions as a senior officer of the Bank that have exposed the Bank to undue risks, the Bank will, depending on the circumstances, deduct the performance-based remuneration of the person for the corresponding period or up to all the performance-based remuneration for his/her entire term of office, in accordance with the Guidelines for Performance-Based Remuneration Recoupment Mechanisms of Banking and Insurance Institutions (Yin Bao Jian Ban Fa [2021] No. 17) issued by the former CBIRC as well as relevant rules of the Bank. The Bank subscribed RMB5 million for supplementary pension insurance for the key management personnel in 2025 (2024: RMB6 million). The related salaries and benefits of 2024 were restated in accordance with Announcement on the Resolutions of the 5th Extraordinary Meeting of the 9th Board of China Minsheng Bank Co., Ltd.

The total 2025 pre-tax compensation for the Bank's executive directors and senior management is subject to approval by the Board of Directors. Upon approval, the Bank will make separate disclosure. The unaccrued compensation is not expected to have a material impact on the financial statements of the Group and the Bank for the year ended 31 December 2025.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
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9 Related parties (*continued*)9.2 Related party transactions (*continued*)

(7) Transactions between the Bank and its subsidiaries

Balances as at the end of the reporting period:

	31 December 2025	31 December 2024
Placements with banks and other financial institutions	16,977	25,622
Loans and advances to customers	1,605	2,080
Financial investment	2,035	2,037
Other assets	–	76
Deposits and placements from banks and other financial institutions	10,638	11,081
Deposits from customers	558	406
Other liabilities	51	–

Amount of transactions for the reporting period:

	Year ended 31 December	
	2025	2024
Interest income	750	1,263
Interest expense	150	219
Fee and commission income	373	561
Fee and commission expense	–	3
Net other operating income	1	1

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

9 Related parties (*continued*)

9.2 Related party transactions (*continued*)

(8) Material transactions between the Bank and its subsidiaries:

For the year ended 31 December 2025, the Bank approved CMBC Wealth Management Co., Ltd. a maximum credit limit of RMB68,000 million with a term of 2 years. As at 31 December 2025 the credit limit has been occupied by RMB0.

(9) Transactions between subsidiaries:

For the year ended 31 December 2025, the transactions between the subsidiaries of the Group are mainly inter-bank deposits or lending. As at 31 December 2025, the above transaction had no balance (31 December 2024: RMB65 million).

The balances and transaction amount with the subsidiaries and between the subsidiaries have been offset in these consolidated financial statements.

10 Financial risk management

10.1 Financial risk management overview

The financial risks the Group is exposed to mainly include credit risk, market risk, liquidity risk and operational risk, etc. Risk management includes identification, measurement, assessment, monitoring, reporting, control and mitigation of risks. The core characteristic of the financial business is taking risks; risks are inevitable in business. The Group's aim is to achieve an appropriate balance between risk and return and to minimise potential adverse effects from risks borne by the Group on its financial performance.

In response to new regulatory requirements and market changes as well as in light of the actual needs and current position, the Group sets its risk preferences, risk management strategies and risk policies, and takes a host of measures to ensure the risk preferences and policies are concretely implemented and complied with and strengthen the role of risk management in support of strategic decision-making, including improving its risk quantification tools and information systems, adopting and continuously improving its end-to-end risk control mechanisms and based on oversight and reviews of actual implementations, re-examining and optimising the risk preference funneling mechanisms, credit policies, limit management, and relevant systems and tools.

The Bank's Risk Management Committee, which operates under the Board of Directors, assists the Board in setting the Bank's risk preferences and risk management strategies, monitoring the Bank's risk management policies and their implementation, and assessing their effectiveness. In accordance with the risk preferences and management strategies, the Bank's senior management develops corresponding risk management policies and procedures and drives their implementation.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

10 Financial risk management (*continued*)

10.2 Credit risk

The Group is exposed to credit risk, which is the risk that a borrower or counterparty defaults as it fails to fully repay debts in a timely manner due to various reasons. Credit risk is the most important risk for the Group's operating activities; management therefore carefully manages its exposure to credit risk. Credit exposures arise principally from lending, trade finance, credit debt securities and leasing activities. There is also credit risk in off-balance sheet financial instruments, such as credit commitments and derivatives.

The Group's credit risk management covers the whole process of credit, investment, leasing and other businesses, including risk appetite and policy formulation, credit acceptance approval, post-loan (investment) management, credit risk monitoring report and other key activities. The Group's business lines bear the direct responsibility for credit risk management, the risk management line bears the responsibilities for formulating policies and processes, monitoring and managing risks, and the internal audit department bears the audit responsibility for performance of duties by business departments and the risk management department:

- The Group's business lines and departments including the Corporate Business Department/Sci-Tech Finance Department, the Strategic Clients Department, the Inclusive Finance SBU/Small Business Finance SBU, the Retail Business Quality Control Department, the Financial Institutions Department, the Financial Markets Department are directly responsible for credit risk and serve as the first line of defence in risk internal control management. They formulated the requirements and process according to the Group's risk management system, organised operating agencies to carry out relevant business.
- The functional departments that engage in credit risk management mainly include departments such as the Credit Management Department, the Risk Management Department, the Credit Approval Department and the Assets Management Department, and they serve as the second line of defence in credit risk management. Among them, the Credit Management Department is the department in charge of credit risk management. The Risk Management Department is responsible for assigning ratings, credit risk measurement and other activities. The Credit Approval Department is responsible for tasks such as comprehensive credit granting and credit approval of various credit businesses. The Assets Management Department is responsible for tasks such as operation and management of non-performing and potential risk assets.
- The Group's audit department serves as the third line of defence in risk management and is responsible for supervision and evaluation.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
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10 Financial risk management (*continued*)

10.2 Credit risk (*continued*)

The credit risk management of the Group includes processes and activities of pre-loan (investment) investigation, inspection and review for lending (investment) and post-loan (investment) management of credit business. Pre-loan (investment) investigation represents assigning credit risk ratings and conducting risk assessment of customers; for the inspection and review for lending (investment), all businesses must be approved by authorised approvers; During the post-loan (investment) management, the Group continuously monitors businesses and strengthens risk monitoring on key industries, regions, products and customers, timely reports the matters and emergencies in the borrower that endanger the safety of credit assets and may cause significant credit risk, and takes timely measures to effectively prevent, control and mitigate risks. The Group has continuously improved its internal control mechanism, strengthened the entire process management of credit business, assigns the responsibilities of each activity in credit business management to all relevant departments and posts according to the principle of effective checks and balances, and established an appraisal and accountability mechanism.

The Group measures and manages the quality of its on-balance sheet and off-balance sheet financial assets exposed to credit risk in accordance with the Measures for the Risk-based Classification of Financial Assets by Commercial Banks (Decree [2023] No. 1 of the CBIRC and the PBC). The Bank has formulated the Administrative Measures for Risk Classification of Financial Assets of China Minsheng Banking Corporation Limited to classify its financial assets by their risk level into five categories, namely, Normal, Special-Mention, Substandard, Doubtful and Loss, with assets classified into the latter three categories collectively referred to as “non-performing assets” to clarify the three-level procedures of “initial classification, affirmation and approval” for risk classification, and strictly conduct risk classification management.

The Group continues to deepen credit risk management empowered by technology, build an intelligent risk control system based on big data, artificial intelligence and other technologies, so as to promote the transformation of credit risk management to digital intelligence, and constantly improve the accuracy, foresight, proactivity and effectiveness of credit risk management.

The Group requires clients to provide collateral/pledges or guarantee when appropriate. The Group has established a management system and operating process for collateral and pledges. The Group continues to monitor the value, structure and legal contracts of collateral and pledges to ensure that they can continue to perform the intended purpose and comply with market practices.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

10 Financial risk management (*continued*)

10.2 Credit risk (*continued*)

(1) Expected Credit Loss ("ECL") measurement

According to the IFRS 9: Financial Instruments, the Group classifies its financial instruments into three stages for the purpose of ECL measurement and applies the ECL model to calculate credit loss provisions for on-balance sheet financial instruments that are exposed to credit risk and measured either at amortised cost or at fair value through other comprehensive income, such as loans, debt securities, balances with banks and other financial institutions, account receivables, lease receivables, and other debt investments, as well as off-balance sheet financial instruments that are exposed to credit risk, such as financial guarantee contracts and loan commitments.

The Group adopts the parameters-based approach and the discounted cash flow ("DCF") method to assess the expected credit losses of its financial assets. A parameters-based approach is applied to retail assets and Stage 1 and Stage 2 corporate financial assets, while the DCF method is applied to Stage 3 corporate financial assets.

The Group regularly reviews and optimizes its expected credit loss model, and makes timely updates to the forward-looking information and relevant parameters in accordance with the requirements of Implementation Rules on Expected Credit Loss Approach of Commercial Banks (CBIRC [2022] No.10) and internal relevant management system.

(a) Financial instrument risk stages

The Group applies a "three-stage model" for measuring expected credit loss for financial instruments based on changes in credit quality since initial recognition. The three stages are defined as follows:

- Stage 1: Financial instruments without significant increase in credit risk since initial recognition. For these assets, expected credit losses are recognised for the following 12 months.
- Stage 2: For financial instruments with significant increase in credit risk since initial recognition, expected credit losses are recognised for the remaining lifetime if there is no objective evidence of impairment.
- Stage 3: For financial assets with objective evidence of impairment as at the end of reporting period, expected credit losses are recognised for the remaining lifetime.

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For the year ended 31 December 2025
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10 Financial risk management (*continued*)

10.2 Credit risk (*continued*)

(1) Expected Credit Loss ("ECL") measurement (*continued*)

(b) Criteria for significant increase in credit risk ("SICR")

The Group assesses, at each reporting period end, whether or not the credit risk of relevant financial instruments has increased significantly since their initial recognition. In order to determine whether the credit risk has increased significantly since initial recognition, the Group takes into account the reasonable and supportable information that is available without undue cost or effort and sets qualitative and quantitative criteria accordingly. The quantitative criteria include overdue days of the principal or interest for more than 30 days, credit asset classified as special-mention, the absolute level or relative change of Probability of Default in excess of the preset thresholds, among others; and the qualitative criteria mainly cover the regulatory and business environments, the borrowers' repayment ability, borrowers' operation capability, borrowers' repayment behaviours, and forward-looking information, among others.

(c) Definition of credit-impaired financial asset

In order to evaluate whether a financial asset is impaired, the Group considers the following criteria:

- The principal or interest of a financial asset is overdue for more than 90 days;
- Significant financial difficulty of the issuer or obligor;
- A breach of contract by the borrower, such as a default or delinquency in interest or principal payments;
- The creditor, for economic or contractual reasons relating to the debtor's financial difficulty, grants the debtor a concession that the Group would not otherwise consider;
- The debtor will probably enter bankruptcy or another financial reorganisation;
- The disappearance of an active market for that financial asset because of financial difficulties faced by the issuer or debtor;
- The purchase or origination of a financial asset at a significant discount that reflects the fact of credit losses;
- Other objective evidence of financial asset impairment.

The credit impairment of a financial asset may be caused by the combined effect of multiple events rather than any single event.

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For the year ended 31 December 2025
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10 Financial risk management (*continued*)

10.2 Credit risk (*continued*)

(1) Expected Credit Loss ("ECL") measurement (*continued*)

(d) Segmentation of risk exposures

For the purpose of expected credit loss measurement, the Group classifies exposures with similar credit risk characteristics into segmentation. The Group segments corporate financial assets mainly according to the borrower types and the industry in which they operate, and retail assets mainly according to product types, and the Group reviews the appropriateness of its risk grouping and makes corrections to the grouping results on an annual basis.

