



重庆银行
BANK OF CHONGQING

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code : 1963)



Annual Report 2025



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Documents Available for Inspection

1. Financial statements signed and sealed by the legal representative, the President, the Vice President in charge of Finance and the Head of Finance Department of the Bank;
2. The original auditor's report bearing the seals of the accounting firms and the signatures and seals of certified public accountants;
3. Original copies of all documents and announcements that have been publicly disclosed on the websites designated by the CSRC during the Reporting Period;
4. The 2025 Annual Report of the Bank published in other securities markets.

Important Notice

1. The Board of Directors and each Director, member of Senior Management of the Bank warrant that the contents in this annual report are true, accurate and complete and contain no false representations, misleading statements or material omissions, and they will take legal responsibilities for such contents on a several and joint basis.
2. The 21st meeting of the seventh session of the Board of the Bank was held on 24 March 2026 in the form of onsite (video) conference. Chairman YANG Xiuming presided over the meeting. 14 Directors were eligible to attend the meeting, among which 14 Directors attended the meeting in person. Members of Senior Management of the Bank attended the meeting as non-voting participants. The convening of the meeting complied with relevant provisions of the Company Law of the People's Republic of China and the Articles of Association of Bank of Chongqing Co., Ltd.
3. The Bank's auditors Ernst & Young Hua Ming LLP (Special General Partnership) and Ernst & Young have audited the 2025 Financial Report of the Bank prepared in accordance with the PRC GAAP (China) Accounting Standards and International Financial Reporting Standards (IFRSs), and have issued unqualified auditor's reports, respectively.
4. YANG Xiuming (Chairman of the Bank), GAO Song (President of the Bank), LI Cong (Vice President in charge of Finance) and WU Zhu (Head of Finance Department) warrant that the financial report in the annual report is true, accurate and complete.
5. Profit distribution plan: The Bank plans to withdraw RMB531 million, i.e. 10% of the audited net profit of RMB5,311 million in 2025, to post into the statutory surplus reserve, and withdraw RMB2,140 million, i.e. 1.5% of the balance of risk assets, to post into the general reserve. Based on the total share capital of A shares and H shares on the A shares equity registration date for profit distribution, cash dividends of RMB0.2918 (tax inclusive) per share will be distributed to all registered shareholders, which shall be denominated and declared in RMB and paid to A-share shareholders in RMB. The Bank will provide H-share shareholders with RMB dividend currency option, and H-share shareholders are entitled to elect to receive dividends for H shares in RMB or HK\$ in whole (HKSCC Nominees Limited may elect to receive the dividends in whole or in part). The exchange rate between RMB and HK\$ is the central parity rate of RMB to HK\$ announced by the People's Bank of China (PBOC) on the day the general meeting of shareholders of the Bank is held to consider and approve the 2025 profit distribution plan. The remaining undistributed profits will be carried forward to the next year. In 2025, the Bank did not implement the conversion of capital reserve into share capital. The above profit distribution plan is subject to consideration and approval at the annual general meeting of the Bank. The Bank has implemented the profit pre-distribution for the first three quarters of 2025, with cash dividends of RMB0.1684 (tax inclusive) per share. The equity distribution of A shares and H shares was completed on 7 January 2026 and 16 January 2026, respectively, and the proposed cash dividend of the Bank for 2025 is RMB0.4602 (tax inclusive) per share. Since the A-share convertible bonds issued by the Bank are in the conversion period, if the total ordinary share capital of the Bank changes before the equity registration date for A-share profit distribution, the total distribution amount will remain unchanged, and the cash dividend per share will be adjusted accordingly.
6. Forward-looking statements about matters such as future plans of the Group may be contained in this report. Relevant statements are made on the basis of current plans, estimates and forecasts. The Group believes that the expectations reflected in these forward-looking statements are reasonable, but the Group cannot guarantee that these expectations can be realized or will be proved to be correct, so they shall not constitute substantive commitments of the Group. Investors shall not overly rely on such statements and shall maintain sufficient risk awareness in this regard. Please be aware that these forward-looking statements are related to future events or the Group's future financial, business or other performance and are subject to numerous uncertainties that may lead to significant differences in the actual results.

Definitions

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

“Articles of Association”	the articles of association of Bank of Chongqing Co., Ltd.
“Bank” or “Bank of Chongqing”	Bank of Chongqing Co., Ltd.
“Group”	Bank of Chongqing Co., Ltd. and its controlled subsidiaries
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Chongqing NFRA”	Chongqing Bureau of National Financial Regulatory Administration (國家金融監督管理總局重慶監管局)
“Chongqing CBIRC”	former China Banking and Insurance Regulatory Commission Chongqing Bureau (原中國銀行保險監督管理委員會重慶監管局)
“Chongqing Yufu”	Chongqing Yufu Capital Operation Group Co., Ltd. (重慶渝富資本運營集團有限公司)
“Dah Sing Bank”	Dah Sing Bank, Limited (大新銀行有限公司)
“Xinyu Financial Leasing”	Chongqing Xinyu Financial Leasing Co., Ltd. (重慶鈞渝金融租賃股份有限公司)
“Xingyi Wanfeng”	Xingyi Wanfeng Village Bank Co., Ltd. (興義萬豐村鎮銀行有限責任公司)
“Mashang Consumer”	Mashang Consumer Finance Co., Ltd. (馬上消費金融股份有限公司)
“Three Gorges Bank”	Chongqing Three Gorges Bank Co., Ltd. (重慶三峽銀行股份有限公司)
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“IFRS(s)”	International Financial Reporting Standard(s)
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PBOC” or “Central Bank”	People’s Bank of China (中國人民銀行)
Reporting Period”	the year ended 31 December 2025
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Company Law”	the Company Law of the People’s Republic of China

Company Profile

3.1 Business Summary

As one of the earliest local joint stock commercial banks in Western China and the upper reaches of the Yangtze River, the Bank was formerly known as Chongqing Urban Cooperative Bank, which was established by consolidating 37 urban credit cooperatives and 1 urban credit union in 1996. The Bank was renamed as Commercial Bank of Chongqing Co., Ltd. in 1998 and as Bank of Chongqing Co., Ltd. in 2007. In 2013, the Bank was listed on the Hong Kong Stock Exchange, and became the first urban commercial bank in Chinese mainland to be listed on the Hong Kong. In 2021, the Bank was listed on the Shanghai Stock Exchange, thus becoming the third and first city commercial bank with listing of A Shares and H Shares, in China and the Yangtze River Economic Belt respectively.

With the strategic vision of building a national first-class listed commercial bank, the Bank steadfastly pursues its “Five Highs” strategic positioning: high-goal orientation, high-level transformation, high-efficiency operations, high-quality service, and high-quality development, and promotes the realization of high-quality development across the Bank. As at 31 December 2025, the Bank operated 205 business outlets, covering “one municipality and three provinces”, including all districts and counties in Chongqing as well as provinces such as Sichuan, Guizhou and Shaanxi, and controlled its subsidiaries Chongqing Xinyu Financial Leasing Co., Ltd. and Xingyi Wanfeng Village Bank Co., Ltd. The Group recorded total assets of RMB1,033.726 billion, total deposits of RMB565.704 billion, and total loans of RMB531.285 billion, with the non-performing loan ratio of 1.14% and the allowance coverage ratio of 245.58%. Major business indicators have met regulatory requirements.

In line with the development positioning of “local bank, bank for citizens, and bank for small and micro enterprises”, the Bank adhered to the original intention of serving local economy, serving small and micro enterprises and serving urban and rural residents, and continued to optimize and enhance its financial service capabilities by promoting reform, restructuring, transformation and quality development. During the Reporting Period, the Bank focused on major strategies and key sectors, proactively served the real economy, and intensified credit support for such areas as the Chengdu-Chongqing Economic Circle, the new land-sea channel in western China and the construction of the financial center in western China. The Bank supported nearly 150 major projects for the construction of the Chengdu-Chongqing Economic Circle, and granted facilities with a balance exceeding RMB55 billion which served the construction of the new land-sea channel in western China. The “inclusive credit to land-sea customers” (惠暢陸海) service brand was selected as a landmark achievement at the municipal level. The Bank focused on advanced manufacturing industry and new productive forces, fully supported the construction of the “33618” modern manufacturing industry cluster system of Chongqing and the “416” technology innovation layout, deeply promoting the integration of technology innovation with green industries. The Bank issued the first banking financial bond for technology innovation in the western region, and the loan balance of technology enterprises and the scale of green credit increased by 60% and 40%, respectively. The increase and growth rate of manufacturing loans both reached new highs in nearly five years. The Bank focused on inclusive finance and rural revitalization, and continued to meet the financial service needs of small and micro enterprises, individual businesses, agricultural households and new citizens. The inclusive small and micro enterprises loans under the “Two Increases” policy increased by RMB15.695 billion as compared with the end of the previous year, and the agriculture-related loans increased by RMB7.739 billion as compared with the end of the previous year, serving over 52,000 “agriculture, rural areas, and farmers” customers. The Bank focused on consumption credit and pension finance, gave full play to its advantages in product systems, and made rapid development of self-operated online consumer loan products. The balance of “Jie E Dai” (捷e貸) exceeded RMB10 billion, with the balance of loans for the pension industry growing by over 120% and the number of pension customers increasing by more than 10%. The Bank focused on digital transformation and technology empowerment. Centering on the strategic blueprint of “456” digital transformation, the Bank deeply advanced the construction of digital applications and enhancement of technology empowerment capabilities.

Company Profile

The Bank successfully built the “Chong Yin Xiao AI” (重銀曉AI) large-scale model application platform, becoming one of the first city commercial banks in the country to achieve the “privatization + financial scenario adaptation” of large models. The Bank also successfully developed an intelligent suspicious monitoring model for anti-money laundering, making itself the first local corporate bank in the country to have projects selected for regulatory innovation applications for six consecutive years. The Bank focused on building brands and enhancing image. The Bank was ranked among the top 300 in the “Top 1000 World Banks” in The Banker, a UK magazine, for ten consecutive years. It was selected as one of the “Double Hundred Enterprises” by the State-owned Assets Supervision and Administration Commission of the State Council for four consecutive years and it was rated by the Standard & Poor’s as international investment rating, with rating outlook as “Stable” for nine consecutive years.

3.2 Corporate Information

3.2.1 Legal Name and Abbreviation in Chinese 重慶銀行股份有限公司 (Abbreviation:重慶銀行)
Name in English: Bank of Chongqing Co., Ltd.

3.2.2 Legal Representative: YANG Xiuming
Authorized Representatives: YANG Xiuming
GAO Song
Secretary to the Board: HOU Ximeng
Company Secretary: HO Wing Tsz Wendy
Securities Affairs Representative: WANG Yu

3.2.3 Registered Address and Office Address: No. 6 Yongpingmen Street, Jiangbei District, Chongqing
Historical Change of Registered Address: Changed from “No. 153 Zourong Road, Yuzhong District, Chongqing” to “No. 6 Yongpingmen Street, Jiangbei District, Chongqing” in February 2020
Principal Place of Business in Hong Kong: Room 1918, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong
Historical Change of Principal Place of Business in Hong Kong: Changed from “Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong” to “5/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong” in August 2022, and on 10 January 2025, changed to “Room 1918, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong”

3.2.4 Correspondence Address: No. 6 Yongpingmen Street, Jiangbei District, Chongqing
Postal Code: 400024
Tel: +86(23)63367688
Fax: +86(23)63799024
E-mail: ir@cqcbank.com
Website: <http://www.cqcbank.com>
Customer Service Hotline: 956023

3.2.5 General Information on the Listing of Shares:

A Shares:

Listing Exchange: Shanghai Stock Exchange

Stock Name: BCQ

Stock Code: 601963

H Shares:

Listing Exchange: The Stock Exchange of Hong Kong Limited

Stock Name: BCQ

Stock Code: 01963

3.2.6 Domestic Auditor: Ernst & Young Hua Ming LLP (Special General Partnership)

Office Address: Room 01-12, 17/F, EYHM Tower, Oriental Plaza, No. 1 East Chang'an Avenue, Dongcheng District, Beijing

Names of Signatory Certified Public Accountants: CHEN Lijing (陳麗菁), QIU Chenjie (邱晨潔)

Continuous term of auditing service of Signatory Certified Public Accountants: 1 year, 1 year

International Auditor: Ernst & Young (Registered Public Interest Entity Auditor)

Office Address: 27th Floor, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong

Names of Signatory Accountant: LEUNG, Chiu Yu

3.2.7 Legal Advisor as to PRC Laws: JunHe LLP

Legal Advisor as to Hong Kong Laws: DLA Piper Hong Kong

3.2.8 A Share Registrar: China Securities Depository and Clearing Corporation Limited Shanghai Branch

Address: No. 188 Yanggaonan Road, Pudong New District, Shanghai

H Share Registrar: Computershare Hong Kong Investor Services Limited

Address: Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

3.2.9 Newspapers and Websites Designated for Information Disclosure:

Chinese mainland: China Securities Journal (www.cs.com.cn)

Shanghai Securities News (www.cnstock.com)

Securities Times (www.stcn.com)

Securities Daily (www.zqrb.cn)

Website of the Shanghai Stock Exchange (www.sse.com.cn)

Website of the Bank (www.cqcbank.com)

Hong Kong: Website of the Hong Kong Stock Exchange (www.hkexnews.hk)

Website of the Bank (www.cqcbank.com)

Place for Preparation of the Annual Report: Office of the Board of the Bank

Company Profile

3.2.10 Domestic Sponsor Institution for Continuous Supervision and Guidance: China Merchants Securities Co., Ltd.

Office Address: No. 111, 1st Fuhua Road, Futian Street, Futian District, Shenzhen

Sponsor Representative: Wang Xiao (王曉), Hu Yijia (扈益嘉)

Period of Continuous Supervision and Guidance: As the BCQ Convertible Bonds have not been fully converted into Shares, it will be extended until all BCQ Convertible Bonds have been converted into Shares

3.2.11 Registration Information:

Date of Initial Incorporation: 2 September 1996

Registration Authority: Administration for Market Regulation of Chongqing (formerly known as Administration for Industry and Commerce of Chongqing)

Unified Social Credit Code: 91500000202869177Y

Financial License Registration Number: The Bank holds a financial licence number B0206H250000001 approved by the regulatory authority of the banking and insurance industry of the PRC

3.3 Recognitions and Awards

From 2025 till now, the Bank has won many honors and awards in the selection activities organized by domestic and foreign institutions, including:

In January 2025, the Bank's "Asset Security Collaborative Governance and Verification System" and "Security Adaptive Network Governance System" were awarded the "2024 Cybersecurity Technology Application Exemplary Cases", as assessed by general offices of 13 departments including the Ministry of Industry and Information Technology.

In January 2025, the Bank was awarded the "Model Entity in Financial Technology Work", "Model Entity in Cybersecurity Management", and "Model Entity in Financial Standards Work" for 2024, as assessed by the Chongqing Branch of the PBOC.

In January 2025, the Bank was awarded outstanding institution and outstanding product in the selection of the 2024 financing services action for the small, medium and micro enterprises in Chongqing organized by the Chongqing Municipal Economic and Information Commission, the Office of the Financial Committee of the Chongqing Municipal Party Committee, China, the Chongqing Municipal Finance Bureau, and the Chongqing Federation of Industry and Commerce.

In January 2025, the Bank was awarded the "Institution with the Most Market Cohesion" in the 2024 bond market development selection organized by the Beijing Financial Assets Exchange.

In January 2025, the Bank was rated as the "Top 100 in Proprietary Settlement" in the "Evaluation of Business Development Quality of Chinese Debt Members in 2024" organized by China Central Depository & Clearing Co., Ltd.

In January 2025, the Bank was honored with the "Bond Underwriting Rapid Progress Award" in the selection of the sixth "Wind Best Investment Bank" for 2024.

In February 2025, the Bank was awarded the “2024 Outstanding Registered City Commercial Bank”, as assessed by the Banking Wealth Management Registration and Custody Center Co., Ltd.

In February 2025, the Bank was awarded the “Advanced Group for the Operation and Maintenance of the Payment System” in the selection organized by the Chongqing Branch of the PBOC.

In March 2025, the Bank was awarded the “Excellent Wealth Management Bank Specializing in Inclusive Finance” in the selection of the “Seventh China Banking Wealth Management Yinghua Demonstration Case” hosted by China Fund News.

In May 2025, upon recommendation by the Chongqing Branch of the People’s Bank of China, the Bank’s “Suspicious Transaction Monitoring Risk Control Service Based on Machine Learning Technology” was selected as the sole project from Chongqing’s financial business for the Innovation Application of Financial Technology Regulatory in 2025 by the People’s Bank of China.

In June 2025, the Bank was awarded the “2024 Outstanding Contribution Entity for Inclusive Small and Micro Enterprises Loans”, as assessed by the General Office of the Chongqing Municipal People’s Government.

In June 2025, the Bank was awarded the “Excellent Wealth Management City Commercial Bank”, “Excellent Wealth Service Capability Bank”, “Excellent Technological Strength Institution”, “Excellent Asset Management City Commercial Bank”, “Excellent Investment Return Bank” and “Excellent Innovative Asset Management Bank” in the 2025 fifth “Jinyu Award” selection of the China Asset Management & Wealth Management Industry held by PY Standard.

In September 2025, after a joint evaluation by the Office of the Financial Commission of the CPC Chongqing Municipal Committee and other departments, the Bank was awarded the “Outstanding Institution” in the 2025 Chongqing Small, Medium and Micro Enterprises Financing Service Action.

In September 2025, the Bank was awarded the “Five-Star Wealth Management Product Award”, as assessed by the Investment Association of China and the Financial Industry Asset Management Professional Committee.

In September 2025, the Bank was awarded the “2025 Crystal Ball Award for Listed Companies in Information Disclosure” and the “2025 Crystal Ball Award for Listed Companies in Investor Relations” in the selection of 2025 Crystal Ball Awards for Listed Companies organized by the Weekly on Stocks.

In November 2025, the Bank was granted the “2025 Best Practice of Board of Directors of Listed Companies”, as assessed by China Association for Public Companies.

In November 2025, the Bank was awarded the “2025 Company Governance Golden Bull Award” in the selection of the Golden Bull Awards for Listed Companies (Hong Kong Stocks) organized by China Securities Journal.

In November 2025, the Bank’s “Learn, Think, Act, and Reflect” compliance culture initiative in 2025 was selected as a “Case of Banking Industry Practicing Chinese-style Financial Culture” as assessed by the China Banking Association.

In December 2025, the Bank was awarded the “Top Ten Institutions for Fighting Against Payments Involving Fraud and Gambling Activities” in the selection organized by the Payment & Clearing Association of Chongqing and the Anti-fraud Center of Chongqing.

Company Profile

In December 2025, the Bank's "Real-time Data Integration Empowering Anti-Fraud Prevention and Control" case was awarded the "Top Ten Outstanding Cases in China" in the selection organized by the Service Centre for City Commercial Banks.

In December 2025, the Bank's technological innovation project was awarded the "Financial Technology Innovation Application Smart Innovation Case", "Financial Technology Innovation Application Typical Case", and "Data Intelligence Infrastructure Special Potential Case", as assessed by the China Academy of Information and Communications Technology.

In December 2025, the Bank was awarded the "Golden Horse Award for Outstanding Institutions in Serving the Real Economy" in the selection of the 17th "Golden Horse Award" organized by the Securities Daily.

In December 2025, the Bank was granted the "2025 Best Practice of the Office of Board of Directors of Listed Companies", as assessed by China Association for Public Companies.

In December 2025, the Bank was awarded the "Best Practice for 2024 Annual Results Announcement", as assessed by China Association for Public Companies.

In January 2026, the Bank was awarded the "Outstanding Capital Market Communication Award" in the ninth outstanding IR selection held during the Roadshow China.

In January 2026, the Bank was awarded the "Most Innovative Institution in the Market" in the annual selection organized by the Beijing Financial Assets Exchange.

3.4 Development Strategy and Core Competitiveness

3.4.1 Development Strategy

The Bank will adhere to Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as its guiding principle, thoroughly implement the spirit of the 20th National Congress of the Communist Party of China and all plenary sessions of the 20th Central Committee of the Communist Party of China, and earnestly carry out the arrangements made at all plenary sessions of the sixth Municipal Party Committee. In line with important directives and requirements of implementing the "two positionings" and playing the "three roles", the Bank will accurately grasp the new development stage, deeply implement the new development philosophy and proactively engage in the new development pattern. It will steadfastly uphold the strategic positioning of "Five Highs" – high-target guidance, high-position transformation, high-efficiency operations, high-quality service and high-quality development and implement the key measures of "Five Threes" to coordinate business growth with risk prevention and control, stimulate internal momentum while leveraging external opportunities, and balance operating performance with long-term capability building. The Bank will strive to advance the leap from a "RMB trillion bank" to a "first-class bank, making greater contributions to composing the Chongqing chapter of Chinese-style modernization and establishing the financial center in western China.

3.4.2 Core Competence

Standardized and effective corporate governance, rational development mechanism. By continuously improving the corporate governance structure, optimizing the strategic planning management system, strengthening shareholder equity management capabilities, improving the management level of related party transactions, enhancing information disclosure transparency and strengthening the investor relationships, the Bank is actively building a modern financial enterprise system with Chinese characteristics, giving full play to the key role of corporate governance in business development and creating a more rational and efficient guarantee mechanism for high-quality development.

Advantageous regional environment, solid development foundation. Headquartered in Chongqing, the Bank has its business scope covering Sichuan, Shaanxi and Guizhou, with excellent regional policy support and robust innovative development. Relying on such major strategies as the construction of Chengdu-Chongqing Region Economic Circle, the large-scale development of China's western region in the new era, and the construction of new land-sea channel in China's western region, the Bank takes the strategy plan as the guide, deepens the implementation of customer, product and channel strategies, further develops the potential of scale, benefit and quality improvement, and continuously lays a more solid foundation for development.

Deepened structural adjustment, improved development efficiency. The Bank has deepened the structural optimization project, and comprehensively implemented adjustment and optimization strategies in terms of asset structure, liability structure, capital structure, and income structure. Firstly, the Bank implements the differentiated management with support and constraints in terms of credit access, credit investment direction, and credit management. Secondly, the Bank strengthens the development concept of bank deposits, actively expands stable and low-cost funding sources and controls the overall debt cost. Thirdly, the Bank implements the refined management of capital allocation and actively supports the development of "capital-light and asset-light" business. Fourthly, the Bank improves capital efficiency and asset efficiency, develops the sources of profit, and optimizes the income structure.

Innovative product service, distinctive development characteristics. The Bank has intensively developed the regional market and gradually formed a series of products that fit the regional characteristics. By enhancing the application of financial technology in product innovation, the Bank has established a competitive online product system, and realized the complementary advantages of online products and offline products. Our products, such as "Good Enterprise Loan", "High-quality Loan", "Entity Credit Loan", "Chain Enterprise Loan", "Jie E Dai", "Salary E-Loan" and other products, closely comply with the market situation and accurately meet customer needs, thus have won high recognition from the market and built a good reputation among the target customers.

Efficient financial technology empowerment, stronger development ability. The Bank insists on establishing a "technology empowerment" system, responding to business needs and solving business problems, makes full use of new information technology and new concepts, deeply complies with business development and continuously promotes the integration of industry and technology. Focusing on the special work of intelligent innovation and leadership of big data, rural revitalization, as well as improvement of window service quality and efficiency, we will closely comply with the needs of business innovation and management reform, and promote the implementation of key needs and key projects in an orderly manner.

Upgraded risk management, stabilized development quality. The Bank has continuously strengthened the business philosophy of "risk management to create value" and promoted the upgrading of risk management and control capabilities. Firstly, the Bank further rationalizes the risk management structure by establishing a risk culture transmission mechanism and strengthening the inspection and supervision of the second and third control processes. Secondly, the Bank further consolidates the results of risk management by carrying out effective management of risk control target plan, multi-dimensional total risk monitoring, and cluster customer risk control. Thirdly, the Bank achieves the standardization and normalization of risk management by continuously promoting the application of technologies such as big data intelligence, and further improves the level of risk management.

Financial Highlights

The financial information set out in this annual report has been prepared in accordance with the IFRSs on the basis of consolidation. Unless otherwise stated, such information is the data of the Group denominated in RMB.

4.1 Financial Data

(All amounts expressed in thousands of RMB unless otherwise stated)	2025	2024	Year-on-year change	2023	2022	2021
			Change in percentage (%)			
OPERATING RESULTS						
Interest income	31,588,541	28,690,811	10.10	28,285,529	27,533,983	27,410,536
Interest expense	(19,129,127)	(18,514,682)	3.32	(17,838,526)	(16,725,725)	(15,813,763)
Net interest income	12,459,414	10,176,129	22.44	10,447,003	10,808,258	11,596,773
Net fee and commission income	597,731	887,599	(32.66)	411,438	761,341	768,822
Net trading gains, net gains on investments securities and other operating income	1,688,761	2,199,439	(23.22)	1,987,074	1,574,037	1,863,268
Operating income	14,745,906	13,263,167	11.18	12,845,515	13,143,636	14,228,863
Operating expenses	(4,505,464)	(4,097,551)	9.96	(3,889,859)	(3,627,332)	(3,322,383)
Credit impairment losses	(3,858,058)	(3,188,648)	20.99	(3,242,972)	(3,559,161)	(5,100,660)
Other assets impairment losses	–	(2,972)	N/A	2,606	1,567	(9,485)
Operating profit	6,382,384	5,973,996	6.84	5,715,290	5,958,710	5,796,335
Share of profit of associates	370,291	419,935	(11.82)	372,352	330,227	295,822
Profit before income tax	6,752,675	6,393,931	5.61	6,087,642	6,288,937	6,092,157
Income tax	(647,611)	(872,900)	(25.81)	(858,687)	(1,172,412)	(1,233,132)
Net profit	6,105,064	5,521,031	10.58	5,228,955	5,116,525	4,859,025
Net profit attributable to shareholders of the Bank	5,654,218	5,117,290	10.49	4,929,787	4,867,857	4,663,743
Net cash flows generated from operating activities	49,435,593	(20,746,886)	N/A	4,449,352	5,311,657	5,085,209
			Change in percentage (%)			
Calculated on a per share basis (RMB)						
Basic earnings per share	1.53	1.38	10.87	1.36	1.31	1.28
Diluted earnings per share	1.20	1.10	9.09	1.09	1.11	1.28
Basic earnings per share after deducting non-recurring gains and losses	1.53	1.36	12.50	1.34	1.29	1.26
Dividend per share	0.4602	0.414	11.16	0.408	0.395	0.390

(All amounts expressed in thousands of RMB unless otherwise stated)	As at 31 December 2025	As at 31 December 2024	Year-on-year change	As at 31 December 2023	As at 31 December 2022	As at 31 December 2021
Scale indicators			Change in percentage (%)			
Total assets	1,033,725,681	856,641,840	20.67	759,883,870	684,712,563	618,953,620
Total loans and advances to customers	531,284,850	440,616,361	20.58	392,934,966	352,573,462	318,061,937
– Corporate loans	409,867,472	313,003,213	30.95	250,398,073	208,737,958	185,958,346
– Retail loans	96,701,770	97,617,870	(0.94)	94,949,928	94,527,953	101,848,554
– Discounted bills	22,550,944	27,674,398	(18.51)	44,852,396	47,285,310	28,148,893
– Interests due from loans and advances to customers	2,164,664	2,320,880	(6.73)	2,734,569	2,022,241	2,106,144
Impairment allowances for loans	14,798,334	13,352,516	10.83	12,139,426	10,127,171	11,178,339
Total liabilities	967,726,839	792,877,922	22.05	700,584,443	633,217,086	569,706,925
Customer deposits	565,704,384	474,116,904	19.32	414,812,696	382,594,480	338,695,343
– Corporate demand deposits	70,191,944	53,879,467	30.28	64,096,964	60,481,461	71,149,941
– Corporate time deposits	145,459,769	132,127,766	10.09	129,718,412	132,906,633	108,914,851
– Individual demand deposit	26,336,881	23,678,149	11.23	20,686,248	19,752,513	17,235,404
– Individual time deposits	280,367,063	225,880,099	24.12	180,278,653	147,470,703	122,683,998
– Other deposits	28,436,093	25,404,664	11.93	11,471,728	16,491,983	15,202,061
– Interest payable on customer deposits	14,912,634	13,146,759	13.43	8,560,691	5,491,187	3,509,088
Share capital	3,474,588	3,474,569	0.00	3,474,562	3,474,540	3,474,505
Equity attributable to shareholders of the Bank	62,972,107	61,070,973	3.11	56,917,734	49,336,512	47,273,188
Total equity	65,998,842	63,763,918	3.50	59,299,427	51,495,477	49,246,695
Core Tier I Capital, net	56,639,318	54,325,735	4.26	51,003,470	45,694,215	43,214,481
Tier I Capital, net	63,923,219	61,550,655	3.85	58,208,408	50,375,870	48,277,879
Net total capital	83,354,794	79,470,686	4.89	69,708,993	61,032,503	59,974,137
Risk-weighted assets	664,239,446	549,740,040	20.83	521,578,017	479,755,986	461,807,558
Calculated on a per share basis (RMB)			Change in percentage (%)			
Net assets per share attributable to shareholders of the Bank	16.11	15.56	3.53	14.37	12.90	12.19

Financial Highlights

4.2 Financial Indicators

(All amounts expressed in percentage unless otherwise stated)	2025	2024	Year-on-year change	2023	2022	2021
Profitability indicators (%)			Change +/-			
Return on average total assets ⁽¹⁾	0.65	0.68	(0.03)	0.72	0.78	0.82
Weighted average return on net asset ⁽²⁾	9.50	9.29	0.21	10.14	10.20	10.99
Weighted average return on net asset after deducting non-recurring gains and losses	9.49	9.14	0.35	9.98	10.05	10.82
Net interest spread ⁽³⁾	1.35	1.22	0.13	1.39	1.59	1.93
Net interest margin ⁽³⁾	1.39	1.35	0.04	1.52	1.74	2.06
Net fee and commission income to operating income	4.05	6.69	(2.64)	3.20	5.79	5.40
Cost-to-income ratio ⁽⁴⁾	29.21	29.53	(0.32)	28.84	26.28	22.16

(All amounts expressed in percentage unless otherwise stated)	As at 31 December 2025	As at 31 December 2024	Year-on-year change	As at 31 December 2023	As at 31 December 2022	As at 31 December 2021
Asset quality indicators (%)			Change +/-			
Non-performing loan ratio ⁽⁵⁾	1.14	1.25	(0.11)	1.34	1.38	1.30
Allowance coverage ratio ⁽⁶⁾	245.58	245.08	0.50	234.18	211.19	274.01
Loan allowance ratio ⁽⁷⁾	2.80	3.05	(0.25)	3.13	2.91	3.56
Indicators of capital adequacy ratio (%)			Change +/-			
Core tier I capital adequacy ratio ⁽⁸⁾	8.53	9.88	(1.35)	9.78	9.52	9.36
Tier I capital adequacy ratio ⁽⁸⁾	9.62	11.20	(1.58)	11.16	10.50	10.45
Capital adequacy ratio ⁽⁸⁾	12.55	14.46	(1.91)	13.37	12.72	12.99
Total equity to total assets	6.38	7.44	(1.06)	7.80	7.52	7.96
Other indicators (%)			Change +/-			
Liquidity ratio ⁽⁹⁾	213.83	212.07	1.76	154.89	128.95	86.36
Percentage of loans to the single largest customer ⁽¹⁰⁾	3.81	2.49	1.32	2.98	3.85	3.30
Percentage of loans to the top ten customers ⁽¹¹⁾	26.72	21.36	5.36	21.53	22.12	23.90
Loan to deposit ratio	93.92	92.93	0.99	94.73	92.15	93.91

Notes:

- (1) Calculated by dividing net profit by the average of total assets at the beginning and at the end of the period.
- (2) It is calculated in accordance with the Rules for Preparation of Information Disclosure by Companies Offering Securities to the Public No. 9 – Calculation and Disclosure of Return on Equity and Earnings per Share (as amended in 2010).
- (3) Net interest spread refers to the difference between the average yield on interest-earning assets and the average cost ratio of interest-bearing liabilities; net interest margin represents the ratio of net interest income to the average balance of interest-earning assets.
- (4) Calculated by dividing operating expenses (less tax and surcharges) by operating income.
- (5) Calculated by dividing the balance of non-performing loans by the total principal of loans and advances to customers.
- (6) Calculated by dividing the balance of impairment allowances on loans by the balance of non-performing loans. The balance of impairment allowances on loans is the sum of impairment allowances on loans and advances to customers measured at amortized cost and FVOCI.
- (7) Calculated by dividing balance of impairment allowances on loans by total principal of loans and advances to customers.
- (8) The capital adequacy ratios at all levels as at 31 December 2025 and 31 December 2024 were calculated in accordance with the Administrative Measures for the Capital of Commercial Banks promulgated by the National Financial Regulatory Administration (NFRA), and the capital adequacy ratios at all levels at the rest points of time in the table above were calculated in accordance with the Administrative Measures for the Capital of Commercial Banks (for Trial).
- (9) Liquidity ratio is calculated in accordance with the formula promulgated by the NFRA.
- (10) Calculated by dividing total loans to the single largest customer by net capital.
- (11) Calculated by dividing total loans to the top ten customers by net capital.

4.3 Quarterly Financial Data

(All amounts expressed in thousands of RMB unless otherwise stated)	2025			
	Q1	Q2	Q3	Q4
Operating income	3,496,188	4,030,783	3,931,014	3,287,921
Net profit attributable to shareholders of the listed companies	1,624,256	1,565,247	1,689,678	775,037
Net cash flows from operating activities	41,375,516	(1,281,997)	14,274,707	(4,932,633)

(All amounts expressed in thousands of RMB unless otherwise stated)	2024			
	Q1	Q2	Q3	Q4
Operating income	3,296,629	3,657,353	3,397,513	2,911,672
Net profit attributable to shareholders of the listed companies	1,542,084	1,484,196	1,401,792	689,218
Net cash flows from operating activities	(19,281,439)	(18,632,984)	5,529,548	11,637,989

4.4 Differences between Domestic and Foreign Accounting Standards

With respect to the financial statements of the Group prepared under the PRC GAAP (China Accounting Standards) and those under the IFRSs, there is no difference for the net profit attributable to shareholders of the Bank for the Reporting Period ended 31 December 2025 and the equity attributable to shareholders of the Bank as at the end of the Reporting Period.

Chairman's Statement

The year 2025 was an extraordinary and milestone year in the reform and development of Bank of Chongqing. With the strong support of all sectors of society, we diligently studied and implemented the spirit of the 20th National Congress of the Communist Party of China and all plenary sessions of the 20th Central Committee of the Communist Party of China, as well as the important speeches and instructions delivered by General Secretary Xi Jinping during his inspection tour of Chongqing, anchoring our goals set for the 14th Five-Year Plan and the year. We united our efforts to forge ahead with determination, successfully entering the ranks of “RMB trillion banks”. We have achieved coordinated development in terms of scale, efficiency, and quality, significantly enhancing our market competitiveness, value creation capability, risk control capability, and team vitality, and advancing our overall strength. The scale of assets reached RMB1,033.726 billion, representing a year-on-year increase of 20.67%; the revenue and net profit grew by 10.48% and 10.58% year-on-year respectively, with the market capitalization of A+H shares increasing by nearly 20%. The Bank was ranked among the Top 300 World Banks for ten consecutive years. It was selected as one of the “Double Hundred Enterprises” by the State-owned Assets Supervision and Administration Commission of the State Council for four consecutive years.



During the year, we remained true to our original intentions and bravely taken on our mission, demonstrating new achievements through high-level service. We focused on building a modern industrial system, increasing credit issuance in key areas such as advanced manufacturing and technological innovation. The balances of manufacturing loans and medium- and long-term loans grew by over 20% and 30% respectively, while the balance of technology loans increased by 60%. Our green and inclusive loans achieved double-digit growth, and both deposit and loan increases have maintained the top position in the city's banking industry for two consecutive years, with market shares steadily increasing. The Bank was awarded the “Outstanding Unit for Comprehensive Contribution to Chongqing's High-quality Development” by the Chongqing Municipal Government. By establishing dedicated teams to align with national strategies, we served the Chengdu-Chongqing Economic Circle and the construction of the new land-sea channel in China's western region, with financing balances increasing by 27% and 86% year-on-year respectively, supporting nearly 150 major projects constructions. We deepened the “Intelligent, Integrated, Inclusive and Smooth Services” (智融惠暢) project to assist in building a financial center in the western region. Our share, proportion, and number of bonds underwritten for non-financial companies ranked first in the Chongqing region, leading among legal person financial institutions in the western region.

During the year, we advanced reforms and accelerated transformation, revitalizing our high-quality development. We further promoted 13 key reform tasks, continuously optimizing operational mechanisms and internal control governance while improving the employee career development system. This resulted in ongoing improvements in the Group's comprehensive operational level and business efficiency, with the net interest margin stabilizing and rebounding. The revenue and net profit achieved year-on-year growth of over 10% for the first time in nearly six years, with the contribution of subsidiaries to Group's profits steadily increasing. We independently developed the "Chong Yin Xiao AI" (重銀曉AI) large model platform and commenced construction of the technology innovation center, and our data collection rate and core business digitization rate have reached 100%, accelerating the formation of basic digital capabilities. The "Personal Mortgage Loan Intelligent Employee" (個人按揭貸款數智員工) project was selected as a typical AI application case in Chongqing for the year. We continued to strengthen product and service innovation, effectively promoting distinctive products such as the loan pledged with "collective forest land management rights + ecological product value" and management rights financing, effectively expanding market opportunities.

During the year, we strengthened governance and solidified risk controls, enhancing high-level security with new safeguards. We deepened the organic integration of Party's leadership and corporate governance, completing the dissolution of the Board of Supervisors and the revision of the Bank's Articles of Association to standardize the operation of governance bodies. Our corporate governance regulatory assessments have received the highest rating among urban and rural commercial banks for five consecutive years, and we have been awarded the "Best Practice Case of the Board of Directors of Listed Companies in 2025" by the China Association for Public Companies. We established and improved mechanisms for joint analysis and judgment of interest rate situations and collaborative credit risk prevention and control, implementing measures such as market-oriented restructuring of non-performing assets and transfer of income rights to continuously solidify the quality of credit assets, resulting in "three decreases and one increase" in the non-performing loan ratio, special mention loan ratio, overdue loan ratio, and allowance coverage ratio, with continuous improvements in risk control. We optimized our compliance management system for case prevention and deepened the vertical management reform of internal audit, upgrading to a new generation of anti-money laundering systems, thereby strengthening our compliance operations. We advanced consumer rights protection and the identification and rectification of risks in information technology, aiming to build a comprehensive safety barrier.

2026 is the first year of the 15th Five-Year Plan and is also a foundation year for the Bank of Chongqing as it stands at a new "RMB trillion" starting point. We will always adhere to the political and people-oriented nature of financial work, anchoring our focus on sustainable and high-quality development. We will strengthen our foundations, accelerate transformation, and promote reform and innovation, fully committed to providing better services for customers, creating greater value for shareholders, and making more contributions to economic and social development, thus striving to write an even more brilliant chapter in our development on this new journey towards the RMB trillion future!

YANG Xiuming

Chairman of the Board of Directors

Bank of Chongqing Co., Ltd.

President's Statement

In 2025, the Bank of Chongqing fully implemented the spirit of the 20th National Congress of the Communist Party of China and all plenary sessions of the 20th Central Committee of the Communist Party of China, and thoroughly implemented the decisions and arrangements made by the CPC Central Committee, the State Council, Chongqing Municipal Committee and Chongqing Municipal Government as well as the work requirements of the regulatory authorities. The Bank adhered to the positioning of the “Five Highs” and strengthened the “five threes” measures, delivering high-quality development results and successfully concluding the 14th Five-Year Plan.



We expanded our scale in serving the overall situation. We deeply integrated into major strategies such as the development of the Chengdu-Chongqing Economic Circle, the construction of the new land-sea channel in western China, and the establishment of a financial center in western China, precisely serving key areas of the real economy. We intensified efforts on the “Five Major Articles” (五篇大文章), and were awarded the “Outstanding Unit for Comprehensive Contribution to Chongqing’s High-quality Development” by the Chongqing Municipal Government. We historically reached the RMB trillion mark as the Group’s assets, deposits and loans amounted to RMB1,033.726 billion, RMB565.704 billion and RMB531.285 billion, respectively, representing an increase of 20.67%, 19.32% and 20.58% as compared with the beginning of the year.

We increased profitability and benefits through meticulous cultivation. We issued the first floating interest small and micro business debt linked to the yield of treasury bonds in the country and the first technological innovation bond of banks in the western region. While broadening the sources of liabilities, the liability structure was continuously optimized, and the deposit interest payment rate dropped significantly. The income from intermediary businesses such as investment banking, agency sales and trade finance grew rapidly. The amount and balance of foreign currency bond investment both rank first among legal person banks in the western region. The operating income and net profit amounted to RMB15.113 billion and RMB6.105 billion respectively, achieving “both double-digit” growth.

We increased momentum through reform and innovation. We deeply advanced the “456” digital transformation strategy, started the construction of the “Science and Innovation Centers”, created 17 application scenarios for the “Chong Yin Xiao AI” (重銀曉AI) large-scale model, and upgraded and launched the 7.0 version of mobile banking, accelerating the pace of digital transformation. We iterated the processes of e-account opening for enterprises and account opening for individuals, reducing operation time consumption by 50%. We innovated product models such as the “loan collateralized with collective forest land management rights + ecological product value”, “reverse factoring”, “Cloud-based Credit” (雲信貸), “Hui E Dai” (惠e貸), and “Rong Yi Xu” (融易續), making financial services more diverse.

We enhanced quality through eliminating risks and ensuring safety. We established a comprehensive integrated risk control system, developed a market risk management system, and added 15 customer rating models and 30 big data application models. We developed a new generation of digital security control platform. All our outlets achieved an “excellent” grade in the ninth round of safety assessment and inspection by the local regulatory authorities. The non-performing loan ratio, special mention loan ratio and overdue loan ratio decreased to 1.14%, 1.94% and 1.36% respectively, and the allowance coverage ratio increased to 245.58%. The main risk control indicators continued the good trend of “three decreases and one increase”.

2026 is the first year of the 15th Five-Year Plan. We will focus on implementing the “two positionings”, playing the “three roles”, and constructing the “six zones and one highland”. We will uphold the positioning of the “Five Highs” and the “five threes” measures, coordinate and promote the improvement of asset efficiency, the enhancement of liability quality, transformation and upgrading, the strengthening of risk control foundation, and the casting of the soul through Party building. We will strive to ensure that our services to major strategies, the real economy and people’s livelihood are carried out in depth, solidly and effectively, achieving tangible results. We will spare no effort to create a new pattern of strategic development, explore new heights for RMB trillion bank, and write a brand-new chapter in building a first-class listed bank in the country. We will endeavor to create greater value for shareholders, provide better services for customers and make more contributions to economic and social development.

GAO Song

President

Bank of Chongqing Co., Ltd.

Management Discussions and Analysis

7.1 Overview

7.1.1 Industry Development

In 2025, despite such profound and complex changes in the domestic and international situations, China's economy has forged ahead under pressure, moving towards new and better development. The main goals and tasks for economic and social development have been successfully accomplished, marking the successful conclusion of the 14th Five-Year Plan. In 2025, gross domestic product (GDP) reached RMB140.19 trillion, representing an increase of 5.0% as compared to that of the previous year. The value added of industrial enterprises above the designated size increased by 5.9% as compared to that of the previous year, and the value added of service industry increased by 5.4% as compared to that of the previous year. Total retail sales of consumer goods amounted to RMB50.12 trillion, representing an increase of 3.7% as compared to that of the previous year. Total imports and exports of goods amounted to RMB45.47 trillion, representing an increase of 3.8% as compared to that of the previous year. The balance of broad money supply (M2) amounted to RMB340.29 trillion, representing an increase of 8.5% as compared to that of the previous year.

China's banking industry adheres to the general working tone of seeking progress while maintaining stability, constantly "optimizing structure, preventing risks and improving quality and efficiency", deepens reform and transformation, enhances the efficiency of financial services, optimizes the financial business model, and rectifies the vicious competition. It promotes the high-quality development of the social economy and the banking industry itself with a more stable intensity and pace. According to the data of the NFRA, as of 31 December 2025, the total assets of China's commercial banks amounted to RMB414.79 trillion, representing an increase of 9.0% from the end of the previous year, accounting for 86.41% of the total assets of banking financial institutions; the non-performing loan ratio was 1.50%, unchanged from the end of the previous year; the allowance coverage ratio was 205.21%, slightly decreased from the end of the previous year; and the capital adequacy ratio was 15.46%, representing a decrease of 0.28 percentage point from the end of the previous year. Urban commercial banks actively served local real economies. As of 31 December 2025, their total asset amounted to RMB65.98 trillion, representing an increase of 9.7% from the end of the previous year. In terms of types of institutions, the proportion of total assets of large commercial banks and urban commercial banks in the industry increased, and that of joint stock commercial banks, rural financial institutions and other financial institutions decreased.

7.1.2 Overall Development of the Bank

In 2025, the Bank thoroughly studied and implemented the spirit of the 20th National Congress of the Communist Party of China and the subsequent plenary sessions of the 20th Central Committee of the Communist Party of China, earnestly implemented the arrangements of the Chongqing Municipal Party Committee's Sixth plenary sessions, strengthened Party construction leadership, focused on development transformation, continuously enhancing core competitiveness, value creation capability, risk control capability, and brand influence. This led to a coordinated and efficient development in scale, efficiency, and quality, achieving a successful conclusion of the 14th Five-Year Plan.