(e) Parameters for ECL measurement

Except for credit-impaired financial assets, the Group recognised 12-month or lifetime ECL allowance by financial instrument according to whether there is a significant increase in credit risk. Expected credit losses are the product of Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD), which are defined as follows:

- PD represents the likelihood of a borrower to default on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation. The PD is determined based on the adjusted results of the internal rating-based model, with forward-looking information incorporated, to reflect the borrower's point-in-time probability of default under the current macroeconomic environment;
- LGD is expressed as a percentage loss per unit of EAD. LGD varies by types of product and availability of collateral, etc.;
- EAD refers to the total amount of on- and off-balance sheet exposures in the event of default and is determined based on principal, interest, off-balance sheet credit risk conversion factor, etc., and may vary by product types.

(f) Forward-looking information incorporated in the ECL

The ECL calculation involves forward-looking information. Based on analysis of its historical data, the Group has identified key economic indicators relevant to expected credit losses, including the quarterly year-on-year (Y/Y) growth rates of Gross Domestic Product (GDP), Broad Money Supply (M2) and Consumer Price Index (CPI) respectively. The Group regularly evaluates the various indicators in the pool of macroeconomic indicators and selects the most relevant indicators for ECL calculation.

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For the year ended 31 December 2025
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10 Financial risk management (*continued*)

10.2 Credit risk (*continued*)

(1) Expected Credit Loss ("ECL") measurement (*continued*)

(f) Forward-looking information incorporated in the ECL (*continued*)

As at 31 December 2025, the Group has considered different macroeconomic scenarios, and the main economic indicators with predicted ranges in estimating ECL are set out as below:

Variables	Range
Quarterly Y/Y growth rate of GDP	4.1% ~ 5.3%
Quarterly Y/Y growth rate of M2	5.0% ~ 10.8%
Quarterly Y/Y growth rate of CPI	- 1.7% ~ 1.8%

The Group conducts sensitivity analysis on the main economic indicators used in forward-looking information. When the predicted value of the main economic indicators changes by 10%, the difference between the hypothetical expected credit loss and the current expected credit loss measurement does not exceed 5%.

The Group combines macro-economic data analysis and expert judgments to develop the positive, neutral and negative scenarios and determine their weightings, and estimates the expected credit losses in different scenarios to calculate the allowances for the weighted average ECLs. As at 31 December 2025 and 31 December 2024, the positive, neutral and negative scenarios had similar weightings.

(g) Cash flow forecasts for Stage 3 corporate financial assets

The Group uses the DCF method to measure the expected credit losses of Stage 3 corporate financial assets. The DCF method estimates the expected credit losses based on regular forecasts of future cash flows. At each measurement date, the Group estimates the future cash inflows of an asset for different future periods, and applies appropriate discount rates to the future cash flows to obtain their present value.

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For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

10 Financial risk management (*continued*)

10.2 Credit risk (*continued*)

(2) Maximum credit risk exposure

The following table presents the Group's maximum exposure to credit risk as at the end of the reporting period without considering any collateral held or other credit enhancements, which is represented by the carrying amount of each type of financial assets after deducting any impairment allowance.

	31 December 2025	31 December 2024
Balances with central bank	250,561	280,189
Balances with banks and other financial institutions	126,084	117,731
Placements with banks and other financial institutions	231,195	186,456
Derivative financial assets	17,362	30,283
Financial assets held under resale agreements	51,473	76,958
Loans and advances to customers	4,374,231	4,396,036
Financial investments		
– Financial assets at fair value through profit or loss	214,013	198,323
– Financial assets measured at amortised cost	1,340,151	1,480,798
– Financial assets at fair value through other comprehensive income	704,516	532,935
Long-term receivables	98,066	112,382
Other financial assets	41,168	31,382
Total	7,448,820	7,443,473
Off-balance sheet credit commitments	1,423,411	1,370,904
Maximum credit risk exposure	8,872,231	8,814,377

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For the year ended 31 December 2025
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10 Financial risk management (*continued*)

10.2 Credit risk (*continued*)

(3) Analysis on the credit quality of financial instruments

- (a) As at 31 December 2025, the credit risk stages of financial instruments at amortised cost and financial instruments at fair value through other comprehensive income are as following:

	Gross carrying amount				Allowance for expected credit losses			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balances with central bank	250,561	-	-	250,561	-	-	-	-
Balances with banks and other financial institutions	126,092	-	-	126,092	(8)	-	-	(8)
Placements with banks and other financial institutions	231,581	-	1,193	232,774	(386)	-	(1,193)	(1,579)
Financial assets held under resale agreements	51,362	-	115	51,477	(4)	-	-	(4)
Loans and advances to customers								
– Corporate loans and advances	2,603,896	132,212	49,182	2,785,290	(18,397)	(15,572)	(20,855)	(54,824)
– Personal loans and advances	1,604,997	44,984	32,255	1,682,236	(7,569)	(11,369)	(20,204)	(39,142)
Financial investments	2,019,887	6,977	31,937	2,058,801	(1,842)	(398)	(11,894)	(14,134)
Long-term receivables	91,030	4,639	4,914	100,583	(440)	(436)	(1,641)	(2,517)
Off-balance sheet credit commitments	1,422,047	1,345	19	1,423,411	(1,178)	(19)	(7)	(1,204)

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For the year ended 31 December 2025
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10 Financial risk management (*continued*)

10.2 Credit risk (*continued*)

(3) Analysis on the credit quality of financial instruments (*continued*)

As at 31 December 2024, the credit risk stages of financial instruments at amortised cost and financial instruments at fair value through other comprehensive income are as following:

	Gross carrying amount				Allowance for expected credit losses			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balances with central bank	280,189	-	-	280,189	-	-	-	-
Balances with banks and other financial institutions	117,733	-	-	117,733	(2)	-	-	(2)
Placements with banks and other financial institutions	186,748	-	1,193	187,941	(292)	-	(1,193)	(1,485)
Financial assets held under resale agreements	76,570	-	435	77,005	(2)	-	(45)	(47)
Loans and advances to customers								
– Corporate loans and advances	2,510,263	148,392	55,046	2,713,701	(18,897)	(15,094)	(22,800)	(56,791)
– Personal loans and advances	1,711,099	31,695	31,945	1,774,739	(7,746)	(7,932)	(20,660)	(36,338)
Financial investments	1,985,681	5,902	36,047	2,027,630	(2,359)	(412)	(11,126)	(13,897)
Long-term receivables	105,296	3,851	6,097	115,244	(675)	(413)	(1,774)	(2,862)
Off-balance sheet credit commitments	1,365,627	5,275	2	1,370,904	(1,008)	(49)	(1)	(1,058)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

10 Financial risk management (*continued*)

10.2 Credit risk (*continued*)

(4) Loans and advances to customers

(a) The credit risk stages of loans and advances to customers (excluding interest accrued) are as following:

	31 December 2025	31 December 2024
Stage 1		
Unsecured loans	1,397,126	1,312,326
Guaranteed loans	878,966	802,071
Loans secured by		
Tangible assets other than monetary assets	1,590,762	1,628,526
Monetary assets	324,683	460,957
Subtotal	4,191,537	4,203,880
Stage 2		
Unsecured loans	23,861	18,638
Guaranteed loans	21,755	21,989
Loans secured by		
Tangible assets other than monetary assets	87,779	89,928
Monetary assets	24,345	29,179
Subtotal	157,740	159,734
Stage 3		
Unsecured loans	22,354	20,305
Guaranteed loans	13,020	14,512
Loans secured by		
Tangible assets other than monetary assets	34,624	40,883
Monetary assets	11,335	11,166
Subtotal	81,333	86,866
Total	4,430,610	4,450,480
Credit-impaired loans secured by collateral	24,602	26,441

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For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

10 Financial risk management (*continued*)10.2 Credit risk (*continued*)(4) Loans and advances to customers (*continued*)

(b) Loans and advances to customers (excluding interest accrued) analysed by industries are as following:

	31 December 2025		31 December 2024	
	Amount	(%)	Amount	(%)
Corporate loans and advances				
Leasing and commercial services	599,990	13.54	547,070	12.29
Manufacturing	500,033	11.29	508,464	11.42
Real estate	325,443	7.35	333,439	7.49
Wholesale and retail	291,287	6.57	295,899	6.65
Transportation, storage and postal services	202,730	4.58	171,065	3.85
Water, environment and public utilities management	174,004	3.93	165,256	3.71
Production and supply of electric power, heat, gas and water	151,199	3.41	136,116	3.06
Financial services	138,243	3.12	173,059	3.89
Construction	103,877	2.34	125,336	2.82
Mining	72,224	1.63	64,345	1.45
Information transmission, software and IT services	57,706	1.30	45,895	1.03
Scientific research and technical service	47,350	1.07	39,153	0.88
Agriculture, forestry, animal husbandry and fishery	26,871	0.61	22,837	0.51
Others	60,769	1.37	51,987	1.17
Subtotal	2,751,726	62.11	2,679,921	60.22
Personal loans and advances	1,678,884	37.89	1,770,559	39.78
Total	4,430,610	100.00	4,450,480	100.00

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For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

10 Financial risk management (*continued*)

10.2 Credit risk (*continued*)

(4) Loans and advances to customers (*continued*)

(c) Loans and advances to customers (excluding interest accrued) by geographical area are as following:

	31 December 2025		31 December 2024	
	Amount	(%)	Amount	(%)
Head Office	443,405	10.01	487,000	10.94
Yangtze River Delta	1,202,961	27.15	1,155,778	25.97
Pearl River Delta	705,417	15.92	710,655	15.97
Western Region	687,012	15.51	680,003	15.28
Bohai Rim	668,332	15.08	693,598	15.58
Central Region	495,201	11.18	510,355	11.47
Northeastern Region	98,223	2.22	91,780	2.06
Overseas and subsidiaries	130,059	2.93	121,311	2.73
Total	4,430,610	100.00	4,450,480	100.00

(5) Rescheduled loans and advances

Rescheduled loans and advances to customers are those loans and advances for which, due to financial difficulties on the part of the borrowers, the Group has made modifications to the contract terms that are favorable to the borrowers, or has entered into refinancing arrangements with the borrowers, including borrowing for repaying or additional debt financing, etc., to facilitate the borrowers to meet their repayment obligations. As at 31 December 2025, the amount of the Group's rescheduled loans and advances to customers is RMB29,007 million (31 December 2024: RMB26,401 million).

Rescheduled loans and advances which were not past due or past due for no more than 90 days are as follows:

	31 December 2025	31 December 2024
Loans and advances to customers	20,511	18,680
Ratio of total loans and advances to customers (%)	0.46	0.42

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For the year ended 31 December 2025
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10 Financial risk management (*continued*)10.2 Credit risk (*continued*)

(6) Distribution of debt instruments analysed by issuers and rating

The ratings are obtained from Standard & Poor's ratings, or major rating agencies where the issuers of the debt securities are located.

	31 December 2025					Total
	Unrated (a)	AAA	AA	A	Lower than A	
Credit impaired						
– Banks and non-bank financial institutions (b)	21,177	–	–	–	–	21,177
– Corporates	6,407	–	–	–	1,999	8,406
Gross balance	27,584	–	–	–	1,999	29,583
Interest accrued						2,125
Less: Allowance for impairment losses of financial assets measured at amortised cost						(10,460)
Subtotal						21,248
Not impaired						
– Government	508,842	728,983	1,427	562	79	1,239,893
– Policy banks	157,767	–	–	70	–	157,837
– Banks and non-bank financial institutions	108,336	191,144	7,514	14,381	9,842	331,217
– Corporates	25,999	207,569	14,617	18,661	7,112	273,958
Gross balance	800,944	1,127,696	23,558	33,674	17,033	2,002,905
Interest accrued						21,595
Less: Allowance for impairment losses of financial assets measured at amortised cost						(1,081)
Subtotal						2,023,419
Total						2,044,667

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For the year ended 31 December 2025
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10 Financial risk management (*continued*)

10.2 Credit risk (*continued*)

(6) Distribution of debt instruments analysed by issuers and rating (*continued*)

	31 December 2024					Total
	Unrated (a)	AAA	AA	A	Lower than A	
Credit impaired						
– Banks and non-bank financial institutions (b)	31,033	–	–	–	–	31,033
– Corporates	3,433	–	–	594	1,399	5,426
Gross balance	34,466	–	–	594	1,399	36,459
Interest accrued						3,797
Less: Allowance for impairment losses of financial assets measured at amortised cost						(9,818)
Subtotal						30,438
Not impaired						
– Government	618,539	727,991	41	34	–	1,346,605
– Policy banks	106,435	–	1,171	–	–	107,606
– Banks and non-bank financial institutions	87,736	149,940	–	423	420	238,519
– Corporates	76,647	182,807	8,810	2,400	688	271,352
Gross balance	889,357	1,060,738	10,022	2,857	1,108	1,964,082
Interest accrued						20,844
Less: Allowance for impairment losses of financial assets measured at amortised cost						(1,630)
Subtotal						1,983,296
Total						2,013,734

(a) Unrated debt investments held by the Group mainly include bonds issued by the PRC government, trust and asset management plans, bonds issued by corporates and bonds issued by policy banks, etc.

(b) Credit-impaired debt instruments of banks and non-bank financial institutions mainly include trust and asset management plans, of which the underlying debtors are corporates.

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For the year ended 31 December 2025
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10 Financial risk management (*continued*)

10.2 Credit risk (*continued*)

(7) Investments classified as trust and asset management plans analysed by type of underlying assets

	31 December 2025	31 December 2024
Trust and asset management plans		
Credit assets	21,976	27,173
Bonds and others	19,730	18,254
Total	41,706	45,427

The Group includes trust and asset management plans into comprehensive credit management system and manages its credit risk exposure in a holistic manner. The different methods to mitigate credit risk exposures in trust and assets management plan include guarantees, collaterals and pledges.

10.3 Market risk

The Group is exposed to market risk, which is the risk of loss to its on- and off-balance sheet businesses caused by unfavourable changes in market prices (interest rates, exchange rates, and stock and commodity prices). Market risk includes interest rate risk, exchange rate (including gold bullion) risk, equity price risk and commodity price risk, arising from adverse movements in interest rates, exchange rates, stock prices and commodity price, respectively.

The market risk faced by the Group mainly arises from the Bank's business activities. The Bank and its subsidiaries independently manage their own market risk.

The Bank distinguishes between banking books and trading books in accordance with requirements of regulatory authorities and the general practices of the banking industry, and adopts different methods to identify, measure, monitor and control their respective market risks based on the nature and characteristics of banking and trading books.

Trading books refer to the financial instruments, foreign exchange and commodities positions which could be traded freely. They are held by the Bank for trading or hedging against other risks in the trading book. Positions in the trading book must not be subject to any trading restrictions, or be able to fully hedge against the risks. These positions must also be valued accurately and managed proactively as well. In contrast, the Bank's other businesses are included in the banking books.

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10 Financial risk management (*continued*)

10.3 Market risk (*continued*)

(1) Market risk measurement techniques

The Bank selects appropriate and generally accepted measurement methods for the different types of market risks in its banking books and trading books based on actual needs of the business.

In accordance with regulatory requirements and in response to interest rate risk of the banking books, the Bank develops measurement methods that are appropriate for the size and structure of its assets and liabilities, and performs quantitative assessment of the impact of interest rate changes on the Bank's banking book net interest income and economic value by adopting methods such as gap analysis, net interest income simulation analysis, and economic value simulation analysis.

Interest rate risk of the trading books are measured by using methods such as duration analysis, scenario analysis, sensitivity analysis and value at risk (VaR).

Exchange rate risks of the banking books include exposure in foreign exchange settlement and sales, foreign currency capital funds, loss in foreign currency profits due to settlement of foreign exchange, and shrinking of foreign currency assets compared to the local currency. The Bank assesses the impact of future exchange rate risk based on the exchange rate tendency and the future changes in the Bank's asset and liability portfolios.

Exchange rate risk of trading books arises from currency exposure conducted for customers, market making, proprietary trading, foreign exchange and foreign exchange derivative financial instrument transactions for the purpose of obtaining spreads or locking in arbitrage. The Bank measures exchange rate risk indicators through the identification of exchange rate risk factors and comprehensively evaluates the impact of changes in risk factors on each portfolio, product category and the Bank's profit and loss situation.

The Bank is fully aware of the pros and cons of different methods for measurement of market risks, and therefore adopts other methods, such as stress tests, for complementation. Stress scenarios applied to market risk stress testing include expert scenarios, historical scenarios, and hybrid scenarios.

(2) Currency risk

Currency risk refers to the foreign exchange and foreign exchange derivatives positions, the risk of losses of banks arise from adverse changes of exchange rate. The Group uses RMB as its bookkeeping currency, and the Group's assets and liabilities are denominated in RMB, and the rest are mainly US dollars and Hong Kong dollars.

The Group manages the exchange rate risk by controlling each currency exposure limits and total exposure.

The Group manages the currency risk in the frame of the exposure limit by daily monitoring, reporting and analysing.

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10 Financial risk management (*continued*)10.3 Market risk (*continued*)(2) Currency risk (*continued*)

The following tables present the Group's foreign exchange risk exposures as at the end of the reporting period. The carrying values of assets and liabilities denominated in foreign currencies have been converted into RMB.

	31 December 2025				
	RMB	USD	HKD	Others	Total
Assets:					
Cash and balances with central bank	249,020	5,217	286	231	254,754
Balances with banks and other financial institutions	84,348	35,390	2,956	3,390	126,084
Placements with banks and other financial institutions	183,628	34,385	2,303	10,879	231,195
Financial assets held under resale agreements	51,473	–	–	–	51,473
Loans and advances to customers	4,217,731	97,169	37,418	21,913	4,374,231
Financial investments	2,250,424	150,592	5,888	17,425	2,424,329
Long-term receivables	85,823	12,243	–	–	98,066
Other assets	183,412	50,546	4,684	33,793	272,435
Total assets	7,305,859	385,542	53,535	87,631	7,832,567
Liabilities:					
Borrowings from central bank	228,560	–	–	–	228,560
Deposits and placements from banks and other financial institutions	847,943	85,003	15,929	22,864	971,739
Borrowings from banks and other financial institutions	65,314	45,467	1,626	–	112,407
Financial assets sold under repurchase agreements	248,682	10,201	1,911	–	260,794
Deposits from customers	4,088,948	221,867	17,907	19,077	4,347,799
Debt securities issued	1,006,070	5,938	–	–	1,012,008
Lease liabilities	8,047	–	11	8	8,066
Other liabilities	129,523	12,332	1,262	44,880	187,997
Total liabilities	6,623,087	380,808	38,646	86,829	7,129,370
Net position	682,772	4,734	14,889	802	703,197
Foreign currency derivatives	(4,612)	(14,178)	5,645	16,867	3,722
Off-balance sheet credit commitments	1,372,433	44,171	4,235	2,572	1,423,411

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10 Financial risk management (*continued*)

10.3 Market risk (*continued*)

(2) Currency risk (*continued*)

	31 December 2024				
	RMB	USD	HKD	Others	Total
Assets:					
Cash and balances with central bank	279,339	5,575	329	206	285,449
Balances with banks and other financial institutions	78,897	34,816	1,580	2,438	117,731
Placements with banks and other financial institutions	138,831	32,755	2,492	12,378	186,456
Financial assets held under resale agreements	76,958	–	–	–	76,958
Loans and advances to customers	4,244,613	90,923	39,056	21,444	4,396,036
Financial investments	2,251,474	128,357	5,634	13,237	2,398,702
Long-term receivables	97,766	14,616	–	–	112,382
Other assets	163,268	41,570	5,217	31,200	241,255
Total assets	7,331,146	348,612	54,308	80,903	7,814,969
Liabilities:					
Borrowings from central bank	261,108	–	–	–	261,108
Deposits and placements from banks and other financial institutions	970,311	67,786	15,862	19,747	1,073,706
Borrowings from banks and other financial institutions	72,270	37,538	2,185	–	111,993
Financial assets sold under repurchase agreements	236,285	8,038	3,783	18	248,124
Deposits from customers	4,082,728	213,036	15,357	21,560	4,332,681
Debt securities issued	938,863	2,162	–	–	941,025
Lease liabilities	8,979	–	85	14	9,078
Other liabilities	171,513	7,631	1,192	350	180,686
Total liabilities	6,742,057	336,191	38,464	41,689	7,158,401
Net position	589,089	12,421	15,844	39,214	656,568
Foreign currency derivatives	57,707	11,407	(14,746)	(47,732)	6,636
Off-balance sheet credit commitments	1,317,138	48,877	2,395	2,494	1,370,904

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10 Financial risk management (*continued*)

10.3 Market risk (*continued*)

(2) Currency risk (*continued*)

The Group conducts sensitivity analysis on the net foreign currency position to identify the impact on the statement of profit or loss of potential movements in foreign currency exchange rates against the RMB. As at 31 December 2025, assuming other variables remain unchanged, with 1% appreciation of the US dollar against the RMB would increase both the Group's net profit and equity by RMB153 million (31 December 2024 with 1% appreciation of the US dollar against the RMB would increase both the Group's net profit and equity by RMB506 million); with 1% depreciation of the US dollar against the RMB would decrease both the Group's net profit and equity by RMB153 million (31 December 2024: decrease by RMB506 million).

The sensitivity analysis mentioned above is based on a static foreign exchange exposure profile of assets and liabilities that contains the following assumptions:

- a. The sensitivity of each type of exchange rate refers to the exchange gain or loss caused by a fluctuation in the absolute value of closing foreign currency rate by 1% against the RMB's average rate on the reporting date;
- b. The fluctuation of exchange rates by 1% is based on the assumption of exchange rates movement from the current reporting date to the next reporting date;
- c. The fluctuation of exchange rates for all foreign currencies represents the fluctuation of exchange rates in US dollars and other foreign currencies against RMB in the same direction simultaneously. Due to the immaterial proportion of the Group's total assets and liabilities denominated in currencies other than US dollars, other foreign currencies are converted into US dollars through sensitivity analysis;
- d. The foreign exchange exposures calculated includes spot and forward foreign exchange exposures and swaps;
- e. Other variables (including interest rates) remained unchanged; and
- f. The analysis does not take into account the effect of risk management measures taken by the Group.

Due to the adoption of the aforementioned assumptions, the actual changes in the Group's net profit or loss and equity caused by the increase or decrease in exchange rates might vary from the estimated results of this sensitivity analysis.

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10 Financial risk management (*continued*)

10.3 Market risk (*continued*)

(3) Interest rate risk

Interest rate risk refers to the adverse changes of the level of interest rate, term structure and other factors, which lead to loss on the economic value and bank revenue. Interest rate risk include gap risk, basis risk and option risk, and the gap risk and basis risk are the main sources of risk for the Group.

(a) The trading books

The adverse changes due to the interest rate risk of the trading books related to the financial instruments and commodity positions will cause loss for trading books. The scope of managing interest rate risk of the trading books covers all products and businesses that are sensitive to changes in interest rates, including domestic and foreign currency bond investments, money market transactions, interest rate derivatives, foreign exchange derivatives, precious metal derivatives, and complex derivatives, etc.

The Group mainly uses indicators for scale size, profit and loss indicators, valuation, sensitivity analysis, VaR analysis, duration analysis, stress testing and other methods to quantitatively analyze interest rate risk, and incorporates market risk measurement models into daily risk management.

The Group sets risk limits such as interest rate sensitivity, duration, exposure, and loss limits to effectively control the interest rate risk of the trading books, and manages the interest rate risk within exposure limit through daily monitoring.

(b) The banking books

The primary techniques applied by the Group in measuring and analysing interest rate risk are mainly scenario analyses, repricing gap analyses, valuation analyses, sensitivity analyses, duration analyses and stress testing. The Group manages the interest rate risk using the framework of exposure limit by periodically monitoring and reporting.

The Group strengthens interest rate risk management in the banking book by setting risk limits such as duration and valuation loss tolerance. The Group closely monitors trends of interest rate changes for both RMB and foreign currencies, follows market interest rate changes, performs scenario analyses and stress tests on a regular basis, and adjusts asset and liability maturity strategy, interest rates of deposits and loans in both RMB and foreign currencies as well as repricing strategy to manage interest rate risk.