Closely following the strategy, fulfilling its mission, and achieving a breakthrough in asset scale exceeding one trillion.

In 2025, the Bank actively served major strategies, strengthened comprehensive operations, enhanced service quality and efficiency, and continuously deepened high-quality development. By the end of the year, the scale of assets exceeded RMB1 trillion. As of 31 December 2025, the total assets of the Group were RMB1,033.726 billion, representing an increase of RMB177.084 billion or 20.67% as compared with the end of the previous year; the total loans were RMB531.285 billion, representing an increase of RMB90.668 billion or 20.58% as compared with the end of the previous year; and the total deposits were RMB565.704 billion, representing an increase of RMB91.587 billion or 19.32% as compared with the end of the previous year.

Enhancing services and fostering advantages resulted in double-digit growth in revenue and profit. In 2025, the Group recorded an operating income of RMB14.746 billion, representing an increase of 11.18% as compared to the same period in the previous year, and a net profit of RMB6.105 billion, representing an increase of 10.58% as compared to the same period in the previous year. The net profit attributable to shareholders of the Bank amounted to RMB5.654 billion, representing an increase of 10.49% as compared to the same period in the previous year. The growth rates of both operating income and net profit exceeded 10%, demonstrating a positive trend of steady improvement.

Focusing on main businesses, serving the real economy, and continuously optimizing the asset-liability structure. As of 31 December 2025, the Group's general loans as a percentage of the total principal amount of loans and advances was 95.74%, representing an increase of 2.05 percentage points over the end of the previous year, and the savings deposit as a percentage of the total deposits was 54.22%, representing an increase of 1.59 percentage point over the end of the previous year.

Strengthening coordination, enhancing efficiency and refining capital management. As of 31 December 2025, the core tier I capital adequacy ratio, the tier I capital adequacy ratio and the capital adequacy ratio of the Group were 8.53%, 9.62% and 12.55% respectively, continuing to meet the regulatory requirements.

Mitigating risks and holding the bottom line, with risk indicators showing "three decreases and one increase". As of 31 December 2025, the non-performing loan ratio of the Group was 1.14%, representing a decrease of 0.11 percentage point over the end of the previous year; the proportion of loans under special mention category was 1.94%, representing a decrease of 0.70 percentage point over the end of the previous year; the proportion of overdue loans was 1.36%, representing a decrease of 0.37 percentage point over the end of the previous year; the allowance coverage ratio was 245.58%, representing an increase of 0.50 percentage point over the end of the previous year.

Management Discussions and Analysis

7.2 Business Overview

7.2.1 Corporate Banking Business

During the Reporting Period, the Bank implemented key national strategies, and deepened a series of strategic cooperation, seized development opportunities and steadily promoted the high-quality development of our business by continuously serving entities, building a digital product system, and strengthening customer hierarchical management.

Corporate loans grew leveraging the momentum. The Bank rooted itself in “one municipality and three provinces”, deeply served major strategies such as the Chengdu-Chongqing Economic Circle and the new land-sea channel. It actively supported the construction of a modern industrial system, adhered to a market-oriented approach, and improved the financing product system covering the entire lifecycle of enterprises, achieving steady growth in corporate loan scale. As of the end of 2025, corporate loans increased by RMB96.864 billion compared to the beginning of the year, representing an increase of 30.95% compared to the end of the previous year, with the scale, increment, and growth rate all reaching record highs. In the Chongqing region, the Bank’s growth rate surpassed the city’s average, ranking among the top in the city and laying a solid foundation for the Bank to consolidate its trillion-scale operations.

Growing and strengthening industrial finance. The Bank made every effort to improve the “Five Major Articles” of finance, actively supported the development of new quality productive forces, focused on key industries in “one municipality and three provinces”, concentrated on the three trillion-level leading industries of intelligent connected new energy vehicles, next-generation electronic information manufacturing, and advanced materials, developed special plans, and organized special teams for promotion to provide high-quality services to various industrial customers. Utilizing featured products such as the “Intelligent and Integrated” (智融) product series and green series, the Bank steadily enhanced financial support in fields of large-scale equipment upgrades and trade-ins of consumer goods as well as major strategies and major areas. As of the end of 2025, both the increment and growth rate of loan to manufacturing industries hit new highs in the past five years. The Bank was rated as an “Model Entity in Manufacturing Loans” by the Chongqing Municipal Government.

Corporate deposits climbed against the trend. The Bank strengthened group linkage and synergy, leveraged the advantages of comprehensive operations, and deepened operations in regional deposit markets. It continuously optimized capital marketing for head customers in key areas and key industries, shifting from single customer marketing to end-to-end supply chain marketing, thus promoting closed-loop payment settlement within the bank. The Bank strengthened scenario-based financial construction to empower the operations of large groups and small and medium-sized enterprises. By focusing on traffic operations and enhancing the promotion of settlement tools, the Bank has made customer fund management more convenient, maximizing the attraction of liquidity and ensuring continuous expansion of corporate deposit scale. Simultaneously, it controlled and reduced high-cost deposit business and intensified the repricing of term deposits, effectively controlling and managing public deposit costs. As of the end of 2025, public deposits¹ increased by RMB32.676 billion to RMB244.088 billion, a growth of 15%, with both increment and market share ranking among the top in Chongqing.

Growing both the quantity and quality of the corporate customer base. The Bank continuously enhanced its customer acquisition capabilities by establishing two-tiered customer acquisition channels at both the provincial and municipal levels, as well as at district and county levels. It built customer acquisition platforms in industrial parks and industry associations while strengthening the use of intelligent tools such as customer relationship management systems and online account opening. Efforts also included vigorous high-level all-round engagements, full coverage introductions in industrial parks, and providing full lifecycle services to enterprises. These initiatives have successfully promoted effective customer segmentation management and continuously consolidated the corporate customer base. As of the end of 2025, the overall number of corporate customer increased by 13.7%, with strategic customer deposit and loan growth at 13.0% and key and potential customer growth at 27%, providing strong support for the incremental expansion of the Bank’s corporate business.

¹ Including corporate demand deposits, corporate time deposits and other corporate deposits.

7.2.2 Inclusive Finance Business

During the Reporting Period, the Bank fully implemented the spirit of the Central Economic Work Conference, the Central Financial Work Conference, and the Central Rural Work Conference by complying with regulatory guidance and requirements, deepening and solidifying the coordination mechanism for supporting financing of small and micro enterprises, and promoting financial services for small and micro enterprises to “maintain volume, improve quality, stabilize price and optimize structure”, thereby practically improving the quality and efficiency of financial services for important market entities such as small and micro enterprises, individual industrial and commercial households, while making every effort to make “a major contribution to inclusive finance”. As at 31 December 2025, according to the national statistical standards, the balance of our small and micro enterprise loans amounted to RMB202.102 billion, representing an increase of RMB52.973 billion as compared with the end of the previous year. According to the statistic standards under “Two Increases” policy, our inclusive small and micro enterprise loans recorded a balance of RMB76.763 billion, representing an increase of RMB15.695 billion or 25.7% as compared with the end of the previous year. The weighted average interest rate of inclusive small and micro enterprise loans issued in 2025 was 3.31%.

Improving mechanism construction and enhancing team capability. The Bank strengthened vertical and horizontal coordination. Based on the special teams that foster “horizontal coordination” among headquarters departments and “vertical linkage” between headquarters and branches, a quantified assessment mechanism for headquarters “grid members” was established to guide grid members to strengthen visits, research, policy advocacy, and product training for institutions. By systematically addressing business challenges raised by institutions through checklist-based and closed-loop approach, the Bank promoted efficient business operations, while cultivating a professional team that understands the market, products, and management. The Bank encouraged competitive attitudes. We established a quantifiable evaluation mechanism for frontline marketing personnel, encouraging institution managers to take the lead in enhancing inclusive business efforts, with results publicly displayed to motivate all employees to strive for progress and proactive engagement. The Bank conducted cross-training by establishing a regular training mechanism for cross-post marketing personnel, focusing on improving comprehensive capabilities such as marketing skills, compliance operations, and risk control for relationship managers. Various specialized training sessions in areas like product knowledge, marketing, and risk control were organized to comprehensively enhance the overall quality and capability of the marketing team.

Upgrading the service system and supporting key areas. The Bank integrated product system. We focused on key areas such as manufacturing, technology-based enterprises, private enterprises, and rural revitalization. We reshaped the inclusive product system by streamlining the credit processes, increasing credit limits, and optimizing loan renewal models to enhance service quality and efficiency. The balances of loans to inclusive, green, private enterprises, technology, and manufacturing industries grew strongly, with growth rates nearly double that of general loan growth. The Bank stabilized credit pricing by establishing a comprehensive evaluation mechanism for “volume-price coordination” of inclusive loans, ensuring reasonable pricing. For key areas such as agriculture-related, manufacturing, private enterprises, technological innovation, and individual industrial and commercial households, the guiding price for inclusive loans was set at LPR-30BP. We also strengthened information disclosure and ensured adequate communication regarding these terms. The weighted average interest rate of inclusive small and micro enterprise loans issued in 2025 was more favorable than the previous year. The Bank improved loan renewal efficiency by developing and launching dedicated online renewal functions for small and micro enterprises, continuously expanding online renewal products, launching one-click renewal for “Hao Qi Dai” (好企貸), “Liu Shui Dai” (流水貸), and personal business loans “Rong Yi Xu” (融易續), and improving the overall online and offline loan renewal efficiency. As of the end of 2025, online renewals successfully renewed loans for nearly 13,900 small and micro enterprise customers, totaling RMB3.43 billion.

Management Discussions and Analysis

Strengthening digital empowerment and enhancing service efficiency. The Bank promoted digital credit by launching upgraded digital inclusive products such as Merchant Growth Loan (商戶成長貸), Hui E Loan (惠e貸), and Bidding Procurement Loan (招標採購貸), promoting online financing models like Dekang(德康) supply chain, launching the function for changing post-loan elements on the digital credit platform, thereby supporting institutions to handle term changes and interest rate adjustments through the system in one stop and improving business processing efficiency. The Bank innovated digital tools. We innovatively developed "remote auxiliary adjustment" tool, launched "remote signing" function, reshaped the on-site investigation and signing processes for inclusive credit business, created a "remote, on-demand handling" (遠程隨辦) model, allowing customers to handle inclusive credit business anytime, anywhere, and as needed, improving customer experience and satisfaction. We strengthened digital risk control. The Bank developed basic risk control models for inclusive business, established a centralized risk monitoring mechanism for inclusive loans, accurately warned branches about offline customers with high-risk characteristics, reducing the pressure on account managers' post-loan management while guiding branches to strengthen customer verification and improve the accuracy of risk prevention and control.

7.2.3 Retail Banking Business

During the Reporting Period, the Bank firmly adhered to the "customer-focused" business philosophy and the development orientation of "citizen bank" through deeply exploring into the retail markets in the "one municipality and three provinces", and followed the path of digital development, with a view to providing customers with high-quality products and services and promoting the high-quality transformation and development of our retail banking business.

In terms of individual deposits, firstly, the Bank continuously optimized the product system, utilizing the core term deposit product "Xing Fu Cun" (幸福存) as a primary tool, continuously iterating and upgrading, dynamically adjusting interest rates, intelligently managing quotas, and digitally transforming processes, with a view to ensuring the sound growth of savings deposits while continually optimizing the term structure, promoting high-quality development of deposit business. Secondly, the Bank continuously consolidated its customer bases and created distinctive operation scenarios for key customer bases such as the elderly and agency payment customer bases, deepening service penetration and promoting customer maintenance from basic services to comprehensive value enhancement. Thirdly, the Bank continued to further build the "Xing Fu" (幸福) brand by enriching its brand connotation, taking emotion-oriented marketing as a bond, and conveying the brand's warmth through warm services and exclusive benefits, thereby enhancing brand recognition and market reputation.

In terms of individual loans, firstly, the Bank supported the stimulation and expansion of consumption by optimizing consumer credit products and utilizing digital marketing methods to expand its customer sources and enhance customer stickiness, which drove a steady scale growth of its self-operated digital consumer loan "Jie E Dai" (捷e貸), prudently issued housing loans, and effectively supported residents' rigid and improvement-oriented housing needs. Secondly, the Bank improved its digital risk control system, iterated risk control rules and models, and enriched big data dimensions to ensure the high-quality development of personal consumer loans.

In terms of wealth management, the Bank continuously enhanced the brand connotation of “BCQ Wealth” (重銀財富), focused on the main line of building core asset allocation capabilities, constructed a four-dimensional matrix of customers, products, channels, and personnel, and promoted breakthrough development in wealth management business. Firstly, the Bank expanded customer base and enhanced efficiency, establishing a portfolio evaluation system and launching a cockpit to visually display portfolio performance. We iteratively upgraded the value-added service system to optimize customer experience. Secondly, the Bank expanded product shelf and improved the quality, continuously adding high-quality third-party cooperative institutions and increasing product categories and choices to satisfy the investment needs and risk preferences of different customers. Thirdly, the Bank strengthened the channel construction and empowerment by upgrading the wealth management platform, launching “Wealth Diagnosis” (財富診斷) and configuration advice functions on the mobile banking app, continuously consolidating the infrastructure. Fourthly, the Bank continued to enhance the team building by expanding the number of wealth management professionals to 500 and organizing the first asset allocation competition to promote professional capability improvement through competition instead of training.

In terms of bank cards, the Bank continuously deepened the convenience service capability of debit card business and focused on livelihood scenarios such as payroll, water, electricity, and gas bill payments to upgrade online and offline service processes and improve the convenience of basic financial services. At the same time, the Bank continuously enlarged the product matrix of bank cards and focused on expanding core functions such as mobile application for the third-generation social insurance card and pension benefit distribution, optimized preferential benefits of special card types such as the Chengdu-Chongqing Card, deepened cooperation with scenario parties such as supermarkets and campuses, and added exclusive benefits such as consumption discounts and point redemption, so as to comprehensively enhance the comprehensive service effectiveness of debit cards.

In terms of credit cards, the Bank steadily advanced the construction of digital risk control capabilities, resulting in improved risk performance among new customers. We optimized business processes and product functions to satisfy diverse consumer finance needs. By strengthening asset quality control, we coordinated and promoted the integrated operation of collection, mediation, and litigation to ensure steady business development. In alignment with policies aimed at boosting consumption, we actively deployed high-frequency daily consumption scenarios, organizing marketing activities that closely align with customer needs to continually enhance customer engagement and stickiness.

As of 31 December 2025, the balance of personal deposits of the Group was RMB306.704 billion, representing an increase of RMB57.146 billion or 22.90% as compared with the end of last year, and the market share in Chongqing continued to increase. The balance of personal consumer loans (including personal consumer loans, mortgage loans and credit card overdrafts) was RMB75.924 billion, representing a decrease of RMB340 million as compared with the end of last year. The total number of issued debit cards increased by 406,500 to 6,247,600 as compared with the end of the previous year.

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7.2.4 Financial Market Business

During the Reporting Period, the Bank adhered to a steady development strategy for its financial market business, coordinated and strengthened the management of interbank assets and liabilities, and implemented a more flexible and proactive investment and trading strategy and solid, effective risk prevention and control to achieve scale growth, enhanced efficiency, and optimized quality, continuously improving the capability for stable development and value creation.

Promoting diversified asset allocation and serving major strategies. The Bank further integrated into the construction of the Chengdu-Chongqing Economic Circle, the construction of the new land-sea channel in western China, the establishment of a financial center in western China and other major strategies, so as to improve the quality and efficiency of financial services to the real economy, continuously optimizing the asset allocation and structure while maintaining a balance between liquidity, profitability, and safety, thus improving the overall effectiveness of the asset portfolio.

Enhancing investment and trading capabilities and expanding development space. The Bank focused on the construction of investment research capabilities, closely analyzed macroeconomic situations and market trends, strengthened market insight and sensitivity, leading to improved quality and efficiency in the investment and trading business. By enhancing technology empowerment, enriching trading varieties, optimizing trading strategies, and increasing market activity, the Bank was rated as one of the “Top 100 in Proprietary Settlement” members in the China Bond market for five consecutive years.

Deepening customer base and channel construction, consolidating resources for growth. The Bank strengthened the construction of a “circle of friends”, enlarging the cooperation network, streamlining cooperation channels, and achieving steady improvement in both quantity and quality. We expanded the depth and breadth of cooperation, creating a favorable cooperation ecosystem and showcasing a reputable image in the money market, providing strong support for high-quality business development. The Bank innovated collateral management mechanisms, revitalizing existing bond assets, reducing the cost of liabilities, and being recognized as a “Collateral Social Responsibility Institution” among China Bond members.

7.2.5 Asset Management Business

During the Reporting Period, the Bank consistently adhered to the business philosophy of “compliant operations and stable development”, with its asset management business sustaining a steady development.

Making efforts to strengthen internal control compliance management. During the Reporting Period, the Bank further improved the wealth management business institutional systems, optimised product and investment operation processes, strictly carried out internal and external compliance audits to continuously optimize business compliance management. The Bank strengthened the empowerment of technological systems to steadily promote the optimization of online system management.

Effectively promoting product and service upgrades. During the Reporting Period, the Bank continued the product stress testing and liquidity risk monitoring, accelerated product innovation, and deepened investment management, enhancing asset allocation capability and transaction profitability. The Bank explored customer and market demands to push forward transformation in product strategy, refined management and profitable model.

Doing a good job in cultivating investors. During the Reporting Period, the Bank popularized and publicized the features of net worth products through various channels such as online and offline, strengthened the business skills training of front-line sales staff, improved the professionalism of the sales force, and actively carried out customer marketing and expansion, resulting in the increasingly consolidation of the customer base.

7.2.6 Investment Banking Business

During the Reporting Period, the Bank deeply implemented the new development philosophy, focused on the national strategies and proactively engaged in the new development pattern. With focus on the construction of the investment banking business system and the improvement of service capabilities, the Bank was committed to developing an all-weather, full-cycle and full-chain model for the investment banking business to promote its high-quality and leap-frog development.

Market share reaching new highs. With reference to the benchmarks of peers, the Bank spared no effort in promoting the upgrading of investment banking business, with a view to achieving leap-frog development. In 2025, the number of cumulative debt financing instruments of non-financial companies issued by the Bank as an underwriter exceeded 100, with an underwriting amount exceeding RMB20 billion, ranking first in the Chongqing region for the first time in terms of three indicators: association bond underwriting share, proportion of total underwriting, and number of underwritings. The Bank also led among legal person financial institutions in the western region and entered the top 50 national lead underwriters for the first time.

Significant achievements in serving major strategies. The Bank supported the construction of the financial center in western China, attracted over RMB35 billion of funds into Chongqing through bond underwriting business. The Bank contributed to the construction of the Chengdu-Chongqing Economic Circle, serving 8 issuers from Sichuan, which doubled compared to the previous year. The Bank made efforts to improve the “Five Major Articles” of finance, achieving a significant breakthrough in investment banking services for the national strategy for technological innovation – underwriting the first science and technology innovation medium-term notes in western China where a city commercial bank acted as the lead underwriter, specifically “25 Xi’an Science and Technology MTN001 (Science and Innovation Bond)” (25西安科建MTN001(科創債)). For the first time, the Bank underwrote a green debt financing instrument of non-financial institutions – “25 Changshou Investment PPN003 (Green)” (25長壽投資PPN003(綠色)).

Continuously elevating the customer base hierarchy. The Bank served 54 issuers throughout the year, with 50% of them having an issuer credit rating of AA+ or above. This included 4 AAA-rated issuers and 6 industrial-specific issuers, both of which increased by 4 compared to the same period last year. The Bank successfully completed the underwriting of its first bank financial bonds, first science and technology innovation financial bond, and first bank green financial bond, which have significant value in enriching the Bank’s bond product offering and enhancing the comprehensive capabilities of its investment banking services.

Continuously improving professional quality. In the undertaking process, the Bank emphasized both quality and efficiency and actively strived to take the lead role for strategic customers and key projects. In the issuance process, the Bank expanded sales channels and continued to manage investor classification effectively. Among the debt financing instruments of non-financial institutions issued throughout the year, several achieved the lowest coupon rates in history for issuers in their respective districts and counties or cities, and the “Chongyin Investment Bank” (重銀投行) brand received widespread recognition from issuers.

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7.2.7 Trade Finance Business

During the Reporting Period, the Bank's trade finance business achieved remarkable results in serving national strategies, refined management, and innovation-driven development, laying a solid foundation for high-quality development.

Serving national strategies and strengthening business layout. Focusing on serving major national strategies, the Bank launched 20 measures for the new land-sea channel in China's western region, building an "inclusive credit to land-sea customers" (惠暢陸海) trade finance brand and constructing five major product systems of "chain, finance, Hui, Chang and hedging" (鏈、融、惠、暢、避險), which was selected as a landmark achievement by the Chongqing SASAC. The Bank deepened the "one-bill system" multimodal united transportation financing business, strengthened exchange rate hedging actions, and the foreign exchange hedging ratio ranked first among local legal person banks. The financing balance for serving the construction of the new land-sea channel in China's western region exceeded RMB55 billion, showing remarkable growth.

Refining management operations and achieving steady development. The Bank optimized the asset-liability structure, significantly enhancing the scale of both domestic and foreign currency trade financing, continuously reducing the cost of foreign currency liability, continuously expanding the coverage of foreign exchange outlets and rapidly growing the scale of foreign currency fund transactions. The Bank expanded investments in Euro bonds and green bonds while optimizing inclusive foreign trade products such as "Chongqing Trade Loan" (渝貿貸) and "credit insurance e finance" (信保e融). The balance of trade finance increased by over 80%, supporting a significant increase in the scale of inclusive financing.

Driving development through innovation and empowering digital intelligence transformation. The Bank carried out a digital upgrade of supply chain finance, launching products such as reverse factoring and cloud credit, while also introducing new scenarios for forfaiting business, leading to significant increase in business scales. The launch of domestic and foreign currency interbank and derivatives systems supported stable business development. The Bank continuously optimized personal foreign exchange electronic channel functions to enhance user experience and the SWIFT ISO 20022 upgrade facilitated intelligent cross-border settlements, resulting in an over 20% increase in international settlement volume and more than 120% increase in cross-border RMB settlement volume.

7.2.8 Financial Technology

The Bank earnestly implemented the overall deployment of the construction of Digital Chongqing, focusing on the "456" digital transformation strategy blueprint, and deeply promoting the construction of digital applications and the improvement of technology empowerment capabilities. The "14th Five-Year" strategic plan for information technology has been successfully concluded, while the design for the "15th Five-Year" strategic plan is underway. In 2025, the Bank's total technology investment was RMB648 million.

Comprehensively accelerating digital transformation and empowering AI innovation. The Bank closely followed cutting-edge technologies, deepened AI technology innovation, focused on research and application exploration of large language model, and successfully created the “Chong Yin Xiao AI” (重銀曉AI) brand application, becoming one of the first city commercial banks in China to achieve the “privatization + financial scenario adaptation” of large models. Throughout the year, the Bank launched AI applications across 5 channels and 17 scenarios, covering 24 of the Bank’s head office and branches, benefiting more than 1,100 employees, significantly improving the Bank’s operational efficiency. The Bank actively promoted the integration of RPA automation with small model AI in scenario construction, adding 32 new scenarios throughout the year and having successfully launched over 200 automated processes, which promoted the intelligent operations of various business areas across the Bank. The Bank continued to develop data services and application innovations, establishing and implementing a data service system that provides real-time operational data dashboards for retail, inclusive, operations, and other businesses, thereby empowering business marketing and management decision-making. We successfully developed an intelligent suspicious transaction monitoring model for anti-money laundering, assisting us in becoming the first local legal person bank in China to have projects selected for regulatory innovation applications for six consecutive years.

Steadily building the technology foundation and ensuring safe and stable intelligent operations. The Bank steadily advanced the construction of science and innovation centers, with the successful launch of the extended and expanded computer rooms and ongoing optimization of high-performance computing resources to support AI applications across the Bank. We deepened the “one cloud, multiple cores” strategy, adding 33 new nodes to the “Chongqing Bank Cloud” (重行雲) platform and deploying 4 sets of heterogeneous clusters to achieve flexible provision of computing resources, with an increasing number of applications migrating to the cloud. A dynamic access control system based on a zero-trust security architecture was established, and pilot applications of domestic backup technologies were implemented. We successfully launched a cloud observable analysis platform and completed the expansion and construction of application systems in the remote disaster recovery center, conducting 105 practical emergency drills throughout the year to strengthen network security protection capabilities and data security defense technology construction. This further enhanced the Bank’s business continuity assurance level and network security control capabilities. We also advanced the improvement of R&D efficiency and delivery quality, completing the deployment of the R&D efficiency platform to ensure comprehensive coverage of important information system testing.

Deepening technology governance and continuously optimizing the talent team. The Bank fully initiated the preparation of the “15th Five-Year” strategic plan for information technology, outlining the future development blueprint for the Bank’s financial technology. We strengthened technology compliance and risk control, conducted continuous compliance inspections throughout the year to promote compliance culture. The Bank expanded talent recruitment channels, focusing on introducing professional talents in artificial intelligence, big data, cloud computing, information security, and other directions, continuously enhancing its technology talent structure. The Bank strengthened technology outsourcing governance by utilizing an outsourcing management information system for ongoing digital management of outsourced personnel, expanding technology outsourcing models, continuously recruiting non-original manufacturer outsourcing personnel to effectively reduce concentration risk of technology outsourcing.

Management Discussions and Analysis

7.2.9 Digital Transformation

During the Reporting Period, the Bank thoroughly implemented the policy spirits of “digital china”, “digital finance” and “digital Chongqing”, led by its proprietary “456” digital transformation work system, comprehensively and systematically promoted digital construction to continuously and effectively empower the high-quality development and frontline operations across the Bank.

Focusing on the transformation landscape to prioritize three key reforms and critical tasks. First, established a new data utilization ecosystem anchored in key project applications. The Bank coordinating the advancement of 59 R&D projects and 11 promotion projects outlined in the digital transformation blueprint during that year. Over 10 innovation achievements received authoritative awards from superior regulatory authorities, the municipal competent authorities and the affiliated industry association throughout the year. Leveraging a unified data service interface to enhance data utilization quality and efficiency, the Bank has delivered over 700 million data services across more than 200 business scenarios, making “fewer steps and faster data utilization” become the norm. Leveraging professional talent cultivation as an opportunity to strengthen industry-digital-technology integration, the Bank has completed the inaugural data analytics talent cultivation program involving over 100 core business personnel. Six benchmark scenarios were rapidly transformed from 21 incubated research projects, forming a closed-loop practical training system encompassing “learning, competition and application.” Second, developed a unified back-end platform for online transaction limit management across the Bank. Achieving two core transformations centered on the goal of “seamless security and effortless experience.” Limit management shifted from “offline manual” to “online intelligent” operations, processing over 70,000 high-speed online limit adjustment applications to effectively mitigate front-desk pressure. Security certifications evolved from “fixed overlay” to “dynamic adaptation,” optimizing certification processes for over 3 million small-value and low-risk transactions. It ensured the smooth completion of transactions that faced interruption due to limit issues. Third, built and optimized institution-specific data insight dashboards. Focusing on high-frequency frontline demand, the Bank has customized six major data insight scenarios, such as deposit fluctuation analysis, large-value transactions and branches-specific zones, and 13 business dashboards based on the Leader Platform (領行者平台). Covering seven major business segments, achieving over threefold year-on-year growth, the daily user coverage rate of various data tools has approached 50% of all employees. The awareness of proactively utilizing data and managing based on data has significantly increased among all personnel.

Achieving significant accomplishments in deeply integrating into the development of Digital Chongqing. The basic assessment indicators such as the digitalization rate of core business, data cataloging, collection and sharing, and the activity level of application scenarios all ranked among the top in the city’s financial institutions. Multiple practical cases such as “Digital and Intelligent Employees Reshaping Mortgage Loan Services” and “Green Financial Services” were successively showcased at the Digital Chongqing Achievement Exhibition and the 2025 Artificial Intelligence Application Scenarios successively. It has effectively enhanced the digital core competitiveness and brand influence of the Bank, and fully demonstrated the responsibility of a state-owned financial enterprise.

Pursuing practical implementation of scenario-driven large-model applications. The Bank has developed the “Chong Yin Xiao AI” (重銀曉AI) large-model application platform, deploying 17 scenarios including marketing assistants and document summarization to enhance management efficiency across various domains. Our “Lightweight AIGC Financial Large-Model Development Path and Scenario Application Exploration” was awarded the “Outstanding Research Project Award in Fintech” by the Chongqing Society for Finance.

Accelerating data analytics to empower scientific decision-making and business innovation. Over 20 specialized analyses have been completed throughout the year across fields such as agency payments, deposits and risk control, empowering scientific operations and management. Over 400 standardized report matrices have been established, with access volume increasing by 94% year-on-year, significantly reducing manual statistical workloads. The “wide table + BI” self-service analytics system empowered 142 scenarios, supporting a 160% year-on-year increase in employee self-service data analysis. The Bank received the “Data Governance Innovation Award” from DAMA China for the sixth consecutive year.

Speeding up channel integration to effectively enhance customer acquisition and retention capabilities across all domains. The mobile banking app has been upgraded to version 7.0, attracting 468,800 new accounts. Our operational platform hosted over 1,000 online and offline events, representing an increase of 57% year-on-year. The mobile business development platform processed over 2 million external transactions, serving more than 3.3 million person-time. WeChat Bank deepened account opening process reengineering, supporting over 3,400 new accounts. The average corporate online banking sign-up time was reduced by 56%, significantly minimizing operational risks and manpower consumption while optimizing customer experience.

Deepening digital intelligence due diligence to optimize and reshape credit processes. Wind Chime Intelligence Review (風鈴智評) launched 24 standardized modules for intelligent due diligence reports covering large, medium and SMEs, assisting branches in securing over RMB38 billion in credit approvals and initially establishing a standardized and intelligent due diligence process across the Bank. Xinghan Intelligent Decision-making (星瀚智策) continued to empower decision-making for diverse digital credit products, supporting the launch of five new inclusive finance products and enabling the implementation of over 300 early warning indicators for the “Smart Early Warning System of Bank of Chongqing” (重銀曉警), providing data-driven support for precise risk prevention and control.

Fostering robust risk control and compliance barriers through digital measures. The Bank has established a “1+1+6” data security management model, optimizing the Data Security Management Measures in accordance with regulatory requirements, compiling a data asset catalog covering over 200 systems, and completing classification and grading for 10 critical business systems and more than 200,000 data fields. Mobile banking implemented an entire-process protection system covering “login-operation-transfer,” deploying risk control strategies such as abnormal login interception and fund transfer blocking. Enhanced verification or interception mechanisms have been activated for high-risk login operations, effectively safeguarding potential vulnerable customers.

7.2.10 Service Channels

The Bank has always adhered to the principle of “customer-orientation”, committed itself to providing convenient, inclusive and intelligent financial services for customers, and continuously deepened the online and offline digital integrated operations.

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Physical Outlets

As of 31 December 2025, the Bank operated its business and marketed its banking products and services through 205 subunits (including the business department of its Head Office, its small enterprise loan center, five primary branches), 211 self-service banking centers, 479 intelligent teller machines, and through its extensive distribution channels, such as telephone banking, mobile banking, online banking and WeChat banking, which cover all 38 districts and counties of Chongqing as well as three provinces in western China namely Sichuan Province, Shaanxi Province and Guizhou Province.

Mobile Banking

As of 31 December 2025, the Bank had 3,244.1 thousand mobile banking personal customers, representing an increase of 468.8 thousand as compared with the end of the previous year; the total number of transactions by mobile banking personal customers was 10,500.1 thousand and the total transaction amount was RMB273,765 million. During the Reporting Period, the replacement rate for online businesses mainly comprising transfer, payment, wealth management sales and other high-frequency transactions was 97.36%.

Online banking

As of 31 December 2025, the Bank had 51.7 thousand online banking corporate customers, representing an increase of 5.9 thousand as compared with the end of the previous year; the total number of transactions was 4,066.5 thousand and the total transaction amount was RMB869,205 million. The Bank had 3,213.8 thousand personal online banking customers, representing an increase of 467.8 thousand as compared with the end of the previous year; the total number of transactions was 309.9 thousand and the total transaction amount was RMB12,269 million.

7.2.11 Service Improvement

The Bank attached importance to empowerment by technological innovation, and made efforts to improve business processing efficiency, so as to improve customer experience and provide warmer banking services. The Bank further promoted the systematic optimization of counter business processes, completing the rollout of over 230 requirements, simplifying business handling procedures, and expanding and optimizing 35 intelligent review scenarios, thereby improving counter business processing efficiency. The Bank launched the “e” account opening (version 2.0) for enterprises, achieving “one set of materials, one process, one visit” to complete account opening and product enrollment, reducing the average processing time from one hour to 30 minutes. We also optimized the personal account opening process, reducing the required fields by 48%, and decreased the average processing time from 6 minutes to 3 minutes, making the account opening due diligence entirely paperless. Furthermore, we strengthened the management of self-service equipment and established a rapid response mechanism, increasing the operational availability rate to over 99%.

7.3 Analysis of the Financial Statements

7.3.1 Analysis of the Income Statement

In 2025, the net interest income of the Group amounted to RMB12,459 million, representing a year-on-year increase of RMB2,283 million or 22.44%; net fee and commission income amounted to RMB598 million, representing a year-on-year decrease of RMB290 million or 32.66%; net trading losses/(gains) and net gains on investment securities amounted to RMB1,560 million, representing a decrease of RMB497 million or 24.14% over the end of the previous year; share of profit of associates amounted to RMB370 million, representing a year-on-year decrease of RMB50 million or 11.82%; operating expenses amounted to RMB4,505 million, representing a year-on-year increase of RMB408 million or 9.96%; and credit impairment losses amounted to RMB3,858 million, representing a year-on-year increase of RMB669 million or 20.99%. As a result of the foregoing factors, in 2025, the Group achieved a net profit of RMB6,105 million, representing a year-on-year increase of RMB584 million or 10.58%.

The following table sets forth the major items of the Group's Income Statement during the periods indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	2025	2024	Change in amount	Change in percentage (%)
Net interest income	12,459,414	10,176,129	2,283,285	22.44
Net non-interest income	2,286,492	3,087,038	(800,546)	(25.93)
Including: Net fee and commission income	597,731	887,599	(289,868)	(32.66)
Net trading losses/(gains)	732,084	787,523	(55,439)	(7.04)
Net gains on investment securities	828,384	1,269,584	(441,200)	(34.75)
Other operating income	128,293	142,332	(14,039)	(9.86)
Operating income	14,745,906	13,263,167	1,482,739	11.18
Less: Operating expenses	4,505,464	4,097,551	407,913	9.96
Less: Credit impairment losses	3,858,058	3,188,648	669,410	20.99
Less: Other assets impairment losses	–	2,972	(2,972)	N/A
Profit before income tax	6,752,675	6,393,931	358,744	5.61
Less: Income tax	647,611	872,900	(225,289)	(25.81)
Net profit	6,105,064	5,521,031	584,033	10.58
Attributable to: Shareholders of the listed company	5,654,218	5,117,290	536,928	10.49
Non-controlling interests	450,846	403,741	47,105	11.67

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7.3.1.1 Operating income

In 2025, the Group achieved the operating income of RMB14,746 million, representing an increase of RMB1,483 million or 11.18% as compared to the previous year, with the net interest income accounting for 84.50%, and the net non-interest income accounting for 15.50%.

The following table sets forth the composition and changes of the Group's operating income during the periods indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	2025		2024		Change in amount	Change in percentage (%)
	Amount	Percentage (%)	Amount	Percentage (%)		
Net interest income	12,459,414	84.50	10,176,129	76.73	2,283,285	22.44
Net fee and commission income	597,731	4.05	887,599	6.69	(289,868)	(32.66)
Other net non-interest income	1,688,761	11.45	2,199,439	16.58	(510,678)	(23.22)
Operating income	14,745,906	100.00	13,263,167	100.00	1,482,739	11.18

7.3.1.2 Net interest income

In 2025, the net interest income of the Group amounted to RMB12,459 million, representing an increase of RMB2,283 million or 22.44% as compared to the previous year.

Interest income, interest expense and net interest income

In 2025, the interest income of the Group amounted to RMB31,589 million, representing an increase of RMB2,898 million or 10.10% as compared to the previous year; the interest expense amounted to RMB19,129 million, representing an increase of RMB614 million or 3.32% as compared to the previous year.

The following table sets forth the amount and changes of the interest income, interest expense and net interest income of the Group during the periods indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	2025	2024	Change in amount	Change in percentage (%)
Interest income	31,588,541	28,690,811	2,897,730	10.10
Interest expense	19,129,127	18,514,682	614,445	3.32
Net interest income	12,459,414	10,176,129	2,283,285	22.44

Average yield of interest-earning assets and average cost ratio of interest-bearing liabilities

In 2025, the average balance of interest-earning assets of the Group amounted to RMB894.996 billion, representing an increase of RMB139.040 billion or 18.39% as compared to the previous year. The average yield on interest-earning assets decreased by 27 basis points to 3.53% as compared to the previous year.

In 2025, the average balance of interest-bearing liabilities of the Group amounted to RMB877.056 billion, representing an increase of RMB158.281 billion or 22.02% as compared to the previous year. The average cost ratio of interest-bearing liabilities decreased by 40 basis points to 2.18% as compared to the previous year.

As a result of the combined impact of the above-mentioned factors, the net interest spread of the Group increased by 13 basis points to 1.35% as compared to the previous year, while the net interest margin increased by 4 basis points to 1.39% as compared to the previous year.

The following table sets forth the composition and interest of interest-earning assets and interest-bearing liabilities of the Group during the periods indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	2025			2024		
	Average balance	Interest income/expense	Average yield/cost ratio (%)	Average balance	Interest income/expense	Average yield/cost ratio (%)
ASSETS						
Loans and advances to customers	494,087,547	21,076,383	4.27	417,307,322	18,329,123	4.39
Investment securities	324,555,445	9,332,449	2.88	239,216,388	8,630,247	3.61
Cash and balances with Central Bank	32,973,376	489,654	1.48	32,635,436	474,756	1.45
Due from other banks and financial institutions	43,379,259	690,055	1.59	66,796,260	1,256,685	1.88
Total interest-earning assets	894,995,627	31,588,541	3.53	755,955,406	28,690,811	3.80
LIABILITIES						
Customer deposits	517,147,079	11,460,806	2.22	440,076,080	11,382,359	2.59
Due to and placements from banks and other financial institutions and other liabilities	165,467,066	3,498,002	2.11	118,292,664	3,088,572	2.61
Debt securities payable	194,441,672	4,170,319	2.14	160,405,803	4,043,751	2.52
Total interest-bearing liabilities	877,055,817	19,129,127	2.18	718,774,547	18,514,682	2.58
Net interest income		12,459,414			10,176,129	
Net interest spread			1.35			1.22
Net interest margin			1.39			1.35

Management Discussions and Analysis

Analysis of changes in interest income and expense

The Group's changes in interest income and expense are jointly affected by volume factor and interest rate factor. The following table sets forth the analysis of changes in interest income and expense of the Bank in 2025.

(All amounts expressed in thousands of RMB unless otherwise stated)	Due to changes in volume	Due to changes in interest rate	Change in interest income and expense
ASSETS			
Loans and advances to customers	3,275,228	(527,968)	2,747,260
Investment securities	2,453,887	(1,751,685)	702,202
Cash and balances with Central Bank	5,018	9,880	14,898
Due from other banks and financial institutions	(372,506)	(194,124)	(566,630)
Change in interest income	5,361,627	(2,463,897)	2,897,730
LIABILITIES			
Customer deposits	1,708,017	(1,629,570)	78,447
Due to and placements from banks and other financial institutions	997,275	(587,845)	409,430
Debt securities payable	729,990	(603,422)	126,568
Change in interest expense	3,435,282	(2,820,837)	614,445
Change in net interest income	1,926,345	356,940	2,283,285

7.3.1.3 Interest income

In 2025, the Group realised interest income of RMB31,589 million, representing an increase of RMB2,898 million or 10.10% as compared to the previous year.

Interest income from loans and advances to customers

In 2025, the Group's interest income from loans and advances to customers amounted to RMB21,076 million, representing a year-on-year increase of RMB2,747 million or 14.99%, primarily due to the average balance on loans and advances to customers increased by 18.40% as compared to that of the previous year.

The following table sets forth the average income of loans and advances to customers of the Group by maturity structure during the periods indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	2025			2024		
	Average balance	Interest income	Average yield (%)	Average balance	Interest income	Average yield (%)
Short-term loans	71,481,245	2,071,151	2.90	79,284,909	2,358,153	2.97
Medium-and-long-term loans	422,606,302	19,005,232	4.50	338,022,413	15,970,970	4.72
Total	494,087,547	21,076,383	4.27	417,307,322	18,329,123	4.39

The following table sets forth the average yield on the Group's loans and advances to customers by business type during the periods indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	2025			2024		
	Average balance	Interest income	Average yield (%)	Average balance	Interest income	Average yield (%)
Corporate loans	374,191,813	16,918,300	4.52	288,420,194	13,558,215	4.70
Retail loans	98,217,771	3,948,443	4.02	96,176,124	4,372,976	4.55
Discounted bills	21,677,963	209,640	0.97	32,711,004	397,932	1.22
Total	494,087,547	21,076,383	4.27	417,307,322	18,329,123	4.39

Interest income from investment securities

In 2025, the Group's interest income from investment securities amounted to RMB9,332 million, representing a year-on-year increase of RMB702 million or 8.14%, primarily due to the increase in the average balance of investment securities by 35.67% as compared to the end of the previous year.

Interest income from cash and balances with Central Bank

In 2025, the Group's interest income from cash and balances with Central Bank amounted to RMB490 million, representing a year-on-year increase of RMB15 million or 3.14%.

Interest income from amounts due from other banks and financial institutions

In 2025, the interest income from the Group's amounts due from other banks and financial institutions amounted to RMB690 million, representing a year-on-year decrease of RMB567 million or 45.09%, primarily because the average balance of amounts due from other banks and financial institutions decreased by 35.06%.

Management Discussions and Analysis

7.3.1.4 Interest expense

Interest expense on customer deposits

In 2025, the Group's interest expense on customer deposits was RMB11,461 million, representing a year-on-year increase of RMB78 million or 0.69%, primarily due to a year-on-year increase in the average balance of customer deposits by 17.51% as compared to that of the previous year.

The following table sets forth the average cost of the Group's deposits by product type during the periods indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	2025			2024		
	Average balance	Interest expense	Average cost ratio (%)	Average balance	Interest expense	Average cost ratio (%)
Corporate deposits						
Demand	62,033,374	419,837	0.68	56,672,968	548,778	0.97
Time	145,338,845	3,418,154	2.35	136,249,408	3,857,690	2.83
Subtotal	207,372,219	3,837,991	1.85	192,922,376	4,406,468	2.28
Individual deposits						
Demand	22,926,965	14,235	0.06	20,718,263	33,324	0.16
Time	261,737,399	7,196,763	2.75	209,186,738	6,621,083	3.17
Subtotal	284,664,364	7,210,998	2.53	229,905,001	6,654,407	2.89
Other deposits	25,110,496	411,817	1.64	17,248,703	321,484	1.86
Total	517,147,079	11,460,806	2.22	440,076,080	11,382,359	2.59

Interest expense on due to and placements from banks and other financial institutions and other liabilities

In 2025, the Group's interest expense on due to and placements from banks and other financial institutions and other liabilities was RMB3,498 million, representing a year-on-year increase of RMB409 million or 13.26%, primarily due to the increase in the average balance of borrowings from Central Bank and placements from banks and other financial institutions.

The following table sets forth the interest expense on the Group's due to and placements from banks and other financial institutions and other liabilities by business type during the periods indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	2025			2024		
	Average balance	Interest expense	Average cost ratio (%)	Average balance	Interest expense	Average cost ratio (%)
Due to and placements from other banks	83,423,379	1,932,504	2.32	49,101,077	1,534,738	3.13
Borrowings from Central Bank	76,495,665	1,469,553	1.92	58,460,460	1,353,931	2.32
Financial assets sold under repurchase agreements	5,316,266	89,200	1.68	10,523,166	194,399	1.85
Lease liabilities	231,756	6,745	2.91	207,961	5,504	2.65
Total	165,467,066	3,498,002	2.11	118,292,664	3,088,572	2.61

Interest expense on issuance of debt securities

In 2025, the Group's interest expense on issuance of debts securities amounted to RMB4,170 million, representing a year-on-year increase of RMB127 million or 3.13%, primarily due to the increase in the average daily balance of financial debts for small and micro enterprises and interest expense.

The following table sets forth the interest expense on the Group's issuance of debts securities by securities type during the periods indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	2025			2024		
	Average balance	Interest expense	Average cost ratio (%)	Average balance	Interest expense	Average cost ratio (%)
Subordinated debts	10,999,145	321,142	2.92	7,146,908	235,476	3.29
Financial debts for small and micro enterprises	18,292,293	421,437	2.30	7,556,970	193,551	2.56
Inter-bank certificates of deposits	146,859,492	2,751,705	1.87	128,716,653	2,986,509	2.32
Financial debts	4,999,854	145,867	2.92	4,062,730	110,736	2.73
Convertible bonds	13,290,888	530,168	3.99	12,922,542	517,479	4.00
Total	194,441,672	4,170,319	2.14	160,405,803	4,043,751	2.52

Management Discussions and Analysis

7.3.1.5 Non-interest income

Net fee and commission income

In 2025, the Group's net fee and commission income amounted to RMB598 million, representing a year-on-year decrease of RMB290 million or 32.66%. Among them, income from wealth management agency services amounted to RMB344 million, representing a year-on-year decrease of RMB335 million or 49.29%, primarily due to the decrease in fee income from wealth management as affected by the decline in the returns of underlying assets in the recent two years when the market has been in a low-interest-rate cycle. Settlement and agency services income amounted to RMB265 million, representing a year-on-year increase of RMB34 million or 14.71%, primarily due to the growth in fee income from agency sales and fee income from investment banking as the Group continued to increase its wealth management efforts, coordinated development of "investment banking + commercial banks" and expanded the customer base they serve.