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10 Financial risk management (*continued*)10.3 Market risk (*continued*)(3) Interest rate risk (*continued*)(b) The banking books (*continued*)

The following tables present the Group's exposure to interest rate risk, indicating net carrying amounts of assets and liabilities based on their contractual repricing dates or maturity dates whichever are earlier.

	31 December 2025						Total
	Less than 1 month	1 month to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Non- interest bearing	
Assets:							
Cash and balances with central bank	250,451	-	-	-	-	4,303	254,754
Balances with banks and other financial institutions	120,507	1,401	4,079	-	-	97	126,084
Placements with banks and other financial institutions	66,019	16,366	112,718	35,443	-	649	231,195
Financial assets held under resale agreements	51,449	-	-	-	-	24	51,473
Loans and advances to customers	1,339,722	933,955	1,498,546	464,450	100,643	36,915	4,374,231
Financial investments	56,348	136,194	476,153	912,473	627,906	215,255	2,424,329
Long-term receivables	4,204	6,435	26,104	43,999	12,776	4,548	98,066
Other assets	387	-	1,035	2,902	-	268,111	272,435
Total assets	1,889,087	1,094,351	2,118,635	1,459,267	741,325	529,902	7,832,567
Liabilities:							
Borrowings from central bank	46,827	28,031	152,378	-	-	1,324	228,560
Deposits and placements from banks and other financial institutions	515,404	159,848	293,315	-	-	3,172	971,739
Borrowings from banks and other financial institutions	47,888	20,143	39,423	2,968	1,266	719	112,407
Financial assets sold under repurchase agreements	171,703	58,540	30,020	-	-	531	260,794
Deposits from customers	2,002,733	436,696	845,906	991,235	668	70,561	4,347,799
Debt securities issued	91,300	237,384	576,723	34,451	69,993	2,157	1,012,008
Lease liabilities	230	455	1,843	4,758	780	-	8,066
Other liabilities	596	46,262	1,962	-	-	139,177	187,997
Total liabilities	2,876,681	987,359	1,941,570	1,033,412	72,707	217,641	7,129,370
Interest rate gap	(987,594)	106,992	177,065	425,855	668,618	312,261	703,197

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For the year ended 31 December 2025
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10 Financial risk management (*continued*)

10.3 Market risk (*continued*)

(3) Interest rate risk (*continued*)

(b) The banking books (*continued*)

	31 December 2024						
	Less than 1 month	1 month to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Non- interest bearing	Total
Assets:							
Cash and balances with central bank	280,068	-	-	-	-	5,381	285,449
Balances with banks and other financial institutions	111,066	2,455	4,100	-	-	110	117,731
Placements with banks and other financial institutions	133,978	21,264	25,514	4,961	272	467	186,456
Financial assets held under resale agreements	76,926	-	-	-	-	32	76,958
Loans and advances to customers	926,458	1,036,212	1,567,709	686,091	141,607	37,959	4,396,036
Financial investments	76,120	75,079	319,582	1,015,643	658,311	253,967	2,398,702
Long-term receivables	7,400	8,832	34,321	53,456	8,373	-	112,382
Other assets	402	-	797	971	-	239,085	241,255
Total assets	1,612,418	1,143,842	1,952,023	1,761,122	808,563	537,001	7,814,969
Liabilities:							
Borrowings from central bank	10,002	55,676	193,389	-	-	2,041	261,108
Deposits and placements from banks and other financial institutions	556,380	174,774	337,920	-	-	4,632	1,073,706
Borrowings from banks and other financial institutions	40,910	25,318	42,300	2,538	-	927	111,993
Financial assets sold under repurchase agreements	60,942	97,821	88,876	-	-	485	248,124
Deposits from customers	1,979,580	410,504	845,692	1,013,107	212	83,586	4,332,681
Debt securities issued	15,440	202,312	609,895	30,970	79,994	2,414	941,025
Lease liabilities	225	512	2,007	5,340	994	-	9,078
Other liabilities	150	9,834	1,884	-	-	168,818	180,686
Total liabilities	2,663,629	976,751	2,121,963	1,051,955	81,200	262,903	7,158,401
Interest rate gap	(1,051,211)	167,091	(169,940)	709,167	727,363	274,098	656,568

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For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

10 Financial risk management (*continued*)

10.3 Market risk (*continued*)

(3) Interest rate risk (*continued*)

(b) The banking books (*continued*)

If yield curves for respective currencies move in parallel for 100 basis points on 1 January, their potential impact on the Group's net interest income and shareholders' equity for the following year is as follows:

	31 December 2025 (Loss)/Gain	31 December 2024 (Loss)/Gain
Up 100 bps parallel shift in yield curves	(5,281)	(6,269)
Down 100 bps parallel shift in yield curves	5,281	6,269

In performing the interest rate sensitivity analysis, the Group and the Bank has made general assumptions in defining business terms and financial parameters, but have not considered the following:

- business changes after the end of the reporting period, as the analysis is performed based on the static gap at the end of the reporting period;
- the impact of interest rate fluctuations on customers' behaviour;
- the complicated relationship between complex structured products (e.g. embedded call options and other derivative financial instruments) and interest rate fluctuations;
- the impact of interest rate fluctuations on market prices;
- the impact of interest rate fluctuations on off-balance sheet products;
- the impact of interest rate fluctuations on fair value of financial instruments;
- other variables (including foreign exchange rate); and
- other risk management measures in the Group.

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For the year ended 31 December 2025
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10 Financial risk management (*continued*)

10.4 Liquidity risk

Liquidity risk is the risk that the Group is unable to promptly obtain funds at reasonable cost to repay maturing liabilities, discharge other payment obligations and meet other funding needs in the course of normal operations.

During the reporting period, the Bank's subsidiaries manage their respective liquidity risks according to the Group's liquidity risk management framework, and the Bank manages the liquidity risk of all its branches and business lines.

The Bank is exposed to daily calls on its available cash resources from overnight deposits, demand deposits, maturing time deposits, loan drawdowns, guarantees and other calls on cash-settled derivatives. The Bank does not maintain cash resources to meet all these needs, as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty. The Bank sets limits on the minimum proportion of maturing funds available to meet such calls and on the minimum level of interbank and other borrowing facilities that should be in place to cover withdrawals at unexpected levels of demand.

Liquidity requirements to support calls under guarantees and standby letters of credit are considerably less than the full amounts under commitments, because the Bank does not generally expect the third party to fully draw funds under those agreements. The total outstanding contractual amount of commitments to extend credit does not necessarily represent future cash requirements, since many of these commitments will expire or terminate without being funded.

(1) Liquidity risk management policy

The Bank and its subsidiaries separately and independently develop their liquidity risk management policies.

The Board of Directors is ultimately responsible for liquidity risk management including reviewing and approving liquidity risk appetite, liquidity risk management strategy, major policies and procedures. The Bank's senior management is responsible for formulating liquidity risk management policies according to the development strategy of the Bank. The Asset and Liability and Financial Management Department is responsible for the daily liquidity risk management through the following procedures:

To manage the day-to-day position through monitoring the future cash flow to ensure it meets the required fund position, including matured deposits and replenishment of funds for loan demand. The Bank actively participates in global money market transactions to ensure that the Bank's funding requirements are satisfied;

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For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

10 Financial risk management (*continued*)

10.4 Liquidity risk (*continued*)

(1) Liquidity risk management policy (*continued*)

To set ratio requirements and transactions limits to help monitor and manage liquidity risks. The ratios include but are not limited to liquidity coverage ratios, liquidity ratios, net stable funding ratios and liquidity matching rate;

To measure and monitor cash flows through the Bank's asset and liabilities management system, and perform liquidity scenario analyses and stress testing on overall assets and liabilities to satisfy internal and external requirements. Various techniques are used to estimate the Bank's liquidity requirements, and liquidity risk management decisions are made based on the estimated liquidity requirements and within respective terms of reference. A periodical reporting system is established to promptly update senior management on latest liquidity risk information;

To monitor the maturity concentration risk of financial assets and hold an appropriate quantity of high-liquidity and high-market-value assets to ensure the Bank is well positioned to fund its repayment obligations and business growth in the event of an interruption of cash flows due to whatever causes.

(2) Maturity analysis

The following tables present the maturity analysis of assets and liabilities of the Group as at the end of the reporting period. An indefinite term in the case of cash and deposits with the Central Bank refers to statutory reserves and fiscal deposits placed with the Central Bank; an indefinite term in terms of financial investments, loans and advances, long-term receivables, placements with banks and other financial institutions and financial assets held under resale agreements refers to amounts of such assets that have become impaired or overdue for more than one month, and also equity investments and fund investments in financial investment; and repayable on demand with respect to loans and advances and long-term receivables refers to the unimpaired amounts of such assets that have been overdue for less than one month.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
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10 Financial risk management (*continued*)

10.4 Liquidity risk (*continued*)

(2) Maturity analysis (*continued*)

	31 December 2025							Total
	Indefinite	Repayable on demand	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	
Assets:								
Cash and balances with central bank	223,416	31,338	-	-	-	-	-	254,754
Balances with banks and other financial institutions	-	118,257	2,347	1,401	4,079	-	-	126,084
Placements with banks and other financial institutions	-	-	22,314	33,663	128,068	46,800	350	231,195
Financial assets held under resale agreements	115	-	51,358	-	-	-	-	51,473
Loans and advances to customers	49,578	6,721	334,454	295,967	1,175,372	1,252,092	1,260,047	4,374,231
Financial investments	191,467	-	57,297	138,170	480,684	923,045	633,666	2,424,329
Long-term receivables	4,402	139	930	1,518	15,214	67,066	8,797	98,066
Other assets	225,623	757	16,158	5,541	12,639	10,143	1,574	272,435
Total assets	694,601	157,212	484,858	476,260	1,816,056	2,299,146	1,904,434	7,832,567

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For the year ended 31 December 2025
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10 Financial risk management (*continued*)10.4 Liquidity risk (*continued*)(2) Maturity analysis (*continued*)

	31 December 2025							Total
	Indefinite	Repayable on demand	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	
Liabilities:								
Borrowings from central bank	-	-	1,371	28,491	198,698	-	-	228,560
Deposits and placements from banks and other financial institutions	-	403,824	114,205	160,139	293,571	-	-	971,739
Borrowings from banks and other financial institutions	-	-	23,952	22,280	49,076	11,963	5,136	112,407
Financial assets sold under repurchase agreements	-	-	171,939	58,797	30,058	-	-	260,794
Deposits from customers	-	1,743,929	293,004	443,976	859,535	1,007,355	-	4,347,799
Debt securities issued	-	-	91,300	227,738	578,280	44,697	69,993	1,012,008
Lease liabilities	-	-	230	455	1,843	4,758	780	8,066
Other liabilities	1,961	148,399	6,766	9,544	9,588	9,594	2,145	187,997
Total liabilities	1,961	2,296,152	702,767	951,420	2,020,649	1,078,367	78,054	7,129,370
Net position	692,640	(2,138,940)	(217,909)	(475,160)	(204,593)	1,220,779	1,826,380	703,197
Notional amount of derivatives	-	-	783,416	1,068,797	3,888,722	194,644	5,110	5,940,689

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For the year ended 31 December 2025
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10 Financial risk management (*continued*)

10.4 Liquidity risk (*continued*)

(2) Maturity analysis (*continued*)

	31 December 2024							Total
	Indefinite	Repayable on demand	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	
Assets:								
Cash and balances with central bank	242,628	42,821	-	-	-	-	-	285,449
Balances with banks and other financial institutions	-	107,158	4,018	2,455	4,100	-	-	117,731
Placements with banks and other financial institutions	-	-	31,388	67,959	78,664	8,169	276	186,456
Financial assets held under resale agreements	411	-	76,547	-	-	-	-	76,958
Loans and advances to customers	53,736	8,030	340,287	309,522	1,292,316	1,225,148	1,166,997	4,396,036
Financial investments	221,567	-	78,571	71,247	328,554	1,034,130	664,633	2,398,702
Long-term receivables	7,319	1,146	1,469	1,700	14,313	74,858	11,577	112,382
Other assets	188,269	5,876	14,251	16,062	5,801	9,578	1,418	241,255
Total assets	713,930	165,031	546,531	468,945	1,723,748	2,351,883	1,844,901	7,814,969

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For the year ended 31 December 2025
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10 Financial risk management (*continued*)10.4 Liquidity risk (*continued*)(2) Maturity analysis (*continued*)

	31 December 2024							
	Indefinite	Repayable on demand	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
Liabilities:								
Borrowings from central bank	-	-	10,247	56,793	194,068	-	-	261,108
Deposits and placements from banks and other financial institutions	-	455,080	105,466	175,038	338,122	-	-	1,073,706
Borrowings from banks and other financial institutions	-	-	20,087	26,874	47,689	13,194	4,149	111,993
Financial assets sold under repurchase agreements	-	-	61,078	98,073	88,973	-	-	248,124
Deposits from customers	-	1,805,555	213,072	418,649	862,226	1,033,179	-	4,332,681
Debt securities issued	-	-	15,440	202,356	610,111	33,124	79,994	941,025
Lease liabilities	-	-	225	512	2,007	5,340	994	9,078
Other liabilities	1,730	96,185	14,489	30,437	24,108	11,931	1,806	180,686
Total liabilities	1,730	2,356,820	440,104	1,008,732	2,167,304	1,096,768	86,943	7,158,401
Net position	712,200	(2,191,789)	106,427	(539,787)	(443,556)	1,255,115	1,757,958	656,568
Notional amount of derivatives	-	-	819,127	839,096	3,906,470	187,927	1,424	5,754,044

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For the year ended 31 December 2025
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10 Financial risk management (*continued*)

10.4 Liquidity risk (*continued*)

(3) Analysis on contractual undiscounted cash flows of non-derivative assets and liabilities

The following tables present the analysis of the undiscounted contractual cash flows of the Group's non-derivative assets and liabilities as at the end of the reporting period. The Group manages its liquidity risk based on its estimation of expected future cash flows. An indefinite term in the case of cash and deposits with the Central Bank refers to statutory reserves and fiscal deposits placed with the Central Bank; an indefinite term in terms of financial investments, loans and advances, long-term receivables, placements with banks and other financial institutions and financial assets held under resale agreements refers to amounts of such assets that have become impaired or overdue for more than 1 month, and also equity investments and fund investments in financial investments; and repayable on demand with respect to, loans and advances and long-term receivables refers to the unimpaired amounts of such assets that have been overdue for less than 1 month.

	31 December 2025							Total
	Indefinite	Repayable on demand	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	
Assets:								
Cash and balances with central bank	223,416	31,338	-	-	-	-	-	254,754
Balances with banks and other financial institutions	-	118,257	2,348	1,408	4,081	-	-	126,094
Placements with banks and other financial institutions	-	-	22,906	38,990	139,055	54,901	512	256,364
Financial assets held under resale agreements	115	-	51,381	-	-	-	-	51,496
Loans and advances to customers	93,346	9,856	352,898	320,000	1,270,569	1,515,449	1,761,869	5,323,987
Financial investments	199,243	-	60,553	146,751	518,003	1,032,716	780,589	2,737,855
Long-term receivables	5,818	291	963	1,552	15,945	75,911	12,263	112,743
Other assets	233,765	757	12,193	1,112	3,471	8,280	1,130	260,708
Total assets (expected maturity date)	755,703	160,499	503,242	509,813	1,951,124	2,687,257	2,556,363	9,124,001

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10 Financial risk management (*continued*)

10.4 Liquidity risk (*continued*)

(3) Analysis on contractual undiscounted cash flows of non-derivative assets and liabilities (*continued*)

	31 December 2025							Total
	Indefinite	Repayable on demand	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	
Liabilities:								
Borrowings from central bank	-	-	1,371	28,580	200,278	-	-	230,229
Deposits and placements from banks and other financial institutions	-	404,184	114,553	161,077	295,513	-	-	975,327
Borrowings from banks and other financial institutions	-	-	23,989	22,383	49,769	12,622	5,490	114,253
Financial assets sold under repurchase agreements	-	-	171,954	58,914	30,163	-	-	261,031
Deposits from customers	-	1,743,929	293,029	444,541	861,554	1,015,017	-	4,358,070
Debt securities issued	-	-	91,503	229,435	585,372	57,117	70,000	1,033,427
Lease liabilities	-	-	235	465	1,883	4,861	797	8,241
Other liabilities	1,961	236,279	6,766	9,544	9,588	9,594	2,145	275,877
Total liabilities (contractual maturity date)	1,961	2,384,392	703,400	954,939	2,034,120	1,099,211	78,432	7,256,455

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10 Financial risk management (*continued*)

10.4 Liquidity risk (*continued*)

(3) Analysis on contractual undiscounted cash flows of non-derivative assets and liabilities (*continued*)

	31 December 2024							Total
	Indefinite	Repayable on demand	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	
Assets:								
Cash and balances with central bank	242,628	42,821	-	-	-	-	-	285,449
Balances with banks and other financial institutions	-	107,158	4,023	2,455	4,100	-	-	117,736
Placements with banks and other financial institutions	1,199	-	31,506	69,257	80,380	8,173	545	191,060
Financial assets held under resale agreements	411	-	76,560	-	-	-	-	76,971
Loans and advances to customers	95,605	10,687	360,417	360,612	1,463,356	1,522,870	1,692,957	5,506,504
Financial investments	238,652	-	81,848	80,284	368,098	1,144,083	789,297	2,702,262
Long-term receivables	8,767	1,349	1,578	1,753	15,209	85,792	15,021	129,469
Other assets	183,042	358	5,403	1,552	4,502	9,470	1,418	205,745
Total assets (expected maturity date)	770,304	162,373	561,335	515,913	1,935,645	2,770,388	2,499,238	9,215,196

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10 Financial risk management (*continued*)

10.4 Liquidity risk (*continued*)

(3) Analysis on contractual undiscounted cash flows of non-derivative assets and liabilities (*continued*)

	31 December 2024							Total
	Indefinite	Repayable on demand	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	
Liabilities:								
Borrowings from central bank	-	-	10,258	57,048	197,279	-	-	264,585
Deposits and placements from banks and other financial institutions	-	455,522	105,528	175,275	338,321	-	-	1,074,646
Borrowings from banks and other financial institutions	-	-	20,111	27,167	48,371	13,871	4,465	113,985
Financial assets sold under repurchase agreements	-	-	61,185	98,470	89,893	-	-	249,548
Deposits from customers	-	1,805,555	213,319	419,644	865,154	1,062,311	-	4,365,983
Debt securities issued	-	-	15,450	203,164	617,257	33,502	96,125	965,498
Lease liabilities	-	-	243	552	2,165	5,759	1,072	9,791
Other liabilities	1,730	96,185	6,266	20,025	9,959	10,654	1,794	146,613
Total liabilities (contractual maturity date)	1,730	2,357,262	432,360	1,001,345	2,168,399	1,126,097	103,456	7,190,649

(4) Analysis on contractual undiscounted cash flows of derivatives

(a) Derivatives settled on a net basis

The Group's derivatives that will be settled on a net basis include:

- Foreign exchange derivatives: Foreign exchange forwards, swaps and options
- Interest rate derivatives: Interest rate swaps
- Credit derivatives: Credit default swaps

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For the year ended 31 December 2025
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10 Financial risk management (*continued*)

10.4 Liquidity risk (*continued*)

(4) Analysis on contractual undiscounted cash flows of derivatives (*continued*)

(a) Derivatives settled on a net basis (*continued*)

The following tables analyse the Group's contractual undiscounted cash flows of derivatives to be settled on a net basis as at the end of the reporting period.

	31 December 2025					Total
	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	
Foreign exchange derivatives	631	1,037	2,785	(446)	–	4,007
Interest rate derivatives	526	1	(199)	(373)	2	(43)
Credit derivatives	21	173	–	443	7	644
Total	1,178	1,211	2,586	(376)	9	4,608

	31 December 2024					Total
	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	
Foreign exchange derivatives	364	6,828	(6,148)	2,486	–	3,530
Interest rate derivatives	(115)	(32)	627	165	8	653
Credit derivatives	20	–	60	167	–	247
Total	269	6,796	(5,461)	2,818	8	4,430

(b) Derivatives settled on a gross basis

The Group's derivatives that will be settled on a net basis include:

- Foreign exchange derivatives: Foreign exchange forwards, swaps and options
- Precious metal derivatives: Precious metal forwards and swaps

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10 Financial risk management (*continued*)10.4 Liquidity risk (*continued*)(4) Analysis on contractual undiscounted cash flows of derivatives (*continued*)(b) Derivatives settled on a gross basis (*continued*)

The following tables analyse the Group's contractual undiscounted cash flows of derivatives to be settled on a gross basis as at the end of the reporting period.

	31 December 2025					Total
	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	
Foreign exchange derivatives						
– Cash outflow	(122,069)	(96,412)	(194,536)	(37,358)	–	(450,375)
– Cash inflow	122,211	96,483	194,655	37,189	–	450,538
Precious metal derivatives						
– Cash outflow	(42,825)	(29,731)	(25,557)	–	–	(98,113)
– Cash inflow	40,234	22,799	27,065	–	–	90,098
Total cash outflow	(164,894)	(126,143)	(220,093)	(37,358)	–	(548,488)
Total cash inflow	162,445	119,282	221,720	37,189	–	540,636

	31 December 2024					Total
	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	
Foreign exchange derivatives						
– Cash outflow	(503,079)	(620,948)	(1,486,938)	(156,924)	–	(2,767,889)
– Cash inflow	504,851	623,048	1,491,178	157,124	–	2,776,201
Precious metal derivatives						
– Cash outflow	(25,742)	(23,868)	(25,038)	–	–	(74,648)
– Cash inflow	25,752	23,942	25,105	–	–	74,799
Total cash outflow	(528,821)	(644,816)	(1,511,976)	(156,924)	–	(2,842,537)
Total cash inflow	530,603	646,990	1,516,283	157,124	–	2,851,000

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10 Financial risk management (*continued*)

10.4 Liquidity risk (*continued*)

(5) Analysis on contractual undiscounted cash flows of commitments

Management treats contractual maturity as the best estimate for analysing liquidity risk of off-balance sheet items, unless an objective evidence of default is identified.

	31 December 2025			Total
	Less than 1 year	1 to 5 years	More than 5 years	
Bank acceptances	569,052	–	–	569,052
Letters of credit	199,433	804	–	200,237
Guarantees	83,288	43,700	1,938	128,926
Unused credit card commitments	506,953	–	–	506,953
Irrevocable credit commitments	2,048	14,325	1,870	18,243
Total	1,360,774	58,829	3,808	1,423,411

	31 December 2024			Total
	Less than 1 year	1 to 5 years	More than 5 years	
Bank acceptances	518,662	–	–	518,662
Letters of credit	140,779	297	–	141,076
Guarantees	93,416	40,819	982	135,217
Unused credit card commitments	519,213	–	–	519,213
Irrevocable credit commitments	42,278	13,598	860	56,736
Total	1,314,348	54,714	1,842	1,370,904

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10 Financial risk management (*continued*)

10.5 Operational risk

Operational risk refers to the risk of loss resulting from issues related to internal procedures, personnel and information technology (IT) systems, or external events. Operational risk includes legal risks but excludes strategic and reputation risks. The types of operational risk loss events within the Bank mainly include internal and external fraud, employment system and workplace safety events, events related to clients, products and business practices, damage to physical assets, IT system failures, as well as implementation, delivery and process management events.