The following table sets forth the composition and changes of the Group's net fee and commission income during the periods indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	2025	2024	Change in amount	Change in percentage (%)
Fee and commission income	807,834	1,120,724	(312,890)	(27.92)
Wealth management agency services	344,475	679,275	(334,800)	(49.29)
Settlement and agency services	265,027	231,040	33,987	14.71
Guarantees and credit commitments services	111,978	81,361	30,617	37.63
Bank card services and annual fee	39,826	101,330	(61,504)	(60.70)
Other fee incomes	46,528	27,718	18,810	67.86
Fee and commission expense	(210,103)	(233,125)	23,022	(9.88)
Net fee and commission income	597,731	887,599	(289,868)	(32.66)

Other net non-interest income

In 2025, the Group achieved other non-interest income of RMB1,689 million, representing a decrease of RMB511 million or 23.22% over the previous year. Among which, the net gains on investment securities was RMB828 million, representing a decrease of RMB441 million or 34.75% from the previous year; the net trading losses/(gains) was RMB732 million, representing a decrease of RMB55 million or 7.04% from the previous year, mainly due to the decrease in the valuation of financial assets at fair value through profit or loss; other operating income was RMB128 million, representing a decrease of RMB14 million or 9.86% from the previous year, mainly due to the decrease in government subsidies.

The following table sets forth the composition and changes of the Group's other net non-interest income during the periods indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	2025	2024	Change in amount	Change in percentage (%)
Net trading gains	732,084	787,523	(55,439)	(7.04)
Net gains on investment securities	828,384	1,269,584	(441,200)	(34.75)
Other operating income	128,293	142,332	(14,039)	(9.86)
Total	1,688,761	2,199,439	(510,678)	(23.22)

7.3.1.6 Operating expenses

In 2025, the Group's operating expenses were RMB4,505 million, representing an increase of RMB408 million or 9.96% as compared with the previous year. Among which, the staff costs increased by 9.19% as compared with the previous year; the general and administrative expenses increased by 6.08% as compared with the previous year; the depreciation and amortization increased by 26.03% as compared with the previous year.

The following table sets forth the composition and changes of the Group's operating and management expenses during the periods indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	2025	2024	Change in amount	Change in percentage (%)
Staff costs	2,508,381	2,297,211	211,170	9.19
Tax and surcharges	197,570	180,742	16,828	9.31
Depreciation and amortisation	641,376	508,919	132,457	26.03
General and administrative expenses	995,384	938,340	57,044	6.08
Others	162,753	172,339	(9,586)	(5.56)
Total operating expenses	4,505,464	4,097,551	407,913	9.96

Management Discussions and Analysis

7.3.1.7 Assets impairment losses

In 2025, the assets impairment losses of the Group recorded RMB3,858 million, representing an increase of RMB666 million or 20.88% as compared to the previous year.

The following table sets forth the principal components and changes of assets impairment losses of the Group for the periods indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	2025	2024	Change in amount	Change in percentage (%)
Loans and advances to customers	3,550,934	3,570,831	(19,897)	(0.56)
Investment securities	251,635	(374,362)	625,997	N/A
Due from other banks and financial institutions	41,410	(2,862)	44,272	N/A
Off-balance sheet losses on expected credit impairment	30,265	1,898	28,367	1,494.57
Other assets	(16,186)	(3,885)	(12,301)	316.63
Total assets impairment losses	3,858,058	3,191,620	666,438	20.88

7.3.1.8 Share of profit of associates

In 2025, the Group's share of profit of associates amounted to RMB370 million, representing a year-on-year decrease of RMB50 million or 11.82%. As of 31 December 2025, the Group's associates included Three Gorges Bank and Mashang Consumer.

7.3.1.9 Income tax

In 2025, the Group's income tax expenses amounted to RMB648 million, representing a decrease of RMB225 million or 25.81% as compared with the previous year, with the effective tax rate of 9.59%.

The following table sets forth the reconciliation details and changes of the Group's income tax expenses calculated according to the statutory tax rate and the actual income tax expenses during the periods indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	2025	2024	Change in amount	Change in percentage (%)
Profit before income tax	6,752,675	6,393,931	358,744	5.61
Tax calculated at statutory tax rate	1,688,169	1,598,483	89,686	5.61
Tax effect arising from non-taxable income	(1,522,312)	(985,875)	(536,437)	54.41
Tax effect of expenses that are not deductible for tax purposes	481,830	456,640	25,190	5.52
Income tax adjustment for prior years	(76)	538	(614)	(114.13)
Effect on opening deferred income tax balances arising from change in tax rates	—	(196,886)	196,886	N/A
Income tax	647,611	872,900	(225,289)	(25.81)

7.3.2 Balance Sheet Analysis

7.3.2.1 Total assets

As of 31 December 2025, the Group's total assets amounted to RMB1,033,726 million, representing an increase of RMB177,084 million or 20.67% over the end of the previous year.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	31 December 2025		31 December 2024	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Total loans and advances to customers	531,284,850	51.40	440,616,361	51.44
Of which: Total principal of loans and advances to customers	529,120,186	51.19	438,295,481	51.17
Interests due from loans and advances to customers	2,164,664	0.21	2,320,880	0.27
Total impairment allowances for the expected credit	(14,798,334)	(1.43)	(13,352,516)	(1.56)
Net loans and advances to customers	516,486,516	49.97	427,263,845	49.88
Investment securities	342,730,015	33.14	283,227,120	33.06
Investment in associates	3,531,012	0.34	3,173,826	0.37
Cash and balances with Central Bank	40,764,533	3.95	34,510,468	4.03
Due from banks and other financial institutions	53,914,676	5.22	34,468,211	4.02
Financial assets at fair value through profit or loss	60,564,102	5.86	64,680,693	7.55
Derivative financial assets	1,469,022	0.14	44,443	0.01
Fixed assets	3,597,720	0.35	2,898,032	0.34
Deferred tax assets	5,153,469	0.50	4,210,831	0.49
Other assets	5,514,616	0.53	2,164,371	0.25
Total assets	1,033,725,681	100.00	856,641,840	100.00

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7.3.2.2 Loans and advances to customers

As of 31 December 2025, the Group's total loans and advances to customers increased by RMB90,668 million or 20.58% to RMB531,285 million over the end of the previous year. This is mainly because the Group actively implemented the decisions and arrangements of Chongqing Municipal Committee and Municipal Government, participated in the construction of the Chengdu-Chongqing Economic Circle and the new land-sea channel in western China, and accelerated the grant of credit facilities in key sectors and industries during the Reporting Period.

As of 31 December 2025, the Group's total principal of corporate loans was RMB409,867 million, representing an increase of RMB96,864 million or 30.95% as compared with the end of the previous year; the total principal of retail loans was RMB96,702 million, representing a decrease of RMB916 million or 0.94% as compared with the end of the previous year.

The following table sets forth the Group's loan structure by business type as at the dates indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	31 December 2025		31 December 2024	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Corporate loans	409,867,472	77.46	313,003,213	71.42
Discounted notes	22,550,944	4.26	27,674,398	6.31
Retail loans	96,701,770	18.28	97,617,870	22.27
Total	529,120,186	100.00	438,295,481	100.00

The following table sets forth the structure of the Group's corporate loans by term as at the dates indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	31 December 2025		31 December 2024	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Short-term corporate loans	28,411,342	6.93	27,473,664	8.78
Medium-and-long-term corporate loans	381,456,130	93.07	285,529,549	91.22
Total	409,867,472	100.00	313,003,213	100.00

The following table sets forth the structure of the Group's retail loans by product type as at the dates indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	31 December 2025		31 December 2024	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Personal mortgage loans	36,170,280	37.40	39,282,720	40.24
Personal business loans	20,777,814	21.49	21,660,113	22.19
Personal consumer loans and others	39,753,676	41.11	36,675,037	37.57
Total	96,701,770	100.00	97,617,870	100.00

For further analysis of the Group's loans and loan quality, please refer to Section "7.4 Loan Quality Analysis".

7.3.2.3 Financial investments

As of 31 December 2025, the Group's financial investments amounted to RMB403,294 million, representing an increase of RMB55,386 million or 15.92% as compared with the end of the previous year. Among them, financial investments at amortised cost amounted to RMB245,236 million, representing an increase of RMB75,809 million or 44.74% as compared with the end of the previous year; financial investments at fair value through other comprehensive income amounted to RMB97,494 million, representing a decrease of RMB16,306 million or 14.33% as compared with the end of the previous year; financial assets at fair value through profit or loss amounted to RMB60,564 million, representing a decrease of RMB4,117 million or 6.36% as compared with the end of the previous year. This is mainly due to the standardized, diversified and light-asset allocation of financial investments, the linkage with investment banking business, and the increase of investments in fixed income products such as bonds.

The following table sets out the composition of the Group's financial investments by nature of assets as at the dates indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	31 December 2025		31 December 2024	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Bond investments	342,932,586	85.04	278,218,650	79.96
Trust investments	5,590,251	1.39	6,544,836	1.88
Directional assets management plans	11,056,402	2.74	18,229,832	5.24
Debt financing plans	–	–	2,120,000	0.61
Wealth management products purchased from financial institutions	2,010,682	0.50	1,008,736	0.29
Fund investments	25,104,521	6.22	24,752,744	7.11
Equity investments	2,980,201	0.74	2,349,946	0.68
Inter-bank certificates of deposits	10,503,779	2.60	11,363,208	3.27
Others	14	0.00	14	0.00
Accrued interest	4,293,225	1.06	4,236,979	1.22
Provision for impairment	(1,177,544)	(0.29)	(917,132)	(0.26)
Total financial investments	403,294,117	100.00	347,907,813	100.00

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The following table sets forth the composition of the Group's financial investments by remaining term as at the dates indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	31 December 2025		31 December 2024	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Up to 3 months	54,742,084	13.57	60,743,538	17.46
3 to 12 months	33,479,607	8.30	41,924,051	12.05
1 to 5 years	150,200,087	37.24	150,055,290	43.12
Over 5 years	161,836,622	40.14	91,832,354	26.40
In perpetuity	2,949,597	0.73	2,349,946	0.68
Overdue	86,120	0.02	1,002,634	0.29
Total financial investments	403,294,117	100.00	347,907,813	100.00

As of 31 December 2025, balance of the Group's financial investments with the remaining term of less than a year was RMB88,222 million, representing a decrease of RMB14,446 million or 14.07% as compared with the end of the previous year; balance of the Group's financial investments with the remaining term of more than a year was RMB312,037 million, representing an increase of RMB70,149 million or 29.00% as compared with the end of the previous year.

The following table sets forth the composition of the Group's financial investments by measurement as at the dates indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	31 December 2025		31 December 2024	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Financial investments at fair value through profit or loss	60,564,102	15.02	64,680,693	18.59
Financial investments at fair value through other comprehensive income	97,494,390	24.17	113,800,112	32.71
Financial investments measured at amortised cost	245,235,625	60.81	169,427,008	48.70
Total financial investments	403,294,117	100.00	347,907,813	100.00

As of 31 December 2025, the Group's balance of financial investments at fair value through profit or loss amounted to RMB60,564 million, representing a decrease of RMB4,117 million or 6.36% as compared to the end of the previous year; the balance of financial investments at fair value through other comprehensive income amounted to RMB97,494 million, representing a decrease of RMB16,306 million or 14.33% as compared to the end of the previous year; the balance of financial investments measured at amortised cost amounted to RMB245,236 million, representing an increase of RMB75,809 million or 44.74% as compared to the end of the previous year.

Composition of the Group's bond investments by issuers

(All amounts expressed in thousands of RMB unless otherwise stated)	31 December 2025		31 December 2024	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Treasury bonds	148,363,565	43.26	128,926,450	46.34
Local government bonds	69,793,390	20.35	42,574,294	15.30
Bonds of financial institutions	16,551,056	4.83	25,499,106	9.17
Corporate bonds	108,224,575	31.56	81,218,800	29.19
Total bond investments	342,932,586	100.00	278,218,650	100.00

As of 31 December 2025, the Group's treasury bond investments amounted to RMB148,364 million, representing an increase of RMB19,437 million or 15.08% as compared with the end of the previous year, with its proportion in bond investments decreasing by 3.08 percentage points to 43.26%.

Top ten financial bonds in terms of face value held by the Group as at the end of the Reporting Period

Name of bonds	Face value (thousands of RMB)	Annual interest rate (%)	Maturity date	Provision for impairment (thousands of RMB)
Policy bank bonds	900,000	2.30	2034/7/4	538
Policy bank bonds	650,000	2.35	2034/5/6	389
Policy bank bonds	640,000	2.47	2034/4/2	361
Commercial bank subordinated bonds	500,000	2.15	2035/6/30	–
Policy bank bonds	400,000	2.63	2034/1/8	246
Commercial bank subordinated bonds	320,000	1.99	2035/5/19	–
Commercial bank bonds	300,000	1.98	2028/3/27	179
Commercial bank bonds	300,000	1.78	2030/7/3	178
Commercial bank bonds	300,000	1.62	2028/6/26	178
Commercial bank bonds	300,000	1.71	2028/7/16	178

Note: The above provision for impairment is calculated on the basis of the expected loss model in accordance with Accounting Standards for Enterprises No. 22 – Recognition and Measurement of Financial Instruments. To the knowledge of the Bank, there is no significant change in the financial position of the above financial bond issuers during the Reporting Period.

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7.3.2.4 Investment in associates

As at 31 December 2025, the Group's net investment in associates was RMB3,531 million, representing an increase of RMB357 million or 11.25% as compared with the end of the previous year.

The following table sets forth the changes in the Group's long-term equity investments for the periods indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	2025	2024
Balance at the beginning of the period	3,173,826	2,818,162
Additional investment in associates	–	–
Net profit or loss adjusted by equity method	370,291	419,935
Cash dividends declared	(13,105)	(64,271)
Balance at the end of the period	3,531,012	3,173,826

7.3.2.5 Total liabilities

As at 31 December 2025, the total liabilities of the Group amounted to RMB967,727 million, representing an increase of RMB174,849 million or 22.05% as compared to the end of the previous year.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	31 December 2025		31 December 2024	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Customer deposits	565,704,384	58.46	474,116,904	59.80
Debt securities issued	204,206,537	21.10	191,559,600	24.16
Due to and placements from banks and other financial institutions	189,490,035	19.58	119,420,436	15.06
Financial liabilities at FVPL	350,584	0.04	590,361	0.07
Derivative financial liabilities	234,981	0.02	7,240	0.00
Current tax liabilities	106,334	0.01	120,393	0.02
Other liabilities	7,633,984	0.79	7,062,988	0.89
Total liabilities	967,726,839	100.00	792,877,922	100.00

7.3.2.6 Customer deposits

In 2025, the Group gave full play to its regional brand advantages, and accelerated innovation in its products and services, which contributed to the steady growth in customer deposits. As at 31 December 2025, the total customer deposits of the Group amounted to RMB565,704 million, representing an increase of RMB91,587 million or 19.32% as compared to the end of the previous year.

During the Reporting Period, the Group continuously improved the service level for retail customers through deeply exploring into the retail markets in the “one municipality and three provinces”, leading to the continual increase in the amount and proportion of individual deposits. As at 31 December 2025, balance of the Group’s individual deposits was RMB306,704 million, representing an increase of RMB57,146 million or 22.90%, accounting for 54.22% of the total customer deposits, up by 1.59 percentage points as compared with the end of the previous year.

The following table sets forth the composition of the Group’s customer deposits as at the dates indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	31 December 2025		31 December 2024	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Corporate demand deposits	70,191,944	12.41	53,879,467	11.36
Corporate time deposits	145,459,769	25.71	132,127,766	27.87
Individual demand deposits	26,336,881	4.66	23,678,149	4.99
Individual time deposits	280,367,063	49.56	225,880,099	47.64
Other deposits ⁽¹⁾	28,436,093	5.02	25,404,664	5.36
Interest payable on customer deposits	14,912,634	2.64	13,146,759	2.78
Total customer deposits	565,704,384	100.00	474,116,904	100.00

Note: (1) Other deposits mainly include corporate and individual pledged deposits held as collateral.

Management Discussions and Analysis

7.3.2.7 Issuance of bonds

The Group did not issue any corporate bonds that need to be disclosed in accordance with the Standards Concerning the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public No. 2 – Contents and Format of Annual Reports and the Administrative Measures for Information Disclosure of Enterprise Credit Bonds.

7.3.2.8 Shareholders' equity

As at 31 December 2025, the total equity of the Group amounted to RMB65,999 million, representing an increase of RMB2,235 million or 3.50% as compared to the end of the previous year; the equity attributable to shareholders of the Bank amounted to RMB62,972 million, representing an increase of RMB1,901 million or 3.11% as compared to the end of the previous year.

The following table sets forth the composition of the Group's shareholders' equity as of the dates indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	31 December 2025		31 December 2024	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Share capital	3,474,588	5.26	3,474,569	5.45
Other equity instruments	8,071,242	12.23	8,071,257	12.66
Capital surplus	7,743,833	11.73	7,734,021	12.13
Other reserves	15,545,733	23.55	16,428,015	25.76
Retained earnings	28,136,711	42.64	25,363,111	39.78
Total equity attributable to shareholders of the Bank	62,972,107	95.41	61,070,973	95.78
Minority interests	3,026,735	4.59	2,692,945	4.22
Total equity	65,998,842	100.00	63,763,918	100.00

7.4 Loan Quality Analysis

7.4.1 Distribution of loans by the five-category classification

During the Reporting Period, the Group accelerated the construction of a comprehensive risk management system, continued to strengthen the prevention and control of credit risk, and strengthened the risk investigation, early risk warning, tracking and post-lending monitoring management and stepped up efforts in risk disposal and management, which consolidated the foundation of asset quality, and ensured that the quality of the Group's credit assets was relatively good compared to other banks. As at 31 December 2025, the non-performing loan ratio of the Group was 1.14%, representing a decrease of 0.11 percentage point as compared to that of the end of the previous year. The amount of loans under special mention category accounted for 1.94% of total loans, representing a decrease of 0.70 percentage point as compared to that of the end of the previous year.

The following table sets forth the Group's distribution of loans by the five-category classification as of the dates indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	31 December 2025		31 December 2024	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Pass	512,795,878	96.92	421,264,154	96.11
Special mention	10,290,617	1.94	11,568,077	2.64
Substandard	2,250,308	0.43	1,950,981	0.45
Doubtful	1,008,868	0.19	1,272,184	0.29
Loss	2,774,515	0.52	2,240,085	0.51
Total principals of loans and advances to customers	529,120,186	100.00	438,295,481	100.00
Amount of non-performing loans	6,033,691	1.14	5,463,250	1.25

Note: Under the five-category loan classification system, the Group's non-performing loans are classified into substandard, doubtful and loss categories.

Management Discussions and Analysis

7.4.2 Distribution of loans and non-performing loans by product type

As of 31 December 2025, the non-performing rate of the Group's corporate loans was 0.71%, representing a decrease of 0.19 percentage point over the end of the previous year; the non-performing ratio of the Company's retail loans was 3.23%, representing an increase of 0.52 percentage point over the end of the previous year.

The following table sets forth the Group's distribution of loans and non-performing loans by product type as of the dates indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	31 December 2025				31 December 2024			
	Loan amount	Percentage of total (%)	Non-performing loans amount	Non-performing loan ratio (%)	Loan amount	Percentage of total (%)	Non-performing loans amount	Non-performing loan ratio (%)
Corporate loans	409,867,472	77.46	2,906,530	0.71	313,003,213	71.42	2,820,929	0.90
Discounted bills	22,550,944	4.26	–	–	27,674,398	6.31	–	–
Retail loans	96,701,770	18.28	3,127,161	3.23	97,617,870	22.27	2,642,321	2.71
Total	529,120,186	100.00	6,033,691	1.14	438,295,481	100.00	5,463,250	1.25

7.4.3 Distribution of loans and non-performing loans by industry

In 2025, the Group closely followed major national strategies, deeply engaging in significant policy opportunities such as the "Chengdu-Chongqing Economic Circle", the "33618" modern manufacturing industry cluster system, and the "Five Major Articles" (五篇大文章) of finance. The Group formulated credit policies and guidelines, strengthened customer admission, deepened the adjustment of credit portfolio, and proactively marketed to high-quality customers in key industries such as intelligent equipment and intelligent manufacturing, green development and biomedicine. At the same time, in line with the national macro-policy orientation and market changes, the Group dynamically adjusted credit strategies in the key areas and enhanced the risk prevention, disposal and resolution capabilities in key areas.

As of the end of the Reporting Period, the Group's non-performing loan ratio decreased by 0.11 percentage point as compared with the end of the previous year. Among them, the non-performing loan ratios in manufacturing, wholesale and retail; construction; water conservation, environment and public facility administration, transportation, warehousing and postal service, electricity, heat, gas and water production and supply and other industries decreased as compared with the end of the previous year, while the non-performing loan ratios in real estate and leasing and commercial services and other industries increased as compared with the end of the previous year.

The following table sets forth the Group's distribution of loans and non-performing loans by industry as of the dates indicated.

	31 December 2025				31 December 2024			
	Loan amount	Percentage of total (%)	Non-performing loans amount	Non-performing loan ratio (%)	Loan amount	Percentage of total (%)	Non-performing loans amount	Non-performing loan ratio (%)
(All amounts expressed in thousands of RMB unless otherwise stated)								
Corporate loans – measured at amortised cost								
Manufacturing	38,793,404	7.33	742,239	1.91	31,345,400	7.15	685,568	2.19
Wholesale and retail	39,068,140	7.38	306,278	0.78	30,259,485	6.90	678,920	2.24
Construction	31,437,536	5.94	192,237	0.61	24,890,411	5.68	280,355	1.13
Real estate	9,873,505	1.87	765,150	7.75	10,112,881	2.31	569,449	5.63
Leasing and commercial services	143,762,828	27.17	452,500	0.31	104,653,880	23.88	159,281	0.15
Water conservation, environment and public facility administration	100,817,068	19.05	7,036	0.01	78,857,689	17.99	14,625	0.02
Transportation, warehousing and postal service	9,643,086	1.82	43,384	0.45	5,670,157	1.29	28,138	0.50
Electricity, heat, gas and water production and supply	10,898,563	2.06	4,491	0.04	7,000,843	1.60	18,640	0.27
Agriculture, forestry, animal husbandry and fishery	5,119,482	0.97	46,036	0.90	4,219,395	0.96	56,747	1.34
Information transmission, software and information technology services	3,695,281	0.70	14,840	0.40	3,288,476	0.75	10,440	0.32
Other industries	16,758,579	3.17	332,339	1.98	12,704,596	2.91	318,766	2.51
Loans to corporate entities – measured at fair value through other comprehensive income								
Discounted bills	22,550,944	4.26	–	–	27,674,398	6.31	–	–
Retail loans – measured at amortised cost								
Retail loans	96,701,770	18.28	3,127,161	3.23	97,617,870	22.27	2,642,321	2.71
Total	529,120,186	100.00	6,033,691	1.14	438,295,481	100.00	5,463,250	1.25

Notes: (1) Non-performing loan ratio of an industry is the ratio calculated by dividing the balance of non-performing loans of the industry by the balance of loans granted to the industry.

(2) Other sectors include scientific research and technology services, accommodation and catering, culture, sports and entertainment, health and social work and so on.

Management Discussions and Analysis

7.4.4 Distribution of loans and non-performing loans by type of collateral

As at 31 December 2025, balance of the Group's collateralised and pledged loans decreased by RMB5,118 million, balance of the guaranteed loans increased by RMB76,392 million and balance of credit loans increased by RMB19,551 million as compared with the end of the previous year. The non-performing loan ratio of collateralised loans and pledged loans decreased by 0.08 percentage point and 0.13 percentage point respectively as compared with the end of the previous year, while that of guaranteed loans and credit loans increased by 0.02 and 0.12 percentage point respectively as compared with the previous year.

The following table sets forth the Group's distribution of loans and non-performing loans by type of collateral as of the dates indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	31 December 2025				31 December 2024			
	Loan amount	Percentage of total	Non-performing loans	Non-performing loan ratio	Loan amount	Percentage of total	Non-performing loans	Non-performing loan ratio
		(%)	amount	(%)		(%)	amount	(%)
Collateralised loans	95,970,827	18.14	3,151,089	3.28	96,631,089	22.05	3,243,259	3.36
Pledged loans	41,058,507	7.76	119,710	0.29	45,516,084	10.38	192,040	0.42
Guaranteed loans	284,551,198	53.78	1,074,265	0.38	208,159,317	47.49	754,724	0.36
Unsecured loans	107,539,654	20.32	1,688,627	1.57	87,988,991	20.08	1,273,227	1.45
Total	529,120,186	100.00	6,033,691	1.14	438,295,481	100.00	5,463,250	1.25

7.4.5 Distribution of loans and non-performing loans by region

As at 31 December 2025, the Group's non-performance loan ratio in Chongqing area and other areas' branch was 1.11% and 1.25%, respectively.

The following table sets forth the Group's distribution of loans and non-performing loans by region as of the dates indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	31 December 2025				31 December 2024			
	Loan amount	Percentage of total	Non-performing loans	Non-performing loan ratio	Loan amount	Percentage of total	Non-performing loans	Non-performing loan ratio
		(%)	amount	(%)		(%)	amount	(%)
Chongqing	404,865,597	76.52	4,479,439	1.11	334,655,355	76.35	4,640,797	1.39
Other areas	124,254,589	23.48	1,554,252	1.25	103,640,126	23.65	822,453	0.79
Total	529,120,186	100.00	6,033,691	1.14	438,295,481	100.00	5,463,250	1.25

7.4.6 Loans to top ten single borrowers

As at 31 December 2025, the Group's total loans to its largest single borrower amounted to RMB3,177 million and accounted for 3.81% of its net capital, while total loans to its top ten customers amounted to RMB22,263 million and accounted for 26.72% of its net capital, which were in compliance with regulatory requirements. As at 31 December 2025, all of the Group's loans to top ten single borrowers were loans in the pass category.

The following table sets forth the Group's loans to top ten single borrowers as of the date indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)		31 December 2025		
		Loan amount	Percentage of net capital (%)	Percentage of total loans (%)
Customer A	Leasing and commercial services	3,177,000	3.81	0.60
Customer B	Water conservation, environment and public facility administration	2,668,700	3.20	0.50
Customer C	Leasing and commercial services	2,532,100	3.04	0.48
Customer D	Leasing and commercial services	2,301,712	2.76	0.44
Customer E	Leasing and commercial services	2,113,250	2.54	0.40
Customer F	Water conservation, environment and public facility administration	1,914,400	2.30	0.36
Customer G	Water conservation, environment and public facility administration	1,910,600	2.29	0.36
Customer H	Water conservation, environment and public facility administration	1,891,000	2.27	0.36
Customer I	Water conservation, environment and public facility administration	1,890,000	2.27	0.36
Customer J	Water conservation, environment and public facility administration	1,864,400	2.24	0.35

Management Discussions and Analysis

7.4.7 Overdue loans

As at 31 December 2025, the total overdue loans of the Group amounted to RMB7,206 million, representing a decrease of RMB396 million as compared to the end of the previous year. Total overdue loans accounted for 1.36% of the total principal of loans and advances to customers, representing a decrease of 0.37 percentage point as compared to the end of the previous year. The Group adopts a prudent classification standard for overdue loans. The ratio of non-performing loans to loans overdue for more than 90 days is 1.16.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	31 December 2025		31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Past due within 90 days	2,006,066	0.38	2,831,557	0.64
Past due 90 days to 1 year	2,900,975	0.55	2,844,538	0.65
Past due over 1 year and within 3 years	2,177,740	0.41	1,813,210	0.41
Past due over 3 years	121,405	0.02	112,845	0.03
Total principals of overdue loans and advances to customers	7,206,186	1.36	7,602,150	1.73
Total principals of loans and advances to customers	529,120,186	100.00	438,295,481	100.00

Note: Overdue loans and advances to customers include credit card advances.

7.4.8 Restructured loans

As at 31 December 2025, the Group's restructured loans accounted for 0.17%, down by 0.14 percentage point as compared with the end of the previous year.

The following table sets forth the Group's restructured loans as of the date indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	31 December 2025		31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Restructured loans	913,504	0.17	1,378,757	0.31
Including: Restructured loans overdue for more than 90 days	503,226	0.10	263,169	0.06
Total principals of loans and advances to customers	529,120,186	100.00	438,295,481	100.00

7.4.9 Foreclosed assets and provision for impairment

As at 31 December 2025, the Group's foreclosed assets amounted to RMB2,586 million and the provision for impairment of foreclosed assets was RMB6 million.

The following table sets forth the Group's foreclosed assets and provision for impairment as of the date indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	31 December 2025		31 December 2024	
	Amount	Provision for impairment	Amount	Provision for impairment
Foreclosed assets	2,586,447	(5,676)	43,861	(5,676)

7.4.10 Changes in provision for loan impairment

The Group adheres to a sound and prudent provision policy, and realizes the scientific measurements of expected loss of assets by establishing the expected credit loss model. As at 31 December 2025, balance of the Group's loan impairment provision was RMB14,798 million, representing an increase of RMB1,446 million as compared with the end of the previous year. The provision coverage ratio of non-performing loans was 245.58%, up by 0.50 percentage point as compared with the end of the previous year. The loan provision ratio was 2.80%, down by 0.25 percentage point as compared with the end of the previous year.

The following table sets forth changes in the Group's provision for loan impairment as of the dates indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	2025	2024
Beginning balance of the year	13,352,516	12,139,426
New financial assets originated or purchased	3,003,243	2,211,826
Re-measurement	4,120,845	3,760,413
Repayment	(3,555,658)	(2,372,371)
Written-off and transferred of the year	(3,040,986)	(3,049,347)
Recoveries of loans written-off in previous years and advances transfer-in	1,073,169	739,456
Effect of discount factors	(154,795)	(76,887)
Ending balance of the year	14,798,334	13,352,516

Management Discussions and Analysis

7.5 Operating Results by Segment

Major business segments of the Group include corporate banking business, retail banking business and treasury business. The following table sets forth the overall operating results of each business segment of the Group during the periods indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	2025		2024	
	Operating income	Profit before income tax	Operating income	Profit before income tax
Corporate banking business	10,975,478	6,671,144	9,553,602	4,876,717
Retail banking business	3,175,851	(92,789)	3,002,669	443,596
Treasury business	564,336	182,897	593,321	992,171
Unallocated	30,241	(8,577)	113,575	81,447
Total	14,745,906	6,752,675	13,263,167	6,393,931

7.6 Other Information to be Disclosed according to Regulatory Requirements

7.6.1 Key regulatory indicators

Items		31 December 2025	31 December 2024	31 December 2023
Liquidity ratio (%)	RMB	205.47	202.21	149.48
	Foreign currency	751.00	2,229.80	2,727.71
Loan migration ratio (%)	Pass	1.73	1.64	1.81
	Special mention	45.74	20.49	18.07
	Substandard	66.65	83.98	54.34
	Doubtful	73.63	64.76	66.25

Notes:

- (1) Liquidity ratio is an indicator of the Group, which is calculated in accordance with the regulatory requirements of NFRA.
- (2) Loan migration ratio is an indicator of the Group, which is calculated in accordance with the regulatory requirements of NFRA.
- (3) Migration ratio of pass loans = (amount migrated to the lower grades from the pass loans at the beginning of the year + amount which were pass loans at the beginning of the year, and were converted to non-performing loans and dealt with during the Reporting Period)/balance of pass loans at the beginning of the year × 100% × annualised coefficient;

Migration ratio of special mention loans = (amount migrated to the lower grades from the special mention loans at the beginning of the year + amount which were special mention loans at the beginning of the year, and were converted to non-performing loans and dealt with during the Reporting Period)/balance of special mention loans at the beginning of the year × 100% × annualised coefficient;

Migration ratio of substandard loans = (amount migrated to the lower grades from the substandard loans at the beginning of the year + amount which were substandard loans at the beginning of the year, and were converted to doubtful loans and loss loans and dealt with during the Reporting Period)/balance of substandard loans at the beginning of the year × 100% × annualised coefficient;

Migration ratio of doubtful loans = (amount migrated to the lower grades from the doubtful loans at the beginning of the year + amount which were doubtful loans at the beginning of the year, and were converted to loss loans and dealt with during the Reporting Period)/balance of doubtful loans at the beginning of the year × 100% × annualised coefficient.

7.6.2 Off-balance sheet items that have a significant impact on financial condition and operating results

(All amounts expressed in thousands of RMB unless otherwise stated)	31 December 2025	31 December 2024
Credit related commitments	101,524,910	76,932,898
Of which:		
Irrevocable loan commitments	65	2,812
Bank acceptance bill	73,383,290	59,148,780
Issuance of letters of guarantee	1,106,403	1,320,528
Issuance of letters of credit	18,034,301	9,874,916
Trade finance confirmation	3,356,303	1,089,491
Unused credit card limits	5,644,548	5,496,371
Capital expenditure commitments	893,478	243,844
Total	102,418,388	77,176,742

7.6.3 Cash Flows

In 2025, the net cash flows from operating activities of the Group were RMB49,436 million, and the net outflows for the previous year were RMB-20,747 million, primarily due to the increase in the taking of deposits and due to other banks. The net cash flows from investing activities were RMB-52,329 million, and the net outflows increased by RMB37,829 million as compared with the previous year, primarily due to the increase in purchase of investment securities. The net cash flows from financing activities were RMB6,523 million, and the net inflows decreased by RMB25,685 million as compared with the previous year, primarily due to the increase in cash paid for repaying due debts.

7.6.4 Assets and liabilities measured at fair value

(All amounts expressed in thousands of RMB unless otherwise stated)	Opening balance	Losses/(gains) on changes in fair value in the current period	Cumulative changes in fair value recognised in equity	Impairment provision for the period	Ending balance
Investment securities at FVOCI	113,800,112	–	(150,368)	(8,777)	97,494,390
Financial assets and financial liabilities at FVPL	64,717,896	(830,482)	–	–	61,798,143
Loans and advances to customers at FVOCI	27,674,398	–	4,458	17,496	22,550,944
Total	206,192,406	(830,482)	(145,910)	8,719	181,843,477

Note: For financial instruments traded in active markets, the Group determines its fair value with its active market quotation; for financial instruments that are not traded on active markets, the Group uses valuation techniques to determine its fair value. The valuation models used are mainly discounted cash flow models and market comparable company models. The input value of valuation technique mainly includes risk-free interest rate, benchmark interest rate, exchange rate, credit point difference, lack of liquidity discount and so on. The Bank had no private equity investments, and its derivatives investment business is not applicable to the relevant provisions set out in the International Accounting Standard 39 — Financial instruments: Recognition and measurement.

Management Discussions and Analysis

7.6.5 Structured Entity Controlled

The unconsolidated structure entities managed by the Group were mainly non-capital guaranteed wealth management products issued and managed by the Group acting as an agent. Based on the analysis and research on the potential target clients, the Group designed and sold capital investment and management plans to specific target clients, and the raised funds were then invested in relevant financial markets or financial products according to the product contracts. Gains from the investment would be allocated to investors. The Group received corresponding wealth management commission fee income as the asset manager.

For more details, see the “Notes to Consolidated Financial Statements”.

7.7 Majority-owned Subsidiaries and Major Investee Companies

7.7.1 Majority-owned Subsidiaries

Chongqing Xinyu Financial Leasing Co., Ltd.

Xinyu Financial Leasing was established in March 2017, with the registered capital of RMB3,000 million and the Bank as the main promoter holding 51.00% of its shares. Xinyu Financial Leasing is mainly engaged in finance lease, transfer and acceptance of finance lease assets, fixed-income securities investment, acceptance of the lessee's lease deposit, taking of fixed-term deposits of non-bank shareholders with a term of more than 3 months (inclusive), interbank borrowing, borrowing from financial institutions, overseas borrowing, sales and disposal of leased properties, economic consulting and other businesses. Xinyu Financial Leasing has the corporate vision of “gaining a toehold in Chongqing, covering western China, serving the whole country, and achieving sustainable development through the balance of ‘scale, benefit, quality and structure’”, and the corporate mission of “focusing on financing and property lending, and serving the real economy.”

As at the end of the Reporting Period, Xinyu Financial Leasing recorded the total assets of RMB57,481 million, the total liabilities of RMB51,349 million, and the total owner's equity of RMB6,132 million. Its net profit was RMB920 million for the Reporting Period.

Xingyi Wanfeng Village Bank Co., Ltd.

Xingyi Wanfeng was established in May 2011, with the registered capital of RMB324.5 million, and 69.09% of its shares held by the Bank. The scope of business of Xingyi Wanfeng includes taking public deposits; issuing short-term, medium-term and long-term loans; domestic settlement; acceptance and discounting of notes; interbank lending; bank card business; agency service for redeeming and underwriting government bonds; agency service for collection and payment, and for insurance businesses. With the market positioning of “based on the county, serving the society and supporting agriculture and supporting small businesses”, Xingyi Wanfeng continues to develop well in “serving real economies, serving villages, and serving agriculture, rural areas, and farmers”.

As at the end of the Reporting Period, Xingyi Wanfeng recorded the total assets of RMB898 million, the total liabilities of RMB827 million, and the total owner's equity of RMB71 million. Its net profit was RMB431.7 thousand for the Reporting Period.

7.7.2 Major Investee Companies

Mashang Consumer Finance Co., Ltd.

Mashang Consumer was established in June 2015, with the registered capital of RMB4,000 million, and 15.53% of its shares held by the Bank. The main businesses of Mashang Consumer include issuing personal consumer loans; taking deposits from domestic subsidiaries of shareholders and domestic shareholders; borrowing from domestic financial institutions; issuing financial bonds upon approval; domestic interbank lending; consulting and agency business in relation to consumer finance; insurance products in relation to sales agency services and consumption loans; fixed income securities investment business.

Adhering to the mission of “technology makes life easier” and focusing on inclusive finance, Mashang Consumer is committed to developing itself into a most trustworthy financial service provider in the world.

Chongqing Three Gorges Bank Co., Ltd.

Three Gorges Bank was established in 1998, with the registered capital of RMB5,574 million, and 4.97% of its shares held by the Bank. The main businesses of Three Gorges Bank include taking public deposits; issuing short-term, medium-term and long-term loans; domestic settlement; note discounting; issuing financial bonds; agency service for issuing, redeeming and underwriting government bonds; interbank lending; foreign exchange deposits, foreign exchange loans, international settlement, interbank foreign exchange lending, acceptance and discounting of foreign exchange instruments, foreign exchange borrowing, foreign exchange guarantee, proprietary foreign exchange trading (limited to spot foreign exchange trading) or agency services for foreign exchange trading, credit investigation, consultation and witness service; providing guarantees; agency service for collection and payment, and for insurance businesses; providing safe deposit box services.

Three Gorges Bank adheres to the service concept of “all for you”, firmly adheres to the positioning of a city commercial bank as “serving the local economy, small and medium-sized enterprises, and urban and rural residents”, focuses on the implementation of the three national strategies of “dual city, dual carbon and dual circulation”, strives to do a good job in the five major articles of “technology finance, green finance, inclusive finance, pension finance and digital finance”, and proactively lays out three major areas of “big retail, big data and big industries”, and strives to build a “research oriented, innovative, and ecological” three-type bank, and maintains a steady momentum in operation and development.

Management Discussions and Analysis

7.8 Risk Management

Based on the “coordinated, comprehensive, independent and effective” risk management principle, the Group is committed to establishing and improving a comprehensive risk management system covering all kinds of risks by adhering to the Group’s development strategy and risk appetite. The Group comprehensively and effectively implemented risk management to ensure the consistence of the income and the risks undertaken, and maximize the shareholder value. During the Reporting Period, the Group continued to improve the risk management system, so as to actively respond to and prevent all kinds of risks.

7.8.1 Credit risk management

Credit risk refers to the risk of losses resulting from the defaults, rating downgrade, or decline in repayment ability of a borrower or counterparty. By improving the organization and management system, determining the credit risk appetite, optimizing the risk management process and cultivating the risk management culture, the Group has continuously improved its core competence of credit risk management. While optimizing the asset soundness and future profitability, the Bank has controlled credit risk within an acceptable range, maintained appropriate capital size and achieved a reasonable balance between risk and return.

Aligning closely with macro policy directives. The Bank firmly grasped significant historical opportunities such as the large-scale development of China’s western region, the construction of the national strategic hinterland and the development of new quality productivity. The Bank actively integrated into the regional development of “one municipality and three provinces” where the Bank operates. The Bank focused on the development direction of distinctive and advantageous industries, optimized credit policies, guided the scientific allocation of credit resources, promoted the increase and improvement of loans granted, and continuously optimized the asset structure.

Strengthening control over the credit process. The Bank enhanced the linkage and coordination of risk management. Through initiatives such as information sharing, collaborative monitoring and joint guidance, the Bank improved the joint force of front-office, middle-office and back-office control. The Bank solidified the main responsibility of operating institutions for risk management, and earnestly verified the authenticity of pre-credit investigation, the prudence in loan review, and the effectiveness of post-loan inspection.

Conducting forward-looking judgments on the change of risks. Based on its judgment on material risks, the Bank strengthened the prediction on the change of credit risks for different customers, industries and regions. The Bank also continuously improved the risk early warning system, implemented early warning measures throughout the entire process and incorporated the forward-looking risk management into the whole process of granting credit.

Disposing of non-performing assets efficiently. The Bank carried out planned management of non-performing assets to form a dynamic and orderly management closed loop. Under the “collection-litigation-auction” disposal framework of non-performing assets, collection and disposal were carried out according to the ideas of “a customized resolution plan for each account” and “class-based resolution plan for class-based category”. The Bank extended disposal channels and tapped new growth points in asset value through “digital” means.

7.8.2 Management on operational risk

Operational risk refers to the risks of losses that may be incurred due to problematic internal procedures, staffing and information technology systems, as well as external events, including legal risk, but excluding strategic risk and reputational risk. Based on the principles of effectiveness, prudence, comprehensiveness, coordination and effectiveness, the Bank has continuously improved its operational risk management system.

During the Reporting Period, the Group continued to improve its management system, actively promoted the application of management tools for operational risk, continuously strengthened risk control in key areas, and promoted standardized and scientific management of operational risk. Firstly, the Bank has implemented the latest regulatory requirements by revising and improving the operational risk management system, further strengthening the responsibilities of the three defense lines, conducting in-depth training and publicity to optimize the operational risk management system and strengthen the foundation of operational risk management. Secondly, the Bank deepened the application of management tools for operational risk, conducted the operational risk and control self-assessment (RCSA), optimized the key risk indicators of operational risk, dynamically carried out monitoring on key risk indicators to collect operational risk incidents in a timely manner, which were regularly reported to the senior management and the Board. Thirdly, the Bank continued to strengthen risk management and control in key areas. The head office continued to strengthen the supervision and inspection of branches with focus on key areas such as the three-phase loan review process and personnel management, strengthened the remediation of weak links, and took multiple measures to enhance the quality and efficiency of management.

7.8.3 Market risk management

7.8.3.1 Interest rate risk

Interest rate risk analysis

Interest rate risk refers to the risk of loss suffered by commercial banks arising from the uncertain fluctuation of market interest rates, namely, the possibility of losses suffered by commercial banks resulting from the divergence between effective yield and the expected yield or the real cost and the expected cost of commercial banks due to the changes in interest rate, which results in the effective yield being lower than the expected yield or the real cost being higher than the expected cost. The main interest rate risk the Group faced was gap risk, which arose from the mismatch between interest rate sensitive assets or liabilities at the re-pricing date or that at the maturity date.

The Group regularly measures its interest rate sensitivity gap, evaluates interest rate risk suffered through gap analysis, and further assesses the impact of interest rate changes on net interest income and corporate net value in varied interest rate scenarios.

The Group paid close attention to changes in the interest rate environment in the external market, strengthened research, judgment and analysis of interest rate situation, and continuously improved the management of interest rate pricing and the interest rate risk in the banking book. It effectively guided the adjustment of repricing term structure through the rational use of tools such as interest rate pricing and internal fund transfer pricing (FTP), and improved its initiative and foresight in terms of bank account book interest rate risk management, to ensure the overall stability and acceptability of interest rate risk.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing	Total
31 December 2025							
Total financial assets	187,029,913	74,732,358	142,571,423	407,843,448	188,461,927	16,378,832	1,017,017,901
Total financial liabilities	(147,642,051)	(130,527,275)	(411,068,282)	(242,800,974)	(11,014,979)	(22,581,332)	(965,634,893)
Total interest rate sensitivity gap	39,387,862	(55,794,917)	(268,496,859)	165,042,474	177,446,948	(6,202,500)	51,383,008

(All amounts expressed in thousands of RMB unless otherwise stated)	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing	Total
31 December 2024							
Total financial assets	163,518,829	51,398,213	160,309,697	346,626,404	107,299,286	15,745,894	844,898,323
Total financial liabilities	(117,696,538)	(73,337,468)	(353,879,051)	(215,668,984)	(11,007,740)	(19,414,695)	(791,004,476)
Total interest rate sensitivity gap	45,822,291	(21,939,255)	(193,569,354)	130,957,420	96,291,546	(3,668,801)	53,893,847

As at the end of 2025, the Group's accumulated gap for all maturities amounted to RMB51,383 million, representing a decrease of RMB2,511 million or 4.66% as compared to the end of the previous year.