During the reporting period, the Bank keeps promoting the implementation of the construction plan for its operational risk management system. It fully explored and found more clues and relevant information on loss data, so as to conducted data tracking, cleaning and supplementary reporting on historical loss data across the Group, and it standardised the identification, collection, and processing procedures for operational risk loss data to ensure the collected results meet the regulatory requirements of comprehensiveness, accuracy, and high quality, while controlling the operational risk loss rate within the risk appetite limit. The Bank improved the calculation logic for business indicators under the standardised approach for operational risk, designed the differential treatment methods for the internal loss multiplier (ILM) under different circumstances, implemented the regulatory capital measurement under the new standardised approach while gradually improving the level of measurement automation. To strengthen the management mechanism for the operational risk stress test, the Bank printed and distributed detailed implementation rules to clarify workflow and methods. The Bank identified and assessed operational risk, monitored indicators, optimised the operational risk management system, so as to forge a solid foundation for operational risk management. Additionally, the Bank strengthened the connection between operational risk management and outsourcing risk management, business continuity management, and dynamically updated the scope of outsourcing activities, risk assessment guidelines, and admission conditions. The Bank has also launched a new round of business continuity impact analysis to optimise the business materiality level assessment model, and promote the stable and sustainable business operations.

10.6 Country risk

The Group is exposed to country risk, which represents the risk due to changes and incidents occurred in the economy, politics and society of a specific country or region, which results in the borrowers or debtors in that country or region incapable of or unwilling to pay their debts owed to the Group or otherwise leads to business losses or other losses to the Group in that country or region. The country risk results from the economic deterioration of a specific country or region, the political and social turmoil, the nationalization or expropriation of assets, the Government's refusal of debt redemption, the restriction of foreign currency, the currency depreciation, and so on.

The country risk faced by the Group mainly arises from overseas loan business, bill business, interbank financing, financial derivative trading, offshore leasing business, securities investment and establishment of overseas institutions.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

10 Financial risk management (*continued*)

10.6 Country risk (*continued*)

Country risk management is included in the comprehensive risk management system of the Group and serves the objective of business strategy of the Bank. The Group manages and controls country risk through a number of tools including risk assessment and rating, limit setting, monitoring, conducting country risk stress testing, and formulation of policies to accrue country risk reserve.

10.7 Capital management

In managing capital, the Group enhances capital budget, capital configuration and evaluation management, optimize business structure, promote capital utilization efficiency and create value, based on meeting regulatory requirements and raising risk resistance ability.

The Group computes the capital adequacy ratios in accordance with *The Capital Rules for Commercial Banks* and other relevant regulations. The credit risk-weighted assets are measured using the weighting method. The risk weights for on-balance sheet assets are determined in accordance with Appendix 2 and Appendix 3 of *The Capital Rules for Commercial Banks*, taking into account the risk mitigation effect provided by qualified collateral or qualified guarantors. The off-balance sheet items are measured by multiplying the nominal amounts by the credit conversion factors to obtain the equivalent on-balance sheet assets, which are then treated in the same manner as on-balance sheet assets for risk-weighted assets computation. Market risk-weighted assets are calculated using the standardized approach. Operational risk-weighted assets are also calculated using the standardized approach.

The Group's capital adequacy ratios are calculated in accordance with *The Capital Rules for Commercial Banks* and other relevant regulations. For the Group, the minimum ratios for core tier-one capital adequacy ratio, tier-one capital adequacy ratio, and capital adequacy ratio are 7.75%, 8.75%, and 10.75%, respectively. The Group's capital management, while meeting regulatory requirements and enhancing risk resilience, focuses on strengthening capital budgeting, allocation, and performance evaluation, optimizing business structure, improving capital efficiency, and creating value.

As of 31 December 2025, the Group's core tier-one capital adequacy ratio, tier-one capital adequacy ratio, and capital adequacy ratio all comply with the requirements of *The Capital Rules for Commercial Banks* and other relevant regulations. For more information on capital, please refer to the 2025 Annual Report on *Pillar 3 Information Disclosure of China Minsheng Banking Corp., Ltd.* published by the Bank on its official website.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

11 Fair value of financial instruments

Fair value estimates are generally subjective in nature, and are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date. This level includes listed equity securities and debt instruments on exchanges.

Level 2: The debt securities classified as level 2 are RMB bonds and foreign currency bonds. The fair value of RMB bonds is determined according to the valuation results of China Central Depository & Clearing Co., Ltd., and the fair value of foreign currency bonds is determined according to Bloomberg's valuation results. Other financial instruments classified as level 2 include derivative contracts, discounted bills and forfaiting, which are valued using discounted cash flow method and Blair-Scholes model, etc. All significant valuation parameters are obtained from observable market information.

Level 3: Financial instruments classified as level 3 include equity instruments and debt instruments, whose valuation involves one or more significant unobservable inputs, mainly including right of trust benefit, non-listed equities, subordinated tranches of asset-backed securities, convertible bonds, and asset management plans, etc. The valuation techniques used include discounted cash flow method, market approach and income approach, etc. Unobservable inputs for valuation models include discount rates and discounts for lack of marketability (DLOM), etc.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

11 Fair value of financial instruments *(continued)*

11.1 Financial instruments recorded at fair value

The following tables show an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

	31 December 2025			
	Level 1	Level 2	Level 3	Total
Assets				
Financial assets which are measured at fair value on a recurring basis:				
Financial assets at fair value through profit or loss				
Debt securities	–	187,098	1,570	188,668
Equity investments	998	4,263	17,660	22,921
Investment funds	92,936	40,206	1,505	134,647
Trust and asset management plans	–	14,237	5,493	19,730
Others	2,975	1,590	1,050	5,615
Financial assets at fair value through other comprehensive income				
Debt securities	–	703,623	893	704,516
Equity investments	22	1,692	6,367	8,081
Loans and advances to customers at fair value through other comprehensive income	–	163,029	–	163,029
Derivative financial assets				
Foreign exchange derivatives	–	10,443	100	10,543
Interest rate derivatives	–	977	–	977
Precious metal derivatives	–	5,811	–	5,811
Others	–	31	–	31
Total	96,931	1,133,000	34,638	1,264,569
Liabilities				
Financial liabilities which are measured at fair value on a recurring basis:				
Derivative financial liabilities				
Foreign exchange derivatives	–	(10,032)	–	(10,032)
Interest rate derivatives	–	(857)	–	(857)
Precious metal derivatives	–	(13,635)	–	(13,635)
Others	–	(3)	–	(3)
Financial liabilities at fair value through profit or loss	–	(70,926)	–	(70,926)
Total	–	(95,453)	–	(95,453)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

11 Fair value of financial instruments (*continued*)11.1 Financial instruments recorded at fair value (*continued*)

	31 December 2024			
	Level 1	Level 2	Level 3	Total
Assets				
Financial assets which are measured at fair value on a recurring basis:				
Financial assets at fair value through profit or loss				
Debt securities	–	174,206	2,005	176,211
Equity investments	1,020	1,655	14,561	17,236
Investment funds	90,908	69,423	1,567	161,898
Trust and asset management plans	–	12,603	5,651	18,254
Others	2,807	101	950	3,858
Financial assets at fair value through other comprehensive income				
Debt securities	–	532,060	875	532,935
Equity investments	68	1,469	5,975	7,512
Loans and advances to customers at fair value through other comprehensive income	–	232,509	–	232,509
Derivative financial assets				
Foreign exchange derivatives	–	26,568	–	26,568
Interest rate derivatives	–	1,844	–	1,844
Precious metal derivatives	–	1,839	–	1,839
Others	–	32	–	32
Total	94,803	1,054,309	31,584	1,180,696
Liabilities				
Financial liabilities which are measured at fair value on a recurring basis:				
Derivative financial liabilities				
Foreign exchange derivatives	–	(25,516)	(14)	(25,530)
Interest rate derivatives	–	(687)	–	(687)
Precious metal derivatives	–	(7,856)	–	(7,856)
Others	–	–	–	–
Financial liabilities at fair value through profit or loss	–	(43,197)	(31)	(43,228)
Total	–	(77,256)	(45)	(77,301)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

11 Fair value of financial instruments *(continued)*

11.1 Financial instruments recorded at fair value *(continued)*

For equity instruments and debt instruments whose valuation involves one or more than one significant unobservable inputs, the fair value of the financial instruments classified under level 3 is not significantly influenced by the reasonable changes in these unobservable inputs.

11.2 Movement in level 3 financial instruments measured at fair value

The following table shows the movement of level 3 financial instruments during the year:

	Year ended 31 December 2025							
	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Derivative financial assets	Financial liabilities at fair value through profit or loss	Derivative financial liabilities	Total assets	Total liabilities	
As at 1 January 2025	24,734	875	5,975	–	31,584	31	14	45
Total gains/(losses)								
In profit or loss	5,574	(16)	–	–	5,558	–	–	–
In other comprehensive income	–	(804)	392	–	(412)	–	–	–
Purchase/transfer in	1,486	838	–	100	2,424	–	–	–
Settlement/transfer out	(4,516)	–	–	–	(4,516)	(31)	(14)	(45)
As at 31 December 2025	27,278	893	6,367	100	34,638	–	–	–
Total realised losses included in the consolidated statement of profit or loss	(254)	–	–	–	(254)	–	–	–
Total unrealised gains/(losses) included in the consolidated statement of profit or loss	5,828	(16)	–	–	5,812	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

11 Fair value of financial instruments (*continued*)

11.2 Movement in level 3 financial instruments measured at fair value (*continued*)

	Year ended 31 December 2024							
	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Debt securities	Equity securities	Total assets	Financial liabilities at fair value through profit or loss	Derivative financial liabilities	Total liabilities
As at 1 January 2024	28,994	940	5,893	35,827	814	–	814	
Total (losses)/gains								
In profit or loss	(2,216)	(126)	–	(2,342)	–	–	–	
In other comprehensive income	–	(269)	82	(187)	–	–	–	
Purchase/transfer in	1,309	360	–	1,669	–	14	14	
Settlement/transfer out	(3,353)	(30)	–	(3,383)	(783)	–	(783)	
As at 31 December 2024	24,734	875	5,975	31,584	31	14	45	
Total realised gains included in the consolidated statement of profit or loss	330	–	–	330	–	–	–	
Total unrealised losses included in the consolidated statement of profit or loss	(2,546)	(126)	–	(2,672)	–	–	–	

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

11 Fair value of financial instruments (*continued*)

11.3 Fair value of financial assets and liabilities not carried at fair value

- (1) **Cash and balances with central bank, balances with banks and other financial institutions, placements with banks and other financial institutions, loans and advances to customers, long-term receivables, central bank deposits and placements from banks and other financial institutions, borrowings from banks and other financial institutions, deposits from customers and financial assets held under resale agreements and sold under repurchase agreements**

Given that these financial assets and financial liabilities mainly mature within a year or adopt floating interest rates, their book values approximate their fair values.

- (2) **Financial investments measured at amortised cost**

The fair value for financial assets measured at amortised cost-bonds is usually measured based on “bid” market prices or brokers’/dealers’ quotations. If relevant market information is not available, the fair value is based on quoted price of security products with similar characteristics such as credit risk, materiality and yield.

- (3) **Debt securities issued**

Fair values of debt securities issued are based on quoted market prices. For debt securities where quoted market prices are not available, a discounted cash flow model is used to calculate their fair value using current market rates appropriate for debt securities with similar remaining maturities.

The following table summarises the carrying amounts, the fair value and the analysis by level of the fair value hierarchy of financial assets measured at amortised and cost debt securities issued:

	31 December 2025				
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets					
Financial assets measured at amortised cost	1,340,151	1,374,878	–	1,343,665	31,213
Financial liabilities					
Debt securities issued	1,012,008	998,669	–	998,669	–

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

11 Fair value of financial instruments (*continued*)

11.3 Fair value of financial assets and liabilities not carried at fair value (*continued*)

(3) Debt securities issued (*continued*)

		31 December 2024			
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets					
Financial assets measured at amortised cost	1,480,798	1,529,949	–	1,488,791	41,158
Financial liabilities					
Debt securities issued	941,025	933,371	–	933,371	–

12 Subsequent events

As of the approval date of the financial statements, the Group has no significant events after the balance sheet date that require disclose.

13 Comparative figures

Certain comparative data has been restated to conform to the presentation and disclosure of the current period.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

14 Statement of financial position and statement of changes in equity of the Bank

	31 December 2025	31 December 2024
ASSETS		
Cash and balances with central bank	251,530	282,062
Balances with banks and other financial institutions	94,843	92,461
Precious metals	69,311	31,136
Placements with banks and other financial institutions	248,172	212,078
Derivative financial assets	17,222	30,197
Financial assets held under resale agreements	47,967	73,035
Loans and advances to customers	4,359,169	4,379,490
Financial investments:	2,365,206	2,335,294
– Financial assets at fair value through profit or loss	322,334	324,569
– Financial assets measured at amortised cost	1,340,791	1,481,090
– Financial assets at fair value through other comprehensive income	702,081	529,635
Property and equipment	25,982	26,311
Right-of-use assets	10,524	11,705
Deferred income tax assets	55,300	55,166
Investment in subsidiaries	13,263	13,244
Other assets	35,485	28,834
Total assets	7,593,974	7,571,013

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

14 Statement of financial position and statement of changes in equity of the Bank *(continued)*

	31 December 2025	31 December 2024
LIABILITIES		
Borrowings from central bank	228,515	260,767
Deposits and placements from banks and other financial institutions	967,719	1,074,378
Financial liabilities at fair value through profit or loss	45,050	9,564
Derivative financial liabilities	24,527	34,059
Financial assets sold under repurchase agreements	249,218	233,949
Deposits from customers	4,313,560	4,295,830
Lease liabilities	7,703	8,771
Provisions	1,727	1,729
Debt securities issued	1,003,862	932,894
Current income tax liabilities	4,877	4,220
Other liabilities	72,131	85,348
Total liabilities	6,918,889	6,941,509
EQUITY		
Share capital	43,782	43,782
Other equity instrument	125,000	95,000
Including: Preference shares	20,000	20,000
Perpetual bonds	105,000	75,000
Reserves		
Capital reserve	57,543	57,498
Surplus reserve	64,829	61,888
General reserve	97,059	95,009
Other reserves	4,531	6,665
Retained earnings	282,341	269,662
Total equity	675,085	629,504
Total liabilities and equity	7,593,974	7,571,013

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

14 Statement of financial position and statement of changes in equity of the Bank (continued)

	Reserves									Total
	Share capital	Other equity instrument	Capital reserve	Surplus reserve	General reserve	Investment revaluation reserve	Exchange Reserve	Cash flow hedging reserve	Retained earnings	
At 31 December 2024	43,782	95,000	57,498	61,888	95,009	6,810	(133)	(12)	269,662	629,504
(I) Net profit	-	-	-	-	-	-	-	-	29,408	29,408
(II) Other comprehensive income, net of tax	-	-	-	-	-	(2,033)	(52)	(7)	-	(2,092)
Total comprehensive income	-	-	-	-	-	(2,033)	(52)	(7)	29,408	27,316
(III) Capital invested and reduced by owners										
1. Capital invested by holders of other equity instruments	-	30,000	(1)	-	-	-	-	-	-	29,999
(IV) Profit distribution										
1. Appropriation to surplus reserve	-	-	-	2,941	-	-	-	-	(2,941)	-
2. Appropriation to general reserve	-	-	-	-	2,050	-	-	-	(2,050)	-
3. Cash dividends	-	-	-	-	-	-	-	-	(8,668)	(8,668)
4. Preference shares dividends	-	-	-	-	-	-	-	-	(634)	(634)
5. Interest on perpetual bond	-	-	-	-	-	-	-	-	(2,478)	(2,478)
(V) Transfers within the owners' equity										
1. Other comprehensive income transferred to retained earnings	-	-	-	-	-	(42)	-	-	42	-
(VI) Others										
1. Equity transaction with minority shareholders	-	-	46	-	-	-	-	-	-	46
At 31 December 2025	43,782	125,000	57,543	64,829	97,059	4,735	(185)	(19)	282,341	675,085

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024
(Expressed in millions of Renminbi, unless otherwise stated)

14 Statement of financial position and statement of changes in equity of the Bank *(continued)*

	Share capital	Other equity instrument	Capital reserve	Surplus reserve	General reserve	Reserves Investment revaluation reserve	Exchange Reserve	Cash flow hedging reserve	Retained earnings	Total
At 31 December 2023	43,782	95,000	57,842	58,805	91,290	1,852	(136)	(17)	264,809	613,227
(I) Net profit	-	-	-	-	-	-	-	-	30,830	30,830
(II) Other comprehensive income, net of tax	-	-	-	-	-	4,955	3	5	-	4,963
Total comprehensive income	-	-	-	-	-	4,955	3	5	30,830	35,793
(III) Profit distribution										
1. Appropriation to surplus reserve	-	-	-	3,083	-	-	-	-	(3,083)	-
2. Appropriation to general reserve	-	-	-	-	3,719	-	-	-	(3,719)	-
3. Cash dividends	-	-	-	-	-	-	-	-	(16,032)	(16,032)
4. Interest on perpetual bond	-	-	-	-	-	-	-	-	(3,440)	(3,440)
(IV) Transfers within the owners' equity										
1. Other comprehensive income transferred to retained earnings	-	-	-	-	-	3	-	-	(3)	-
(V) Others										
1. Equity transaction with minority shareholders	-	-	(340)	-	-	-	-	-	300	(40)
2. Others	-	-	(4)	-	-	-	-	-	-	(4)
At 31 December 2024	43,782	95,000	57,498	61,888	95,009	6,810	(133)	(12)	269,662	629,504

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

For the year ended 31 December 2025
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1 Liquidity coverage ratio

	As at 31 December 2025	As at 31 December 2024
Liquidity coverage ratio (%) (RMB and foreign currency)	135.60	161.99
High Quality Liquid Assets	958,739	1,086,316
Net cash outflows in 30 days from the end of the reporting period	707,036	670,628

The above liquidity coverage ratio is calculated in accordance with the formula promulgated by the former CBIRC and based on the financial information prepared in accordance with PRC GAAP.

According to the Measures for the Management of Liquidity Risks of Commercial Banks, the liquidity coverage of commercial banks should reach 100% by the end of 2018.

2 Currency concentration

		31 December 2025			
		USD	HKD	Others	Total
Spot assets		310,713	46,014	17,863	374,590
Spot liabilities		(314,816)	(33,773)	(42,012)	(390,601)
Forward purchases		1,880,170	22,477	117,692	2,020,339
Forward sales		(994,068)	(30,884)	(141,078)	(1,166,030)
Net long position	(a)	881,999	3,834	(47,535)	838,298

		31 December 2024			
		USD	HKD	Others	Total
Spot assets		339,053	53,218	80,582	472,853
Spot liabilities		333,634	38,422	41,689	413,745
Forward purchases		1,654,499	31,152	87,091	1,772,742
Forward sales		(1,326,716)	(42,178)	(124,125)	(1,493,019)
Net long position	(a)	1,000,470	80,614	85,237	1,166,321

(a) The net position is calculated using the delta equivalent approach as required by the Hong Kong Monetary Authority

The Group has no structural position in the reporting periods.

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

3 Loans and advances to customers

3.1 Impaired loans by geographical area

	31 December 2025		31 December 2024	
	Impaired loans	Allowance for impairment losses	Impaired loans	Allowance for impairment losses
Head Office	18,131	14,671	17,204	15,409
Bohai Rim	22,549	9,096	28,479	12,591
Yangtze River Delta	13,684	5,313	12,411	4,748
Western Region	10,552	4,982	11,372	4,193
Pearl River Delta	7,792	3,175	6,838	2,473
Central Region	5,933	2,147	6,833	2,230
Northeastern Region	1,463	737	1,391	520
Overseas and subsidiaries	1,333	938	2,463	1,296
Total	81,437	41,059	86,991	43,460

3.2 Loans overdue for more than 3 months by geographical area

	31 December 2025		31 December 2024	
	Overdue loans	Allowance for impairment losses	Overdue loans	Allowance for impairment losses
Head Office	15,680	14,235	17,084	14,950
Bohai Rim	16,707	6,855	13,487	5,777
Yangtze River Delta	11,870	4,450	10,850	3,679
Western Region	10,015	4,745	9,448	3,617
Pearl River Delta	7,366	2,959	5,962	2,138
Central Region	4,516	1,633	5,088	1,694
Northeastern Region	1,113	579	1,081	393
Overseas and subsidiaries	1,073	785	2,393	1,262
Total	68,340	36,241	65,393	33,510

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

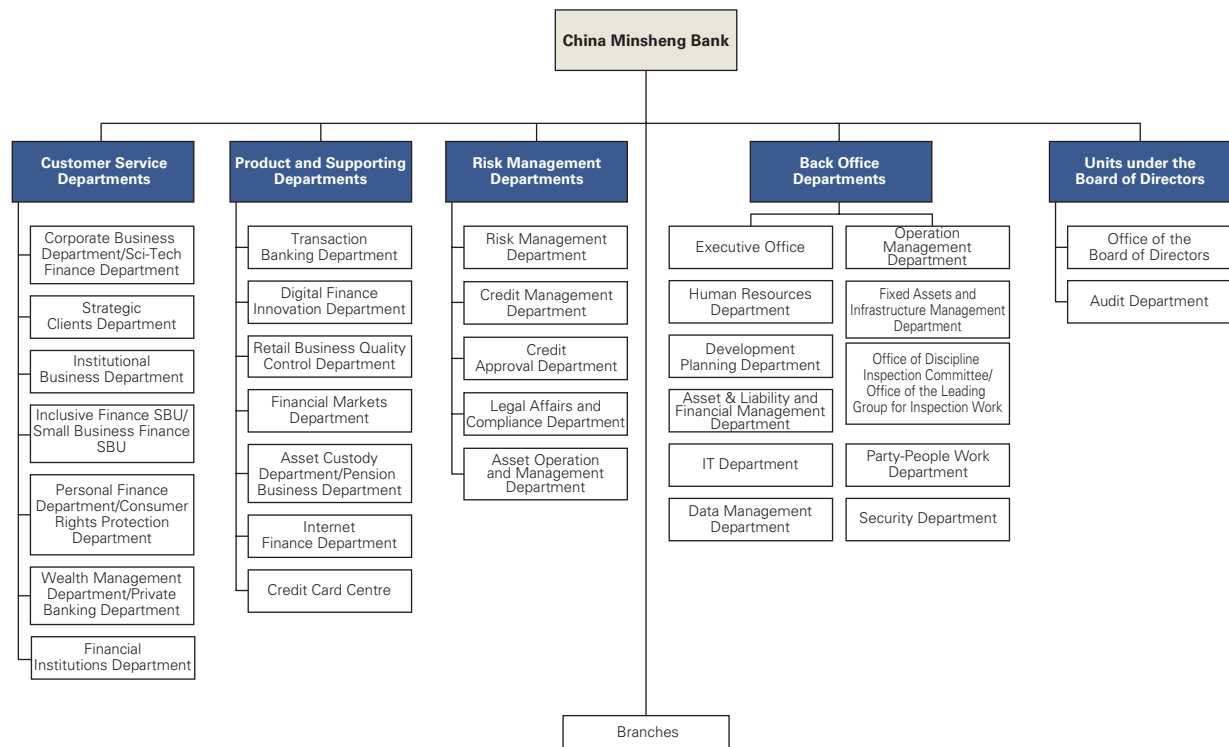
For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

4 International claims

	31 December 2025				
	Asia Pacific	North and South America	Europe	Other Locations	Total
Banks	97,107	13,567	24,536	2,875	138,085
Public sector	13,901	40,227	5,714	–	59,842
Non-bank private sector	202,708	71,050	30,312	18,864	322,934
Total	313,716	124,844	60,562	21,739	520,861