Interest rate sensitivity analysis

Assuming that overall market interest rates move in parallel, and not taking into account of the risk management activities that may be carried out by the management to reduce interest rate risk, the Bank's interest rate sensitivity analysis are as follows.

(All amounts expressed in thousands of RMB unless otherwise stated)	Change of expected net interest income	
	31 December 2025	31 December 2024
+100 basis points parallel move in all yield curves	(1,434,972)	(469,582)
– 100 basis points parallel move in all yield curves	1,434,972	469,582

(All amounts expressed in thousands of RMB unless otherwise stated)	Change of other comprehensive income	
	31 December 2025	31 December 2024
+100 basis points parallel move in all yield curves	(4,907,862)	(4,696,743)
– 100 basis points parallel move in all yield curves	5,646,014	5,365,739

7.8.3.2 Exchange rate risk

Exchange rate risk faced by the Group mainly relates to the impact on the position level and cash flow of foreign exchange exposure held by the Group due to changes in major foreign exchange rates. By setting limits on foreign exchange exposure and stop loss to reduce and control exchange rate risk, the Group seeks to ensure that the adverse impact of exchange rate fluctuations falls within an acceptable range.

The exposure to foreign exchange risk of the Group's financial assets and liabilities at carrying amounts in RMB, categorised by the original currency, is as follows.

(All amounts expressed in thousands of RMB unless otherwise stated)	RMB	US Dollar	HK Dollar	Others	Total
31 December 2025					
Net position	50,045,229	813,506	1,748	522,525	51,383,008

(All amounts expressed in thousands of RMB unless otherwise stated)	RMB	US Dollar	HK Dollar	Others	Total
31 December 2024					
Net position	51,499,840	1,400,425	4,412	989,170	53,893,847

Exchange rate sensitivity analysis

Assuming that overall market exchange rates move in parallel, and not taking into account of the risk management activities that may be carried out by the management to reduce exchange rate risk, the Group's exchange rate sensitivity analysis are as follows.

(All amounts expressed in thousands of RMB unless otherwise stated)	Estimated change in profit/(loss) before income tax	
	31 December 2025	31 December 2024
+1% upward change of foreign exchange rate	17,387	23,579
- 1% downward change of foreign exchange rate	(17,387)	(23,579)

Management Discussions and Analysis

7.8.4 Liquidity risk management

Liquidity risk refers to the risk of the Group's failure to obtain adequate funds in time at a reasonable cost to cope with asset growth, repay due debts or perform other payment obligations. The Group's liquidity risk management has well accommodated to the current development stage of the Bank based on the prudent, forward-looking and comprehensive principle.

Based on the principle of separation of policy-making, strategy implementation and supervision functions for liquidity risk management, the Group established a liquidity risk management governance framework, which defined the duties and reporting routes of the Board of Directors, the Risk Management Committee, the senior management, special committees and relevant departments in liquidity risk management, thus forming into a liquidity risk management framework subject to division of labor, clear responsibilities, and efficient operation.

During the Reporting Period, the Group continued to improve liquidity risk management framework by streamlining the policy system for liquidity risk management, and improved our capability in liquidity risk measurement and forecast and upgrade our liquidity risk management capability by continuously implementing the coordination meeting mechanism for assets and liabilities, position management, quota management for liquidity indexes, duration mismatch management, management of liquidity reserve assets, dynamic management of liquidity risk. The Group also promoted the accuracy and digitization in liquidity risk monitoring and measurement by continuously improving the ability to apply information system of liquidity management through system construction and active application of scientific and technological means. The Group had liquidity risk measurement and monitoring mechanisms in place to conduct periodic audits over the Group's overall money-market balance, liquidity reserves, liquidity exposure and related supervisory indicators. At the same time, the Group's assets and liabilities were managed in accordance with factors such as liquidity exposure, liquidity reserves, money-market balances, market conditions, and relevant monitoring targets. By means of quota management, internal funds transfer pricing and other management methods, proactive adjustments to the assets and liabilities maturity structure can be achieved, which provide security against liquidity risk. In addition, the Group continuously carried out liquidity risk stress tests (at least once a quarter) so that it can discover the weakness in liquidity risk management in advance through such stress tests and adopt relevant measures to constantly improve the liquidity risk management and control capability of the Bank. The results of the quarterly stress tests in 2025 indicated that the liquidity risks remained within a controllable range even under stressful conditions. As at the end of 2025, all of the major regulatory indicators reflecting the Group's liquidity position met the regulatory requirements.

According to the requirements of regulatory authorities, the Group has established and improved its management system for the quality of liabilities, formulated internal management measures for the quality of liabilities, and formulated liability management strategies at the beginning of the year. The Bank continued to improve the stability and diversity of liabilities, controlling the reasonable gap between assets and liabilities, reducing the cost of liabilities, and enhancing the capacity to acquire liabilities, so as to ensure the authenticity of liabilities and constantly improve the overall quality of liabilities.

The Group uses liquidity gap analysis to assess liquidity risk. As at the end of 2025, the liquidity gap of the Group calculated from our net assets and liabilities and classified according to relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date was as follows:

(All amounts expressed in thousands of RMB unless otherwise stated)	Within 1		1 to 3	3 to 12	In				Total
	On demand	month	months	months	1 to 5 years	Over 5 years	perpetuity	Overdue	
31 December 2025	(95,548,467)	49,272,985	(59,966,319)	(276,351,680)	207,796,787	306,099,294	33,169,458	4,759,563	169,231,621
31 December 2024	(76,396,636)	42,435,052	(21,030,999)	(201,606,126)	163,556,592	197,900,248	30,284,661	7,416,202	142,558,994

As at the end of 2025, the Group's cumulative gap for all maturities was RMB169,232 million, representing an increase of RMB26,673 million as compared to the end of the previous year. Although there was a shortfall in on-demand repayment of RMB95,548 million, the Group had an extensive and solid deposit customer basis. Current deposit settlement rates were relatively high and funding sources were stable, so the impact of the shortfall on the Group's real liquidity was not significant.

Liquidity coverage ratio

The Group measures its liquidity coverage ratio according to the latest Administrative Measures for Liquidity Risk Management of the National Financial Regulatory Administration (國家金融監督管理總局最新流動性風險管理辦法). As of 31 December 2025, the Group's liquidity coverage ratio was 586.54%, which was in compliance with the regulatory requirements of the NFRA.

(All amounts expressed in thousands of RMB unless otherwise stated)	31 December 2025	31 December 2024
Qualified high-quality liquid assets	163,549,193	153,182,179
Net cash outflow in the next 30 days	27,883,642	27,668,283
Liquidity coverage ratio (%)	586.54	553.64

Net stable funding ratio

The net stable funding ratio is introduced to ensure that commercial banks have sufficient and stable funding to meet the requirements of various assets and off-balance sheet risk exposures for stable funding. According to the Measures for the Information Disclosure of Liquidity Coverage Ratio of Commercial Banks, the net stable funding ratio shall be no less than 100%.

As at 31 December 2025, available and stable funds and required stable funds of the Group amounted to RMB598,520 million and RMB515,916 million, respectively, which met the regulatory requirement with the net stable funding ratio standing at 116.01%.

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7.8.5 Large-sum risk exposure management

In accordance with relevant requirements of the Administrative Measures for Large-Sum Risk Exposure of Commercial Banks, the Group has established a large-sum risk exposure management system, carried out credit risk exposure measurement penetrating to the ultimate debtors, continuously monitored the large-sum risk exposures and changes, and effectively controlled the customer concentration risk. As at the end of the Reporting Period, all large-sum risk exposure indicators of the Group have satisfied the regulatory requirements.

7.8.6 Reputational risk management

Reputational risk refers to the risk that the stakeholders, the public and the media may have a negative view of the Group as a result of its operation, management and other activities, as well as activities of employees or external events, thereby damaging brand value, adversely affecting normal operations or even affecting market stability and social stability. As an important part of the corporate governance and comprehensive risk management system, reputational risk management covers all behaviors, business activities and business fields of the Bank and its branches and subsidiaries. Through establishing and formulating relevant systems and requirements for reputational risk management, we have actively and effectively prevented reputational risks and coped with reputational event, so as to minimize loss and negative impact.

During the Reporting Period, the Group incorporated reputational risk into the comprehensive risk management system, which cover all business lines as well as all branches and holding subsidiaries. The Group arranged special personnel to conduct 24-hour public opinion monitoring using a public opinion monitoring system during critical and sensitive periods, so as to continuously strengthen investigation and analysis of reputational risks. We also continued to carry out special training on reputational risk, thereby further enhancing our prevention awareness and management level of reputational risk. During the Reporting Period, the Group's reputational risk remained stable and controllable in general.

7.8.7 Compliance management

Compliance risk refers to the possibility that the Bank's business and management practices or its employees' performance of duties may violate compliance regulations, causing the Bank or its employees to bear criminal, administrative, or civil legal liabilities, or suffer property losses, reputational losses and other negative impacts. Focusing on the compliance management objectives, the Bank established a compliance management framework in line with the regulatory requirements and suitable for our business scope, corporate governance structure and business scale, which defines the compliance management duties of the Board of Directors, the senior management, the Internal Control and Compliance Department, all lines of management departments and the branches at all levels, forming a four-tier management system comprising the head office, branches, sub-branches, and outlets. The Bank established three defense lines and two reporting routes for compliance management, and achieved effective control over compliance risks by means of continuously strengthening system construction, improving the management technology, intensifying compliance propaganda and training, supervision and inspection, and other approaches.

During the Reporting Period, the Bank positively complied with the new regulatory requirements on “strong supervision and strict supervision”, correctly grasped the direction of compliance, ensured the proper transmission of regulatory requirements, and further improved the long-term compliance management mechanism. A number of main compliance management measures have been adopted. Firstly, the Bank systematically carried out “Learn, Think, Act, and Reflect” compliance culture initiative, promoting the concept of “compliance creates value” throughout the Bank to deepen our compliance culture and solidify the ideological foundation. Secondly, the Bank deepened system construction, strictly controlling the quality of systems, and reinforcing the primary compliance responsibility of the first line of defence and the compliance review responsibility of the second line of defence to ensure the steady development of all of its businesses in compliance with laws and regulations. Thirdly, the Bank conducted compliance risk monitoring, addressing customer complaints, administrative penalties, and unusual circumstances by organizing compliance risk monitoring across the Bank to enhance the quality and effectiveness of compliance management. Fourthly, the Bank focused on building a compliance management team by providing various compliance management training sessions to improve the capabilities of compliance management personnel.

7.8.8 Anti-money laundering management

The Bank has established internal control system for anti-money laundering that meets regulatory requirements. In accordance with the anti-money laundering laws and regulations and according to our actual situation, we formulated a set of anti-money laundering management system, developed and launched a relatively perfect anti-money laundering system, established an anti-money laundering organization system, and set up a professional anti-money laundering team, all of which have provided guarantee for the stable operation of the Bank’s businesses.

During the Reporting Period, the Bank aligned itself with both regulatory requirements and business development, establishing a full process, intelligent and systematic anti-money laundering internal control system. Through restructuring the institutional framework, upgrading the system platform, and professionalizing the organizational team, the Bank created an “iron triangle” (鐵三角) for anti-money laundering governance, which built a robust compliance barrier for the Bank’s sound operations. Firstly, the Bank precisely implemented new regulations. It deeply interpreted the series of new regulations of the new Anti-Money Laundering Law, completed the revision of nine internal control systems, and improved the internal control system for anti-money laundering; secondly, the Bank intelligentized system supports. The new anti-money laundering system and the beneficial owner information query system have been officially put into operation, laying a solid technological foundation for anti-money laundering; thirdly, the Bank benchmarked innovative application. The intelligent model for monitoring suspicious transactions was the only project in Chongqing’s financial business to be selected as one of the Innovation Application of Financial Technology Regulatory in 2025 by the Head Office of the People’s Bank of China, the experience of which has been promoted nationwide; fourthly, the Bank made risk monitoring efficient. It deepened the integration and application of AI technology, advanced pilot construction of the People’s Bank of China’s suspicious transaction model, submitted a total of five high-value key suspicious transaction reports, and transferred four criminal leads to the public security organs, achieving a 100% increase as compared to 2024; fifthly, the Bank systematized talent cultivation. It achieved full coverage of anti-money laundering training, and cultivated a professional anti-money laundering talent team through the “competition instead of training and on-the-job training” model; sixthly, the Bank branded anti-money laundering publicity. It created the high-quality anti-fraud short video “Meeting Happiness in Chongqing: Starting with Protection” (“渝”見幸福從守護開始), which won the third prize in the financial institutions category of Chongqing’s illegal prevention video competition”, shaping a distinctive brand for anti-money laundering publicity.

Management Discussions and Analysis

7.9 Capital Management

With an aim to satisfy the regulatory requirements on capital management to continuously enhance its capital risk resistance and capital return, the Group had reasonably set its capital adequacy objective and promoted business development with measures such as performance appraisal and capital configuration so as to realize synergic development among overall strategies, business development and capital management strategies.

In order to facilitate the Group's sustainable development, transformation of growth modes, coordination of its capital operations and capital preservation, and to further enhance capital preservation awareness among operating institutions, in recent years, the Group has paid attention to the capital consumption and earnings of various institutions in performance appraisal, and further improved its risk adjustment methods and performance appraisal plan, and provided guidance to branches and management to focus on capital preservation operations and high capital yield operations. At the same time, the Group has implemented capital budget management by introducing capital distribution and establishing a balancing mechanism between sound capital occupancy and risk assets, to ensure continuous compliance with capital adequacy requirements.

7.9.1 Capital adequacy ratio

The Group calculated its capital adequacy ratio at all levels as of 31 December 2025 in accordance with the Administrative Measures for the Capital of Commercial Banks (《商業銀行資本管理辦法》) and other relevant regulatory rules, pursuant to which, credit risk-weighted assets are measured with the method of weighting, the market risk weighted assets are measured with simplified standard measuring, and the operational risk-weighted assets are measured with standard measuring. During the Reporting Period, the Group was in strict compliance with the NFRA's regulatory requirements regarding capital adequacy ratio, including minimum capital, capital reserve and counter-cyclicality capital.

The following table sets forth information about net capital and capital adequacy ratio of the Group and the Bank calculated according to the regulatory rules as of the dates indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	31 December 2025		31 December 2024	
	The Group	The Bank	The Group	The Bank
Net capital:				
Core Tier I Capital, net	56,639,318	51,246,646	54,325,735	49,716,395
Tier I Capital, net	63,923,219	58,246,240	61,550,655	56,715,989
Net capital	83,354,794	76,337,765	79,470,686	73,544,155
Capital adequacy ratio (%):				
Core Tier I Capital adequacy ratio	8.53	8.45	9.88	9.86
Tier I Capital adequacy ratio	9.62	9.60	11.20	11.25
Capital adequacy ratio	12.55	12.59	14.46	14.58

The following table sets forth the relevant information of the Group's capital adequacy ratio as of the dates indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	31 December 2025	31 December 2024
Core capital:		
Share capital	3,474,588	3,474,569
Counted part of capital surplus	7,422,350	9,378,241
Eligible portion of other equity instruments	1,071,648	1,071,663
Surplus reserve and general risk reserves	15,035,900	13,925,992
Counted part of retained earnings	28,136,711	25,363,111
Eligible portion of minority interests	2,132,307	1,689,943
Core Tier I Capital deductibles items:		
Full deductibles items	(634,186)	(577,784)
Threshold deduction items	—	—
Core Tier I Capital, net	56,639,318	54,325,735
Other Tier I Capital, net	7,283,901	7,224,920
Tier II Capital, net	19,431,575	17,920,031
Net capital	83,354,794	79,470,686
On-balance sheet risk-weighted assets	626,073,454	517,164,597
Off-balance sheet risk-weighted assets	9,330,105	6,728,580
Risk-weighted assets for exposure to counterparty credit risk	1,496,168	79,144
Total credit risk-weighted assets	636,899,727	523,972,321
Total market risk-weighted assets	3,588,251	3,081,108
Total operational risk-weighted assets	23,751,468	22,686,611
Total risk-weighted assets before applying capital base	664,239,446	549,740,040
Total risk-weighted assets after applying capital base	664,239,446	549,740,040
Core Tier I Capital adequacy ratio (%)	8.53	9.88
Tier I Capital adequacy ratio (%)	9.62	11.20
Capital adequacy ratio (%)	12.55	14.46

As of 31 December 2025, the Group's capital adequacy ratio was 12.55%, representing a decrease of 1.91 percentage points as compared to the end of the previous year. Tier I Capital adequacy ratio was 9.62%, representing a decrease of 1.58 percentage points as compared to the end of the previous year. Core Tier I Capital adequacy ratio was 8.53%, representing a decrease of 1.35 percentage points as compared to the end of the previous year. The change in capital adequacy ratio during the Reporting Period was mainly because: the normal development of various businesses led to an increase in the total risk-weighted assets both on- and off-balance sheet, which lowered the capital adequacy ratios at all levels to some extent.

In accordance with relevant requirements of the Administrative Measures for the Capital of Commercial Banks (《商業銀行資本管理辦法》), the Bank has disclosed relevant information on pillar 3, details of which are available at "Investors Relation – Financial Information – Capital Regulation" (投資者關係－財務信息－監管資本) on the website of the Bank (www.cqcbank.com).

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7.9.2 Leverage ratio

As of 31 December 2025, the Group's leverage ratio was 5.70%, falling within regulatory requirements of the NFRA.

The following table sets forth the relevant information of the Group's leverage ratio as of the dates indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	31 December 2025	31 December 2024
Leverage ratio (%)	5.70	6.66
Tier I Capital, net	63,923,219	61,550,655
On-and off-balance sheet assets after adjustment	1,121,719,319	924,423,283

7.9.3 Capital financing management

On the basis of replenishing capital with retained profits, the Bank actively expanded the outsourced capital replenishment channels, continuously promoted the innovation of capital instruments, enhanced capital strength, optimized capital structure and reasonably controlled the cost of capital.

In March 2022, the Bank publicly issued RMB5.0 billion Tier II capital bonds within the domestic inter-bank bond market of China. Such Tier II capital bonds have a maturity of 10 years, with a fixed coupon rate of 3.73% per annum before maturity. Subject to the applicable laws and the approvals by relevant regulatory authorities, the proceeds from such issuance were all used to replenish the Bank's Tier II capital as planned. The Bank is entitled to redeem the bonds in March 2027.

In March 2022, the Bank publicly issued a total amount of RMB13.0 billion A Share Convertible Corporate Bonds at par with a par value of RMB100 each. The total number of A Share Convertible Corporate Bonds issued was 130.00 million. The A Share Convertible Corporate Bonds have a maturity of 6 years, with a coupon rate of 0.20% for the first year, 0.40% for the second year, 1.00% for the third year, 1.70% for the fourth year, 2.50% for the fifth year, and 3.50% for the sixth year, respectively. The proceeds have been fully used to support business development as planned, and will be fully applied towards replenishing the core Tier-I capital of the Bank after the conversion of A Share Convertible Corporate Bonds into Shares pursuant to the approval of applicable laws and regulators. For more details, please refer to "13.3 Convertible Corporate Bonds" in this annual report.

In December 2022, the Bank publicly issued RMB4.5 billion undated capital bonds in the national interbank bond market, with the coupon rate of 4.70% during the first five years. Subject to the applicable laws and the approvals by relevant regulatory authorities, the proceeds from the issuance will be used to replenish the Bank's other tier I capital. The Bank is entitled to redeem the bonds in December 2027.

In October 2023, the Bank publicly issued RMB2.5 billion undated capital bonds in the national interbank bond market, with the coupon rate of 4.5% during the first five years. Subject to the applicable laws and the approvals by relevant regulatory authorities, the proceeds from the issuance will be used to replenish the Bank's other tier I capital. The Bank is entitled to redeem the bonds in October 2028.

In August 2024, the Bank publicly issued RMB6.0 billion Tier II capital bonds within the domestic inter-bank bond market of China. Such Tier II capital bonds have a maturity of 10 years, with a fixed coupon rate of 2.23% per annum before maturity. Subject to the applicable laws and the approvals by relevant regulatory authorities, the proceeds from such issuance were all used to replenish the Bank's Tier II capital as planned. The Bank is entitled to redeem the bonds in August 2029.

7.9.4 Economic capital allocation and management

The Group's economic capital management mainly consists of measurement, allocation and application. Economic capital indicators include Economic Capital (EC) occupancy, return on capital and Economic Value Added (EVA) and other indicators, whose application fields include credit resource allocation, quota management, performance assessment, product pricing, customer management, etc.

The Group further improved the economic capital management system in terms of measurement, allocation and assessment, strengthened the economic capital constraint and incentive mechanism, and promoted capital-intensive development. Firstly, the Group further improved the economic capital measurement policy, optimized the economic capital measurement standard and system. Secondly, the Group strictly implemented the economic capital quota management measures, continuously improved the refined management level of economic capital, and comprehensively strengthened the capital constraints on branches and holding institutions. Thirdly, the Group continued to optimize the economic capital measurement and assessment policy in our credit business, and actively facilitated our credit structure adjustment. Fourthly, the Group strengthened the training of economic capital management for institutions at all levels, and vigorously promoted the application of economic capital in operation management and business frontier.

7.10 Environment and Outlook

7.10.1 Prospects for Macro Environment

In 2025, despite a highly complex and severe landscape marked by a rapidly shifting external environment and growing domestic challenges, the macroeconomy demonstrated remarkable resilience and vitality by forging ahead toward new and high-quality development amid pressures, achieving both “quantitative growth” and “qualitative improvements”. The economy reached a new milestone, with its total output surpassing RMB140 trillion for the first time, marking a year-on-year increase of 5.0% and the successful achievement of all major anticipated targets. The economic structure was adjusted and optimized, characterized by a distinct shift toward new pathways. The manufacturing industry maintained its status as the world's largest for the 16th consecutive year. The added value of the high-tech manufacturing industry above the designated size represented over 17% of the added value of industrial enterprises above the designated size, with the contribution of final consumption expenditure accounting for more than 50% of the economic growth.

Looking ahead to 2026, as the 15th Five-Year Plan gets underway, China will remain in a crucial period of strategic opportunity. The fundamental conditions and underlying trends, namely solid foundations, many advantages, strong resilience and great potential, have not and will not change. Opportunities continue to outweigh challenges, and favorable factors outweigh unfavorable ones. International organizations such as the International Monetary Fund (IMF), the World Bank, and the Asian Development Bank have all revised up their forecasts for China's economic growth rate. The Chinese economy will maintain steady progress with improved quality and efficiency. The manufacturing industry will accelerate its transition toward high-end, intelligent and green development, and the foundational role of consumption will be further strengthened.

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In terms of macroeconomic policies, consistency in policy orientation and policy effectiveness will be further enhanced. Policies aimed at ensuring short-term economic stability, promoting long-term growth and optimizing economic structure will create synergies. A more proactive fiscal policy and a moderately accommodative monetary policy will be better coordinated, with structural monetary policy tools playing a greater and more effective role. Major projects will be advanced ahead of schedule, and policy-based financial instruments will be sustained and scaled up. These measures will help maintain overall financing costs at a low level, stimulate credit demand, and ensure smoother currency transmission, which will provide strong support for the continued recovery of the economy.

In terms of regulatory environment, the macro-prudent management regime will be accelerated, and the institutional supervision, behavioral supervision, functional supervision, penetrating supervision and continuous supervision will be continuously strengthened. Risks in small and medium-sized financial institutions will be resolved in a forceful, orderly and effective manner, the legal system for financial supervision will be improved at an accelerated pace, and the consolidation and quality improvement of small and medium-sized financial institutions will proceed steadily.

In terms of industry competition and development landscape, challenges such as slowing scale expansion, narrowing net interest margins and pressure on asset quality will persist. Regional banks will continue to focus on their main businesses and pursue differentiated development. Adhering to the leadership of the Party, serving the overall development, advancing steadily while improving quality and promoting reform and innovation, they will increase financial support for major strategies, key areas and weak links such as expanding domestic demand, technological innovation, and micro, small and medium-sized enterprises. By solidly advancing “Five Major Articles”, the Bank will achieve coordinated improvement in scale, efficiency and quality while serving economic and social development.

In terms of regional development, the “one municipality and three provinces” covered by Bank of Chongqing have all successfully achieved the objectives of the 14th Five-Year Plan. During the 15th Five-Year Plan period, Chongqing has entered a strategic window of opportunity to consolidate its “two positionings” and fulfil its “three roles”, thereby cultivating new advantages, overcoming new challenges and opening up new situations. The comparative advantages and late-development advantages of accumulating national strategies, solid industrial foundation and significant innovation potential have been continuously enlarged. With coordinated efforts to boost consumption and expand investment, and the deep integration of innovation, industrial, capital and talent chains, the development potential of national-level new areas and high-level platforms continues to be realized. This serves as an important guide for regional economic development to seize opportunities and release potential, and also constitutes the strongest foundation for regional banks to forge ahead with greater efforts and improve quality and efficiency.

7.10.2 Business Plan

2026 is the first year of the 15th Five-Year Plan and a crucial year for the Group to connect the past and the future, consolidate fundamentals and pursue innovation on its journey toward the RMB1 trillion asset scale. Adhering to the “five highs” strategic positioning and the “five threes” key measures, as well as the principle of seeking progress while maintaining stability and improving quality and efficiency, the Group will ensure the effective implementation of services for major strategies, the real economy and people’s livelihood improvement, laying a solid foundation for high-quality development during the 15th Five-Year Plan period and the construction of a national first-class listed bank.

Consolidating foundations to build a solid support for the new journey toward the RMB1 trillion asset scale. First, we will consolidate the business foundation. We will focus on expanding the advantages of corporate business, financial market business and investment banking business; enhance the development level of financial leasing, consumer finance and trade finance; accelerate the development of wealth management and intermediary income business and promote the formation of diversified business pillars. Second, we will consolidate the customer foundation. We will accelerate the expansion of core customer base, with a focus on developing corporate customers in key areas such as central and local state-owned enterprises, manufacturing industry, technology and green industries as well as retail core customer base including high-quality wage earners, individual industrial and commercial households and high-net-worth individuals. Third, we will consolidate the governance foundation. We will deepen the construction of a modern corporate governance system, ensure the standardized and efficient operation of the Board of Directors, the Board of Supervisors and the Senior Management, strengthen the basic work of branches and subsidiaries, and enhance the standardization of decision-making processes. Fourth, we will consolidate the talent foundation. We will enhance the recruitment of high-level, professional and scarce talents, implement the rotation mechanism for key positions, conduct hierarchical and classified training, focused cultivation and build a sound pattern that enables individuals to demonstrate their talents, empowers talents to create values and ensures the growth of the talent team in different phases. Fifth, we will consolidate the operational and compliance foundation. We will continuously optimize operational processes, promote the intelligent and intensive development of the operational system; and foster a compliance culture, integrate compliance requirements into the entire process of operation and management and ensure the stable operation.

Adjusting and optimizing the structure to expand growth space through development and transformation. First, we will optimize the liability structure. We will strengthen “volume-price” coordination, promote the adjustment of the deposit term structure, make use of low-cost policy funds, manage high-cost funds effectively, strengthen the duration management of interbank liabilities, and continuously enhance liability stability and lower the overall cost of liabilities. Second, we will optimize the asset structure. We will balance “volume, price and risk”, focus on yield improvement and quality control, further optimize the credit and investment structure, give priority to supporting the development of capital-light and high-return credit businesses, and expand the scale of high-rated and high-liquidity assets. Third, we will optimize the operating structure. We will make effort to develop capital-light business, take treasury transactions, investment banking and wealth management as key breakthroughs; increase the income from capital-light businesses and cultivate a second growth curve by strengthening active management of treasury transactions, boosting the market share of investment banking business and improving the development of the wealth management system.

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Accelerating development to sustain a positive growth momentum. First, we will expand the fundamentals of liabilities. We will broaden the core funding sources of liability through developing high-quality accounts, promoting deposit renewal and growth, utilizing fund collection tools and enhance business collaboration; effectively attract special funds, new customer funds, settlement funds and bond issue funds. Second, we will strengthen the asset base. We will vigorously implement pipeline businesses to ensure the smooth conversion of these resources; make effort to develop capital-light credit investment, develop investment grade clients such as listed companies and bond issuers to save the capital consumption through capital-light models; and stabilize the fundamentals of interbank investment and maintain the placement of interest rate bonds and credit bonds. Third, we will enhance the return profile. We will focus on project loan business to secure long-term stable and sound returns; improve bond investment returns and promote the “Fixed Income +” product portfolio; manage the pace of credit supply to ensure early credit issuance for early returns; and strengthen integrated operations to comprehensively improve the comprehensive contribution of customers.

Strengthening risk control to proactively build a strong security barrier to safeguard stable development. First, we will consolidate the quality of assets. We will strengthen risk penetration identification capabilities to ensure strict risk control at the first checkpoint, safeguard the lifeline of asset quality; by leveraging digital tools, we will extend risk management control technology to the sales end and lending stages; further refine the “early warning + rating” post-lending management model to improve our capacity for risk identification, early warning and blocking; enhance the standardized disposition of non-performing assets by integrating resources from government agencies, judicial bodies and specialized market institutions to improve the efficiency and effectiveness of collections and disposals. Second, we will fortify the line of defense for security and compliance. We will earnestly fulfill the compliance responsibilities, balance development with compliance and ensure the joint management of both business operations and personnel; strengthen compliance control across the entire process by conducting systematic, penetrating compliance reviews of major decisions, new businesses and new products in advance; and increase the stringency of post-event accountability to create an effective deterrent. Third, we will strengthen the “three lines of defense”. We will continue to deepen the vertical reform of internal audit, improve the penetrating group-based audit supervision system; enhance the ability to detect and address a risk when it is minor and at its early stage; and fortify a strong awareness of safety bottom lines, ensuring high-quality development with a high level of safety.

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The Bank is committed to building a high-level corporate governance system. In strict accordance with relevant laws and regulations, including the Company Law of the People's Republic of China, the Law of the People's Republic of China on Commercial Banks, and the Securities Law of the People's Republic of China, the Listing Rules as well as the corporate governance practices of the Bank, we continue to optimize our corporate governance structure, improve our corporate governance system and effectively regulate the operation of corporate governance. There were no significant differences between the actual conditions of the Bank's corporate governance with the laws, administrative regulations and regulatory documents issued by securities regulatory authorities in relation to the governance of listed companies. During the Reporting Period, the Bank strictly complied with the code provisions in the Corporate Governance Code (the "Corporate Governance Code") set out in Appendix C1 to the Hong Kong Listing Rules.

During the Reporting Period, the Bank strove to improve the transparency and level of corporate governance to safeguard shareholders' interests and enhance its corporate value. The Bank strictly complied with the provisions of relevant laws and regulations and the Listing Rules governing corporate governance, and completed revisions of the Articles of Association, the procedural rules for general meetings, the procedural rules for the Board of Directors, the scheme of authorization to the Board of Directors by the general meeting, the investment management measures, the capital management measures Rules of Procedure for Shareholders' Meetings, Rules of Procedure for Board Meetings, and other systems by the Board of Directors, conducted the performance assessment of the Board and the senior management and their members, so as to regulate and improve the stakeholders protection mechanism and further enhance its information disclosure and market value management.

8.1 General Meeting

8.1.1 Duties and Responsibilities of General Meeting

The general meeting is an organ of power in the Bank which performs the following functions and powers according to law:

- (1) to elect and replace non-employee directors, and decide on matters related to the remuneration of directors;
- (2) to examine and approve the report of the Board of Directors;
- (3) to examine and approve the Bank's annual financial budget and its final accounts proposals;
- (4) to examine and approve the Bank's plans for profit allocation and loss recovery;
- (5) to adopt a resolution on increase or decrease in the Bank's registered capital;
- (6) to adopt resolutions on merger, separation, dissolution, liquidation or change of company form of the Bank;
- (7) to adopt resolutions on the issuance of bonds or other securities by the Bank and their listing;
- (8) to adopt a resolution on the acquisition of shares of the Bank in accordance with the laws;
- (9) to adopt resolutions on the hiring or firing an accounting firm that is responsible for the regular statutory audits of the Bank's financial reports;
- (10) to amend the Articles of Association of the Bank;

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- (11) to examine and approve the procedural rules for general meetings and the Board of Directors of the Bank;
- (12) to examine the purchase or sale of material assets by the Bank within one year exceeding 30% of the Bank's latest audited total assets;
- (13) to examine the following external guarantee matters concerning non-commercial banking business:
 - 1. any guarantee provided after the total external guarantees of the Bank and its controlling subsidiaries exceeds 50% of the Bank's latest audited net assets value;
 - 2. any guarantee provided after the total external guarantees of the Bank and its controlling subsidiaries exceeds 30% of the Bank's latest audited total assets;
 - 3. guarantees provided by the Bank within one year exceeding 30% of the Bank's latest audited total assets;
 - 4. guarantees provided to any guaranteed party whose debt to assets ratio is higher than 70%;
 - 5. guarantees where a single guarantee amount exceeds 10% of the Bank's latest audited net assets; and
 - 6. guarantees provided for the Bank's shareholders, de facto controllers, and their related parties.
- (14) to examine related party transactions which shall be approved by the general meeting in accordance with laws, administrative regulations, rules and provisions of the securities regulatory authority of the places where the shares of the Bank are listed;
- (15) to examine and approve changes in the use of proceeds;
- (16) to examine the equity incentive plans;
- (17) to examine the employee share ownership plans;
- (18) to determine the issuance of preference shares; to determine or authorize the Board of Directors to determine the matters relating to the issuance of preference shares by the Bank, including but without limitation to redemption, conversion and dividend distribution etc.;
- (19) external donations of the Board of Directors exceeding the amount authorized by the general meeting;
- (20) purchases of major assets, procurement of bulk materials and services by the Board of Directors exceeding the amount authorized by the general meeting;
- (21) to mobilize and use funds for projects not included in the annual budget; to mobilize and use large amount of funds by the Board of Directors exceeding the amount authorized by the general meeting;
- (22) other matters which should be determined by the general meeting in accordance with the laws, regulations, regulatory requirements or the Articles of Association of the Bank.

8.1.2 Information of General Meetings

In 2025, the Bank held one annual general meeting and one extraordinary general meeting, all of which were convened and held in accordance with relevant laws and regulations and Articles of Association.

8.2 The Board of Directors

8.2.1 Responsibilities of the Board

The responsibilities of the Board of the Bank mainly include, but not limited to, the following:

- (1) convening general meeting and reporting its performance to general meeting;
- (2) implementing the resolutions adopted by the general meeting;
- (3) formulating the Bank's annual investment plan and deciding on operational plans and investment proposals of the Bank;
- (4) formulating the development strategy and development plans of the Bank and overseeing the implementation of the strategy;
- (5) formulating plans for implementing the decisions and deployments of the CPC Central Committee, the State Council, Chongqing Municipal Committee and Chongqing Municipal Government, and for executing major initiatives related to national development strategies;
- (6) formulating the annual financial budget and its final accounts proposals of the Bank;
- (7) formulating profit distribution plans and loss recovery plans of the Bank;
- (8) formulating proposals for increase in, or reduction of the Bank's registered capital, issuance of bonds or other securities and listing plans;
- (9) formulating proposals for major acquisitions, share purchase, mergers, separation, dissolution and change in corporate form;
- (10) deciding on establishment, dissolution and merger of the Bank's internal management departments and branches. The Board may delegate the rights of setting up, dismantling and merging the internal management organs of the Bank to the Strategy and Innovation Committee of the Bank;
- (11) appointing or removing the president and the secretary to the Board and decide on their emoluments and their rewards and punishments; appointing or removing vice presidents, the chief financial officer, the chief officer and other senior management based on the recommendations of the president, and deciding on matters relating to their emoluments and their rewards and punishments; to appoint or dismiss the Bank's general counsel and other senior management based on the recommendations of the chairman of the Board of Directors, and to decide on their remunerations, rewards and punishments; to supervise the effective performance of duties of senior management;

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- (12) formulating the Bank's major income distribution plans, including the budget and settlement plans for the Bank's total payroll, etc., approving the employee income distribution plan, the Bank's annuity plan, and the medium-to-long-term incentive plan for Bank employees and examining the employee income distribution plans of subsidiaries in accordance with relevant regulations;
- (13) establishing the Bank's basic management system;
- (14) determining matters relating to significant internal reform and restructuring of the Bank, or to passing resolutions on such matters, in accordance with applicable regulatory requirements;
- (15) formulating the Bank's policy for risk tolerances, risk management and internal controls, assuming ultimate responsibility for comprehensive risk management, strengthening internal compliance management, determining the Company's risk management system, internal control system, and compliance management system, and conducting overall monitoring and evaluation of the Company's risk management, internal control, and legal compliance systems and their effective implementation;
- (16) preparing proposals for any amendments to the Articles of Association of the Bank, establishing the procedural rules for general meetings and the procedural rules for the Board of Directors, and examining and approving the work rules of the special committees under the Board of Directors;
- (17) taking responsibility for the Bank's disclosure of information, and assuming ultimate responsibility for the authenticity, accuracy, completeness and timeliness of the Bank's accounting and financial reporting;
- (18) regularly evaluating and improving the Bank's corporate governance;
- (19) establishing a mechanism whereby the audit department reports to the Board, and examining and approving the annual audit plan and significant audit reports;
- (20) proposing the appointment or dismissal of accounting firms for regular statutory audits of the Bank's financial reports at the shareholders' general meeting;
- (21) reviewing working reports of the president and assessing the president's performance;
- (22) formulating the capital plan of the Bank, and assuming ultimate responsibility for the capital management;
- (23) examining the Bank's plans for handling major litigation, arbitration, and other legal matters that meet the disclosure standards;
- (24) safeguarding the legitimate rights and interests of financial consumers and other stakeholders, studying major matters relating to the safety and environmental protection, stability maintenance, and social responsibilities of the Bank;
- (25) establishing a mechanism for identifying, reviewing and managing the conflicts of interest between the Bank and its shareholders, especially substantial shareholders;

- (26) assuming management responsibility of shareholders' matters;
- (27) examining and approving the matters such as external investments, acquisition of assets, disposal and write-off of assets, pledge of assets, external guarantee matters, entrusted wealth management, connected transactions and data governance of the Bank within the scope of authorization of the general meeting;
- (28) deciding on matters relating to external donations within the scope of authorization of the general meeting;
- (29) deciding on matters relating to purchase of major assets, procurement of bulk materials and services within the scope of authorization of the general meeting;
- (30) deciding on matters relating to mobilization and use of large amount of funds; mobilization and use of large amount of funds exceeding the project budget in the annual budget within the scope of authorization of the general meeting;
- (31) exercising other duties and powers prescribed by the laws, administrative regulations, department rules or the Articles of Association of the Bank or conferred by the general meeting.

8.2.2 Implementation of Resolutions of General Meeting by the Board

During the Reporting Period, the Board of the Bank strictly implemented the resolutions of general meeting and the matters entrusted by general meeting, and earnestly promoted the implementation of the proposals considered and approved at the general meeting regarding the Profit Distribution Plan for 2024, the Annual Financial Budget for 2025, and the Appointment of External Auditor for 2025.

8.2.3 Chairman and President

The roles and functions of the Chairman and the President of the Bank are carried out by different persons to comply with the requirements of the Hong Kong Listing Rules. The roles of the Chairman and the President are separated with a clear division of responsibilities.

The Chairman of the Bank is the legal representative of the Bank and responsible for presiding over the Board and formulating development strategic planning, to ensure that the Board works effectively and timely considers all significant matters.

The President of the Bank is responsible for business development and overall operation and management of the Bank. The President is appointed by and accountable to the Board, and shall perform his duties in accordance with the Articles of Association and authorization of the Board. The senior management led by the President is responsible for day-to-day operation and management.

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8.2.4 Composition of the Board

As of the date of this report, the Board of the Bank comprised a total of 14 Directors, including 3 executive Directors, namely, Mr. YANG Xiuming (Chairman), Mr. GAO Song (President) and Ms. HOU Ximeng; 6 non-executive Directors, namely, Mr. WONG Hon Hing (Vice Chairman), Mr. GUO Xile, Mr. ZHOU Zongcheng, Mr. FU Wei, Mr. WU Heng and Mr. YU Hua; and 5 independent non-executive Directors, namely, Mr. ZHU Yanjian, Ms. LIU Ruihan, Ms. WANG Qinlin, Mr. ZENG Hong, and Mr. CHAN Fung Cheung.

The Board of the Bank has set up six special committees. Please refer to “8.2.15 Special Committees under the Board” for details.

The diversity policy of the Board is summarized as follows:

The Board believes that a diverse board composition will enable the Bank to, in a more efficient manner, improve the work quality and efficiency of the Board, understand and meet customers’ needs and enhance decision-making ability of the Board. In selecting candidates, the Board and the Nomination and Remuneration Committee consider a large number of factors including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge and years of service, actively promote the realisation of diversity of members of the Board. The Nomination and Remuneration Committee monitors the implementation of this policy from the perspective of diversity, including board diversity goals and progress.

The Bank attaches great importance to continuous improvement of professionalism and structural rationality of the Board and the best combination of Board members matching the development strategy of the Bank to lay the foundation for the efficient operation and scientific decision-making of the Board. As of the date of this report, the Board comprises 14 Directors, including 3 females, 2 persons who are ordinarily resident in Hong Kong, 7 persons who have extensive banking experience, 4 person who have expertise in finance, 3 professors from renowned colleges and universities. The Board is still diverse in terms of gender, professional background and skills of its members. Therefore, there is no need to set any further measurable objectives for the implementation of the board diversity policy.

The list of Directors (by category of Directors) was disclosed in all corporate communications issued by the Bank in accordance with the Listing Rules.

The Board is responsible for developing the management system and monitoring the decisions on business and financial strategies, results and other matters of the Bank, and reports to the general meeting. Meanwhile, the Board has delegated to the management the powers and duties for management of the Bank. In addition, the Board has also defined respective terms of reference of the Special Committees. Details of such committees are set out in this report.

The Board is also responsible for performing corporate governance functions. During the Reporting Period, the Board performed the corporate governance functions as set out in the Corporate Governance Code.

8.2.5 Changes in Directors

Please refer to the section headed “Directors, Supervisors, Senior Management, Employees and Branch Outlets” of this annual report for details of changes in Directors.

8.2.6 Operation of the Board

Board meetings may be convened by way of on-site meetings or voting via video conference. The Board of the Bank shall convene regular board meetings at least once for every quarter. Agenda for a meeting of the Board is prepared after consulting Directors and the Board paper and relevant materials for such meeting are usually circulated to all Directors 5 days prior to the date of such meeting. Notice for a regular meeting of the Board is circulated to all Directors 14 days prior to the date of such meeting. All Directors maintain communication with the secretary to the Board and the secretary to the Bank to ensure compliance with the procedures of Board meetings and all applicable rules and regulations.

Directors can express their opinions freely at board meetings, and major decisions are made after detailed discussions. A Director shall abstain from discussion and voting at a Board meeting on any proposal in which he is materially interested, and shall not be counted in the quorum for such proposal. Detailed minutes of Board meetings are maintained, and minutes are circulated to all attending directors for review after the meeting. Directors that have attended the meetings will provide comments for modification after receiving the minutes, and sign for confirmation. The minutes will be circulated by the secretary to the Board to all directors as soon as they are finalised. The minutes of Board meetings are kept by the secretary to the Board of Directors and are available for inspection by Directors at any time.

A communication and reporting mechanism has been established among the Board, Directors and senior management of the Bank. The President reports regularly to and is overseen by the Board. Members of senior management attend board meetings to provide explanations and answers to inquiries of Directors.

The Board has set up an office as its working body, which is responsible for preparation and implementation of general meetings, Board meetings and meetings of the special committees under the Board as well as strategic planning, corporate governance, foreign investment management, connected transaction management, equity management, license management, investor relations management, information disclosure and other routine matters.

8.2.7 Appointment of Directors

The Directors (including non-executive Directors) of the Bank are appointed for a term of three years, and are eligible for re-election upon expiry of their term of office. Independent non-executive Directors are appointed for a term of three years, and shall handle the service matters as required by the relevant banking regulatory authorities in PRC upon expiry of terms. Independent non-executive Directors shall not serve for over six years in aggregate at the same commercial bank.

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8.2.8 Board Meetings

During the Reporting Period, the Board convened 15 meetings in total (including 3 written resolutions and 12 onsite/ video meetings), at which 78 proposals were considered and approved, including the audit plan, financial reports and profit distribution, 55 reports were reviewed. None of Directors have proposed any dissenting opinions to relevant matters of the Bank.

Attendance records of the Directors at the Board meetings, meetings of the special committees under the Board and shareholders' meeting held in 2025 (Directors who were involved in connected transactions and required to abstain from voting at the relevant meetings are deemed as present) are set out below:

Attendance in person/required (number of times)											
Members of the Board	General Meeting	The Board				Audit Committee	Nomination and Remuneration Committee	Strategy and Innovation Committee	Risk Management Committee	Connected Transactions Control Committee	Consumer Protection Committee
		Total	On-site	By communication	By proxy						
Executive Directors											
YANG Xiuming	2/2	14/15	11/12	3/3	1			11/11			
GAO Song	2/2	15/15	12/12	3/3	0				9/9		
HOU Ximeng	2/2	12/12	10/10	2/2	0			2/2			
Non-executive Directors											
WONG Hon Hing	2/2	15/15	12/12	3/3	0			11/11	9/9		2/2
GUO Xile	2/2	13/15	10/12	3/3	2			11/11	9/9		1/1
ZHOU Zongcheng	1/1	5/5	5/5		0						1/1
FU Wei	1/1	5/5	5/5		0	3/3		4/4			
WU Heng	2/2	15/15	12/12	3/3	0			13/13			1/1
YU Hua	1/1	5/5	5/5		0	3/3					1/1
Independent Non-executive Directors											
ZHU Yanjian	2/2	14/15	11/12	3/3	1	6/6		2/2		10/10	
LIU Ruihan	2/2	12/12	10/10	2/2	0				8/8	9/9	
WANG Qinlin	1/1	8/8	7/7	1/1	0	3/3	2/2				
ZENG Hong	1/1	8/8	7/7	1/1	0	3/3	2/2			7/7	
CHAN Fung Cheung	1/1	8/8	7/7	1/1	0		2/2		5/5		
Outgoing Directors											
LIU Xing	1/1	7/7	5/5	2/2	0	3/3	1/1			3/3	
WANG Rong	1/1	7/7	5/5	2/2	0	3/3	2/2				
FUNG Don Hau	1/1	7/7	5/5	2/2	0		2/2				
YUAN Xiaobin		3/3	2/2	1/1	0		1/1			1/1	

Notes:

1. For details of changes in Directors, please refer to “9.1.4 Changes in Directors, Supervisors and Senior Management”.
2. Attendance in person includes participation by way of on-site attendance as well as electronic means such as telephone and online video conference.
3. During the Reporting Period, there were no Directors who did not attend the Board meetings in person for two consecutive meetings.
4. According to the resolution passed at the 19th Meeting of the Seventh Session of the Board of Directors held on 28 January 2026, the Information Technology Guidance Committee of the Board has been merged into the Strategy and Innovation Committee of the Board. The original Nomination Committee and the Remuneration and Appraisal Committee of the Board have been consolidated into the Nomination and Remuneration Committee.

8.2.9 Independent Non-executive Directors

The Bank are fully aware that independent opinions obtained by the Board are crucial to sound corporate governance and the efficiency of the Board. In order to ensure that the Board can obtain independent opinions as necessary, the Board has established a mechanism and reviews its implementation every year, so as to enhance the objectivity and effectiveness of decision-making.

During the Reporting Period, the composition of the Board at all times met the requirements of Hong Kong Listing Rules regarding the appointment of at least three independent non-executive Directors, with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise. The independent non-executive Directors of the Bank represent no less than one-third of the Board, in effective compliance with the relevant requirement of the Listing Rules.

The independent non-executive Directors of the Bank do not have any business or financial interests, or hold any management positions, in the Bank. All the current independent non-executive Directors are elected and appointed for a term of three years, and shall handle the service matters as required by the relevant banking regulatory authorities in the PRC upon expiry of terms. The current independent non-executive Directors of the Bank have each served on the Board for an aggregate term of not more than six years.

The Bank has received the annual confirmation from each independent non-executive Director confirming his/her independence. The Bank considers that all independent non-executive Directors are independent.

The Bank attaches great importance to the safeguards for duty performance by independent non-executive Directors, and the Board, senior management and relevant staff have provided active co-operation and effective support to the independent non-executive Directors in the course of their duty performance. The Bank values the opinions and suggestions of the independent non-executive Directors. During the Reporting Period, the Bank organized seminars between the chairman and independent Directors to communicate and exchange views on the Bank’s operation and development. The Bank also convened 7 special meetings of the independent Directors to fully understand and seek professional opinions and suggestions from the independent non-executive Directors on the Bank’s operation, management and major issues.

The Board receives an annual report on the performance of the independent non-executive Directors. For information on the performance of the Bank’s independent non-executive Directors’ duties, please refer to the Duty Performance Report of Independent Directors of Bank of Chongqing Co., Ltd. for 2025 issued on 24 March 2026 by the Bank.

8.2.10 Directors' Responsibility for Preparation of Financial Statements

The Directors have acknowledged their responsibility for preparing the financial statements of the Bank for the year ended 31 December 2025.

The Directors are responsible for overseeing the preparation of financial statements for each accounting period to make sure that such financial statements give a true and fair view of the financial conditions, operating results and cash flows of the Bank. In preparing the financial statements for the year ended 31 December 2025, the Directors have adopted and consistently applied applicable accounting policies, and exercised prudent and reasonable judgment.

8.2.11 Continuous Professional Development Program for Directors

Each newly appointed Director should receive a comprehensive, formal and tailored induction upon his/her first appointment, to ensure that he/she has a proper understanding of the operations and business of the Bank and that he/she is fully aware of his/her duties and responsibilities under applicable laws, regulatory rules and the Listing Rules.

Training for the Directors shall be carried out on an ongoing basis. The Bank encourages all Directors to participate in continuous professional development, to develop and update their knowledge and skills. During the Reporting Period, the Board of Directors of the Bank arranged all directors to participate in trainings on topics including anti-money laundering situation analysis and policy interpretation, as well as key risk prevention in the protection of financial consumer rights. The Bank also provided all Directors with updates on the Listing Rules and other applicable regulatory requirements from time to time, to ensure that the Directors will make their contribution to the Board with informed and relevant information, abide by the Corporate Governance Code and enhance their awareness of sound corporate governance practices.

During the Reporting Period, details of participation in training of all Directors of the Bank are as follows:

On 24 April 2025, all Directors of the Bank participated in the training on anti-money laundering situation analysis and policy interpretation for city commercial banks and private banks;

On 22 December 2025, all Directors of the Bank participated in the training on key risk prevention in the protection of financial consumer rights;

On 26 December 2025, all Directors of the Bank participated in the training on the interpretation of amendments to the Code of Corporate Governance for Listed Companies and an analysis of common issues and typical cases related to periodic reports of listed companies.

8.2.12 Delegation of Power by the Board

The Board and the senior management led by the President exercise their respective powers in accordance with their responsibilities as set out in the Articles of Association of the Bank.

Apart from implementing resolutions of the Board, the senior management takes charge of the daily operation and management of the Bank. Major capital expenditure projects should be approved by the Board through the annual budget proposal and then be implemented. Any projects that are either not included in the budget proposal, or included in the budget proposal but without detailed expenditures, will be decided by the President with the authorization by the Board. Such other matters delegated by the Board to the management include non-interbank self-operated business, inter-bank self-operated business, intermediary business, acquisition of fixed assets, commodity and service purchase, disposal of assets, write-off of assets, transfer of assets, mortgage of assets, external financing guarantee, connected transactions, donations to external bodies, mobilization and use of funds and establishment of departments, provided that the amount of such transaction does not exceed a certain limit. For details, please refer to the section headed “Responsibilities of the Board” in the Corporate Governance Report of this annual report.

8.2.13 Corporate Governance Functions of the Board

The Board is responsible for ensuring the Bank to establish sound corporate governance practices and procedures. During the Reporting Period, the Board has:

- (1) formulated and examined the Bank’s corporate governance policies and practices, and made recommendations;
- (2) examined and monitored the training and continuous professional development of Directors and senior management members;
- (3) examined and monitored the Bank’s policies and practices in respect of compliance with laws, regulations and regulatory requirements;
- (4) formulated, examined and monitored the codes of conduct for Directors and employees;
- (5) examined compliance with the Corporate Governance Code and the disclosures in the Corporate Governance Report of the Bank.

8.2.14 Company Secretary

The Bank appointed Ms. HO Wing Tsz Wendy from Tricor Services Limited, an external service provider, as the company secretary of the Bank and Ms. HOU Ximeng (member of the Party Committee, executive Director, Vice President and secretary to the Board) of the Bank as the chief contact person for the external company secretary. Ms. HO Wing Tsz Wendy complied with the requirements under Rule 3.29 of the Hong Kong Listing Rules by receiving relevant professional training for not less than 15 hours for the financial year ended 31 December 2025.

8.2.15 Special Committees under the Board

The Board of the Bank has set up six special committees: Strategy and Innovation Committee, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Connected Transactions Control Committee and Consumer Protection Committee. The special committees under the Board have operated in accordance with their respective terms of reference defined by the Board and the working rules of each special committee.

Corporate Governance Report

Strategy and Innovation Committee

As of the date of this report, the Bank's Strategy and Innovation Committee consisted of 5 Directors, including Mr. YANG Xiuming as chairman, Ms. HOU Ximeng, Mr. WONG Hon Hing, Mr. GUO Xile and Mr. WU Heng as members.

The primary duties of the Strategy and Innovation Committee include:

- (1) to review the long-term development strategy of the Bank, monitor and evaluate its implementation, and make recommendations to the Board;
- (2) to review the financial innovation strategy of the Bank and its strategic development plans for technology finance, digital finance, and information technology business;
- (3) to review the business plan and investment proposals of the Bank, and submit them to the Board for consideration;
- (4) to review the annual financial budget plan and final account plan of the Bank, and submit them to the Board for consideration;
- (5) to review the major investment and financing proposals, and make recommendations to the Board;
- (6) to examine the capital plan of the Bank and supervise the senior management in performing proper capital management;
- (7) to review the implementation of the business plan and investment proposals of the Bank;
- (8) to review the work on social responsibility and green finance of the Bank;
- (9) to review major information technology projects of the Bank, monitor and evaluate their implementation, and assess the overall effectiveness of the information technology work; and
- (10) to review other matters prescribed in the laws and regulations, regulatory requirements and delegated by the Board.

During the Reporting Period, the 7th session of the Strategy and Innovation Committee under the Board of the Bank held the 1st meeting (13 January), the 2nd meeting (27 February), the 3rd meeting (10 March), the 4th meeting (27 March), the 5th meeting (21 April), the 6th meeting (26 May), the 7th meeting (20 June), the 8th meeting (18 July), the 9th meeting (15 August), the 10th meeting (20 October) and the 11th meeting (21 November), at which a total of 47 proposals including profitability analysis reports, market value management report, the development plan of outlets, and the business plans were considered, and 1 report was heard.

The Information Technology Guidance Committee of the Board was merged into the Strategy and Innovation Committee of the Board following the approval at the 19th meeting of the 7th Board of Directors on 28 January 2026. During the Reporting Period, the 7th session of the Information Technology Guidance Committee under the Board held the 1st meeting (27 March) and 2nd meeting (13 June), at which a total of 2 proposals including the 2024 Information Technology Work Report and the Project Proposal for the Establishment of Core System Innovations (核心系統信創建設項目) were considered.

Audit Committee

As of the date of this report, the Bank's Audit Committee consisted of 5 Directors, including Mr. ZENG Hong as chairman, and Mr. FU Wei, Mr. YU Hua, Mr. ZHU Yanjian and Ms. WANG Qinlin as members. Independent non-executive Directors accounted for 60% of all members. The establishment of the Audit Committee is in compliance with Rules 3.10(2) and 3.21 of the Hong Kong Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules.

The primary duties of the Audit Committee include:

- (1) to inspect and supervise the financial activities of the Bank, and to examine financial information and its disclosure;
- (2) to supervise and evaluate the external audit work, and to propose the engagement or replacement of the external audit firm;
- (3) to supervise and evaluate the internal audit work, and to be responsible for the coordination between the internal and external auditors;
- (4) to supervise and evaluate the internal controls of the Bank;
- (5) to supervise the conduct of directors and senior management in the performance of their duties, and to propose the removal of any director or senior management who violates any law or administrative regulation, the Articles of Association of the Bank or any resolution of the general meeting;
- (6) to require directors and senior management to rectify any act which is detrimental to the interests of the Bank;
- (7) to initiate legal proceedings against any director or senior management who, in the performance of their duties, violates any law or administrative regulation or the provisions of the Articles of Association of the Bank, thereby causing loss to the Bank;
- (8) to exercise the functions and powers of the Board of Supervisors as stipulated in the Company Law;
- (9) to be responsible for other matters as stipulated by laws, administrative regulations, regulatory provisions and the Articles of Association of the Bank, and as authorized by the shareholders' meeting and the Board.

During the Reporting Period, the 7th session of the Audit Committee under the Board of the Bank held the 1st meeting (12 January), the 2nd meeting (14 March), the 3rd meeting (23 April), the 4th meeting (21 July), the 5th meeting (14 August) and the 6th meeting (20 October), at which a total of 26 proposals including the annual results of 2024, quarterly results of 2025, profit distribution plan and the final financial accounts were considered, and 1 report was heard. Meanwhile, the Audit Committee held 2 meetings with the auditors in accordance with the code provisions of the Corporate Governance Code.

Corporate Governance Report

Nomination and Remuneration Committee

As of the date of this report, the Bank's Nomination and Remuneration Committee consisted of 3 Directors, including Ms. LIU Ruihan as chairlady, Ms. WANG Qinlin, and Mr. CHAN Fung Cheung as members, with all of the members being independent non-executive Directors. The establishment of the Nomination and Remuneration Committee is in compliance with the Rule 3.27A of the Hong Kong Listing Rules.

- (1) to formulate criteria and procedures for selection of Directors and senior management members, and to make recommendations thereon;
- (2) to identify qualified candidates for Director and senior management posts;
- (3) to review the qualifications of candidates for Director and senior management posts and make recommendations to the Board;
- (4) to make recommendations to the Board on the nomination or removal of Directors and the appointment or dismissal of senior management;
- (5) to formulate the assessment criteria for Directors and senior management, to conduct assessments and to make recommendations thereon;
- (6) to formulate and review the remuneration policies and schemes for Directors and senior management;
- (7) to formulate or modify equity incentive plans and employee share ownership plans, and to assess the achievement of conditions for the grant and exercise of interests by the grantees, and to make recommendations to the Board;
- (8) to study and review the proposed shareholding arrangements of Directors and senior management in subsidiaries to be spun off, and to make recommendations to the Board;
- (9) to perform other duties prescribed in the laws, regulations, regulatory provisions and the Articles of Association of the Bank.

The Nomination Committee and the Remuneration and Appraisal Committee of the Board were merged into the Nomination and Remuneration Committee of the Board following the approval at the 19th Meeting of the 7th Board of Directors on 28 January 2026. During the Reporting Period, the 7th session of the Nomination Committee under the Board of the Bank held the 1st meeting (15 January), at which one proposal regarding the appointment of senior management was considered. The 7th session of the Remuneration and Appraisal Committee of the Board held the 1st meeting (14 March), the 2nd meeting (26 May) and the 3rd meeting (19 December), at which a total of 9 proposals including Evaluation Report by the Board of Directors on the Performance of Duties of Directors for 2024, Work Report of Independent Directors for 2024 and Results of the 2024 Operational Performance Assessment and Payment of Remuneration to Senior Managers were considered.

Risk Management Committee

As of the date of this report, the Bank's Risk Management Committee consisted of 5 Directors, including Mr. GAO Song as chairman, and Mr. WONG Hon Hing, Ms. LIU Ruihan, Mr. ZENG Hong and Mr. CHAN Fung Cheung as members.

The primary duties of the Risk Management Committee include:

- (1) to review the Bank's risk management policies, risk appetite and comprehensive risk management framework in accordance with the overall strategy of the Bank, and to monitor and evaluate their implementation status and effectiveness;
- (2) continuously monitor the risk management system of the Bank, monitor and evaluate the risk management organization structure and function division, and make improvement recommendations thereon;
- (3) to examine and or formulate the Bank's general policies in relation to internal control, compliance management, security work and anti-money laundering work;
- (4) to monitor the compliance of the Bank's core business, management systems and major operating activities, to receive reports on compliance management, security work and anti-money laundering, and to propose recommendations and improvement measures;
- (5) to comprehensively promote the development of the rule of law of the Bank and supervise the implementation by the management of the Bank's policies on comprehensively promoting the development of the rule of law and operating and managing in accordance with the law;
- (6) to exercise other duties prescribed in the laws, administrative regulations and rules, required by applicable securities regulatory authorities in the jurisdiction where the Bank's Shares are listed and as delegated by the Board.

During the Reporting Period, the 7th session of the Risk Management Committee under the Board of the Bank held the 1st meeting (10 January), the 2nd meeting (10 March), the 3rd meeting (14 March), the 4th meeting (27 March), the 5th meeting (26 May), the 6th meeting (18 July), the 7th meeting (15 August), the 8th meeting (17 October), and the 9th meeting (6 November), at which a total of 18 proposals including the risk monitoring report, the annual risk management strategy and the report on the management of liquidity risk were considered, and 2 reports were heard.

Corporate Governance Report

Connected Transactions Control Committee

As of the date of this report, the Bank's Connected Transactions Control Committee consisted of 3 Directors, including Mr. ZHU Yanjian as chairman, Ms. LIU Ruihan and Mr. ZENG Hong as members.

The primary duties of the Connected Transactions Control Committee include:

- (1) to formulate the basic management system of connected transactions, monitor the implementation of the system;
- (2) to be responsible for the management, review and risk control of connected transactions in accordance with the requirements of laws, regulations, rules and the Bank's Articles of Association, with a focus on the compliance, fairness and necessity of connected transactions;
- (3) to accept the filing of general connected transactions, and to review the connected transaction required of being submitted to the Board or the shareholders' meeting for consideration and approval;
- (4) to exercise other duties prescribed in the by laws, regulations and regulatory provisions, and as delegated by the Board.

During the Reporting Period, the 7th session of the Connected Transactions Control Committee under the Board of the Bank held the 2nd meeting (10 February), the 3rd meeting (12 March), the 4th meeting (23 April), the 5th meeting (27 May), the 6th meeting (23 June), the 7th meeting (21 July), the 8th meeting (19 August), the 9th meeting (23 October), the 10th meeting (17 November) and the 11th meeting (19 December), at which a total of 13 proposals including major connected transactions, and the report on the update of directory of related parties were considered, and 5 reports were heard.

Consumer Protection Committee

As of the date of this report, the Bank's Consumer Protection Committee consisted of 3 Directors, including Ms. WANG Qinlin as chairlady, Mr. ZHOU Zongcheng and Mr. ZHU Yanjian as members.

The primary duties of the Consumer Protection Committee include:

- (1) to draft the Bank's strategic planning of consumer protection;
- (2) to study major issues and important policies regarding consumer protection of the Bank;
- (3) to review the Bank's organization structure of consumer protection;

- (4) to oversee the work of senior management and the consumer protection department regarding its comprehensiveness, timeliness and effectiveness;
- (5) to guide and facilitate the establishment and improvement of the management policy system for consumer protection work;
- (6) to perform other management duties for consumer protection work prescribed in the laws, regulations and regulatory authorities.

During the Reporting Period, the 7th session of the Consumer Protection Committee of the Board of the Bank held the 1st meeting (27 March) and the 2nd meeting (14 August), at which a total of 6 proposals including the 2024 Consumer Protection Work Report, the 2024 Annual Work Report on Consumer Complaints and the 2025 Consumer Protection Work Plan were considered, and 1 report was heard.

8.3 Board of Supervisors

8.3.1 Setup of the Board of Supervisors

On 27 June 2025, the 11th meeting of the seventh session of the Board of Directors and the 46th meeting of the sixth session of the Board of Supervisors of the Bank considered and approved the Proposal on the Dissolution of the Board of Supervisors and agreed to submit it to the general meeting of shareholders of the Bank for consideration. On 28 November 2025, the 2025 first extraordinary general meeting of the Bank considered and approved the Proposal on the Dissolution of the Board of Supervisors. In accordance with the Company Law and relevant provisions of the CSRC and the National Financial Regulatory Administration regarding the dissolution of Board of Supervisors, as well as the reform requirements for the Board of Supervisors of state-owned enterprises, the Bank will no longer establish the Board of Supervisors or its subordinate Supervision and Nomination Committee. The Audit Committee of the Board will exercise the powers of the Board of Supervisors as stipulated by the Company Law and regulatory regulations, and the Articles of Association shall be amended accordingly. The Rules of Procedure for the Board of Supervisors of Bank of Chongqing Co., Ltd. and other corporate governance systems related to the Board of Supervisors of the Bank shall be abolished accordingly. The members of the sixth session of the Board of Supervisors of the Bank shall no longer serve as supervisors of the Bank or hold related positions on the Board of Supervisors. The above matters shall take effect upon approval of the amended Articles of Association of the Bank by the Chongqing NFRA.

On 31 December 2025, the Bank received the Approval of Chongqing Bureau of National Financial Regulatory Administration on Amendments to the Articles of Association of Bank of Chongqing Co., Ltd. (Yu Jin Guan Fu [2025] No. 177), by which the Chongqing NFRA approved the amended Articles of Association of the Bank, and the above matters took effect officially.

Corporate Governance Report

8.3.2 Meetings of the Board of Supervisors

In 2025, the Board of Supervisors held a total of 7 meetings, at which 29 proposals and informative reports were considered. Subject matters include the work reports of the Board of Supervisors, main tasks of the Board of Supervisors, regular reports, annual financial statements, profit distribution plan, appraisal report on performance, and the dissolution of the Board of Supervisors. During the Reporting Period, the Board of Supervisors has found no material risks of the Bank in its supervision activities and has proposed no dissenting opinions in relation to its supervision matters.

Attendance records of the Supervisors at the meetings of the Board of Supervisors during the Reporting Period are set out below:

	Attendance in person/ by proxy/required (number of times)
Former members of the Board of Supervisors	
YIN Jun	7/0/7
WU Ping	7/0/7
ZHOU Xiaohong	7/0/7
QI Jun	7/0/7
CHEN Zhong	7/0/7
PENG Daihui	7/0/7
HOU Guoyue	7/0/7

Note: Attendance in person includes participation by way of on-site attendance as well as electronic means such as telephone and online video conference.

8.4 Senior Management

The senior management, as the executive body of the Bank, is accountable to the Board. The division of authority between the senior management and the Board is in strict accordance with the Articles of Association and other corporate governance documents of the Bank.

The President mainly exercises the following duties and powers in accordance with the requirements of the Articles of Association:

- (1) to take charge of the Bank's day-to-day operations and administration, organize the implementation of the Board's resolutions, and report work to the Board;
- (2) to organize the implementation of the Bank's annual business plan and investment proposals;
- (3) to draft plans for the establishment of the Bank's internal management structure;
- (4) to draft the Bank's basic management system;
- (5) to formulate concrete management system for the Bank;

- (6) to propose to the Board the appointment or removal of the Vice Presidents and other senior management personnel whose appointment or removal shall be decided by the Board as stipulated by laws and regulations (excluding the Board Secretary);
- (7) to appoint or remove other executive officers within internal management departments and branches (other than those required to be appointed or removed by the Board);
- (8) to engage in or authorize senior management members and executive officers of the internal functional departments and branches to engage in operation activities within the scope of authority authorised by the Board;
- (9) to take urgent measures to assist the Bank's interests in case of a run on the Bank and other major emergencies or other urgent circumstances, and report to the relevant banking regulatory authorities and the Board immediately;
- (10) to exercise other duties and powers prescribed in the Articles of Association or delegated by the Board.

8.5 Securities Transactions by Directors and Relevant Employees

The Bank has adopted the standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules as the code of conduct to govern the securities transactions by directors of the Bank. Upon enquiry, to the best knowledge of the Bank, all directors of the Bank have always complied with the Model Code above during the Reporting Period.

The Bank has also set up guidelines in respect of the dealings by its relevant employees in the Bank's securities, which are on no less exacting terms than the Model Code. During the Reporting Period, the Bank has not discovered any breach of the guidelines by its relevant employees.

8.6 Internal Control

The Board of the Bank is responsible for establishing a sound internal control system and its effective implementation. The Audit Committee supervises the establishment and implementation of internal control by the Board and senior management. The senior management is responsible for organizing and leading the day-to-day operation of internal control across the Bank. Meanwhile, the Board of the Bank has established the Risk Management Committee to fulfill the respective responsibility for internal control management and evaluate the effectiveness of internal control.

The Board of the Bank attaches great importance to the construction of its internal control. Pursuant to internal control rules, including the Basic Rules on Internal Control of Enterprises and the Internal Control Guidelines for Commercial Banks, the Board established an internal control system covering the Bank's various business processes and operations as well as each department and position. The Board has identified five components of the internal control system, namely internal environment; risk assessment; control activities; information and communication; and internal supervision, focusing on the internal control requirements for credit, capital, deposits and bank card business as well as controls over accounting management, financial activities and information system.

Corporate Governance Report

The Board of the Bank will continue to promote the construction of internal control, facilitate the continuous improvement and perfection of internal control system, and pursue long-term, sustainable and steady operation and development, with a view to managing rather than eliminating the risk of failure to achieve business objectives. During the Reporting Period, the Board of the Bank conducted a review of the internal control of the Bank and its subsidiaries during the Reporting Period in accordance with the Basic Rules on Internal Control of Enterprises and the Internal Control Guidelines for Commercial Banks. The review covered all significant controls of the Bank, including financial, operational, compliance and risk controls. The Bank has established an internal audit mechanism which is effective and sufficient in the design or implementation of internal control and risk management, and no significant defects were found. For details, please refer to the Report on Assessment of Internal Control of Bank of Chongqing Co., Ltd. for 2025 published by the Bank on 24 March 2026 on the website of the Shanghai Stock Exchange, the website of HKEXnews of the Hong Kong Stock Exchange and the official website of the Bank, and the unqualified Audit Report on Internal Control of Bank of Chongqing Co., Ltd. for 2025 issued by Ernst & Young Hua Ming LLP (Special General Partnership).

8.7 Management and Control of Subsidiaries

The Group has two subsidiaries, namely Chongqing Xinyu Financial Leasing Co., Ltd. and Xingyi Wanfeng Village Bank Co., Ltd. According to the Company Law and the relevant provisions of the articles of association of each of such subsidiaries, the Group has appointed one and two directors to Xinyu Financial Leasing and Xingyi Wanfeng respectively, and strictly and effectively exercised shareholder's rights through their shareholders' meeting and board of directors. The Group strictly complied with relevant provisions on consolidated management, by means of shareholders' meeting of subsidiaries, the Board and joint meetings on the consolidated management of the Group, exercised comprehensive and continuous management and control over consolidated matters of the two subsidiaries covering corporate governance, capital and finance, have taken effective measures to identify, measure, monitor and control the overall risk of the Group, and gave full play to the synergy of internal businesses of the Group.

8.8 Shareholders' Rights

8.8.1 Convening an Extraordinary General Meeting

The Bank effectively protects Shareholders' rights in strict compliance with regulatory requirements and its basic corporate governance system.

An extraordinary general meeting shall be convened by the Board within two months upon request in writing by Shareholders individually or jointly holding 10% or more of the shares of the Bank (including preference shares with restored voting rights, etc.) to convene an extraordinary general meeting. In addition, upon request in writing to the Board by Shareholders individually or jointly holding 10% or more of the shares of the Bank (including preference shares with restored voting rights, etc.) to convene an extraordinary general meeting, the Board shall furnish a written reply stating its agreement or disagreement to convene an extraordinary general meeting within 10 days upon receipt of such request. In the event that the Board of Directors disagrees to convene an extraordinary general meeting or does not furnish any reply within 10 days upon receipt of such request, shareholders holding 10% or more of the shares of the Bank (including preference shares with restored voting rights, etc.) shall be entitled to propose to the Audit Committee the convening of an extraordinary general meeting in writing. If the Audit Committee fails to issue the notice of extraordinary general meeting within the prescribed timeframe, shareholders individually or jointly holding 10% or more or more of the shares of the Bank (including preference shares with restored voting rights, etc.) for more than 90 consecutive days may convene and preside over the meeting by themselves (Shareholders may refer to the Articles of Association published on the website of the Shanghai Stock Exchange, the website of HKEXnews of the Hong Kong Stock Exchange and the official website of the Bank for details about the relevant requirements).

8.8.2 Proposals Put forward at General Meeting

Shareholders individually or collectively holding 1% or more of the shares of the Bank (including preference shares with restored voting rights, etc.) shall have the right to put forward proposals at a shareholders' meeting of the Bank. Unless otherwise stated in these Articles of Association, the shareholders individually or jointly holding 3% or more of the total number of the Bank's shares with voting rights may propose a list of candidates for non-independent directors to the Board of Directors, but the number of candidates proposed by such shareholders must comply with the provisions of the Articles of Association, and must not exceed the number of people to be selected.

Shareholders individually or jointly holding 1% or more of the shares of the Bank (including preference shares with restored voting rights, etc.) may propose an ex tempore motion ten days prior to the general meeting or before the latest date of issuing supplemental notice of a shareholders' meeting as required by the Listing Rules (whichever is shorter) by furnishing the same to the convener in writing. The convener shall issue a supplementary notice of the general meeting, setting out the content of the interim proposal within two days after the receipt of such motion pursuant to the Listing Rules, and submit such interim proposal to the general meeting for consideration, unless such interim proposal violates any laws, administrative regulations or the provisions of the Articles of Association, or does not fall within the scope of functions and powers of the general meeting. The content of the proposal shall fall within the scope of functions and powers of the general meeting, have a clear subject for discussion and specific issues for resolution, and comply with the relevant provisions of laws, administrative regulations and the Articles of Association of the Bank.

8.8.3 Making enquiries with the Bank

According to the Articles of Association of the Bank, shareholders are entitled to obtain relevant information of the Bank, including the Articles of Association, share capital status, financial and accounting reports, resolutions of the Board of Directors.

8.9 Amendments to the Articles of Association

On 28 November 2025, the 2025 first extraordinary general meeting of the Bank considered and approved the Proposal on Amending the Articles of Association of Bank of Chongqing Co., Ltd. Pursuant to the Company Law of the People's Republic of China, the Guidelines for the Articles of Association of Listed Companies, the Measures for the Administration of Independent Directors of Listed Companies and other relevant laws, regulations, regulatory provisions, the Listing Rules and requirements for the reform of the Board of Supervisors, the amendments were mainly made to the rights and obligations of shareholders, the powers of the general meeting of shareholders and the Board of Directors, the rules of procedure for the general meeting of shareholders and the Board of Directors and others, with the addition of a section on special committees of the Board of Directors and deletion of relevant content on the Board of Supervisors.

On 31 December 2025, the Bank received the Approval of Chongqing Bureau of National Financial Regulatory Administration on Amendments to the Articles of Association of Bank of Chongqing Co., Ltd. (Yu Jin Guan Fu [2025] No. 177), by which the amended Articles of Association of the Bank were approved.

8.10 Communication with Shareholders

8.10.1 Effective Communication with Shareholders and Work Relating to Investor Relations

The Bank places great emphasis on communication with the Shareholders, and strives to improve mutual understanding and communication with the Shareholders through various channels including shareholders' meeting, results announcement, road shows, visit reception and surveys, telephone and enquiry.

In 2025, the Bank continued to intensify effective communication with the market, and adopted a strategy of "Going-out" and "Inviting-in". Through various channels such as performance presentations and roadshow events, active visits to investors, reception of investor visits, reply to investors' hotline calls and emails, we carefully listened to voices from the market, fully responded to market concerns, and disclosed to the market the achievements of the Bank's strategic development and the stable and balanced performance, which were fully recognized and highly praised by the market and investors. The Board of the Bank has regularly (including during the year) evaluated the shareholder communication policy to ensure its effectiveness and considered that the shareholder communication policy is effective and adequate.

8.10.2 Information Disclosure

The Board of Directors and senior management of the Bank attach great importance to information disclosure work of the Bank.

The Bank's information disclosure is based on sound corporate governance, robust internal control and solid information disclosure system, ensuring that investors can obtain information in a timely, accurate and equal manner. In terms of the management of insider information, the Bank strictly complied with relevant laws and regulations and internal policies, implemented the registration management and accountability mechanism for persons with knowledge of inside information, to ensure the confidentiality management and compliant disclosure of inside information.

8.10.3 Shareholders' Enquiries

Any enquiries related to your shareholding of Shares including transfer of Shares, change of address, loss reporting of share certificates and dividend notes,

should be sent in writing to the following address:

A Shares

Shanghai Branch of China Securities Depository and Clearing Corporation Limited

No. 188 Yanggaonan Road, Pudong New Area, Shanghai

Tel: 86-4008-058-058

H Shares

Computershare Hong Kong Investor Services Limited

Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

Tel: 852-2862-8555

8.10.4 Investors' Enquiries

Shareholders and investors may send enquiries to the Bank as follows:

Office of the Board of Directors of Bank of Chongqing Co., Ltd.
No. 6 Yongpingmen Street, Jiangbei District, Chongqing, the PRC
Tel: +86 (23) 63367688
Fax: +86 (23) 63799024
E-mail: ir@cqcbank.com

Principal place of business in Hong Kong of Bank of Chongqing Co., Ltd.:
Room 1918, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong

Investors may view this annual report on the website of the Shanghai Stock Exchange (www.sse.com.cn), the website of HKEXnews of the Hong Kong Stock Exchange (www.hkexnews.hk) and the official website of the Bank (www.cqcbank.com).

8.10.5 Additional Information

The Bank holds a financial licence number B0206H250000001 approved by the relevant banking regulatory authorities in PRC and was authorised by the Administration for Market Regulation of Chongqing to obtain a corporate legal person business licence with a unified social credit code 91500000202869177Y. The Bank is not an authorized institution within the meaning of the Hong Kong Banking Ordinance (Chapter 155 of Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorized to carry on banking and/or deposit-taking business in Hong Kong.

Directors, Supervisors, Senior Management, Employees and Branch Outlets

9.1 Directors, Supervisors and Senior Management

9.1.1 Basic Information of Directors, Supervisors and Senior Management

Directors

Name	Gender	Month and year of birth	Position	Time in role	Number of shares held at the beginning of the period (shares)	Number of shares held at the end of the period (shares)	Increase/decrease (shares)	Reasons for the increase/decrease
YANG Xiuming	Male	September 1970	Secretary to the Party Committee	Since December 2023	–	–	–	–
			Chairman	Since March 2024				
GAO Song	Male	February 1979	Executive Director	Since March 2024				
			Deputy Secretary of the Party Committee	Since July 2023	3,200	3,200	–	–
			President	Since September 2023				
HOU Ximeng	Female	August 1970	Executive Director	Since November 2023				
			Member of the Party Committee	Since June 2024	–	–	–	–
			Executive Director	Since February 2025				
			Vice President	Since November 2024				
WONG Hon Hing	Male	August 1952	Secretary to the Board	Since November 2024				
			Vice Chairman	Since July 2007	9,800	9,800	–	–
			Non-executive Director	Since July 2007				
GUO Xile	Male	December 1986	Non-executive Director	Since May 2024	–	–	–	–
ZHOU Zongcheng	Male	June 1975	Non-executive Director	Since July 2025	–	–	–	–
FU Wei	Male	March 1984	Non-executive Director	Since July 2025	–	–	–	–
WU Heng	Male	August 1976	Non-executive Director	Since April 2019	–	–	–	–
YU Hua	Male	October 1969	Non-executive Director	Since July 2025	–	–	–	–
ZHU Yanjian	Male	January 1981	Independent Non-executive Director	Since December 2023	–	–	–	–
LIU Ruihan	Female	June 1962	Independent Non-executive Director	Since February 2025	–	–	–	–
WANG Qinlin	Female	January 1964	Independent Non-executive Director	Since April 2025	–	–	–	–
ZENG Hong	Male	July 1970	Independent Non-executive Director	Since April 2025	–	–	–	–
CHAN Fung Cheung	Male	May 1960	Independent Non-executive Director	Since April 2025	–	–	–	–
Outgoing Directors								
LIU Xing	Male	September 1956	Former Independent Non-executive Director	Since March 2020 to April 2025	–	–	–	–
WANG Rong	Male	March 1956	Former Independent Non-executive Director	Since March 2020 to April 2025	–	–	–	–
FUNG Don Hau	Male	December 1952	Former Independent Non-executive Director	Since March 2020 to April 2025	–	–	–	–
YUAN Xiaobin	Male	August 1969	Former Independent Non-executive Director	Since May 2020 to February 2025	–	–	–	–

Supervisors

Name	Gender	Month and year of birth	Position	Time in role	Number of shares held at the beginning of the period (shares)	Number of shares held at the end of the period (shares)	Increase/decrease (shares)	Reasons for the increase/decrease
Outgoing Supervisors								
YIN Jun	Male	September 1979	Former Employee Supervisor	Since May 2019 to December 2025	–	–	–	–
WU Ping	Male	October 1967	Former Employee Supervisor	Since December 2019 to December 2025	65,625	65,625	–	–
ZHOU Xiaohong	Male	December 1966	Former Employee Supervisor	Since July 2024 to December 2025	144,585	144,585	–	–
QI Jun	Male	December 1978	Former Shareholder Supervisor	Since December 2019 to December 2025	–	–	–	–
CHEN Zhong	Male	April 1956	Former External Supervisor	Since June 2016 to December 2025	–	–	–	–
PENG Daihui	Male	October 1954	Former External Supervisor	Since May 2018 to December 2025	–	–	–	–
HOU Guoyue	Male	May 1974	Former External Supervisor	Since December 2019 to December 2025	–	–	–	–

Senior Management

					Number of shares held at the beginning of the period (shares)	Number of shares held at the end of the period (shares)	Increase/ decrease (shares)	Reasons for the increase/ decrease
Name	Gender	Month and year of birth	Position	Time in role				
GAO Song	Male	February 1979	Deputy Secretary of the Party Committee	Since July 2023	3,200	3,200	–	–
HOU Ximeng	Female	August 1970	President	Since September 2023				
			Executive Director	Since November 2023				
			Member of the Party Committee	Since June 2024	–	–	–	–
ZHANG Peizong	Male	September 1974	Executive Director	Since February 2025				
			Vice President	Since November 2024				
			Secretary to the Board	Since November 2024				
LI Cong	Male	April 1979	Member of the Party Committee	Since December 2024	–	–	–	–
			Vice President	Since April 2025				
YAN Xiaochuan	Male	November 1974	Member of the Party Committee	Since July 2024	–	–	–	–
			Vice President	Since November 2024				
WANG Weilie	Male	September 1979	Member of the Party Committee	Since August 2024	–	–	–	–
			Vice President	Since December 2024				
			Member of the Party Committee	Since September 2024	–	–	–	–
			Vice President	Since December 2024				
			Chief Risk Officer	Since February 2025				
<i>Outgoing Senior Management</i>								
ZHANG Song	Male	November 1977	Deputy Secretary of the Party Committee	Since June 2025	–	–	–	–
			Former Vice President	Since November 2024 to June 2025				

9.1.2 Biographies of Directors and Senior Management

Biographies of Directors

YANG Xiuming (楊秀明)

Secretary to the Party Committee, Chairman, Executive Director

Mr. YANG Xiuming has been the Secretary to the Party Committee of the Bank since December 2023 and the chairman and an executive Director of the Bank since March 2024. Mr. YANG also serves as the chairman of the Strategy and Innovation Committee of the Bank.

Mr. YANG successively served as a cadre of Chongqing Yongchuan Sub-branch, the secretary of the Party Committee and president of Tongnan County Branch, the deputy director of Credit Management Division, the general manager of Real Estate Credit Department, the general manager of Corporate Business Department (Small Enterprise Business Department), the general manager of Investment Banking Department, the director of Party Committee Organization Department, the general manager of Human Resources Department (Three-rural Human Resources Management Center) of the Branch, the secretary to the Party Committee and president of Chongqing Yubei Sub-branch of Agricultural Bank of China; and he served as a member of the Party Committee and vice president of Chongqing Branch of Agricultural Bank of China from December 2017 to May 2023, and the deputy secretary to the Party Committee and vice president of the Chongqing Branch of the Agricultural Bank of China from May 2023 to December 2023.

Mr. YANG graduated from Beijing Agricultural University (北京農業大學) with a bachelor's degree in economics in August 1994, majoring in rural finance. Mr. YANG is a senior economist. He was awarded the National Financial System Labor Day Medal in 2016.

GAO Song (高嵩)

Deputy Secretary of the Party Committee, President and Executive Director

Mr. GAO Song has been the Deputy Secretary of the Party Committee of the Bank since July 2023, the president of the Bank since September 2023 and an executive Director of the Bank since November 2023. Mr. GAO is also the chairman of the Risk Management Committee of the Bank.

Mr. GAO served successively as the deputy president of the Xinpaifang sub-branch of the Chongqing branch of Bank of Communications, the deputy general manager of the asset preservation department and the general manager of the channel management department of Chongqing Rural Commercial Bank Co., Ltd., the secretary of the Party Committee, the president, and the general manager of the human resources department of Changshou sub-branch; and he served as a member of the Party Committee and vice president of Chongqing Rural Commercial Bank Co., Ltd. from September 2016 to July 2023, during which period he concurrently served as the deputy director of the Bureau of Policies, Laws and Regulations of SASAC from July 2020 to December 2021.

Mr. GAO graduated from Southwest University of Political Science and Law with a bachelor's degree in law in July 2001 and a master's degree in law in January 2005. Mr. GAO is a senior economist, a political worker and a corporate lawyer.

HOU Ximeng (侯曦蒙)

Member of Party Committee, executive Director, Vice President, Secretary to the Board

Ms. HOU Ximeng has been a member of the Party Committee of the Bank since June 2024, a vice president and secretary to the Board of the Bank since November 2024, and an Executive Director of the Bank since February 2025. Ms. HOU also serves as a member of the Strategy and Innovation Committee of the Bank.

Ms. HOU successively served as deputy general manager of the human resources department and deputy director of Party Committee Organization Department, deputy general manager of the brokerage business department, director of the office of Southwest Securities Company Limited (西南證券有限責任公司), and served as a member of the Party Committee and vice president (deputy general manager) of Southwest Securities Co., Ltd. (西南證券股份有限公司) from June 2010 to June 2024.

Ms. HOU graduated from Southwest China Normal University (currently known as Southwest University) in July 1993 majoring in Chinese language and literature and obtained a bachelor's degree of arts, and obtained an executive master of business administration degree from Xiamen University in September 2015.

WONG Hon Hing (黃漢興)

Vice Chairman and Non-executive Director

Mr. WONG Hon Hing, nominated by Dah Sing Bank, a Shareholder of the Bank, has been the vice chairman and non-executive Director of the Bank since July 2007. Mr. WONG also serves as a member of the Strategy and Innovation Committee and the Risk Management Committee under the Board of the Bank.

Mr. WONG joined Dah Sing Bank in 1977 and currently serves as vice chairman of its board of directors. Between 1977 and 1989, Mr. WONG served as heads of various departments at Dah Sing Bank. He was appointed as an executive director in 1989, promoted to managing director in 2000 and then appointed as vice chairman of the board of directors of Dah Sing Bank in April 2011. He is currently a director of Banco Commercial De Macau and an executive director of Dah Sing Insurance Company Ltd. (大新保險有限公司). He served as the chairman of Dah Sing Bank (China) Co., Ltd. from June 2008 to August 2023.

Mr. WONG is the vice chairman of the board of directors, the managing director and chief executive officer of Dah Sing Banking Group Limited (listed on the Hong Kong Stock Exchange, stock code: 2356), the holding company of Dah Sing Bank, and of Dah Sing Financial Holdings Limited (listed on the Hong Kong Stock Exchange, stock code: 0440).

Mr. WONG obtained a higher diploma in business studies from the Hong Kong Polytechnic College (now known as Hong Kong Polytechnic University) in October 1977. Mr. WONG is also an associate of The Institute of Bankers (U.K.) and a founding member of The Hong Kong Institute of Bankers and The International Retail Banking Council of the U.K. He has over 45 years of banking experience.

Directors, Supervisors, Senior Management, Employees and Branch Outlets

GUO Xile (郭喜樂)

Non-executive Director

Mr. GUO Xile, as nominated by Chongqing Yufu Capital Operation Group Co., Ltd., a shareholder of the Bank, has served as the Bank's non-executive Director from May 2024. Mr. GUO is also a member of the Strategy and Innovation Committee under the Board of the Bank.

Mr. GUO currently serves as the deputy secretary of the Party Committee and general manager of Chongqing Yin Hai Financing Leasing Co., Ltd. Mr. GUO worked in the Human Resources Department, the General Office, the Discipline Inspection and Supervision Office, the Market and Investment Department and Office of Chongqing Branch of China Development Bank from July 2011 to March 2018 successively; he served as a deputy director of the General Office of Chongqing Branch of China Development Bank from March 2018 to February 2022 (during which he was temporarily assigned on communications duty as the deputy director of the Development and Reform Commission of Nanchuan District of Chongqing Municipality from May 2018 to May 2019); a deputy director of the Fourth Customer Service Section of Chongqing Branch of China Development Bank from February 2022 to February 2023; a deputy director of the General Office of Chongqing Branch of China Development Bank from February 2023 to July 2023; a secretary to the board of directors, the head of General Office and the director of the Safety and Environmental Protection Supervision Office of Chongqing Yufu Holding Group from July 2023 to December 2025; and the general manager of the Financial Services Department of Chongqing Yufu Holding Group from November 2023 to December 2025.

Mr. GUO graduated from Sichuan University in June 2009 majoring in international economy and trade (bilingual) and obtained a bachelor's degree in economics, and graduated from Tsinghua University majoring in public policy & management in June 2011 and obtained a master's degree in management. Mr. GUO is a senior economist.

ZHOU Zongcheng (周宗成)

Non-executive Director

Mr. ZHOU Zongcheng has been nominated by Chongqing Qianli Technology Company Limited (重慶千里科技股份有限公司) (formerly known as Lifan Technology (Group) Co. Ltd. (力帆科技(集團)股份有限公司)), a shareholder of the Bank, to serve as a non-executive Director of the Bank since July 2025. Mr. ZHOU is also a member of the Consumer Protection Committee under the Board of the Bank.