	31 December 2024				
	Asia Pacific	North and South America	Europe	Other Locations	Total
Banks	88,053	15,691	16,453	532	120,729
Public sector	2,965	13,734	–	137	16,836
Non-bank private sector	132,516	96,298	48,880	14,393	292,087
Total	223,534	125,723	65,333	15,062	429,652

ORGANISATION STRUCTURE



LIST OF BRANCHES

■ Beijing

Name: Beijing Branch

Address: Unit 02 on 1/F & 3/F-12/F, Tower B, Zhaotai International Centre, No. 10 Chaoyangmen Nan Avenue, Chaoyang District, Beijing

Postal Code: 100020

Tel: 010-86602800

Fax: 010-86602828

■ Shanghai

Name: Shanghai Branch

Address: No. 100 Pudong Nan Road, Pudong New Area, Shanghai

Postal Code: 200120

Tel: 021-61877000

Fax: –

■ Guangzhou

Name: Guangzhou Branch

Address: Minsheng Tower, No. 68 Liede Avenue, Zhujiang New Town, Tianhe District, Guangzhou, Guangdong Province

Postal Code: 510623

Tel: 020-38380069

Fax: 020-38380000

■ Shenzhen

Name: Shenzhen Branch

Address: Minsheng Finance Tower, Haitian Road, Futian District, Shenzhen, Guangdong Province

Postal Code: 518038

Tel: 0755-82806003

Fax: 0755-82806890

■ Wuhan

Name: Wuhan Branch

Address: China Minsheng Bank Tower, No. 396 Xinhua Road, Jianghan District, Wuhan, Hubei Province

Postal Code: 430000

Tel: 027-85735531

Fax: –

■ Taiyuan

Name: Taiyuan Branch

Address: Block 3, Tower B, Shanxi International Finance Centre, No. 426 Nanzhonghuan Street, Xiaodian District, Taiyuan, Shanxi Province

Postal Code: 030006

Tel: 0351-8208621/1928

Fax: 0351-8208407

■ Shijiazhuang

Name: Shijiazhuang Branch

Address: Minsheng Bank Tower, No. 197 Yuhua Dong Road, Chang'an District, Shijiazhuang, Hebei Province

Postal Code: 050000

Tel: 0311-66889001

Fax: 0311-66889001

■ Dalian

Name: Dalian Branch

Address: No. 52 and No. 54 Renmin Dong Road, Zhongshan District, Dalian, Liaoning Province

Postal Code: 116001

Tel: 0411-62676996

Fax: 0411-62676985

LIST OF BRANCHES

■ Nanjing

Name: Nanjing Branch

Address: Minsheng Bank, Block One, Zijin Finance Centre, No. 399 Jiangdong Zhong Road, Jianye District, Nanjing, Jiangsu Province

Postal Code: 210005

Tel: 025-83279000

Fax: 025-83279002

■ Hangzhou

Name: Hangzhou Branch

Address: Block Jinzun, Zunbao Mansion, No. 98 Shimin Street, Qianjiang New Town, Shangcheng District, Hangzhou, Zhejiang Province

Postal Code: 310009

Tel: 0571-87232682

Fax: 0571-87239789

■ Chongqing

Name: Chongqing Branch

Address: Tongjuyuanjing Building, No. 9 Jianxin Bei Road, Jiangbei District, Chongqing

Postal Code: 400020

Tel: 023-67692716

Fax: 023-67695107

■ Xi'an

Name: Xi'an Branch

Address: Minsheng Bank, Building 5, Taihua Jinmao International, No. 16, Fenghui Nan Road, Gaoxin District, Xi'an, Shaanxi Province

Postal Code: 710065

Tel: 029-61812919

Fax: 029-61812922

■ Fuzhou

Name: Fuzhou Branch

Address: 1-6/F, North Section of 7/F, 17-21/F, No. 10 Gaohui Road, Aofeng Sub-district, Taijiang District, Fuzhou, Fujian Province

Postal Code: 350003

Tel: 0591-87617029

Fax: 0591-87617310

■ Jinan

Name: Jinan Branch

Address: Bo'ao (Shandong) Building, No. 12376 Jingshi Road, Lixia District, Jinan, Shandong Province

Postal Code: 250000

Tel: 0531-86121680

Fax: 0531-86121690

■ Ningbo

Name: Ningbo Branch

Address: No. 815 Juxian Road, Gaoxin District, Ningbo, Zhejiang Province

Postal Code: 315048

Tel: 0574-87260582

Fax: —

■ Chengdu

Name: Chengdu Branch

Address: China Minsheng Tower, No. 535 Jiaozi Avenue, Gaoxin District, Chengdu, Sichuan Province

Postal Code: 610095

Tel: 028-85102116

Fax: —

LIST OF BRANCHES

■ Tianjin

Name: Tianjin Branch

Address: China Minsheng Bank Tower, No. 43
Jianshe Road, Heping District, Tianjin

Postal Code: 300040

Tel: 022-58925839

Fax: 022-58925000

■ Kunming

Name: Kunming Branch

Address: No. 11800 Caiyun Bei Road, Kunming,
Yunnan Province

Postal Code: 650011

Tel: 0871-68124482

Fax: 0871-68124890

■ Quanzhou

Name: Quanzhou Branch

Address: No. 110 Binhai Street, Fengze District,
Quanzhou, Fujian Province

Postal Code: 362000

Tel: 0595-28008199

Fax: 0595-28008180

■ Suzhou

Name: Suzhou Branch

Address: Minsheng Finance Tower, Block 23, Times
Square, Industrial Park, Suzhou, Jiangsu
Province

Postal Code: 215028

Tel: 0512-67909326

Fax: 0512-62569005

■ Qingdao

Name: Qingdao Branch

Address: No. 190 Hai'er Road, Laoshan District,
Qingdao, Shandong Province

Postal Code: 266100

Tel: 0532-58610003

Fax: 0532-58610009

■ Wenzhou

Name: Wenzhou Branch

Address: Minsheng Bank, Finance Tower, No. 1
Huaijiang Road, Lucheng District, Wenzhou,
Zhejiang Province

Postal Code: 325000

Tel: 0577-89592317

Fax: –

■ Xiamen

Name: Xiamen Branch

Address: Xiamen Minsheng Bank Tower, No. 50
Hubin Nan Road, Xiamen, Fujian Province

Postal Code: 361000

Tel: 0592-2383023

Fax: 0592-2682826

■ Zhengzhou

Name: Zhengzhou Branch

Address: Minsheng Bank Tower, No. 1 CBD
Shangwu Waihuan Road, Zhengdong New
District, Zhengzhou, Henan Province

Postal Code: 450000

Tel: 0371-69166698

Fax: 0371-69166916

LIST OF BRANCHES

■ Changsha

Name: Changsha Branch

Address: Minsheng Tower, No. 189 Binjiang Road,
Yuelu District, Changsha, Hunan Province
Postal Code: 410013
Tel: 0731-84907020
Fax: 0731-84907010

■ Changchun

Name: Changchun Branch

Address: Minsheng Tower, No. 500 Changchun
Avenue, Nangan District, Changchun, Jilin
Province
Postal Code: 130041
Tel: 0431-81212182
Fax: 0431-88553099

■ Hefei

Name: Hefei Branch

Address: 1-4/F & 6-22/F, Yinbao Building,
Intersection of Wuhu Xi Road and Jinzhai
Road, Shushan District, Hefei, Anhui
Province
Postal Code: 230041
Tel: 0551-65682937
Fax: 0551-65682901

■ Nanchang

Name: Nanchang Branch

Address: No. 545, Huizhan Road, Honggutan New
District, Nanchang, Jiangxi Province
Postal Code: 330035
Tel: 0791-86751214
Fax: 0791-86761557

■ Shantou

Name: Shantou Branch

Address: 1-9/F, Block 2, Baoneng Times Bay, No.
1 Shangang Road, Shantou, Guangdong
Province
Postal Code: 515000
Tel: 0754-88363056
Fax: –

■ Nanning

Name: Nanning Branch

Address: 1-3/F, 3M/F, 30-31/F and 36/F, Block C,
China Resources Building, No. 136-5
Minzu Avenue, Nanning, Guangxi Zhuang
Autonomous Region
Postal Code: 530000
Tel: 0771-5778973
Fax: 0771-5772168

■ Hohhot

Name: Hohhot Branch

Address: China Minsheng Bank Tower, Block
C, Oriental Junzuo, No. 20 Chilechuan
Avenue, Saihan District, Hohhot, Inner
Mongolia Autonomous Region
Postal Code: 010010
Tel: 0471-3336295
Fax: 0471-3336090

■ Shenyang

Name: Shenyang Branch

Address: No. 65 Nanjing Bei Street, Heping District,
Shenyang, Liaoning Province
Postal Code: 110001
Tel: 024-22587702
Fax: 024-22587716

LIST OF BRANCHES

■ Hong Kong

Name: Hong Kong Branch

Address: Flat 3701-02, 3712-16, 37/F and 40/F, Two
International Finance Centre, 8 Finance
Street, Central, Hong Kong SAR

Tel: 00852-22816800

Fax: 00852-28992617

■ Guiyang

Name: Guiyang Branch

Address: Block 8, Tianyi International Plaza, No.
33 Changling Nan Road, Gaoxin District,
Guiyang, Guizhou Province

Postal Code: 550081

Tel: 0851-88508301

Fax: –

■ Haikou

Name: Haikou Branch

Address: Zhonghuan International Plaza, No. 77
Binhai Avenue, Longhua District, Haikou,
Hainan Province

Postal Code: 570105

Tel: 0898-36797777/8993

Fax: 0898-36799888

■ Lhasa

Name: Lhasa Branch

Address: No. 1, 1/F, Block F1, Hailiang Shiji Xincheng
Phase 2.1, No. 11 Beijing Avenue, Liuwu
New Area, Lhasa, Xizang Autonomous
Region

Postal Code: 850000

Tel: 0891-6361782

Fax: 0891-6363808

■ Shanghai Pilot Free Trade Zone

Name: Shanghai Pilot Free Trade Zone Branch

Address: 40-41/F, No. 100 Pudong Nan Road,
Pudong New Area, Shanghai

Postal Code: 200120

Tel: 021-61876764

Fax: 021-61876917

■ Harbin

Name: Harbin Branch

Address: 1-6/F, Zone One, Olympic Centre, No.
11 Aijian Road, Daoli District, Harbin,
Heilongjiang Province

Postal Code: 150000

Tel: 0451-58569108

Fax: 0451-58569000

■ Lanzhou

Name: Lanzhou Branch

Address: 1-4/F, Gansu Daily Press Plaza, No. 123
Baiyin Road, Chengguan District, Lanzhou,
Gansu Province

Postal Code: 730030

Tel: 0931-6116088

Fax: 0931-6116230

■ Urumqi

Name: Urumchi Branch

Address: No. 314, Yangzijiang Road, Saybagh
District, Urumqi, Xinjiang Uygur
Autonomous Region

Postal Code: 830000

Tel: 0991-6369999

Fax: 0991-5515044

LIST OF BRANCHES

■ Xining

Name: Xining Branch

Address: 1-4/F, Annex Building of Telecom Industrial
Tower, No. 102 Kunlun Zhong Road,
Chengzhong District, Xining, Qinghai
Province

Postal Code: 810000

Tel: 0971-8257504

Fax: 0971-8257573

■ Yinchuan

Name: Yinchuan Branch

Address: Minsheng Bank Tower, No. 106 Shanghai
Xi Road, Jinfeng District, Yinchuan, Ningxia
Hui Autonomous Region

Postal Code: 750002

Tel: 0951-8688714

Fax: 0951-8688988

■ London

Name: London Branch

Address: 23rd Fl 20 Fenchurch Street, London, UK

Postal Code: EC3M 3BY

Tel: 0044-2081350000

Fax: 0044-2081350050

Statistics of Correspondent Banks of China Minsheng Banking Corp., Ltd.

As at the end of 2025,
the Bank had 1,147
correspondent banks in
104 countries and regions