Mr. ZHOU currently serves as the secretary to the Party Committee and the president of Chongqing Qianli Technology Company Limited and the Chairman of the board of directors and CEO of Livan Automotive Technology Company Limited. Mr. ZHOU worked as the head of the quality department, the plant manager of the assembly plant and the head of the production department of Zhejiang Kingkong Automobile Company (浙江金剛汽車公司) from March 2000 to March 2011 successively; the executive deputy general manager and the secretary to the Party Committee of Zhejiang Kingkong Automobile Company from March 2011 to May 2019; the chairman and the president of Zhejiang Mingdao Aluminum (浙江銘島鋁業) from May 2019 to February 2021; the vice president of Chongqing Livan Automotive Technology Company Limited (重慶睿藍汽車科技有限公司) from February 2021 to September 2022; the secretary to the Party Committee, the chairman and the president of Lifan Technology (Group) Co., Ltd. from September 2022 to October 2024; the secretary to the Party Committee and the president of Lifan Technology (Group) Co., Ltd. from November 2024 to February 2025.

Mr. ZHOU graduated from Hefei Institute of General Professional Technology in July 1996 majoring in management engineering and obtained a college degree; and graduated from Zhejiang Automotive Engineering Institute in September 2016 majoring in vehicle engineering and obtained a postgraduate degree. Mr. ZHOU is a senior technician.

FU Wei (付巍)

Non-executive Director

Mr. FU Wei has been nominated by Chongqing Water Conservancy Investment Group Co., Ltd., a shareholder of the Bank, to serve as a non-executive Director of the Bank since July 2025. Mr. FU is also a member of the Audit Committee of the Board of the Bank.

Mr. FU currently serves as the director of the finance sharing center and the deputy general manager of the financial management department of Chongqing Water & Environment Holdings Group Ltd. Mr. FU worked as a chief accountant and an assistant director of the finance department of Sichuan Datang International Ganzi Hydropower Development Company Limited (四川大唐國際甘孜水電開發有限公司) from July 2007 to October 2015 successively; a senior supervisor of finance and property department of Chongqing Yuneng Industry (Group) Co., Ltd. (重慶渝能產業(集團)有限公司) from October 2015 to June 2018; a deputy financial manager and a financial manager of the financial management department of Sichuan and Chongqing Regional Company of Yango Group from June 2018 to October 2021; a deputy manager of the financial management department of Chongqing Water Conservancy Investment Group Co., Ltd. from October 2021 to March 2024; a manager of the financial management department of Chongqing Water Conservancy Investment Group Co., Ltd. from March 2024 to April 2025.

Mr. FU graduated from Chongqing Technology and Business University in July 2007 majoring in finance (investment banking) and obtained a bachelor's degree in economics; and graduated from Chongqing Technology and Business University in June 2021 majoring in business administration and obtained a master's degree in business administration. Mr. FU is a senior accountant.

WU Heng (吳珩)

Non-executive Director

Mr. WU Heng, nominated by SAIC Motor Corporation Limited, a Shareholder of the Bank, has been a non-executive Director of the Bank since April 2019. Mr. WU is also a member of the Strategy and Innovation Committee under the Board of the Bank.

Mr. WU currently serves as a general manager of the financial affairs department of SAIC Motor Corporation Limited, and concurrently as a general manager of SAIC Motor Financial Holding Management Co., Ltd. and chairman of the board of directors, general manager and legal person of SAIC Venture Capital Corporation. Mr. WU served successively as a deputy manager and a manager of the planning and finance department as well as a manager of fixed income department of Shanghai Automotive Group Finance Company, Ltd. from March 2000 to March 2005. Mr. WU served successively as a division head, assistant to executive controller and concurrently a manager of the financial accounting division of the finance department of SAIC Motor Corporation Limited from April 2005 to April 2009, the chief financial officer of Huayu Automotive Systems Co., Ltd. from April 2009 to April 2015, during which he concurrently served as a director and general manager of Huayu Automotive Systems (Shanghai) Co., Ltd. from April 2014 to April 2015.

Mr. WU obtained a bachelor's degree in economics from the department of business administration of Shanghai University of Finance and Economics in July 1997, and a master's degree in management from the department of accounting of Shanghai University of Finance and Economics in January 2000. Mr. WU is a senior accountant.

Directors, Supervisors, Senior Management, Employees and Branch Outlets

YU Hua (余華)

Non-executive Director

Mr. YU Hua has been nominated by Chongqing Real Estate Group Co., Ltd., a shareholder of the Bank, to serve as a non-executive Director of the Bank since July 2025. Mr. YU is also a member of the Audit Committee of the Board of the Bank.

Mr. YU currently serves as a member of the Party Committee, a director and the chief financial officer of Chongqing Real Estate Group Co., Ltd. Mr. YU Hua served as an accountant of traffic light control office of Chongqing Urban Construction Bureau from August 1990 to June 1992; the head accountant of the general manager department of Chongqing Urban Construction Bureau's Uganda Road and Bridge Project from June 1992 to August 1994; and a staff of the capital planning department (planning and engineering department) of Chongqing City Construction Investment Corporation (重慶市城市建設投資公司) from August 1994 to January 1998; he served as the director of comprehensive office and deputy general manager and chairman of the labor union of Chongqing Changjiang Lijiatuo Bridge Co., Ltd. from January 1998 to July 2002; a deputy general manager and chief financial officer of Chongqing Chengnan Construction Investment Co., Ltd. from July 2002 to September 2003; and a deputy manager of the planning department and secretary of the board of Chongqing City Construction Investment Corporation from September 2003 to November 2005; he served as a manager of the planning and finance department of Chongqing Jiangbeizui Central Business District Development & Investment Co., Ltd. (重慶市江北嘴中央商務區開發投資有限公司) from November 2005 to September 2010; and a deputy chief accountant and manager of the finance department of Chongqing Jiangbeizui Central Business District Development & Investment Co., Ltd. from September 2010 to April 2014; Mr. YU concurrently served as a deputy chief accountant, the secretary of the board, director of the board office and director of the administrative office of Chongqing Jiangbeizui Central Business District Investment Group Co., Ltd. from April 2014 to October 2017 (during which he also served as the chairman of Chongqing Jiangbeizui Equity Fund Co., Ltd. from January 2016 to October 2017); and a deputy chief accountant of the group, the secretary of the board and director of the general office of Chongqing Jiangbeizui Central Business District Investment Group Co., Ltd. from October 2017 to April 2019 (during which he also served as the executive director of Jiangbeizui International Roadshow Center Co., Ltd. (江北嘴國際路演中心公司) from October 2017 to July 2018); he was a member of the Party Committee and the chief financial officer of Chongqing Yuelai Investment Group Co. Ltd. from April 2019 to July 2023.

Mr. YU Hua graduated from the Department of Economic Management in Yuzhou University (now known as Chongqing Technology and Business University) in June 1990 majoring in economic management and obtained a bachelor's degree in economics; and graduated from the Party School of Chongqing Municipal Committee majoring in regional economics in June 2001 and obtained postgraduate qualification. Mr. YU is a senior economist and senior accountant.

ZHU Yanjian (朱燕建)

Independent Non-executive Director

Mr. ZHU Yanjian has been an independent non-executive Director of the Bank since December 2023. Mr. ZHU also serves as the chairman of the Connected Transactions Control Committee and a member of each of the Audit Committee and the Consumer Protection Committee under the Board of the Bank.

Mr. ZHU currently serves as the head, a professor and a doctoral supervisor of the Faculty of Finance at the School of Economics of Zhejiang University and the vice dean of Academy of Financial Research at Zhejiang University. Mr. ZHU served as a post-doctoral fellow and lecturer at the School of Economics of Zhejiang University from February 2008 to February 2010, a lecturer of the Faculty of Finance at the School of Economics of Zhejiang University from February 2010 to December 2013, and an associate professor of the Faculty of Finance at the School of Economics of Zhejiang University from January 2014 to December 2018. From 2014 to April 2019, he served as the deputy head of the Faculty of Finance at the School of Economics of Zhejiang University.

Mr. ZHU is currently an independent director of Yongan Futures Co., Ltd., a company listed on the Shanghai Stock Exchange (Stock Code: 600927), and an independent director of Zhejiang Huangma Technology Co., Ltd., a company listed on the Shanghai Stock Exchange (Stock Code: 603181).

Mr. ZHU obtained a bachelor's degree in national economic management from Renmin University of China in July 2002, a master's degree in finance from PBC School of Finance of Tsinghua University in June 2004 and a Ph.D. degree in finance from Nanyang Technological University (Singapore) in January 2008.

LIU Ruihan (劉瑞晗)

Independent Non-executive Director

Ms. LIU Ruihan has been an independent non-executive Director of the Bank since February 2025. Ms. LIU is also the chairlady of Nomination and Remuneration Committee and a member of each of the Connected Transactions Control Committee and Risk Management Committee under the Board of the Bank.

Ms. LIU successively served as section chief in the Financial Market Management Department and section chief in the Non-Banking Financial Institutions Supervision Department of the Beijing Branch of the People's Bank of China, deputy director of the Non-Banking Financial Institutions Supervision Department of the Business Management Division of the People's Bank of China, deputy director of the Agricultural Bank of China Supervision Department (in charge of work), deputy director of the Joint-Stock Banks Supervision Department (in charge of work), director of the Joint-Stock Banks Supervision Department of the Beijing Banking Regulatory Bureau (北京銀監局), director of the Joint-Stock Banks Supervision Department I and director of the City Commercial Bank Supervision Department. She served as a member of the preparatory group, a member of Party Committee, and deputy president of the Beijing Branch of Bank of Nanjing from November 2008 to June 2017 and has served as an independent director of Ningbo Donghai Bank since March 2020.

Ms. LIU graduated from the Party School of the CPC Beijing Municipal Committee (中共北京市委黨校) in July 2001, where she majored in economics and management and obtained a postgraduate degree.

Directors, Supervisors, Senior Management, Employees and Branch Outlets

WANG Qinlin (汪欽琳)

Independent Non-executive Directors

Ms. WANG Qinlin has been an independent non-executive Director of the Bank since April 2025. Ms. WANG also serves as the chairwoman of the Consumer Protection Committee, a member of each of the Audit Committee and the Nomination and Remuneration Committee under the Board of the Bank.

Ms. WANG currently serves the president of the Station-City Integration Development Branch (站城融合發展分會) of the China Local Railway Association and an expert member of the High-speed Railway and Station-City Integration Research Institute (高鐵及站城融合研究院) of Tongji University. Ms. WANG served as a clerk of the Planning Commission of Ba County, Chongqing City, Sichuan Province from July 1984 to August 1989; a clerk, deputy chief clerk and chief clerk of the Seventh Secretariat of the General Office of the Chongqing Municipal Government of Sichuan Province from August 1989 to June 1997; a chief clerk of the Second Secretariat of the General Office of the Chongqing Municipal Government from June 1997 to June 1998; a deputy director (deputy division level) of the Disaster Relief Office of the Chongqing Municipal Government from June 1998 to August 2000; a deputy director of the General Secretariat of the General Office of the Chongqing Municipal Government from August 2000 to January 2003 (during which she concurrently served as a director (division level) of the Automation Technology Center of the General Office of the Chongqing Municipal Government from August 2001 to January 2003); a director-level secretary of the First Secretariat of the General Office of the Chongqing Municipal Government from January 2003 to September 2007; an assistant director of Chongqing Development and Reform Commission from September 2007 to April 2010; a member of the Party Leadership Group of Chongqing Development and Reform Commission from November 2007 to January 2014; a deputy director of Chongqing Urban and Rural Comprehensive Reform Office from April 2010 to January 2014; a member of the Party Committee and deputy director of Chongqing Transportation Commission from January 2014 to October 2018; the director of the Office of the Railway Construction Command of Chongqing Municipal Government from July 2018 to March 2020; a member of the Fifth Committee of Chongqing Arbitration Commission from August 2018 to August 2023; a member of the Party Committee and deputy director of Chongqing Transportation Bureau from October 2018 to May 2019; the secretary of the Party Committee and chairwoman of Chongqing Railway Investment Group Company Limited (重慶鐵路投資集團有限公司) from May 2019 to May 2024; the deputy commander of Chongqing Railway Construction Command from April 2020 to May 2024.

Ms. WANG graduated from Sichuan Industrial College (now Xihua University) majoring in automobile and tractor manufacturing and repair in July 1984 and obtained a bachelor's degree in engineering; graduated from the Party School of Central Committee of CPC majoring in political theory in July 2002 and obtained a postgraduate degree. Ms. WANG is a senior engineer.

ZENG Hong (曾宏)

Independent Non-executive Director

Mr. ZENG Hong has been an independent non-executive Director of the Bank since April 2025. Mr. ZENG is also the chairman of Audit Committee and a member of each of the Connected Transactions Control Committee and the Risk Management Committee under the Board of the Bank.

Mr. ZENG currently serves as a professor and doctoral supervisor in the Department of Accounting at the School of Economics and Business Administration, Chongqing University. Mr. ZENG was an investment management specialist of Chongqing Grain and Oil Food Import and Export Company (重慶糧油食品進出口公司) from June 1992 to December 1998; a certified public accountant of CHONGQING KANGHUA Certified Public Accountants from January 1999 to December 1999; a lecturer of the Department of Accounting at the School of Economics and Business Administration, Chongqing University from June 2003 to August 2006; an associate professor of the Department of Accounting at the School of Economics and Business Administration, Chongqing University from September 2006 to August 2013.

Mr. ZENG is currently an independent director of Chongqing Wang Cheng Technology Co., Ltd. (重慶市旺成科技股份有限公司) (a company listed on the Beijing Stock Exchange with stock code 920896).

Mr. ZENG graduated from the Lanzhou University in June 1992, where he majored in national economic management and obtained a bachelor's degree in economic; he graduated from the Chongqing University in December 1998, where he majored in technical economics and management and obtained a master's degree in management; he graduated from Chongqing University in June 2003, where he majored in technical economics and management and obtained a doctor's degree in management; from September 2004 to June 2007, he conducted postdoctoral research in finance at Xiamen University; from March 2009 to February 2010, as a visiting scholar, he was engaged in research work in the Department of Finance at the College of Business, Auburn University, USA. Mr. ZENG is a non-practising member of the Chinese Institute of Certified Public Accountants.

Directors, Supervisors, Senior Management, Employees and Branch Outlets

CHAN Fung Cheung (陳鳳翔)

Independent Non-executive Director

Mr. CHAN Fung Cheung has been an independent non-executive Director of the Bank since April 2025. Mr. CHAN is a member of each of the Risk Management Committee and the Nomination and Remuneration Committee under the Board of the Bank.

Mr. CHAN is currently a director of Zhanhui Development Co., Ltd. (展匯發展有限公司), a director of Fengxiang Financial Think Tank (鳳翔金融智庫), a council member of CityU Eminence Society (香港城市大學城賢匯), a host of Metro Radio's Money Manager (新城電臺金錢管家), an anchor for Quji TV (屈機TV), a visiting professor of City University of Hong Kong, a practice professor of Hong Kong Institute of Education for Sustainable Development, and a visiting professor of Hong Kong Financial Services Institute, an expert trainer and project consultant for Nanyang Commercial Bank, a visiting professor of Fanhai International School of Finance at Fudan University and a visiting professor of University of International Business and Economics. Mr. CHAN was a senior manager of the Kwangtung Provincial Bank (Bank of China Group) from July 1981 to February 1992; a senior manager and chief trader of the foreign exchange trading center of Bank of China from March 1993 to May 1995; the head of treasury business department at the Hong Kong branch of the Industrial and Commercial Bank of China from June 1995 to May 2007; the assistant general manager of ICBC (Asia) from August 2000 to May 2007; the senior private banker of Citigroup International Limited from July 2007 to October 2008; the deputy general manager of Shanghai Commercial Bank, a director of Hong Kong Life Insurance Company (香港人壽保險公司), Shacom Securities Limited and Shacom Futures Limited from January 2009 to January 2011; an executive director of Harmony Asset Management Limited from February 2011 to September 2012; the responsible person of Hong Kong International Capital Management Limited from November 2015 to September 2016; and the responsible person of Finloop Finance Limited from April 2017 to December 2019.

Mr. CHAN graduated from the Hong Kong Shue Yan University in August 1984, majoring in business administration and obtained a bachelor's degree; he graduated from the University of Salford in the United Kingdom in August 1988, majoring in international studies and obtained a master's degree; he graduated from the City University of Hong Kong in August 1997, majoring in finance and obtained a master's degree; he graduated from the City University of Hong Kong in August 1999, majoring in business administration and obtained a master's degree; and he graduated from the City University of Hong Kong in August 2011, majoring in business administration and obtained a doctorate degree.

Biographies of Senior Management

For the biographies of **Mr. GAO Song** (高嵩) and **Ms. HOU Ximeng** (侯曦蒙), please refer to the section headed “Biographies of Directors” in this annual report.

ZHANG Peizong (張培宗)

Member of the Party Committee and Vice President

Mr. ZHANG Peizong has been a member of the Party Committee of the Bank since December 2024 and a vice president of the Bank since April 2025.

Mr. ZHANG successively served as the deputy director of the office, secretary of the board of governors (general manager level) and general manager of the survey and statistics department in Chongqing Rural Credit Union, general manager of the development planning department, general manager of the development research department, president of Tongliang sub-branch, and president of Beibei sub-branch of Chongqing Rural Commercial Bank Co., Ltd. He also served as the deputy secretary to the Party Committee, president, secretary to the Party Committee, and chairman of CQRC Financial Leasing Co., Ltd. (渝農商金融租賃有限責任公司). From September 2016 to January 2025, he served successively as a member of the Party Committee, vice president, executive director, and secretary to the board of directors at Chongqing Rural Commercial Bank Co., Ltd.

Mr. ZHANG graduated from the Chinese Language and Literature Department of Chongqing Normal College (now Chongqing Normal University) in July 1998, majoring in Chinese language and literature and obtained a bachelor degree of arts; and graduated from Chongqing University in December 2008, majoring in master of engineering in project management and obtained a master degree in engineering. He is a senior economist.

LI Cong (李聰)

Member of the Party Committee and Vice President

Mr. LI Cong has been a member of the Party Committee of the Bank since July 2024 and a vice president of the Bank since November 2024.

Mr. LI successively served as the assistant to the manager of the office of the Board, the deputy general manager, the deputy general manager (in charge of work) and the general manager of the finance department, the general manager of asset and liability management department of the Bank. From May 2015 to May 2016, he served as deputy director of the Monetary and Credit Management Department of the Chongqing Business Management Department of People's Bank of China.

Mr. LI graduated from Chongqing College of Technology (重慶工學院) (now known as Chongqing University of Technology) in June 2003, majoring in accounting, and obtained an Executive Master of Business Administration degree from Chongqing University in December 2014. Mr. LI is a chief senior accountant, certified public accountant and certified tax agent.

Directors, Supervisors, Senior Management, Employees and Branch Outlets

YAN Xiaochuan (顏小川)

Member of the Party Committee and Vice President

Mr. YAN Xiaochuan has been a member of the Party Committee of the Bank since August 2024 and a vice president of the Bank since December 2024.

Mr. YAN successively served as a member of party branch and vice president of Tongliang Branch of China Construction Bank, vice president of Changshou Sub-branch, the deputy general manager of the financial market department, president of Xiushan Sub-branch and president of Changshou Sub-branch of the Bank.

Mr. YAN graduated from Chongqing University of Commerce (now known as Chongqing Technology and Business University) in July 1997 with a bachelor's degree in economics, majoring in trade and economics. Mr. YAN is an accountant.

WANG Weilie (王偉列)

Member of the Party Committee, Vice President and Chief Risk Officer

Mr. WANG Weilie has been a member of the Party Committee of the Bank since September 2024, and has served as vice president of the Bank since December 2024 and chief risk officer of the Bank since February 2025.

Mr. WANG successively served as assistant to the president, vice president, vice president (in charge of work) and president of Bishan Sub-branch, president, the general manager of the administration department and general manager of the internal control and compliance department of the Wenhuaogong Sub-branch of the Bank.

Mr. WANG graduated from Xiamen University in July 2002 with a bachelor's degree in economics, majoring in statistics.

9.1.3 Positions of Directors, Supervisors and Senior Management

Position held in shareholder

Name	Name of shareholder	Position(s) held in shareholder	Date of appointment	Date of termination
WONG Hon Hing	Dah Sing Bank, Limited	Executive Director	August 1989	To date
		Vice chairman of the board of directors	April 2011	To date
ZHOU Zongcheng	Chongqing Qianli Technology Co., Ltd.	Deputy Secretary of the Party Committee, president	August 2023	To date
WU Heng	SAIC Motor Corporation Limited	General manager of the financial affairs department	August 2019	To date
YU Hua	Chongqing Real Estate Group Co., Ltd.	Member of the Party Committee, director, chief financial officer	July 2023	To date

Position held in other companies

Name	Name of other companies	Position(s) held in other companies
WONG Hon Hing	Dah Sing Banking Group Limited	Executive director, vice chairman of the board of directors and managing director and chief executive officer
	Dah Sing Financial Holdings Limited	Executive director, vice chairman of the board of directors, managing director and chief executive officer
	Banco Commercial De Macau	Director
	Dah Sing Insurance Company Limited	Executive Director
	Bank Consortium Holding Limited	Director
	Bank Consortium Trust Company Limited	Director
	BCT Financial Limited	Director
	Nengmin Holding Limited (能敏控股有限公司)	Director
	DSGI (1) Limited	Director
	DSL (2) Limited	Director
	DSL (BVI) (1) Limited	Director
	Macau Insurance Company Limited	Director
	MEVAS (1931) Limited	Director
	WOF Escrow Limited	Director
	The Chinese Banks' Association Limited	Director
GUO Xile	Chongqing Yin Hai Financing Leasing Co., Ltd.	Deputy Secretary of the Party Committee and general manager
ZHOU Zongcheng	Livan Automotive Technology Company Limited	Chairman of the board of directors and CEO
FU Wei	Chongqing Water & Environment Holdings Group Ltd.	Director of the finance sharing center and deputy general manager of the financial management department

Directors, Supervisors, Senior Management, Employees and Branch Outlets

Name	Name of other companies	Position(s) held in other companies
WU Heng	SAIC Motor Financial Holding Management Co., Ltd.	Director and general manager
	SAIC Venture Capital Corporation	Chairman of the board of directors, general manager and legal representative
	SAIC Equity Investment Company Limited	Director
	Shanghai Hengxu Chuangling Private Fund Management Co., Ltd.	Director
	SAIC Anji Logistics Co., Ltd.	Director
	Shanghai Automotive Group Finance Company, Ltd.	Director
	SAIC HK International Finance Limited	Director
	SAIC Insurance Sales Company Limited	Director
	SAIC-GMF Leasing Co., Ltd.	Director
	Shanghai UTOPILOT Technology Co., Ltd. (上海友道智途科技有限公司)	Director
	Wuhan KOTEI Informatics Co., Ltd.	Director
	Shanghai Jie-Hydrogen Technology Co., Ltd. (上海捷氢科技股份有限公司)	Director
	Shanghai State-Owned Capital Investment FOF Co., Ltd.	Vice Chairman
	Shanghai Anjia Zhixing Digital Technology Co., Ltd. (上海安駕智行數字科技有限公司)	Director
	Donghua Automotive Industrial Co., Ltd.	Director
	SAIC MAXUS Automotive Co., Ltd. (上汽大通汽車有限公司)	Director
	SAIC Motor Insurance Co., Ltd. (上海汽車集團保險有限公司)	Director
	Shanghai Fortera Capital Co., Ltd. (上海孚騰私募基金管理有限公司)	Director
	Xinxin Hangtu (Suzhou) Technology Co., Ltd. (新芯航途(蘇州)科技有限公司)	Director
	Shanghai Huizhong Automotive Manufacturing Co., Ltd. (上海匯眾汽車製造有限公司)	Director
ZHU Yanjian	Faculty of Finance at the School of Economics of Zhejiang University	Head, professor and doctoral supervisor
	Yongan Futures Co., Ltd.	Independent director
	Zhejiang Huangma Technology Co., Ltd.	Independent director
	Hangzhou Shanglv Financial Investment Co., Ltd.	External director
	Zheshang Jinhui Trust Co., Ltd.	Independent director
LIU Ruihan	Ningbo Donghai Bank	Independent director

Name	Name of other companies	Position(s) held in other companies
WANG Qinlin	China Local Railway Association Station-City Integration Development Branch	President
	High-speed Rail and Station-City Integration Institute, Tongji University	Expert member
ZENG Hong	Department of Accounting at School of Economics and Business Administration, Chongqing University	Professor, doctoral supervisor
	Chongqing Wang Cheng Technology Co., Ltd.	Independent director
	Chongqing Haifu Medical Technology Co. Ltd.	Independent director
	Aerospace C.Power Microelectronics Co., Ltd.	Independent director
CHAN Fung Cheung	Zhanhui Development Co., Ltd.	Director
	Fengxiang Financial Think Tank	Director
	City University of Hong Kong	Council member of CityU Eminence Society
	City University of Hong Kong	Visiting professor
	Fanhai International School of Finance, Fudan University	Visiting professor
	University of International Business and Economics	Visiting professor
	Hong Kong Financial Services Institute	Visiting professor
	Hong Kong Institute of Education for Sustainable Development	Practice professor
	Training and Projects (provided by experts of Nanyang Commercial Bank)	Consultant
	Quji TV	Anchor
	Metro Radio's Money Manger	Host

9.1.4 Changes in Directors, Supervisors and Senior Management

Changes in Directors

On 24 February 2025, as approved by the Approval of the Qualification on Appointment of HOU Ximeng as a Director in Bank of Chongqing (Yu Jin Guan Fu [2025] No. 26) from the Chongqing NFRA, Ms. HOU Ximeng served as an executive Director of the Bank from the date of such approval and confirms that she has obtained the legal advice referred to under Rule 3.09D of the Hong Kong Listing Rules on 20 February 2025, and understands her obligations as a Director of the Bank.

On 25 February 2025, pursuant to the requirements of the related documents and working requirements of the regulatory authority of the banking industry, as Ms. LIU Ruihan is qualified to serve as an independent director of urban commercial banks, the Bank has officially published the appointment document for Ms. LIU Ruihan as an independent non-executive Director of the Bank, and has completed the filings in compliance with regulatory requirements. Ms. LIU Ruihan served as an independent non-executive Director of the Bank from the date of such procedures and confirms that she has obtained the legal advice referred to under rule 3.09D of the Hong Kong Listing Rules on 18 February 2025, and understands her obligations as a Director of the Bank.

Directors, Supervisors, Senior Management, Employees and Branch Outlets

On 25 February 2025, in accordance with the provisions of the Articles of Association and the resolution of the first meeting of the seventh session of the Board of the Bank, Mr. YUAN Xiaobin has completed his duties during the transition period of the Board, and ceased to be an independent non-executive Director and the relevant positions of the special committees under the Board of the Bank.

On 25 April 2025, as approved by the Approval of the Qualification on Appointment of ZENG Hong, WANG Qinlin and CHAN Fung Cheung as Independent Directors in Bank of Chongqing (Yu Jin Guan Fu [2025] No. 46) from the Chongqing NFRA, Mr. ZENG Hong, Ms. WANG Qinlin and Mr. CHAN Fung Cheung served as independent non-executive Directors of the Bank from the date of such approval and confirmed that they have obtained the legal advice referred to under Rule 3.09D of the Hong Kong Listing Rules on 21 April 2025, and understood their obligations as Directors of the Bank.

On 25 April 2025, in accordance with the provisions of the Articles of Association and the resolution of the first meeting of the seventh session of the Board of the Bank, Mr. LIU Xing, Mr. WANG Rong and Mr. FUNG Don Hau have completed their duties during the transition period of the Board, and ceased to be independent non-executive Directors and the relevant positions of the special committees under the Board of the Bank.

On 15 July 2025, as approved by the Approval of the Qualification on Appointment of FU Wei, ZHOU Zongcheng and YU Hua as Directors in Bank of Chongqing (Yu Jin Guan Fu [2025] No. 88) from the Chongqing NFRA, Mr. FU Wei, Mr. ZHOU Zongcheng and Mr. YU Hua served as non-executive Directors of the Bank from the date of such approval and confirmed that they have obtained the legal advice referred to under Rule 3.09D of the Hong Kong Listing Rules on 11 July 2025, and understood their obligations as Directors of the Bank.

Changes in Supervisors

On 27 June 2025, the 11th meeting of the seventh session of the Board and the 46th meeting of the sixth session of the Board of Supervisors of the Bank reviewed and approved the Proposal on the Dissolution of the Board of Supervisors, and agreed to submit it to the general meeting of the Bank for deliberation. On 28 November 2025, the 2025 first extraordinary general meeting of the Bank reviewed and approved the Proposal on the Dissolution of the Board of Supervisors. In accordance with the Company Law and relevant provisions of the CSRC and the National Financial Regulatory Administration regarding the dissolution of Board of Supervisors, as well as the reform requirements for the Board of Supervisors of state-owned enterprises, the Bank will no longer establish the Board of Supervisors or its subordinate Supervision and Nomination Committee. The Audit Committee of the Board will exercise the powers of the Board of Supervisors as stipulated by the Company Law and regulatory regulations, and the Articles of Association shall be amended accordingly. The Rules of Procedure for the Board of Supervisors of Bank of Chongqing Co., Ltd. and other corporate governance systems related to the Board of Supervisors of the Bank shall be abolished accordingly. The members of the sixth session of the Board of Supervisors of the Bank shall no longer serve as supervisors of the Bank or hold related positions on the Board of Supervisors. The above matters shall take effect upon approval of the amended Articles of Association of the Bank by the Chongqing NFRA.

On 31 December 2025, the Bank received the Approval of Chongqing Bureau of National Financial Regulatory Administration on Amendments to the Articles of Association of Bank of Chongqing Co., Ltd. (Yu Jin Guan Fu [2025] No. 177), by which the Chongqing NFRA approved the amended Articles of Association of the Bank, and the above matters took effect officially.

Changes in Senior Management

On 24 February 2025, as approved by the Approval of the Qualification on Appointment of WANG Weilie as the Chief Risk Officer of Bank of Chongqing (Yu Jin Guan Fu [2025] No. 23) from the Chongqing NFRA, Mr. WANG Weilie served as the Chief Risk Officer of the Bank from the date of such approval.

On 29 April 2025, as approved by the Approval of the Qualification on Appointment of ZHANG Peizong as the Vice President of Bank of Chongqing (Yu Jin Guan Fu [2025] No. 51) from the Chongqing NFRA, Mr. ZHANG Peizong served as the Vice President of the Bank from the date of such approval.

On 12 June 2025, Mr. ZHANG Song submitted his resignation from the position as Vice President to the Board of the Bank due to change in his work arrangements. According to the relevant appointment documents, Mr. ZHANG Song serves as Deputy Secretary of the Party Committee of Bank of Chongqing Co., Ltd.

9.1.5 Emolument of Directors, Supervisors and Senior Management Emolument of Directors

(Unit: RMB10,000)

Name	Paid remuneration (before tax)	Social insurance, housing fund, enterprise annuity and supplementary medical insurance paid by the Bank	Other monetary income	Part-time Fee	Total Salary Before Tax in the year 2025	Whether to receive remuneration from related parties	Notes
Executive Directors							
YANG Xiuming	42.28	14.59	–	–	56.87	No	–
GAO Song	42.28	14.50	4.80	–	61.58	No	–
HOU Ximeng	33.82	14.19	3.84	–	51.85	No	–
Non-executive Directors							
WONG Hon Hing	–	–	–	13.00	13.00	Yes	–
GUO Xile	–	–	–	11.10	11.10	Yes	Served as a non-executive Director of the Bank since May 2024. According to the relevant management requirements of Chongqing Yufu Capital Operation Group Co., Ltd., the nominating shareholder, the remuneration of GUO Xile as a director of the Bank, was directly transferred to the account of Chongqing Yufu Capital Operation Group Co., Ltd.
ZHOU Zongcheng	–	–	–	3.66	3.66	Yes	–

Directors, Supervisors, Senior Management, Employees and Branch Outlets

Name	Paid remuneration (before tax)	Social insurance, housing fund, enterprise annuity and supplementary medical insurance paid by the Bank	Other monetary income	Part-time Fee	Total Salary Before Tax in the year 2025	Whether to receive remuneration from related parties	Notes
FU Wei	–	–	–	4.56	4.56	Yes	Served as a non-executive Director of the Bank since July 2025. According to the relevant management requirements of Chongqing Water Conservancy Investment Group Co., Ltd., the nominating shareholder, the remuneration of FU Wei as a director of the Bank, was directly transferred to the account of Chongqing Water Conservancy Investment Group Co., Ltd.
WU Heng	–	–	–	–	–	Yes	According to the requirement of SAIC Motor Corporation Limited, the nominating shareholder, no allowances and emolument will be paid.
YU Hua	–	–	–	4.26	4.26	Yes	Served as a non-executive Director of the Bank since July 2025. According to the relevant management requirements of Chongqing Real Estate Group Co., Ltd., the nominating shareholder, the remuneration of YU Hua as a director of the Bank, was directly transferred to the account of Chongqing Real Estate Group Co., Ltd.
Independent Non-executive Directors							
ZHU Yanjian	–	–	–	17.50	17.50	Yes	–
LIU Ruihan	–	–	–	14.73	14.73	Yes	The payroll period for the service is from February to December.
WANG Qinlin	–	–	–	9.87	9.87	No	The payroll period for the service is from April to December.
ZENG Hong	–	–	–	10.92	10.92	Yes	The payroll period for the service is from April to December.
CHAN Fung Cheung	–	–	–	9.60	9.60	Yes	The payroll period for the service is from April to December.
Outgoing Directors							
LIU Xing	–	–	–	6.73	6.73	Yes	The payroll period for the service is from January to April.
WANG Rong	–	–	–	6.43	6.43	No	The payroll period for the service is from January to April.
FUNG Don Hau	–	–	–	5.50	5.50	No	The payroll period for the service is from January to April.
YUAN Xiaobin	–	–	–	2.62	2.62	Yes	The payroll period for the service is from January to February.

Emolument of Supervisors

(Unit: RMB10,000)

Name	Paid remuneration (before tax)	Social insurance, housing fund, enterprise annuity and supplementary medical insurance paid by the Bank	Other monetary income	Part-time Fee	Total Salary Before Tax in the year 2025	Whether to receive remuneration from related parties	Notes
Outgoing Supervisors							
YIN Jun	-	-	-	-	-	No	-
WU Ping	-	-	-	-	-	No	-
ZHOU Xiaohong	-	-	-	-	-	No	-
QI Jun	-	-	-	6.70	6.70	No	-
CHEN Zhong	-	-	-	8.40	8.40	Yes	-
PENG Daihui	-	-	-	9.80	9.80	No	-
HOU Guoyue	-	-	-	8.40	8.40	Yes	-

Emolument of Senior Management

(Unit: RMB10,000)

Name	Paid remuneration (before tax)	Social insurance, housing fund, enterprise annuity and supplementary medical insurance paid by the Bank	Other monetary income	Part-time Fee	Total Salary Before Tax in the year 2025	Whether to receive remuneration from related parties	Notes
Senior Management							
GAO Song	42.28	14.50	4.80	-	61.58	No	-
HOU Ximeng	33.82	14.19	3.84	-	51.85	No	-
ZHANG Peizong	33.82	14.36	3.84	-	52.02	No	-
LI Cong	33.82	14.34	3.84	-	52.00	No	-
YAN Xiaochuan	33.82	14.37	3.84	-	52.03	No	-
WANG Weilie	33.82	14.34	3.84	-	52.00	No	-
Outgoing Senior Management							
ZHANG Song	33.82	14.34	3.84	-	52.00	No	No longer served as the vice president of the Bank since June 2025. In accordance with the relevant appointment documents, he concurrently holds the position of deputy secretary of the Party Committee of Bank of Chongqing Co., Ltd. The period during which he received salary as the vice president/deputy party secretary of the Bank is from January to December.

Directors, Supervisors, Senior Management, Employees and Branch Outlets

Notes:

1. *According to the relevant regulatory regulations, the remuneration of the Chairman, President, Chairperson of the Board of Supervisors and other heads of the Bank shall be implemented in accordance with the regulatory opinions on restructuring remuneration system for heads of enterprises, which took effect on 1 January 2015.*
2. *The final assessment-based remuneration of some Directors and senior management of the Bank for 2025 is still under confirmation and will be disclosed in the announcement separately published by the Bank.*
3. *Paid remuneration refers to the remuneration of Directors, Supervisors and senior management for the year paid according to internal and external regulatory regulations and as approved by the regulatory authorities, including the basic annual salary and the prepaid performance-based annual remuneration for 2025 paid according to external regulatory regulations. The Directors have recused themselves from discussions on their remunerations at the Board meeting.*
4. *The remuneration before tax for the independent non-executive Directors of the Bank for 2025 includes any remuneration or allowances for work received from the Bank, and the former employee supervisors do not receive remuneration as representative supervisors.*
5. *Other monetary income refers to the business transportation subsidies paid to senior management in the form of currency according to the requirements of the regulatory authorities.*
6. *According to relevant requirements of SAIC Motor Corporation Limited on part-time jobs of leaders, and as confirmed by Mr. WU Heng, he will not receive any remuneration for acting as a non-executive Director of the Bank. Also, there is no arrangement in which other Directors of the Bank have waived or agreed to waive any emoluments.*

The Board authorized the Nomination and Remuneration Committee of the Board to formulate the remuneration criteria for the shareholders' directors and independent non-executive Directors of the Bank and to arrange detailed implementation. The remuneration of the shareholders' directors and independent non-executive Directors of the Bank shall be decided by the resolutions passed by the Nomination and Remuneration Committee of the Board, the Board and the general meetings.

The remuneration policy of non-employee Supervisors of the Bank shall be considered and decided by the general meetings. The remuneration of the non-employee Supervisors was determined pursuant to the Resolution on the Remuneration Criteria of the Fourth Session of Non-Executive Directors and Non-Employee Supervisors as considered and approved at the 2010 Annual General Meeting convened on 29 April 2011 and the Resolution on the Payment of Variable Remuneration of the External Directors and Shareholder Supervisors of the Bank as considered and approved at the 2015 Annual General Meeting convened on 17 June 2016.

The Board authorized the Nomination and Remuneration Committee of the Board to formulate the appraisal criteria for Directors and senior management of the Bank and to arrange detailed implementation. The remuneration of senior management of the Bank was determined in accordance with the Interim Measures for the Administration on Remuneration for People in Charge of Key State-Owned Enterprises Owned by Municipal Governments of Chongqing (重慶市市屬國有重點企業負責人薪酬管理暫行辦法) issued by Chongqing SASAC, the Administrative Measures on the Evaluation and Remuneration of Senior Management of Bank of Chongqing (重慶銀行高級管理人員考核及薪酬管理辦法) and other policies.

9.2 Details of employees

9.2.1 Number and composition of employees

As of 31 December 2025, the Bank had a total of 5,454 regular employees, 5,256 of whom held bachelor's degree or above, representing 96.37% of all the Bank's regular employees. In addition, the Bank had 128 dispatch workers, 35 internally retired employees and 428 retired employees. Furthermore, our subsidiaries had 187 regular employees, including 123 employees in Chongqing Xinyu Financial Leasing Co., Ltd. and 64 employees in Xingyi Wanfeng Village Bank Co., Ltd..

The following table sets forth the composition of the Bank's regular employees.

Item	Number of employees	Percentage (%)
Composition of professions		
Supporting	853	15.64
Risk control	487	8.93
Business marketing	2,600	47.67
Financial Technology	242	4.44
Management	1,272	23.32
Educational background		
Master's degree or above	1,067	19.56
Bachelor's degree	4,189	76.81
College's degree or below	198	3.63
Range of ages		
30 and below	1,064	19.50
31-40	2,787	51.10
41-50	1,066	19.55
51 and above	537	9.85
Composition of genders		
Male	2,337	42.85
Female	3,117	57.15
Total	5,454	100.00

9.2.2 Overall management of human resources

The Bank proactively improved its relationship with employees to reduce the exposure to labor employment risks. With a view to establish a more harmonious employment relationship, the Bank constantly enhanced its benefit and insurance coverage measures and incentives and restraints mechanism to motivate its employees and protect their interests in a proactive way. Meanwhile, the Bank sticks to the principle of fixed position, fixed schedule, fixed staff, strengthened the employment and deployment of employees and optimized the functions of departments and offices and position responsibility to enhance its human resources structure. The Bank developed innovative talent cultivation programs to improve the standard of the employees, the working atmosphere and their service quality and management standard. By focusing on constructing a modern human resources management mechanism, the Bank successfully fulfilled its objectives of promoting its management through reforms and in turn, promoting enhancement through management.

9.2.3 Employee Remuneration Policy

In order to enhance and improve its incentive and restraint mechanisms, achieve corporate strategies, enhance organizational performance, and restrain operating risks, the Bank follows the remuneration management principles of “sticking to strategic orientation, reflecting performance, restraining risks, maintaining internal fairness, and adapting to markets”, and insists on the remuneration concept of “position and labour-based salary”. In accordance with national policies, we have established a remuneration mechanism that matches remuneration incentives with performance-based risks, continued to improve the performance remuneration deferred payment system for middle and senior managers and key position personnel, and established a recovery and deduction of performance-based remuneration system. For employees who are exposed to risks, violate regulations and disciplines, their corresponding performance-based remuneration will be deducted based on accountability decisions.

9.2.4 Training and development of employees

Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Bank established the College of Bank of Chongqing in February 2020, with the philosophy of “Fun in Study • Fun in Sharing • Growing Together”, the tenet of talent empowerment, management enhancement and service development, and the goal of becoming a booster of the Bank’s strategic change, an important base for talent cultivation and development and the dissemination of corporate culture, so as to promote the Bank’s achievement of high-quality development. Relying on the online learning platform of the College of Bank of Chongqing, the Bank continuously improved training efficiency, strengthened the construction of “five libraries” with its own characteristics, namely course library, lecturer library, case library, examination question library and supplier library, gradually built a good learning ecosystem, and fully created a learning organization. Through innovating training mechanisms and methods, the Bank has preliminarily set up a multiple dimension and level-and-category based employee training and development system by creating quality training projects, to keep promoting the overall standard of all the employees, thus building the Bank’s advantages in talent competition.

9.3 Branch Outlets

Item	Number of branches	Number of employees	Asset scale (RMB100 million)	Place of business
Head Office	–	1,130	4,779.59	No. 6 Yongpingmen Street, Jiangbei District, Chongqing
Liangjiang Branch	11	266	264.85	No. 52 Middle Section of Huangshan Avenue, Yubei District, Chongqing
Pilot Free Trade Zone Branch	8	244	197.94	No. 153 Zourong Road, Yuzhong District, Chongqing
Other institutions in Chongqing Region	151	2,644	3,887.51	Please refer to the chapter headed “List of Branch Outlets” for details
Chengdu Branch	14	463	519.43	North Building, New Tianfu International Centre, No. 99 Tianfu Second Street, Hi-Tech District, Chengdu City, Sichuan Province
Xi'an Branch	13	404	454.31	1/F to 3/F, and 18/F, Building 2, Yinhe Xinzhuobiao Building, No. 25 Tangyan Road, Xi'an City, Shaanxi Province
Guiyang Branch	8	303	233.63	3/F to 8/F, Building 4, North Commercial Zone of Financial City, Area B of Zhongtian·Exhibition City, Changling North Road, Guanshanhu District, Guiyang City, Guizhou Province
Total	205	5,454	10,337.26	–

Environmental and Social Responsibility

10.1 Environmental Protection

10.1.1 Promotion of Green Finance

During the Reporting Period, the Bank continued to participate in the development of pilot zone for green finance reform and innovation in Chongqing, providing high-quality financial services to support the construction of a beautiful Chongqing, and continuously advancing the specialization, refinement, and professionalism of green financial services.

As at the end of the Reporting Period, according to the latest PBOC's green finance statistics, the Group's green finance scale reached RMB97.7 billion, representing an increase of 31% as compared to the end of the previous year, with the green credit scale increasing by 40% as compared to the end of the previous year. The Bank was once again rated as a Level 1 bank for green financing by the Chongqing Bureau of National Financial Regulatory Administration, won the GF60 "Best Sustainable Financial Institution" award, and was the only bank institution in Chongqing invited to participate in the "Digital Chongqing Construction Achievements Exhibition", demonstrating its continuously strengthening comprehensive capabilities.

Improving organizational mechanism to consolidate development efforts. The Bank has continuously improved the five-level interactive organizational structure of "executive level – operational level – headquarters – branches – sub-branches", forming a top-down, integrated and coordinated green financial service system. Leveraging the coordination mechanism of the green finance task force, the Bank has strengthened incentive guidance and optimized business processes, thereby serving the green and low-carbon transformation of the economy and society through a model of "headquarter-branch connection".

Innovating financial services to broaden supply channels. The Bank has continuously enriched its "dual carbon" green finance product system, with ongoing innovations in green credit, including the implementation of the city's first mortgage loan based on "collective forest land management rights + ecological product value" and loans for the agricultural transformation of camellia oil. The Bank has achieved breakthroughs in green bonds, with a cumulative investment of USD740 million in overseas green bonds and participation in underwriting green bonds totaling RMB3.3 billion, further enriching the means of green finance service. The quality and upgrade of green consumption have been promoted, supporting various low-carbon travel options such as public transportation and bicycles, and guiding the public to practice the concept of a green lifestyle.

Deepening risk management to strengthen the safety bottom line. The Bank continuously conducted climate and environmental risk stress tests, comprehensively considering physical risks and transition risks, with a focus on key industries that are significantly affected by climate change. The Bank has established three transmission models – macro, meso, and micro – to assess the impacts of climate and environmental risks under extreme scenarios. The Bank has applied the internal ESG rating results throughout the entire business process, including pre-loan screening, mid-loan reference, and post-loan monitoring, thereby comprehensively enhancing the level of environmental and social risk management.

Enhancing brand building to elevate industry influence. The Bank has released the "Chongqing Green and Low-Carbon Transformation Project Evaluation Specifications" (《重慶市綠色低碳轉型項目評價規範》), the "Implementation Guide for Transition Finance in the Vanadium-Titanium Steel Industry in the Sichuan-Chongqing Region" (《川渝地區鈮鈦鋼鐵產業轉型金融實施指南》), and formulated the "Operation Guidelines for Chongqing 'Industrial Green Efficiency Loan' Business" (《重慶市「工業綠效貸」業務操作指南》), among other group standards, with a total of 14 green finance standards established to continuously increase its industry discourse power. The Bank has also initiated the application for the "Chongqing Industrial Innovation Consortium" (重慶市產業創新綜合體) and founded the "Green Finance Ecological Innovation Consortium" (綠色金融生態創新聯合體), continuously enhancing its regional influence.

10.1.2 Green Operation

The Bank thoroughly implemented the concept of green development, and the awareness of energy conservation and environmental protection among all staff has significantly increased. The Bank systematically studied Xi Jinping's Thought on Ecological Civilization, integrated ecological and environmental protection requirements into all aspects of daily office work to promote the normalization and institutionalization of green office practices.

Clarifying the goals, principles, and specific implementation paths of green operations. The Bank formulated energy consumption control strategies for the building, implemented a building inspection system, conducted inspections at fixed times and locations every day, and ensured that air conditioners and lighting are turned off when no one is around; through a series of measures such as adopting the renewable energy from the river water source for centralized heating and cooling, intelligent lighting in employee workstation areas and garages, sensor faucets, and paperless office, it standardized energy consumption and environmental management of office buildings. The office building is equipped with the energy-saving control system for the central air-conditioning and water systems. Through improving the cooling and heating system and the coordinated operation of electromechanical equipment, the office building realized modern equipment management, thereby reducing the energy consumption of equipment and promoting the application of renewable energy in buildings.

Implementing measures for green operations to fully leverage its demonstration effect. The Bank promoted resource conservation by conducting irregular monitoring of pipeline leakage and promptly repairing leaks, achieving water savings with an annual water consumption decrease of 19% year-on-year. The Bank advocated green office practices, with video conferences accounting for 79% throughout the year, representing an increase of 11 percentage points year-on-year. The Bank established a benchmark for low-carbon operations by launching its first carbon-neutral outlet, driving operational efficiency and quality improvements across all outlets. Promoting green travel initiatives, the Bank replaced 4 electric vehicles within the year and implemented a long-term green travel mechanism to effectively reduce carbon emissions intensity. The Bank implemented waste sorting, fully equipped standardized classified trash cans in office area, and set up independent collection containers with clear labels based on the four categories of recyclables, hazardous waste, kitchen waste and other waste. The Bank advocated a thrifty trend, implemented the requirements against food waste, issued the "Notice on Deepening the Work of Saving Food and Combating Food Waste" (《關於深入開展節約糧食和反食品浪費工作的通知》), formulated an activity plan, and held a quiz on saving food knowledge with prizes in the head office canteen to promote the formation of a good atmosphere where "waste is shameful and saving is honorable".

The Bank and its subsidiaries are not included in the list of main pollutants discharging entities announced by the environmental protection department. During the Reporting Period, the Bank and its subsidiaries were not subject to punishment as a result of violation of laws and regulations in relation to environmental protection. The Bank operates in the monetary and financial service industry, and its main business does not generate pollutants specified in the Regulations on the Administration of List of Main Pollutants Discharging Entities. In future production and operation activities, the Bank and its subsidiaries will strictly comply with the Environmental Protection Law of the People's Republic of China and other environmental protection laws and regulations, and perform the environmental protection responsibilities of financial enterprises.

10.2 Performance of Social Responsibility

With the strategic development goal of building a "sustainable bank", the Bank of Chongqing has earnestly fulfilled its corporate social responsibility, deeply practiced the philosophy of "Finance for the People" and achieved positive results in deeply cultivating inclusive finance, assisting in rural revitalization, caring for employee growth and participating in public welfare undertakings.

Environmental and Social Responsibility

Wholehearted devotion to serving the people's livelihood and promotion of inclusive finance. The Bank continuously intensified inclusive finance, optimized the "Huiyu Financial Service" (隄渝金服) brand, implemented a financing coordination mechanism for small and micro enterprises, carried out initiatives of "visits to thousands of enterprises", and provided special services of "a customized resolution plan for each account" for small and micro enterprises, individual businesses and other business entities. As of the end of 2025, the balance of inclusive small and micro enterprise loans amounted to RMB76.763 billion, and the Bank had been awarded "Grade I Bank in the Regulatory Assessment of Financial Services for Small and Micro Enterprises" for six consecutive years; the Bank resolutely implemented the national rural revitalization strategy, provided targeted support for key areas of rural revitalization, empowered the development of "agriculture, rural areas, and farmers" with financial vitality, and granted the first oil-tea agricultural transition loan in the city. As of the end of 2025, the balance of agriculture-related loans amounted to RMB52.521 billion.

Empowering pension finance and conveying service warmth. The Bank focuses on pension finance, integrating care into service details and continuously increasing the breadth and depth of pension finance services. The Bank has established 19 branches of pension finance zones. The Yubei Sub-branch was awarded the national title of "Elderly Care Civilization Unit", which innovated the "Happiness Classroom" elderly-oriented publicity brand, and carried out over 8,000 offline elderly-oriented publicity activities throughout the year, caring for "the elderly" with dedication. As of the end of 2025, the Bank served nearly 2.8 million elderly customers aged 50 and above, with the total assets for the elderly customers base exceeding RMB250 billion.

Inspiring talent momentum and building harmonious labor relations. Adhering to the strategy of "strengthening the bank with talents", the Bank optimized the ecological closed loop of "selection, use, cultivation and retention" in all aspects and conducted more than 250 training sessions throughout the year, covering more than 40,000 person-time. The Bank continued to improve its compensation, benefits and incentive mechanisms to protect the legitimate rights and interests of employees and successfully created the "Chongqing Model Workers' Home". The Bank attached great importance to employee health and safety, solidly promoted the fundamental action of tackling the root cause of safety production issues, and had no production safety accidents throughout the year.

Conveying finance towards goodness and fulfilling social responsibility. The Bank actively participated in public welfare undertakings and carried out four external donations in 2025, amounting to RMB3.50 million, to support education development, rural revitalization and assistance to people around it. The Bank has donated a total of RMB2 million to the "People in Chongqing" for ten consecutive years, becoming the only municipal state-owned key enterprise jointly commended by the Chongqing Municipal Party Committee Propaganda Department and other departments. The "Chongqing Xiaojin" (渝小金) volunteer service team carried out over 600 volunteer services throughout the year, serving over 300,000 person-time, which demonstrated the assumption of responsibility by the state-owned enterprise through practical actions.

For details of the fulfillment of the Bank's social responsibility, please refer to the 2025 Sustainable Development Report of the Bank of Chongqing Co., Ltd. released subsequently by the Bank on the website of the Shanghai Stock Exchange, the website of HKEXnews of the Hong Kong Stock Exchange and the official website of the Bank.

10.3 Consolidation and Expansion of Poverty Alleviation Achievements and Rural Revitalization

During the Reporting Period, the Bank thoroughly studied and applied the experiences from the “Qianwan Projects” (千萬工程), resolutely implementing the strategic deployment of the Party Central Committee and the State Council on comprehensively promoting rural revitalization. We focused on key areas and weak links in rural revitalization, continuously improving systems and mechanisms, strengthening internal coordination, accelerating digital transformation, optimizing products and services, and increasing financial support, aiming to make every effort to enhance the quality and efficiency of financial services for rural revitalization. As of 31 December 2025, the balance of the Bank’s agriculture-related loans was RMB52,521 million, representing an increase of RMB7,739 million or 17.28% as compared with the end of the previous year. Among them, the balance of inclusive agriculture-related loans (according to the new standards set by the PBOC) was RMB15,850 million, representing an increase of RMB3,423 million or 27.54% as compared with the end of the previous year, serving more than 52,000 “agriculture, rural areas, and farmers” customers, with continuous expansion in service coverage and accessibility.

Optimizing collaborative mechanisms and solidifying development foundation. The Bank continued to deepen the operational mechanism of the special team for rural revitalization, building an efficient collaborative work system characterized by “head office planning and decision-making, business line innovation and support, and branch implementation” to ensure the efficient execution of strategic deployments. The Implementation Plan for Key Works of Rural Revitalization Financial Services of Bank of Chongqing in 2025 (《2025年重慶銀行鄉村振興金融服務重點工作實施方案》) was formulated. Through a combination of measures such as FTP preferential treatment, capital savings, and cost allocation, the Bank effectively lowered the financing threshold and overall costs for agricultural-related financing, establishing a sustainable service model that is both compatible with incentives and commercially viable. The Bank introduced comprehensive support policies and special assessment plans, incorporating indicators such as the growth rate of inclusive agriculture-related loans, the amount of loans for rural revitalization, and investments in loans to new agricultural operators into performance appraisal, aiming to guide financial resources to be directed towards the “agriculture, rural areas, and farmers” sectors.

Innovating support models and enhancing comprehensive effectiveness. The Bank focused on transforming our support efforts from point-based support to a systemic empowerment approach, building a multi-dimensional rural revitalization support system. Regarding targeted support, the Bank explored the development of embedded services integrating “industrial cultivation + rural construction + financial advisory”. By deploying outstanding staff, donating special funds, and providing intellectual support, the Bank helped the supported areas strengthen their endogenous development capacity. For consumption support, the Bank integrated its own e-commerce platform, internal procurement system, and offline promotional activities to build an “online + offline” integrated network for agricultural consumption assistance. This not only directly increased farmers’ income but also helped shape the agricultural product brands of the supported regions and establish stable sales channels. In credit support, the Bank implemented precise measures with “a customized resolution plan for each county” strategy for key support counties in rural revitalization, providing robust financial backing for industrial transformation and upgrade as well as infrastructure development within these counties.

Environmental and Social Responsibility

Accelerating digital transformation and extending service reach. The Bank positioned financial technology as the core driver for improving the quality and effectiveness of rural financial services. By developing a full range of online credit products and iterating upon specialized offerings such as “Xin Nong Dai” (新農貸) and “Agricultural Benefit Loan” (惠農貸), the Bank achieved the digital re-engineering of traditional credit business processes, thereby enhancing financing efficiency. The deepened application of mobile business platforms and the widespread deployment of intelligent payment terminals extended standardized financial services to the fields and homes, effectively filling the service gaps left by traditional branches. Combined with improvements in the payment environments and reductions in for agricultural fees, these efforts significantly improved the accessibility, convenience, and inclusivity of financial services in rural areas.

Focusing on key areas and implementing precise support. Closely aligning with the national food security strategy and local rural industrial development plans, the Bank implemented differentiated and refined credit support strategies. Credit resources were prioritized to guarantee grain production and ensure stable supply of food and key agricultural products. Through innovations in industrial chain finance and exploring unique property-backed financing options, the Bank provided precise support for the transformation, upgrading, and enhancement of the entire value chain of local advantageous and characteristic industries. The Bank deepened cooperation with policy-oriented guarantee institutions, offering exclusive credit products for new agricultural operation entities such as family farms and farmers’ cooperatives. Furthermore, the Bank proactively addressed reasonable financing needs in areas such as improving the rural living environment and bridging gaps in infrastructure, injecting sustained financial momentum into the modernization of agriculture and rural areas.

10.4 Consumer Protection

10.4.1 Overview on Consumer Protection

The Bank attaches great importance to consumer protection, and earnestly assumes the main responsibility and fulfill the statutory obligations to protect the legitimate rights and interests of financial consumers in line with the principles of voluntariness, equality, fairness, integrity and credibility. The Bank has incorporated the legal obligations of consumer protection into the corporate governance, corporate culture construction and business development strategies.

At the Board of Directors level, the Board of the Bank assumes the ultimate responsibility for consumer protection. The Board has set up the Consumer Protection Committee to guide and supervise the implementation of consumer protection, and monitor and evaluate the comprehensiveness, promptness and effectiveness of the Bank’s consumer protection as well as the performance of relevant senior management.

At the organizational and operation guarantee level, the Bank established a dual-pillar system comprising the “leading work group for consumer protection” and the “special department for consumer protection at the head office”. The system effectively integrates internal resources to ensure coordinated, high-efficiency and accountable consumer protection efforts. The leading work group for consumer protection was set up at the operation and management level of the Bank, consisting of members from 20 relevant departments and offices, and comprising five professional teams including information disclosure coordination, knowledge dissemination and education, consumer information protection, product design coordination and coordination of complaints of consumer protection. The special department for consumer protection at the head office is responsible for planning, management, organization and coordination of consumer protection work.

In terms of strategy formulation and implementation measures, the Bank adhered to the understanding the political and public nature of financial work, closely followed the regulatory policy orientation, deeply integrated the diversified financial demands of financial consumers into the entire process of operation and management, and gradually built a “comprehensive consumer protection” (大消保) work system that covers all aspects horizontally and vertically in the industry. Centered on “mechanism improvement, full-process control and complaint reduction,” while simultaneously strengthening “digital empowerment, public education and comprehensive training,” the Bank resolutely and solidly promoted the development of consumer protection work, earnestly assuming the main responsibility to protect the rights and interests of consumers.

10.4.2 Strengthening the handling of complaints

The Bank continued to uphold the principle of financing for the people, actively explored the construction of comprehensive consumer protection work pattern, rigorously implemented front-end and proactive consumer protection philosophies, focusing on solving the urgent and difficult problems that consumers are concerned about. The main work measures and achievements are as follows: firstly, the Bank deepened awareness by convening specialized meetings, comprehensive training programs, work notifications and risk alert letters to communicate key tasks and specific requirements. Concurrently, the Bank revised consumer protection assessment measures and refined evaluation metrics to achieve both positive incentives and negative constraints, ensuring full alignment of awareness and accountability across the Bank. Secondly, the Bank optimized mechanisms and processes by revising the customer complaint resolution procedures to further clarify the division of responsibilities and refine complaint resolution rules. Meanwhile, the Bank established management measures for expedited mediation mechanisms, implemented a tiered authorization approval mechanism, actively explored mediation approaches to resolve disputes, streamlined complaint acceptance channels, and promoted diversified and convenient complaint channels to further enhance the quality and efficiency of complaint resolution of the Bank. Thirdly, the Bank strengthened technology-driven empowerment by establishing a complaint labeling system to achieve standardized and structured complaint data. Simultaneously, the Bank developed an integrated and visible complaint analysis system to promptly present data on complaint hotspots, risk trends and institutional rankings, continuously enhancing the intelligence and precision of the complaint management efforts of the Bank.

In 2025, the Bank received a total of 1,524 customer complaints. Among them, in terms of business lines, the complaints mainly consisted of credit cards, loans, payment and settlement and other businesses. In terms of reasons for complaints, it was mainly due to customers’ lack of knowledge of rules, pricing and charges, and the customers in the hope that the Bank would further improve the efficiency of its business operations. In terms of geographical location, there were 1,362 complaints in Chongqing, accounting for 89%; 48 complaints in Sichuan, accounting for 3%; 42 complaints in Guizhou, accounting for 3%; and 72 complaints in Shaanxi, accounting for 5%.

Significant Events

11.1 Plans for Profit Distribution for Ordinary Shares or Conversion of Capital Reserve into Share Capital

11.1.1 Profit Distribution Plan for 2025

The Bank plans to withdraw 10% of the audited net profit of RMB5,311 million in 2025, valued at RMB531 million as statutory surplus reserve, and withdraw 1.5% of the balance of risk assets valued at RMB2,140 million as general reserve. Based on the total share capital of A shares and H shares on the equity registration date for profit distribution, cash dividends of RMB0.2918 (tax inclusive) per share will be distributed to all registered shareholders, and based on the total number of 3,474,588,278 ordinary shares at the end of 2025, the total cash dividends of RMB1,014 million proposed to be distributed, which shall be denominated and declared in RMB, paid to A-share shareholders in RMB, and for H-share shareholders, a currency option for RMB dividend payment will be provided. H-share shareholders have the right to choose to receive H-share dividends wholly (HKSCC Nominees Limited may choose wholly or partially) in RMB or Hong Kong dollars. The remaining undistributed profits will be carried forward to the next year. In 2025, the Bank did not implement the conversion of capital reserve into share capital. The above profit distribution plan is subject to consideration and approval at the 2025 annual general meeting of the Bank.

The Bank implemented the Profit Pre-distribution for the First Three Quarters of 2025, with a cash dividend of RMB0.1684 per share (inclusive of tax), and a total cash dividend of RMB585 million. The profit distribution for A shares and H shares was completed on 7 January 2026 and 16 January 2026 respectively. The Bank's proposed cash dividend per share in 2025 is RMB0.4602 (inclusive of tax), and the total cash dividend will amount to RMB1,599 million for the year.

(Unit: RMB'000)

Number of bonus shares per share (share)	–
Dividend per share (RMB) (inclusive of tax)	0.4602
Number of shares issued for each share upon the conversion (share)	–
Cash dividend (RMB) (inclusive of tax)	1,599,006
Net profit attributable to the holders of the Company's ordinary shares in consolidated statements for the year of distribution	5,330,218
% of the net profit attributable to the holders of the Company's ordinary shares in consolidated statements	30.00

Note: Since the A-share convertible bonds issued by the Bank are in the conversion period, if the total ordinary share capital of the Bank changes before the equity registration date for A-share profit distribution, the total distribution amount will remain unchanged, and the cash dividend per share will be adjusted accordingly.

11.1.2 Cash Dividend in the Last Three Fiscal Years

(Unit: RMB'000)

Cumulative cash dividends in the last three fiscal years (tax inclusive) (1)	4,455,104
Average annual net profit attributable to ordinary shareholders in the last three fiscal years (2)	4,947,265
Cash dividend ratio for the last three fiscal years (%) (3)=(1)/(2)	90.05
Net profit attributable to common shareholders of a listed company in the consolidated statement at the end of the last fiscal year	5,330,218
Undistributed profit in the statements of the parent company at the end of the last fiscal year	26,982,366

11.1.3 Formulation and Implementation of the Cash Dividend Policy of the Bank

In accordance with relevant policies of the Bank such as the Articles of Association, the profit distribution policy for ordinary shares of the Bank is as follows:

- (1) The Bank may, subject to a resolution approved at the shareholders' meeting, set aside a portion of the after-tax profit as the arbitrary reserve fund after setting aside a portion of the after-tax profit as the statutory common reserve fund and the general reserve and paying the dividend to preference shareholders out of the after-tax profit. The remaining after-tax profit is paid according to the classes of shares held by the shareholders and their shareholding percentages, after the Bank makes up for the losses, sets aside a portion of the after-tax profit as the statutory common reserve fund, the general reserve and the arbitrary reserve fund, and pays dividends to preference shareholders out of the after-tax profit.
- (2) No profit shall be distributed to investors if the capital adequacy ratio of the Bank fails to meet the requirements of relevant regulatory authorities. The Bank may distribute profits subject to the regulatory requirements on the capital adequacy ratio and if there are distributable profits.
- (3) The Bank may distribute dividends in cash, shares or a combination thereof. The Bank shall pay cash dividends to A-share shareholders, which shall be denominated, declared and paid in RMB. Cash dividends to H-share shareholders shall be denominated and declared in RMB, and paid in RMB or foreign currency.
- (4) The Bank shall disclose the implementation of the cash dividend policy and other relevant information in the periodic report in accordance with relevant regulations.

The implementation of the profit distribution policy of the Bank is as follows:

During the Reporting Period, the implementation of the Bank's profit distribution plan for 2024 and the profit pre-distribution plan for the first three quarters of 2025 with specific dividend distribution standards and proportions, and complete relevant decision-making procedures and mechanisms, which fully protected the legitimate rights and interests of minority investors, was strictly in accordance with the relevant provisions of the Bank's Articles of Association. These plans were considered and approved at the 7th meeting of the seventh session of the Board and the 15th meeting of the seventh session of the Board of the Bank, respectively, and submitted for consideration and approved at the 2024 annual general meeting and the 2025 first extraordinary general meeting, respectively, and were implemented by the Board of the Bank.

The profit distribution plan of the Bank for 2025 will also be implemented in strict accordance with the relevant provisions of the Articles of Association of the Bank. The independent directors of the Bank expressed their independent opinions on the Profit Distribution Plan for 2024, the Profit Pre-distribution Plan for the First Three Quarters of 2025 and the Profit Distribution Plan for 2025, and the legitimate rights and interests of minority investors will be fully protected in the profit distribution plan of the Bank and its implementation process.

Significant Events

11.2 Performance of Undertakings

In accordance with the Prospectus of Bank of Chongqing Co., Ltd. for Initial Public Offering of Shares (A Shares) disclosed by the Bank on 30 December 2020, during the Reporting Period, the Bank, its shareholders, directors, supervisors and senior management, among others, have fully performed or are performing the following undertakings:

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
Undertaking in relation to the initial public offering	Share lock up	Chongqing Yufu Capital Operation Group Co., Ltd. and Chongqing Road & Bridge Co., Ltd., both of which are domestic shareholders, holding more than 5% of the shares of the Bank before the offering of A Shares	Chongqing Yufu Capital Operation Group Co., Ltd. and Chongqing Road & Bridge Co., Ltd. undertake as follows: “1. Within 36 months following the date of listing on the stock exchange of A Shares issued in the initial public offering of Bank of Chongqing, the company will not transfer or engage other persons to manage, or require Bank of Chongqing to repurchase, the shares issued prior to the initial public offering of A Shares of Bank of Chongqing which are held by the company. The company undertakes that it will comply with relevant laws, regulations and normative documents (including the relevant regulations of China Securities Regulatory Commission and the stock exchange) on share lock-up. 2. If the closing price of A Shares issued by Bank of Chongqing in the initial public offering is lower than the offering price for 20 consecutive trading days within 6 months following the listing on the stock exchange or at the end of 6 months after the listing (or the first trading date after the date if the date is not a trading day), the lock-up period for the shares of Bank of Chongqing held by the company will be automatically extended for 6 months from the expiry date of the lock-up period specified in Article 1 of the Letter of Undertaking. 3. If the company reduces its shareholding in Bank of Chongqing within 2 years following the expiry of the lock-up period, the price for the disposal of the shares shall not be lower than the price of the initial public offering of A Shares of Bank of Chongqing.	5 February 2021	5 February 2021 – 5 August 2026	Yes

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
			4. The company undertakes that the proceeds from the disposal of the shares held by it in Bank of Chongqing in violation of the above undertakings or the mandatory provisions of laws shall remain with Bank of Chongqing. If the company fails to pay Bank of Chongqing, the proceeds from the non-compliant disposal, Bank of Chongqing has the right to withhold and dispose of the cash dividends payable to the company equal to such proceeds payable by the company to Bank of Chongqing, so as to offset such proceeds. In case of dividend distribution, bonus issue, conversion of capital reserve into share capital, placement of shares and other ex-right and ex-dividend matters of Bank of Chongqing during the above period of undertaking, the above offering price will be adjusted accordingly."			
Undertaking in relation to the initial public offering	Share lock up	Directors, supervisors and senior management holding shares of the Bank at the time of its initial public offering of A Shares	RAN Hailing, LIU Jianhua, YANG Yusong, YANG Shiyin, ZHOU Guohua and HUANG Ning, who serve as the directors and senior management members of the Bank and hold shares of the Bank at the time of its initial public offering of A Shares, undertake as follows: "1. I will comply with the Provisions on Reduction of Shareholding by Shareholders, Directors, Supervisors and Senior Management of Listed Companies published by China Securities Regulatory Commission. 2. Within 36 months following the date of listing on the stock exchange of A Shares issued in the initial public offering of Bank of Chongqing, I will not transfer or engage other persons to manage, or require Bank of Chongqing to repurchase, the shares issued prior to the initial public offering of A Shares of Bank of Chongqing which are held by me.	5 February 2021	Long-term	Yes

Significant Events

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
			3. If the closing price of A Shares issued by Bank of Chongqing in the initial public offering is lower than the offering price for 20 consecutive trading days within 6 months following the listing on the stock exchange or at the end of 6 months after the listing (or the first trading date after the date if the date is not a trading day), the lock-up period for the shares of Bank of Chongqing held by me will be automatically extended for 6 months from the expiry date of the lock-up period specified in Article 2 of the Letter of Undertaking. During the extension period, I will not transfer or engage other persons to manage, or require Bank of Chongqing to repurchase, the shares issued prior to the initial public offering of A Shares of Bank of Chongqing which are held by me. 4. If I reduce my shareholding in Bank of Chongqing within 2 years following the expiry of the lock-up period, the price for the disposal of the shares shall not be lower than the price of the initial public offering of A Shares of Bank of Chongqing. 5. Upon expiry of the above lock-up period, I will also report to Bank of Chongqing on my shareholding in Bank of Chongqing and its changes in a timely manner in accordance with law: (1) The number of shares transferred each year during my term of office will not exceed 25% of the total number of shares held by me in Bank of Chongqing, and I will not transfer the shares held by me in Bank of Chongqing within six months following my separation; (2) The number of shares transferred by me each year shall not exceed 15% of the total number of shares held by me in Bank of Chongqing, and the total number of shares transferred within 5 years will not exceed 50% of the total number of shares held by me in Bank of Chongqing; (3) I will not purchase the shares of Bank of Chongqing within six months after they are disposed of, or dispose of the shares of Bank of Chongqing within six months after they are purchased.			

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
			6. I undertake that the proceeds from the disposal of the shares held by me in Bank of Chongqing in violation of the above undertakings or the mandatory provisions of laws shall remain with Bank of Chongqing. If I fail to pay Bank of Chongqing, the proceeds from the noncompliant disposal, Bank of Chongqing has the right to withhold and dispose of the cash dividends payable to me equal to such proceeds payable by me to Bank of Chongqing, so as to offset such proceeds. I will not cease the performance of the above undertakings as a result of change of duty, separation and otherwise. In case of dividend distribution, bonus issue, conversion of capital reserve into share capital, placement of shares and other ex-right and ex- dividend matters of Bank of Chongqing during the above period of undertaking, the above offering price will be adjusted accordingly." HUANG Changsheng and WU Ping, who serve as supervisors of the Bank and hold shares of the Bank at the time of its initial public offering of A Shares, undertake as follows: "1. I will comply with the Provisions on Reduction of Shareholding by Shareholders, Directors, Supervisors and Senior Management of Listed Companies published by China Securities Regulatory Commission. 2. Within 36 months following the date of listing on the stock exchange of A Shares issued in the initial public offering of Bank of Chongqing, I will not transfer or engage other persons to manage, or require Bank of Chongqing to repurchase, the shares issued prior to the initial public offering of A Shares of Bank of Chongqing which are held by me.			

Significant Events

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
			3. Upon expiry of the above lock-up period, I will also report to Bank of Chongqing on my shareholding in Bank of Chongqing and its changes in a timely manner in accordance with law: The number of shares transferred each year during my term of office will not exceed 25% of the total number of shares held by me in Bank of Chongqing, and I will not transfer the shares held by me in Bank of Chongqing within six months following my separation; (2) The number of shares transferred by me each year shall not exceed 15% of the total number of shares held by me in Bank of Chongqing, and the total number of shares transferred within 5 years will not exceed 50% of the total number of shares held by me in Bank of Chongqing; (3) I will not purchase the shares of Bank of Chongqing within six months after they are disposed of, or dispose of the shares of Bank of Chongqing within six months after they are purchased. 4. I undertake that the proceeds from the disposal of the shares held by me in Bank of Chongqing in violation of the above undertakings or the mandatory provisions of laws shall remain with Bank of Chongqing. If I fail to pay Bank of Chongqing, the proceeds from the noncompliant disposal, Bank of Chongqing has the right to withhold and dispose of the cash dividends payable to me equal to such proceeds payable by me to Bank of Chongqing, so as to offset such proceeds. I will not cease the performance of the above undertakings as a result of change of duty, separation and otherwise."			

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
Undertaking in relation to the initial public offering	Others	The Bank	With regard to the prospectus, the Bank undertakes as follows: “1. If there are false representations, misleading statements or material omissions in the prospectus of the Bank, which have a significant and substantial impact on the determination of whether the Bank meets the offering conditions specified by law, the Bank will, within 5 trading days after CSRC, the people's court and other competent authorities make a final determination or effective judgment on the existence of the violation of the issuer, commence the share repurchase- related procedures to repurchase all new A Shares issued by the Bank in the public offering, and the specific share repurchase plan will be subject to the internal approval procedures of the Bank and external approval procedures, in accordance with applicable laws, regulations, normative documents and the Articles of Association. The repurchase price shall not be lower than the offering price of the shares of the Bank plus the interest on bank demand deposits for the period from the share offering date to the repurchase date. In case of profit distribution, bonus issue, placement of shares, conversion of capital reserve into share capital and other ex-right and ex-dividend matters after the offering and listing of shares of the Bank, the shares repurchased include all new A Shares issued in the public offering and their derivative shares, and the offering price of the above shares will be subject to ex-right and ex-dividend adjustment accordingly.	5 February 2021	Long term	Yes

Significant Events

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
			2. If there are false representations, misleading statements or material omissions in the prospectus of the Bank, which causes any losses to investors in securities transaction, the Bank will compensate the investors for the losses by law in full and in a timely manner, according to the final decision or effective judgment made by CSRC, the people's court and other competent authorities. 3. The Bank will, in accordance with the provisions of relevant laws, regulations and normative documents and the requirements of regulatory authorities, be liable for its failure to perform the above undertakings."			
Undertaking in relation to the initial public offering	Others	Chongqing Yufu Capital Operation Group Co., Ltd., the largest shareholder of the Bank at the time of its initial public offering of A Shares	With regard to the prospectus of the Bank, Chongqing Yufu Capital Operation Group Co., Ltd. at the time of its initial public offering of A Shares undertakes as follows: "1. There are no false representations, misleading statements offering or material omissions in the prospectus for the offering of Bank of Chongqing, and it accepts responsibility for the authenticity, accuracy and completeness of the prospectus in accordance with law. 2. If there are false representations, misleading statements or material omissions in the prospectus for the offering of Bank of Chongqing, which have a significant and substantial impact on the determination of whether Bank of Chongqing meets the offering conditions specified by law, the company will urge Bank of Chongqing to repurchase all the new shares issued in the offering and their derivative shares (in case of profit distribution, bonus issue, placement of shares, conversion of capital reserve into share capital and other ex-right and ex-dividend matters after the offering and listing of shares of Bank of Chongqing).	5 February 2021	Long term	Yes

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
			3. If there are false representations, misleading statements or material omissions in the prospectus for the offering of Bank of Chongqing, which causes any losses to investors in securities transaction, the company will compensate the investors for the losses by law. The company provides as the security for the performance of the above undertakings, the dividend to which the company is entitled under the profit distribution plan for the year in which A Shares of Bank of Chongqing are listed and subsequent years, and the shares held by the company in Bank of Chongqing shall not be transferred after the incurrence of relevant obligations in the above undertakings of the company and prior to the performance of the obligations."			
Undertaking in relation to the initial public offering	Others	All directors, supervisors and senior management during the Bank's initial public offering of A Shares	With regard to the prospectus of the Bank, all directors, supervisors and senior management during the Bank's initial public offering of A Shares undertake as follows: All directors, supervisors and senior management of the Bank hereby undertake as follows: "1. There are no false representations, misleading statements or material omissions in the prospectus published by Bank of Chongqing for its initial public offering of A Shares and listing, and I jointly and severally accept legal responsibility for the authenticity, accuracy and completeness of the prospectus. If securities regulatory authorities or judiciary authorities hold that there are false representations, misleading statements or material omissions in the prospectus published by Bank of Chongqing, which causes any losses to investors in securities transaction, I will compensate the investors for the losses by law. 2. I will, in accordance with the relevant laws and regulations and the requirements of regulatory authorities, be liable for my failure to perform the above undertakings."	5 February 2021	Long term	Yes

Significant Events

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
Undertaking in relation to the initial public offering	Horizontal competition	Chongqing Yufu Capital Operation Group Co., Ltd., the largest shareholder of the Bank	Chongqing Yufu Capital Operation Group Co., Ltd. undertakes as follows: " (I) The existing principal businesses of the company and its subsidiaries (including wholly-owned subsidiaries, majority-owned subsidiary and enterprises over which the company has actual control) do not involve commercial banking business, and are not in horizontal competition with the issuer. (II) During the period in which the company is the major shareholder of the issuer, the company and its subsidiaries (including wholly-owned subsidiaries, majority-owned subsidiary and enterprises over which the company has actual control) will not engage, directly or indirectly, in any business activities that compete or may compete with the principal business of the issuer in any form. The company will supervise its subsidiaries in accordance with the undertakings and exercise necessary rights to urge them to comply with the undertakings. (III) Notwithstanding Articles (I) and (II) above, considering that the company is a company whose establishment has been approved by Chongqing Municipal People's Government and engaged in comprehensive investment and management of state-owned asset and carries out businesses including financial businesses such as investment in securities companies, banks and insurance companies, and manages relevant financial assets, the company and the enterprises controlled by the company may invest in enterprises engaged in commercial banking business, to the extent authorized by Chongqing Municipal People's Government, in any form permitted by regulations (including but not limited to sole proprietorship, joint venture, cooperative operation and direct or indirect ownership of shares or other interests in other companies or enterprises). As at the date of giving the undertakings, the company invested in Chongqing Rural Commercial Bank Co., Ltd. and held approximately 9.98% of shares of the bank, in addition to investment in the issuer.	5 February 2021	Long term	Yes

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
			(IV) The company undertakes to fairly treat the commercial banks in which the company and the enterprises controlled by the company invest, and will not grant or provide to any commercial banks, government approval, authorization, license or business opportunities obtained or possibly obtained by the company and the enterprises controlled by the company for carrying out commercial banking business, or use the status as a major shareholder of the issuer or the information obtained with such status, to make any decision or judgment which is adverse to the issuer but beneficial to other commercial banks in which the company or the enterprises controlled by the company invest, and will make efforts to avoid the occurrence of such event. In exercising the rights of a shareholder of the issuer, the company will act in the best interests of the issuer as if the issuer is the sole commercial bank in which the company invests, and the business judgment of the company as a shareholder of the issuer to seek the best interests for the issuer will not be affected as a result of the investment of the company and the enterprises controlled by the company in other commercial banks.			
			(V) The company warrants that it will strictly comply with relevant rules and regulations of China Securities Regulatory Commission and the stock exchange where the issuer is listed, the articles of association of the issuer, measures for management of related party transactions and other corporate management policies, exercise the rights of a shareholder and perform obligations of a shareholder equally with other shareholders, and will not use the status as a major shareholder to seek improper advantage, or damage the legitimate rights and interests of the issuer and other shareholders."			

11.3 Occupation of Funds of Listed Company by Controlling Shareholders and Other Related Parties for Non-operating Purposes

During the Reporting Period, no funds of the Bank were occupied by controlling shareholders of the Bank and other related parties for non-operating purposes, in respect of which Ernst & Young Hua Ming LLP (Special General Partnership), auditor of the Bank, has issued special audit opinions.

Significant Events

11.4 Material Related Party Transaction

11.4.1 Related Party Transaction in Relation to Daily Operation

During the Reporting Period, the Bank carried out related party transactions with fair prices and in the interests of the Bank and its shareholders as a whole, in strict accordance with domestic and overseas supervision systems including the Measures for the Administration of Related Party Transactions of Banking and Insurance Institutions, the Interim Measures for Management of Equity Interests of Commercial Banks, the Rules Governing Listing of Stocks on the Shanghai Stock Exchange, the Self-Regulatory Supervision Guidelines for Company Listed on the Shanghai Stock Exchange No. 5 – Transactions and Related Party Transactions, the Hong Kong Listing Rules, and the Management Measures for Related Party Transactions of Bank of Chongqing Co., Ltd.

At the 2024 Annual General Meeting held on 22 April 2025, the Bank considered and approved the Proposal on the Estimated Annual Cap for Regular Related Party Transactions for 2025. Information on the Bank's regular related party transactions during the Reporting Period is as follows:

Unit: RMB100 million

Related Party	Type of Related Party Transaction	Proposed Annual Caps for Related Party Transactions in 2025	As of 31 December 2025
Chongqing Yufu Holding Group Co., Ltd. and its associates	Credit	119.65	33.76
Among which: Chongqing Yufu Holding Group Co., Ltd.	Credit	32.70	7.90
Chongqing Yufu Capital Operation Group Co., Ltd.	Credit	18.05	9.42
Chongqing Yinhai Financing Leasing Co., Ltd.	Credit	8.00	3.16
China Silian Instrument Group Co., Ltd.	Credit	2.00	2.00
Chongqing Silian Technical Import & Export Co., Ltd.	Credit	2.44	0.40
Chongqing Yuzi Guangdian Industrial Investment Co., Ltd.	Credit	9.00	1.45
Chongqing Cultural and Tourism Group Co., Ltd. (重慶文化旅遊集團有限公司)	Credit	10.00	2.95
Chongqing Yangtze Gold Cruises Co., Ltd. (重慶長江黃金游輪有限公司)	Credit	5.00	0.00
Chongqing Sanfeng Environment Group Co., Ltd. (重慶三峰環境集團股份有限公司)	Credit	2.00	0.00
Chongqing Light Industry & Textile Holding (Group) Company (重慶輕紡控股(集團)公司)	Credit	10.00	4.00

Related Party	Type of Related Party Transaction	Proposed Annual Caps for Related Party Transactions		As of 31 December 2025
		in 2025		
Chongqing Public Utility Construction Co. Ltd. (重慶公用事業建設有限公司)	Credit	2.00	0.00	
Chongqing Water & Environment Holdings Group Ltd.	Credit	13.00	2.48	
Chongqing Machinery & Electronic Holding (Group) Co., Ltd. (重慶機電控股(集團)公司) and its associates	Credit	21.82	13.40	
Among which: Chongqing Machinery & Electronic Holding (Group) Co., Ltd.	Credit	10.00	11.00	
Chongqing Chengfei New Material Co., Ltd.	Credit	2.00	2.40	
Chongqing Machinery & Electric Co., Ltd. (重慶機電股份有限公司)	Credit	2.00	0.00	
Chongqing Machinery and Electric Holding (Group) Finance Co., Ltd. (重慶機電控股集團財務有限公司)	Credit	2.00	0.00	
Chongqing Department Store Co., Ltd. and its associates	Credit	8.80	4.40	
Among which: Chongqing Department Store Co., Ltd.	Credit	5.35	1.00	
Chongqing Commercial Investment Group Co., Ltd.	Credit	3.20	3.20	
Chongqing Agriculture Investment Group Company Limited (重慶市農業投資集團有限公司) and its associates	Credit	6.59	0.50	
Among which: Chongqing Agriculture Investment Group Company Limited	Credit	2.64	0.00	
Zhongken Dairy (Group) Co., Ltd. (中墾牧乳業(集團)股份有限公司)	Credit	2.50	0.50	
Chongqing Water Conservancy Investment Group Co., Ltd. and its associates	Credit	47.59	3.50	
Among which: Chongqing Water Conservancy Investment Group Co., Ltd.	Credit	45.00	3.50	
Chongqing Real Estate Group Co., Ltd. and its associates	Credit	33.14	12.20	
Among which: Chongqing Real Estate Group Co., Ltd.	Credit	23.00	12.00	
Chongqing Yudi Assets Management Co. Ltd.	Credit	1.00	0.00	
Chongqing Qianxin Group Co., Ltd. (重慶千信集團有限公司)	Credit	2.28	0.20	

Significant Events

Related Party	Type of Related Party Transaction	Proposed Annual Caps for Related Party Transactions		As of 31 December 2025
		in 2025		
Chongqing Public Housing Development and Construction Investment Co., Ltd. (重慶市公共住房開發建設投資有限公司)	Credit	5.00		0.00
Chongqing Airport Group Co., Ltd.	Credit	15.00		5.70
Chongqing Qianli Technology Co., Ltd. and its associates	Credit	2.00		0.00
Harvest Fund Management Co., Ltd.	Credit	70.00		14.00
	Non-credit	60.00		0.00
China Merchants Bank Co., Ltd.	Credit	230.00		7.55
	Non-credit	96.00		5.24
Chongqing Liang Jiang New Area Industrial Development Group Co., Ltd.	Credit	30.00		4.97
Changan Auto Finance Co., Ltd.	Credit	25.00		4.00
Yinhua Fund Management Co., Ltd.	Credit	30.00		0.00
	Non-credit	60.00		6.40
Southwest Securities Company, Ltd.	Credit	50.00		0.10
	Non-credit	10.00		0.00
Chongqing Sanxia Financing Guarantee Group Corporation	Credit	6.50		0.00
	Non-credit	80.00		23.34
Chongqing Xingnong Financing Guarantee Group Co., Ltd.	Credit	3.00		0.00
	Non-credit	80.00		36.42
Chongqing Rural Commercial Bank Co., Ltd.	Credit	224.00		3.07
	Non-credit	125.00		50.00
Chongqing Export-Import Financing Guarantee Co., Ltd.	Non-credit	30.00		5.09
Chongqing Financing Re-guarantee Co., Ltd.	Non-credit	5.00		0.02
China Resources YuKang Asset Management Co., Ltd.	Non-credit	15.00		1.04
Chongqing Three Gorges Bank Co., Ltd.	Credit	152.00		13.08
	Non-credit	25.00		1.00
Chang'an Bank Limited	Credit	152.50		0.00
Natural persons	Credit	6.45		0.42

Pursuant to the Measures for the Administration of Related Party Transactions of Banking and Insurance Institutions published by the NFRA, Chongqing Xinyu Financial Leasing Co., Ltd. is a related party of the Bank. As of the end of the Reporting Period, the net credit balance of the related party on and off balance sheet was RMB500 million. The above related party transactions either do not constitute connected transactions or are fully exempted connected transactions under the Hong Kong Listing Rules.

11.4.2 Related Party Transactions Relating to Assets or Equity Interest Acquisition and Disposal

During the Reporting Period, there was no related party transactions relating to assets or equity interest acquisition and disposal by the Bank.

11.4.3 Related Party Transactions Relating to Joint External Investments

During the Reporting Period, there was no related party transactions relating to joint external investments by the Bank.

11.4.4 Claims and Liabilities among the Related Party Transactions

During the Reporting Period, there was no non-operating claims and liabilities among the related party transactions by the Bank.

11.4.5 Financial businesses in relation to connected financial companies, financial companies controlled by the Company and their related parties

During the Reporting Period, the Bank did not engage in any financial businesses with any connected financial companies, and the Bank did not have any financial companies under its control.

11.4.6 Other Material Related Party Transactions

During the Reporting Period, there was no other material related party transactions by the Bank.

11.5 Engagement of Intermediaries

Engagement of Accounting Firms

On 21 March 2025, the 7th meeting of the seventh session of the Board of the Bank considered and approved the Proposal on the Appointment and Remuneration of External Auditor for 2025, intending to engage Ernst & Young Hua Ming LLP (Special General Partnership) and Ernst & Young as the domestic auditors and international auditors of the Bank for 2025 respectively. On 22 April 2025, the 2024 Annual General Meeting of the Bank considered and approved the above proposal.

Ernst & Young Hua Ming LLP (Special General Partnership) is the domestic accounting firm that audits the 2025 financial statements of the Bank, while Ernst & Young is the international accounting firm that audits the 2025 financial statements of the Bank. Ernst & Young Hua Ming LLP (Special General Partnership) is the accounting firm that audits the internal control of Bank the Bank in 2025.

Ernst & Young Hua Ming LLP (Special General Partnership) and Ernst & Young had provided audit services for the Bank for five consecutive years from 2021 to 2025.

In 2025, the total audit fees of the Group (including subsidiaries) were approximately RMB5.715 million, including the audit fee of RMB0.5 million for internal control audit. During the Reporting Period, the non-audit services provided by Ernst & Young Hua Ming LLP (Special General Partnership) mainly consisted of professional services in relation to bond issuances, compensation evaluation, and ABS issuances, and the total non-audit professional service fees were RMB750.5 thousand.

Significant Events

11.6 Material Contracts and Their Performance

Material Custody, Contracting and Lease

During the Reporting Period, no material contracts signed by the Bank involved custody, contracting and lease of assets between the Bank and other companies outside the ordinary course of business of the Bank.

Material Guarantee

Guarantee business is ordinary business of the Bank. During the Reporting Period, except the financial guarantee business within the scope of business which is approved by the NFRA, there are no other major guarantee matters that need to be disclosed by the Bank.

11.7 Material Litigation and Arbitration

In the course of daily operation, the Bank involved several legal proceedings, most of which were initiated to recover non-performing loans. In the case of liability dispute for securities misrepresentation related to the Chongqing Apu Properties (Group) Co., Ltd., the Bank has filed an application for review of jurisdiction with the Supreme People's Court, which has now accepted the case for review. Please refer to the Announcement on the Progress of Litigation Matters of Bank of Chongqing Co., Ltd. published by the Bank on the website of the Shanghai Stock Exchange, the website of HKEXnews of the Hong Kong Stock Exchange and the Bank's official website for information in relation to the two cases.

The Bank has 12 outstanding legal claims of RMB369 million as of 31 December 2025. The Bank believes that the above litigations would not have a material adverse impact on the financial position or operation results of the Bank.

11.8 Punishment and Rectification

During the Reporting Period, the Bank was not subject to any investigation by law for suspected crimes. The Bank and all Directors, Supervisors and senior management of the Bank were not subject to any criminal punishment, any investigation or administrative punishment by the CSRC, or any material administrative punishment by other competent authorities. All Directors, Supervisors and senior management of the Bank were not subject to any coercive measures by law for suspected crimes, any detention by discipline inspection and supervision authorities, or any coercive measures by other competent authorities, which may affect their performance of duties. The Directors, Supervisors and senior management of the Bank had not been subject to any punishment by securities regulatory authorities in recent three years. The Bank and all Directors, Supervisors and senior management of the Bank were not subject to any administrative supervision measures by the CSRC, or any disciplinary punishments by stock exchanges during the Reporting Period.

11.9 Integrity

During the Reporting Period, there were no effective court judgments on material litigations with which the Bank failed to comply, nor were there any large debt of the Bank due and outstanding.

11.10 Statement on Changes in Accounting Policies and Accounting Estimates or Corrections of Significant Accounting Errors

During the Reporting Period, the Bank had no changes in its accounting policies or accounting estimates, nor any corrections to significant accounting errors.

11.11 Major Asset Purchases, Sales and Mergers

During the Reporting Period, the Group did not conduct any major asset purchases, sales or mergers.

11.12 Review of Annual Results

The Bank has engaged Ernst & Young Hua Ming LLP (Special General Partnership) and Ernst & Young respectively as external auditors to audit the financial reports of the Bank prepared under the PRC GAAP (China Accounting Standards) and the IFRSs, and they issued auditor reports with no qualified opinions, respectively. The Board of Directors of the Bank and the Audit Committee of the Board have reviewed the 2025 Annual Report of the Bank.

11.13 Publication of Annual Report

The Annual Report in Chinese prepared by the Bank in accordance with PRC GAAP and the Rules on Preparation of Annual Reports of the CSRC is available at the website of the Shanghai Stock Exchange and the official website of the Bank.

The Annual Reports, in Chinese and English, prepared by the Bank in accordance with the IFRS and Hong Kong Listing Rules are available at the website of HKEXnews of the Hong Kong Stock Exchange and the Bank's official website. In case of any discrepancy, the Chinese version shall prevail.

Change in Share Capital and Shareholders

12.1 Changes in the Ordinary Shares

12.1.1 General situation of the Ordinary Shares

As at the end of the Reporting Period, the Bank had a total of 3,474,588,278 Ordinary Shares, comprising 1,895,567,466 A Shares and 1,579,020,812 H Shares.

	31 December 2024		Increase/decrease (+, -)					31 December 2025	
	Number	Percentage (%)	Issue of new shares	Bonus shares	Shares converted from capital reserve	Others	Subtotal	Subtotal	Percentage (%)
I. Shares subject to selling restrictions	19,626,544	0.56	-	-	-	-3,463,381	-3,463,381	16,163,163	0.47
1. Shareholding of the State	-	-	-	-	-	-	-	-	-
2. Shareholding of state-owned legal persons	-	-	-	-	-	-	-	-	-
3. Other Domestic Shares	19,626,544	0.56	-	-	-	-3,463,381	-3,463,381	16,163,163	0.47
Of which: Shareholding of domestic non-state-legal persons	-	-	-	-	-	-	-	-	-
Shareholding of domestic natural persons	19,626,544	0.56	-	-	-	-3,463,381	-3,463,381	16,163,163	0.47
4. Foreign shares	-	-	-	-	-	-	-	-	-
Of which: Shareholding of offshore legal persons	-	-	-	-	-	-	-	-	-
Shareholding of offshore natural persons	-	-	-	-	-	-	-	-	-
II. Outstanding shares not subject to selling restrictions	3,454,943,037	99.44	-	-	-	3,482,078	3,482,078	3,458,425,115	99.53
1. RMB ordinary shares	1,875,922,225	53.99	-	-	-	3,482,078	3,482,078	1,879,404,303	54.09
2. Foreign shares listed domestically	-	-	-	-	-	-	-	-	-
3. Foreign shares listed overseas	1,579,020,812	45.45	-	-	-	-	-	1,579,020,812	45.44
4. Others	-	-	-	-	-	-	-	-	-
III. Total number of ordinary shares	3,474,569,581	100.00	-	-	-	18,697	18,697	3,474,588,278	100.00

Note: As at the end of the Report Period, pledged shares of the Bank amounted to 65,140,811 shares, representing 1.87% of the Bank's total share capital; frozen shares amounted to 471,907 shares, representing 0.01% of the Bank's total share capital.

12.1.2 Statement on Changes in Ordinary Shares

From 30 September 2022, the “BCQ Convertible Bonds” of the Bank began to be converted into ordinary A shares of the Bank. During the Reporting Period, the total number of shares arising from conversion was 18,697, and the total share capital of the Bank increased from 3,474,569,581 shares to 3,474,588,278 shares.

12.1.3 Changes in Shares subject to Selling Restrictions

Due to the IPO and listing of A Shares of the Bank in 2021, the original 1,548,033,993 Domestic Shares were recorded as outstanding shares subject to selling restrictions, with the lock-up period of 12 months or 36 months from the listing date.

As at the end of the Reporting Period, the Bank had 16,163,163 shares subject to selling restrictions. For details of the changes in the Bank’s shares subject to selling restrictions during the Reporting Period, please refer to the “Announcement on the Release for Trading of Partial Shares subject to Selling Restrictions of the Initial Public Offering” published by the Bank on 22 January 2025 on the website of the Shanghai Stock Exchange, the website of HKEXnews of the Hong Kong Stock Exchange and the official website of the Bank.

12.2 Particulars of Shareholders and Actual Controllers

12.2.1 Total Number of Shareholders

As at the end of the Reporting Period, the Bank had a total of 27,910 ordinary shareholder accounts, of which, 26,911 are A Shareholder accounts and 999 are H Shareholder accounts.

As at the end of the previous month prior to the disclosure date of this report (i.e. 28 February 2026), the Bank had a total of 29,300 ordinary shareholders, of which, 28,306 are A Shareholder accounts and 994 are H Shareholder accounts.

Change in Share Capital and Shareholders

12.2.2 Particulars of Shareholdings of the Top Ten Shareholders

Particulars of Shareholdings of the Top Ten Ordinary Shareholders of the Bank

S.N	Name of shareholder	Nature of shareholder	Total number of shares held at the end of the Period (shares)	Shareholding percentage (%)	Type of share	Increase or decrease during the Reporting Period (shares)	Number of shares subject to selling restrictions (shares)	Pledged, tagged or frozen	
								Status	Number
1	HKSCC Nominees Limited	Offshore legal person	1,172,593,301	33.75	H Shares	1,349	-	-	-
2	Chongqing Yufu Capital Operation Group Co., Ltd.	State-owned legal person	496,316,727	14.28	A Shares + H Shares	-	-	-	-
3	Dah Sing Bank, Limited	Offshore legal person	458,574,853	13.20	H Shares	-	-	-	-
4	Chongqing Qianli Technology Company Limited	Private legal person	294,818,932	8.49	A Shares + H Shares	-	-	Pledged	64,000,000
5	Chongqing Water Conservancy Investment Group Co., Ltd.	State-owned legal person	243,335,802	7.00	A Shares	-52,000,000	-	-	-
6	SAIC Motor Corporation Limited	State-owned legal person	240,463,650	6.92	H Shares	-	-	-	-
7	Chongqing Real Estate Group Co., Ltd.	State-owned legal person	226,852,088	6.53	A Shares	52,000,000	-	-	-
8	Funde Sino Life Insurance Co., Ltd.	Private legal person	206,510,150	5.94	H Shares	-11,060,000	-	-	-
9	Chongqing Road & Bridge Co., Ltd.	Private legal person	171,239,698	4.93	A Shares	-100,000	-	-	-
10	Chongqing Beiheng Investment & Development Limited	State-owned legal person	84,823,500	2.44	H Shares	-	-	-	-

Information on special repurchase accounts of top ten shareholders: None

Information on voting rights delegated to and by, and abstinence from voting by the above shareholders: None

Information on the related-party relationship or concerted action of the above shareholders: Chongqing Water Conservancy Investment Group Co., Ltd. is a party acting in concert with Chongqing Yufu Capital Operation Group Co., Ltd. Apart from this, the Bank was not aware of any related-party relationship between the above shareholders or whether they are parties acting in concert.

Statement on shareholders of preference shares with restored voting rights and the number of shares held: N/A

Notes:

- (1) The number of shares held by HKSCC Nominees Limited refers to the total number of shares in the shareholders of H shares' account of the Bank in the trading system represented by HKSCC Nominees Limited, including H shares of the Bank held by HKSCC Nominees Limited as designated by other shareholders among the top ten shareholders of the Bank.
- (2) As confirmed by the shareholders, Chongqing Yufu Capital Operation Group Co., Ltd. directly held 421,750,727 A Shares of the Bank through its associates or parties acting in concert, namely Chongqing Rural Commercial Bank Co., Ltd., Chongqing Yufu Holding Group Co., Ltd., Chongqing Water & Environment Holdings Group Ltd., Chongqing Water Conservancy Investment Group Co., Ltd., Chongqing Science and Technology Innovation Investment Group Co., Ltd. (重慶科技創新投資集團有限公司), and Chongqing Yufu (Hong Kong) Limited held 270,989,102 A Shares and 74,566,000 H Shares of the Bank thus held an aggregate of 767,305,829 shares of the Bank, representing 22.08% of the Bank's total shares. Chongqing Yufu Capital Operation Group Co., Ltd. and its parties acting in concert thus held an aggregate of 759,013,935 shares of the Bank, representing 21.84% of the Bank's total shares, and was the largest shareholder of the Bank.
- (3) As confirmed by the shareholders, Chongqing Qianli Technology Company Limited (重慶千里科技股份有限公司) held 129,564,932 A Shares of the Bank and held 165,254,000 H Shares of the Bank through its subsidiary Lifan International (Holdings) Limited. Chongqing Qianli Technology Company Limited thus held an aggregate of 294,818,932 Shares of the Bank, representing 8.49% of the Bank's total shares.
- (4) As confirmed by the shareholders, SAIC Motor Corporation Limited held 240,463,650 H Shares of the Bank through its subsidiary SAIC Motor HK Investment Limited, representing 6.92% of the Bank's total shares.
- (5) As confirmed by the shareholders, Chongqing Real Estate Group Co., Ltd. directly held 226,852,088 A Shares of the Bank through its associates or parties acting in concert, namely Chongqing Kangju Property Development Co., Ltd. (重慶康居物業發展有限公司), Chongqing Bayu Homestay Group Co., Ltd. (重慶市巴渝民宿集團有限公司) and Chongqing Fangzong Real Estate Co., Ltd. (重慶房綜置業有限公司) held 2,259,601 A Shares of the Bank. Chongqing Real Estate Group Co., Ltd. thus held an aggregate of 229,111,689 A Shares of the Bank, representing 6.59% of the Bank's total shares.
- (6) As confirmed by the shareholders, Funde Sino Life Insurance Co., Ltd. directly held 150,000,000 H Shares of the Bank and held 56,510,150 H Shares of the Bank through its subsidiary Fund Resources Investment Holding Group Company Limited, thus held an aggregate of 206,510,150 H Shares of the Bank, representing 5.94% of the Bank's total shares.
- (7) As confirmed by the shareholders, Chongqing Beiheng Investment & Development Limited directly held 84,823,500 H Shares in the Bank, and its associates, namely Chongqing Liangjiang Modern Services Development Co., Ltd. (重慶兩江現代服務業發展有限公司), Chongqing High Technology Group Co., Ltd. (重慶高科集團有限公司), and Chongqing Yu Gao Tech Industry (Group) Co. Ltd. held 1,934,949 A Shares of the Bank. Chongqing Beiheng Investment & Development Limited thus held an aggregate of 86,758,449 shares of the Bank, representing 2.50% of the Bank's total shares.
- (8) The Bank is not aware of any involvement of HKSCC Nominees Limited in the refinancing business. Save as mentioned above, none of the other top ten shareholders of the Bank participated in the refinancing business by lending the Bank's shares.

Change in Share Capital and Shareholders

Number of Shares Held by and Selling Restriction of the Top Ten Shareholders subject to Selling Restrictions of the Bank

S.N.	Name of shareholder subject to selling restrictions	Number of shares held subject to selling restrictions (shares)	Details of approved tradable shares subject to selling restrictions		Selling restrictions
			Time available for trading	Additional number of approved tradable shares (shares)	
1	Ma Tao	300,466	Release in batches: February 2026: 64,385 shares February 2027: 21,463 shares February 2029: 214,618 shares	64,385	60, 72 and 96 months from the date of the Bank's listing
2	He Guo	288,734	Release in batches: February 2026: 61,871 shares February 2027: 20,625 shares February 2029: 206,238 shares	61,871	60, 72 and 96 months from the date of the Bank's listing
3	Wang Hong	276,811	Release in batches: February 2026: 59,316 shares February 2027: 19,773 shares February 2029: 197,722 shares	59,316	60, 72 and 96 months from the date of the Bank's listing
4	Li Min	226,459	Release in batches: February 2026: 48,526 shares February 2027: 16,177 shares February 2029: 161,756 shares	48,526	60, 72 and 96 months from the date of the Bank's listing
5	Li Wei	186,828	Release in batches: February 2026: 40,034 shares February 2027: 13,346 shares February 2029: 133,448 shares	40,034	60, 72 and 96 months from the date of the Bank's listing
6	Chen Hong	173,452	Release in batches: February 2026: 37,167 shares February 2027: 12,392 shares February 2029: 123,893 shares	37,167	60, 72 and 96 months from the date of the Bank's listing

S.N.	Name of shareholder subject to selling restrictions	Number of shares held subject to selling restrictions (shares)	Details of approved tradable shares subject to selling restrictions		Selling restrictions
			Time available for trading	Additional number of approved tradable shares (shares)	
7	Chen Youping	161,247	Release in batches: February 2026: 34,552 shares February 2027: 11,519 shares February 2029: 115,176 shares	34,552	60, 72 and 96 months from the date of the Bank's listing
8	Yang Zhimin	151,615	Release in batches: February 2026: 32,488 shares February 2027: 10,831 shares February 2029: 108,296 shares	32,488	60, 72 and 96 months from the date of the Bank's listing
9	Huang Qingsheng	150,482	Release in batches: February 2026: 32,245 shares February 2027: 10,751 shares February 2029: 107,486 shares	32,245	60, 72 and 96 months from the date of the Bank's listing
10	Yang Fang	138,625	Release in batches: February 2026: 29,704 shares February 2027: 9,904 shares February 2029: 99,017 shares	29,704	60, 72 and 96 months from the date of the Bank's listing

Statement on the connected relations or concerted actions between the above shareholders: The Bank is not aware of connected relations or concerted actions exist between the above shareholders.

12.2.3 Particulars of Controlling Shareholders and De facto Controllers

During the Reporting Period, there was no controlling shareholders of the Bank. The Bank has no shareholder who may exercise more than 30% of the shares with voting rights of the Bank when acting alone or in concert with others, while any shareholder of the Bank cannot control the resolutions of the general meeting or the resolutions of the Board meeting by shares with voting rights he/she holds, and there is no shareholder who controls the conduct of the Bank through the general meeting or de facto controls the conduct of the Bank through the Board of Directors and senior management. At the same time, there is no shareholder who de facto controls the Bank in any other manner when acting alone or in concert with others. Therefore, the Bank has no controlling shareholders.

During the Reporting Period, there was no de facto controllers of the Bank. There was no situation in which the Bank was under de facto control of investors due to their direct or indirect equity investment relationship, agreement of arrangement or other arrangements with the Bank. Therefore, there was no de facto controllers of the Bank.

Change in Share Capital and Shareholders

12.2.4 Particulars of Shareholders Holding More than 5% of the Shares

Chongqing Yufu Capital Operation Group Co., Ltd.

Chongqing Yufu Capital Operation Group Co., Ltd. was the first solely state-owned local comprehensive assets operation and management company in China, which was organised under the approval of Chongqing Municipal Government. Chongqing Yufu Holding Group Co., Ltd. is the controlling shareholder of Chongqing Yufu. Chongqing Yufu was established on 27 February 2004 with registered capital of RMB10 billion. Its legal representative is Qiu Quanzhi (邱全智), and its registered address is located at No. 198, East Section of Huangshan Avenue, Liangjiang New District, Chongqing. Its business scope includes: general items: the acquisition and disposal of assets and relevant property investment, investment advisory, financial consultancy, consultancy and agency for corporate reorganizations and mergers, custody of enterprises and assets (businesses requiring pre-requisite approval under the laws and regulations of the country shall not be conducted before such approval is obtained) under the authority of the municipal government. (Except for items that are subject to approval in accordance with the laws, the business activities should be conducted independently with the business licence(s) in accordance with the laws).

As at the end of the Reporting Period, Chongqing Yufu Capital Operation Group Co., Ltd. directly held 421,750,727 A Shares of the Bank, and its associates or parties acting in concert, namely Chongqing Rural Commercial Bank Co., Ltd., Chongqing Yufu Holding Group Co., Ltd., Chongqing Water & Environment Holdings Group Ltd., Chongqing Water Conservancy Investment Group Co., Ltd., Chongqing Science and Technology Innovation Investment Group Co., Ltd., and Chongqing Yufu (Hong Kong) Limited held 270,989,102 A Shares and 74,566,000 H Shares of the Bank thus held an aggregate of 767,305,829 shares of the Bank, representing 22.08% of the Bank's total shares.

Dah Sing Bank, Limited

Dah Sing Banking Group Limited is the controlling shareholder of Dah Sing Bank, Limited. Dah Sing Bank, Limited was established on 1 May 1947 with the registered capital of HK\$6.2 billion. Its registered address is located at 26th Floor, Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong. Dah Sing Bank, Limited provides retail banking, commercial banking and other related financial services in Hong Kong, Macau and Chinese mainland.

As at the end of the Reporting Period, Dah Sing Bank, Limited held 458,574,853 H Shares, representing 13.20% of the Bank's total shares.

Chongqing Qianli Technology Company Limited

Chongqing Manjianghong Private Equity Investment Fund Partnership (Limited Partnership) (重慶滿江紅私募股權投資基金合夥企業(有限合夥)) is the controlling shareholder of Chongqing Qianli Technology Company Limited. Chongqing Qianli Technology Company Limited was established on 1 December 1997, and was listed on the Shanghai Stock Exchange in November 2010. Lifan Group has a registered capital of RMB4.521 billion. Its legal representative is Yin Qi, and its registered address is located at No. 2, Huanghuan North Road, Jinshan Avenue, Liangjiang New District, Chongqing. Its business scope includes: permitted items: production of road motor vehicles; road freight transportation (excluding dangerous goods). (Business activities subject to approval shall be carried out after approval by relevant authorities. The specific business items shall be subject to the approval documents or license certificates issued by relevant authorities.) General items: research and development of automotive parts; manufacturing of automotive parts and accessories; wholesale of automotive parts and accessories; retail of automotive parts and accessories; sales of electric accessories for new energy vehicles; sales of battery swap facilities for new energy vehicles; sales of automobiles; sales of new energy vehicles; sales of batteries; sales of battery parts and accessories; manufacturing of automotive decoration products; sales of automotive decoration products; research and development of motorcycles and parts; manufacturing of motorcycle parts and accessories; wholesale of motorcycles parts and accessories; retail of motorcycles parts and accessories; general equipment manufacturing (excluding special equipment manufacturing); processing of mechanical parts and components; general equipment repair; sales of mechanical parts and components; motor manufacturing; generator and generator set manufacturing; sales of generators and generator sets; manufacturing of agricultural, forestry, animal husbandry, sideline production and fishery professional machinery; sales of electric bicycles; sales of power-assisted bicycles, sales of mobility scooter and spare parts; electric vehicle manufacturing; sales of electric vehicles; manufacturing of electronic components and electromechanical component equipment; wholesale of electronic components; manufacturing of sports goods and equipment; sales of non-ferrous metal alloys; sales of metal materials; sales of metal products; sales of gold and silver products; retail of computer hardware and software and auxiliary equipment; sales of lubricants; sales of mechanical equipment; sales of electronic products; sales of outdoor products; sales of rubber products; technical services, technical development, technical consultation, technical exchange, technical transfer and technical promotion; social and economic consulting services; information consulting services (excluding information consulting services subject to approval); computer system services; software development; development of artificial intelligence theory and algorithm software; artificial intelligence general application systems; development of artificial intelligence application software; development of artificial intelligence basic software; information system integration services; big data services; data processing services; data processing and storage support services; information system operation and maintenance services; manufacturing of intelligent vehicle-mounted equipment; sales of intelligent vehicle-mounted equipment; intelligent control system integration; technology import and export; goods import and export. (except for projects that are subject to approval in accordance with the laws, the business activities should be conducted independently with the business licence(s) in accordance with the laws).

As of the end of the Reporting Period, Chongqing Qianli Technology Company Limited held 129,564,932 A Shares of the Bank and held 165,254,000 H Shares of the Bank through its wholly-owned subsidiary Lifan International (Holdings) Limited, thus held an aggregate of 294,818,932 Shares, representing 8.49% of the Bank's total shares. 64,000,000 A Shares of the Bank held by Chongqing Qianli Technology Company Limited were pledged.

Change in Share Capital and Shareholders

Chongqing Water Conservancy Investment Group Co., Ltd.

Chongqing Water & Environment Holdings Group Ltd. is the controlling shareholder of Chongqing Water & Environment Holdings Group Ltd. Chongqing Water Conservancy Investment Group Co., Ltd. was established on 18 November 2003 with a registered capital of RMB2.165 billion. Its legal representative is Cao Jing (曹婧), and its registered address is located at No. 2 Caifu Avenue, Yubei District, Chongqing. Its business scope includes: general items: being responsible for the operation and management of state-owned water resources assets within the scope authorized by the municipal government, being responsible for project investment and operation of large and medium-sized water source projects, water supply and drainage projects, and pollution control projects at the municipal level, being responsible for the unified development and operation of water resources in the western water supply project planning zone, being responsible for the development, investment, and operation of river restoration and soil and water conservation projects, implementing the development and investment of small and medium-sized hydropower station projects and sales of water conservancy and hydropower equipment and materials (excluding those are subject to special management provisions of national laws and regulations) (Except for items that are subject to approval in accordance with the laws, the business activities should be conducted independently with the business licence(s) in accordance with the laws).

As of the end of the Reporting Period, Chongqing Water Conservancy Investment Group Co., Ltd. held 243,335,802 A Shares of the Bank, representing 7.00% of the Bank's total shares. Chongqing Water Conservancy Investment Group Co., Ltd. is a party acting in concert of the Chongqing Yufu Capital Operation Group Co., Ltd., Chongqing Yufu Capital Operation Group Co., Ltd. and its associates or parties acting in concert held an aggregate of 767,305,829 shares of the Bank, representing 22.08% of the Bank's total shares.

SAIC Motor Corporation Limited

Shanghai Automotive Industry Corporation (Group) Co., Ltd. (上海汽車工業(集團)有限公司) is the controlling shareholder of SAIC Motor Corporation Limited. SAIC Motor Corporation Limited was established on 16 April 1984 with registered capital of RMB11.495 billion. It was listed on the Shanghai Stock Exchange since November 1997. Its legal representative is Wang Xiaoqiu, and its registered address is located at Room 509, No.1 Tower, No. 563 Songtao Road, Pilot Free Trade Zone, Shanghai, China. Its business scope: manufacturing and sales of automobiles, motorcycles, tractors and other motor vehicles, and machinery equipment, assembly and automobile parts, domestic trading (except those under special provisions), advisory services, sale of vehicle, assembly and components and parts in an e-commerce manner, technical service in the field of science and technology, export of self-manufactured products and technology, import of machinery and equipment, spare parts, raw and supplementary materials, and technology needed in the business operating (except goods and technologies that are restricted or prohibited from import and export by the Chinese government), rental of cars and machinery and equipment, industrial investment, periodical publishing, advertisements in its own media, import and export business of goods and technology.

As at the end of the Reporting Period, SAIC Motor Corporation Limited held 240,463,650 H Shares through its wholly-owned subsidiary SAIC Motor HK Investment Limited, representing 6.92% of the Bank's total shares.

Chongqing Real Estate Group Co., Ltd.

The controlling shareholder of Chongqing Real Estate Group Co., Ltd. is the Chongqing State-owned Assets Supervision and Administration Commission. Chongqing Real Estate Group Co., Ltd. was established on 12 September 2006 with the registered capital of RMB10 billion. Its legal representative is Li Shichuan, and its registered address is located at No.2 Jiayuan Road, Yubei District, Chongqing. Its business scope includes: general items: investment activities with free funds, land remediation services, and engineering management services (except for items that are subject to approval in accordance with the laws, the business activities should be conducted independently with the business licence(s) in accordance with the laws).

As of the end of the Reporting Period, Chongqing Real Estate Group Co., Ltd. held 226,852,088 A Shares of the Bank, and its associates or parties acting in concert, namely Chongqing Kangju Property Development Co., Ltd. (重慶康居物業發展有限公司), Chongqing Bayu Homestay Group Co., Ltd. (重慶市巴渝民宿集團有限公司) and Chongqing Fangzong Real Estate Co., Ltd. (重慶房綜置業有限公司) held 2,259,601 A Shares of the Bank. Chongqing Real Estate Group Co., Ltd., together with its associates, held an aggregate of 229,111,689 A Shares of the Bank, representing 6.59% of the Bank's total shares.

Funde Sino Life Insurance Co., Ltd.

Funde Sino Life Insurance Co., Ltd. has no controlling shareholders. Funde Sino Life Insurance Co., Ltd. was established on 4 March 2002 with registered capital of RMB11.752 billion. Its legal representative is Fang Li, and its registered address is located at 27F, 28F, 29F & 30F, Life Insurance Building, 1001 Fuzhong No.1 Road, Futian District, Shenzhen City. Its business scope includes: permitted operating items: personal accident injury insurance, personal periodic death insurance, personal life insurance, personal annuity insurance, personal short-term health insurance, personal long-term health insurance, group accident injury insurance, group term life insurance, group annuity insurance, group short-term health insurance, group long-term health insurance, other life insurance activities approved by the CIRC; reinsurance of the above-mentioned insurance activities; concurrent insurance agency business (licensed operations); and use of funds approved by the NFRA.

As at the end of the Reporting Period, Funde Sino Life Insurance Co., Ltd. directly held 150,000,000 H Shares and held 56,510,150 H Shares through its wholly-owned subsidiary Fund Resources Investment Holding Group Company Limited, thus held an aggregate of 206,510,150 H Shares, representing 5.94% of the Bank's total shares.

Change in Share Capital and Shareholders

12.2.5 Interests and Short Positions of Substantial Shareholders and Other Persons under Hong Kong Laws and Regulations

At the end of the Reporting Period, the interests of substantial shareholders (as defined under the SFO), other than Directors or chief executives of the Bank, in Shares and the underlying Shares of the Bank as recorded in the register required to be kept under Section 336 of the SFO and to the best knowledge of the Bank were as follows:

Name of shareholder	Class of shares	Long position/ short position	Capacity	Number of shares held (shares)	Percentage of relevant share class (%)	Percentage of the total share capital of the Bank (%)
Dah Sing Financial Holdings Limited ⁽¹⁾	H Share	Long position	Interest of a controlled corporation	458,574,853	29.04	13.20
Dah Sing Banking Group Limited ⁽¹⁾	H Share	Long position	Interest of a controlled corporation	458,574,853	29.04	13.20
Dah Sing Bank, Limited ⁽¹⁾	H Share	Long position	Beneficial owner	458,574,853	29.04	13.20
David Shou-Yeh WONG ⁽¹⁾	H Share	Long position	Settlor of a discretionary trust/ interest of the beneficiary of a trust	458,574,853	29.04	13.20
Christine Yen WONG ⁽¹⁾	H Share	Long position	Interest of spouse	458,574,853	29.04	13.20
Harold Tsu-Hing WONG ⁽¹⁾	H Share	Long position	Deemed interest	458,574,853	29.04	13.20
HSBC International Trustee Limited ⁽²⁾	H Share	Long position	Interest of a trustee	458,574,853	29.04	13.20
Chongqing Yufu Holding Group Co., Ltd. ⁽³⁾	A Share	Long position	Beneficial owner	149,250	0.01	0.004
	A Share	Long position	Interest of a controlled corporation	684,298,685	36.10	19.69
	H Share	Long position	Interest of a controlled corporation	74,566,000	4.72	2.15
Chongqing Yufu Capital Operation Group Co., Ltd. ⁽³⁾	A Share	Long position	Beneficial owner	421,750,727	22.25	12.14
Chongqing Water & Environment Holdings Group Ltd. ⁽³⁾	A Share	Long position	Beneficial owner	10,068,631	0.53	0.29
	A Share	Long position	Interest of a controlled corporation	243,335,802	12.84	7.00
Chongqing Water Conservancy Investment Group Co., Ltd. ⁽³⁾	A Share	Long position	Beneficial owner	243,335,802	12.84	7.00
SAIC Motor Corporation Limited ⁽⁴⁾	H Share	Long position	Interest of a controlled corporation	240,463,650	15.23	6.92
SAIC Motor HK Investment Limited ⁽⁴⁾	H Share	Long position	Beneficial owner	240,463,650	15.23	6.92
Chongqing Qianli Technology Company Limited ⁽⁵⁾	A Share	Long position	Beneficial owner	129,564,932	6.84	3.73
	H Share	Long position	Interest of a controlled corporation	165,254,000	10.47	4.76
Chongqing Lifan Industry (Group) Import and Export Co., Ltd. ⁽⁵⁾	H Share	Long position	Interest of a controlled corporation	165,254,000	10.47	4.76

Change in Share Capital and Shareholders

Name of shareholder	Class of shares	Long position/ short position	Capacity	Number of shares held (shares)	Percentage of relevant share class (%)	Percentage of the total share capital of the Bank (%)
Lifan International (Holdings) Limited ⁽⁵⁾	H Share	Long position	Beneficial owner	165,254,000	10.47	4.76
Funde Sino Life Insurance Co., Ltd. ⁽⁶⁾	H Share	Long position	Beneficial owner	150,000,000	9.50	4.32
	H Share	Long position	Interest of a controlled corporation	56,510,150	3.58	1.63
Chongqing Real Estate Group Co., Ltd. ⁽⁷⁾	A Share	Long position	Beneficial owner	226,852,088	11.97	6.53
	A Share	Long position	Interest of a controlled corporation	2,259,601	0.12	0.07
Chongqing Beiheng Investment & Development Limited	H Share	Long position	Beneficial owner	84,823,500	5.37	2.44

Notes:

- (1) Dah Sing Bank, Limited held 458,574,853 H Shares of the Bank. Dah Sing Bank, Limited is wholly owned by Dah Sing Banking Group Limited, which is in turn owned as to approximately 74.37% by Dah Sing Financial Holdings Limited. Mr. David Shou-Yeh WONG is the beneficial owner of approximately 43.09% of the issued shares of Dah Sing Financial Holdings Limited. Ms. Christine Yen WONG is the spouse of Mr. David Shou-Yeh WONG. For the purpose of the SFO, Dah Sing Financial Holdings Limited, Dah Sing Banking Group Limited, Mr. David Shou-Yeh WONG, Ms. Christine Yen WONG and Mr. Harold Tsu-Hing WONG are deemed to be interested in the Shares of the Bank held by Dah Sing Bank, Limited.
- (2) HSBC International Trustee Limited, the trustee of a discretionary trust established for the benefit of the family members of Mr. David Shou-Yeh Wong (the grantor), held 39.49% interests in Dah Sing Financial Holdings Limited indirectly. For the purpose of the SFO, HSBC International Trustee Limited is deemed to be interested in the Shares of the Bank held by Dah Sing Bank, Limited (see note (1) above).
- (3) To the knowledge of the Bank, as at the end of the Reporting Period, Chongqing Yufu Holding Group Co., Ltd. directly held 149,250 A Shares in the Bank. In addition, Chongqing Yufu Capital Operation Group Co., Ltd., Chongqing Yufu (Hong Kong) Limited, Chongqing Water & Environment Holdings Group Ltd., Chongqing Water Conservancy Investment Group Co., Ltd. (重慶市水利投資(集團)有限公司) and Chongqing Science and Technology Innovation Investment Group Co., Ltd. (重慶科技創新投資集團有限公司) directly held interests in 421,750,727 A Shares, 74,566,000 H Shares, 10,068,631 A Shares, 243,335,802 A Shares, and 9,143,525 A Shares in the Bank, respectively. Chongqing Yufu Capital Operation Group Co., Ltd, Chongqing Yufu (Hong Kong) Limited and Chongqing Science and Technology Innovation Investment Group Co., Ltd. (重慶科技創新投資集團有限公司) are wholly owned by Chongqing Yufu Holding Group Co., Ltd. Chongqing Water & Environment Holdings Group Ltd. is 80% owned by Chongqing Yufu Holding Group Co., Ltd. Chongqing Water Conservancy Investment Group Co., Ltd. is wholly owned by Chongqing Water & Environment Holdings Group Ltd. These companies are all entities over which Chongqing Yufu Holding Group directly or indirectly controls more than one-third of the voting rights. For the purpose of the SFO, Chongqing Yufu Holding Group Co., Ltd. is deemed to be interested in the shares held by Chongqing Yufu Capital Operation Group Co., Ltd. (重慶渝富資本運營集團有限公司), Chongqing Yufu (Hong Kong) Limited, Chongqing Water & Environment Holdings Group Ltd., Chongqing Water Conservancy Investment Group Co., Ltd. and Chongqing Science and Technology Innovation Investment Group Co., Ltd. (重慶科技創新投資集團有限公司) in the Bank, while Chongqing Water & Environment Holdings Group Ltd. is deemed to be interested in the shares held by Chongqing Water Conservancy Investment Group Co., Ltd. in the bank.

Change in Share Capital and Shareholders

- (4) SAIC Motor HK Investment Limited directly held 240,463,650 H Shares of the Bank. SAIC Motor HK Investment Limited is wholly owned by SAIC Motor Corporation Limited. For the purpose of the SFO, SAIC Motor Corporation Limited is deemed to be interested in the shares held by SAIC Motor HK Investment Limited in the Bank.
- (5) Chongqing Qianli Technology Company Limited directly held 129,564,932 A Shares of the Bank. Lifan International (Holdings) Limited directly held 165,254,000 H Shares of the Bank. Lifan International (Holdings) Limited is wholly owned by Chongqing Lifan Industry (Group) Import and Export Co., Ltd., which is wholly owned by Chongqing Qianli Technology Company Limited. For the purpose of the SFO, Chongqing Qianli Technology Company and Chongqing Lifan Industry (Group) Import and Export Co., Ltd. are deemed to be interested in the Shares held by Lifan International (Holdings) Limited in the Bank.
- (6) Funde Sino Life Insurance Co., Ltd. directly held 150,000,000 H Shares in the Bank, while Fund Resources Investment Holding Group Company Limited directly held 56,510,150 H Shares in the Bank. Fund Resources Investment Holding Group Company Limited is wholly owned by Funde Sino Life Insurance Co., Ltd. For the purpose of the SFO, Funde Sino Life Insurance Co., Ltd. is deemed to be interested in the shares held by Fund Resources Investment Holding Group Company Limited in the Bank.
- (7) Chongqing Real Estate Group Co., Ltd. (重慶市地產集團有限公司) directly held 226,852,088 A Shares in the Bank. In addition, Chongqing Kangju Property Development Co., Ltd. (重慶康居物業發展有限公司), Chongqing Fangzong Real Estate Co., Ltd. (重慶房綜置業有限公司) and Chongqing Bayu homestay Group Co., Ltd. (重慶市巴渝民宿集團有限公司) held 1,659,547 A shares, 300,020 A shares and 300,034 A Shares in the Bank, respectively. Chongqing Real Estate Group Co., Ltd. (重慶市地產集團有限公司) directly or indirectly controls more than one-third of the voting rights of these companies. For the purpose of the Securities and Futures Ordinance, Chongqing Real Estate Group Co., Ltd. is deemed to be interested in the shares held by Chongqing Kangju Property Development Co., Ltd., Chongqing Fangzong Real Estate Co., Ltd. and Chongqing Bayu homestay Group Co., Ltd. in the Bank.

12.3 Purchase, Sale and Redemption of Listed Securities of the Bank

The Bank and its subsidiaries had not purchased, sold or redeemed any listed securities (including sale of treasury shares) of the Bank during the Reporting Period. As of the end of the Reporting Period, the Bank did not hold any treasury shares.

Securities Issuance and Listing

13.1 Issuance and Listing of Ordinary Shares

During the Reporting Period, there was no ordinary shares issued by the Bank.

13.2 Debt Securities Issued

13.2.1 Debt Securities Issued During the Reporting Period

Pursuant to a resolution at the general meeting passed on 31 January 2024 and the Affirmative Decision on Administrative License from the People's Bank of China (Yin Xu Zhun Yu Jue Zi [2025] No. 33) on 4 March 2025, the Bank issued first phase of special financial bonds for small and micro enterprises loans of RMB5 billion in the domestic inter-bank bond market of China on 28 March 2025. Such bonds have a maturity of 3 years, with a fixed coupon rate of 1.98% per annum before maturity, payable annually. The proceeds from this issue were used for loans to small and micro enterprises.

Pursuant to a resolution at the general meeting passed on 31 January 2024 and the Affirmative Decision on Administrative License from the People's Bank of China (Yin Xu Zhun Yu Jue Zi [2025] No. 33) on 4 March 2025, the Bank issued first phase of science and technology innovation bonds of RMB3 billion in the domestic inter-bank bond market of China on 9 June 2025. Such bonds have a maturity of 5 years, with a fixed coupon rate of 1.85% per annum before maturity, payable annually. The proceeds from this issue were allocated to the scientific and technological innovation sectors as stipulated in the Overall Statistical System for the Five Major Financial Initiatives (Trial) (《金融「五篇大文章」總體統計制度(試行)》), including the issuance of technology loans and investments in bonds issued by scientific and technological innovation enterprises, specifically to support businesses in the field of scientific and technological innovation.

Pursuant to a resolution at the general meeting passed on 21 March 2025 and the Affirmative Decision on Administrative License from the People's Bank of China (Yin Xu Zhun Yu Jue Zi [2025] No. 33) on 4 March 2025, the Bank issued second phase of special financial bonds for small and micro enterprises loans of RMB2.1 billion in the domestic inter-bank bond market of China on 30 July 2025. Such bonds have a maturity of 3 years, with a fixed coupon rate of 1.80% per annum before maturity, payable annually. The proceeds from this issue were used for loans to small and micro enterprises.

Pursuant to a resolution at the general meeting passed on 21 March 2025 and the Affirmative Decision on Administrative License from the People's Bank of China (Yin Xu Zhun Yu Jue Zi [2025] No. 33) on 4 March 2025, the Bank issued third phase of special financial bonds for small and micro enterprises loans of RMB0.3 billion in the domestic inter-bank bond market of China on 30 July 2025. Such bonds have a maturity of 3 years, with a variable coupon rate of 1.85% per annum before maturity, payable annually, and the interest rate is adjusted annually before maturity. The proceeds from this issue were used for loans to small and micro enterprises.

13.2.2 Bonds as of the End of Reporting Period

For details of bonds of the Group as of the end of Reporting Period, please refer to the section headed "Notes to the Financial Report – Debt securities issued".

13.3 Convertible Corporate Bonds

13.3.1 Issuance of Convertible Corporate Bonds

Upon the consideration of the 24th Meeting of the sixth session of the Board of the Bank on 30 March 2021 and the consideration and approval of the annual general meeting and shareholders' class meeting of the Bank on 20 May 2021, and with the approval of the Chongqing CBIRC and the CSRC, the Bank has issued RMB13 billion of A Share Convertible Corporate Bonds on the Shanghai Stock Exchange on 29 March 2022, and the net proceeds after deducting expenses relating to the issuance was approximately RMB12.984 billion. On 14 April 2022, the A Share Convertible Corporate Bonds of the Bank were listed on the Shanghai Stock Exchange (Stock abbreviation: BCQ Convertible Bonds (重銀轉債); Stock code: 113056). For details of the issuance of A Share Convertible Corporate Bonds of the Bank, please refer to the announcements published by the Bank on the website of the Shanghai Stock Exchange, the website of HKEXnews of the Hong Kong Stock Exchange and the official website of the Bank.

The following table sets out the relevant information of "BCQ Convertible Bonds".

Bond code	Name of the bond	Issue date	Maturity	Issue price	Coupon rate	Number of bonds to be issued	Listing date	Conversion period
113056	BCQ Convertible Bonds	23 March 2022	22 March 2028	RMB100 each	0.20% for the first year; 0.40% for the second year; 1.00% for the third year; 1.70% for the fourth year; 2.50% for the fifth year; 3.50% for the sixth year.	130 million	14 April 2022	From 30 September 2022 to 22 March 2028

13.3.2 Holders and Guarantors of Convertible Bonds

Name of convertible bonds	BCQ Convertible Bonds
Number of holders of convertible bonds at the end of the Period	22,812
Guarantors of convertible bonds	None

The top ten holders of convertible bonds are as follows:

Name of holders of convertible bonds	Number of bonds held at the end of the Period (RMB)	Shareholding (%)
Specific accounts for bonds repurchase and pledge under the registration and settlement system (Industrial and Commercial Bank of China)	1,208,593,000	9.30
Specific accounts for bonds repurchase and pledge under the registration and settlement system (Bank of China)	1,115,882,000	8.58
China Merchants Bank Co., Ltd. – Bosera CSI Convertible Bonds and Exchangeable Bonds Trading Open-ended Index Fund	896,012,000	6.89
Specific accounts for bonds repurchase and pledge under the registration and settlement system (China Merchants Bank Co., Ltd.)	802,647,000	6.17
China Merchants Bank Co., Ltd. – CIB Enhanced Return Bond Securities Investment Fund	489,510,000	3.77
Specific accounts for bonds repurchase and pledge under the registration and settlement system (Bank of Beijing Co., Ltd.)	398,197,000	3.06
Special accounts for bonds repurchase and pledge under the registration and settlement system (China Construction Bank)	385,184,000	2.96
Special accounts for bonds repurchase and pledge under the registration and settlement system (Agricultural Bank of China)	371,135,000	2.86
Industrial Bank Co., Ltd. – Tianhong Multi-Asset Income Bonds Securities Investment Fund	356,367,000	2.74
Specific accounts for bonds repurchase and pledge under the registration and settlement system (CITIC Securities Co., Ltd.)	354,179,000	2.72

13.3.3 Changes in Convertible Bonds

Unit: RMB

Name of convertible bonds	Before the change	Increase/decrease			After the change
		Converted	Redeemed	Sold back	
BCQ Convertible Bonds	12,999,304,000	184,000	–	–	12,999,120,000

13.3.4 Cumulative Conversion of Convertible Bonds

The conversion period of the Convertible Bonds commences on the first trading day immediately following the expiry of the six-month period after the date of completion of the issuance of the Convertible Bonds, i.e., from 30 September 2022 to 22 March 2028 (which is subject to extension for public holidays). As of the end of the Reporting Period, BCQ Convertible Bonds worth RMB880,000 were converted to Ordinary A-Share of the Bank accumulatively.

Name of convertible corporate bonds	BCQ Convertible Bonds
Amount of converted bonds during the Reporting Period (RMB)	184,000
Number of shares converted during the Reporting Period (shares)	18,697
Cumulative number of shares converted (shares)	82,939
Percentage of the cumulative number of shares converted to the total number of shares in issue prior to the conversion (%)	0.0024
Amount of unconverted bonds (RMB)	12,999,120,000
Percentage of the number of unconverted convertible bonds to the total amount of issued convertible bonds (%)	99.9932

13.3.5 Previous Adjustment of Conversion Price

According to the Offering Document on the Public Issuance of the A Share Convertible Corporate Bonds by Bank of Chongqing Co., Ltd., if there is any change in the shares of the Bank due to the distribution of share dividends, conversion of capital reserve into share capital, follow-on offering, placement of shares and other matters (excluding the increase in share capital due to the issuance of Convertible Corporate Bonds), or any distribution of cash dividends after this issuance, the Bank will adjust the conversion price based on the principles of fairness, justice and equity as well as fully protecting the rights of holders of Convertible Corporate Bonds.

The following table sets out the previous adjustments of conversion price of BCQ Convertible Bonds.

Date of the adjustment of conversion price	Adjusted conversion price	Disclosure time	Disclosure media	Description of the adjustment of conversion price
28 July 2022	10.89	20 July 2022	China Securities Journal Shanghai Securities News Securities Times Securities Daily	Adjustment due to profit distribution in 2021
20 July 2023	10.50	13 July 2023	China Securities Journal Shanghai Securities News Securities Times Securities Daily	Adjustment due to profit distribution in 2022
19 July 2024	10.09	13 July 2024	China Securities Journal Shanghai Securities News Securities Times Securities Daily	Adjustment due to profit distribution in 2023
24 January 2025	9.92	18 January 2025	China Securities Journal Shanghai Securities News Securities Times Securities Daily	Adjustment due to profit distribution in third quarter of 2024
10 June 2025	9.67	4 June 2025	China Securities Journal Shanghai Securities News Securities Times Securities Daily	Adjustment due to profit distribution in 2024
7 January 2026	9.50	27 December 2025	China Securities Journal Shanghai Securities News Securities Times Securities Daily	Adjustment due to profit distribution in third quarter of 2025
Conversion price as of the end of the Reporting Period				9.67
Latest conversion price as of the date of this report				9.50

13.3.6 Liabilities, Credit Changes and Cash Arrangements for Debt Repayment in Next Years

According to the Measures for the Administration for the Registration of the Issuance of Securities by Listed Companies, the Measures for the Administration of the Issuance and Trading of Corporate Bonds, the Rules of the Shanghai Stock Exchange Governing the Listing of Corporate Bonds and other relevant regulations, the Bank has engaged China Lianhe Credit Rating Co., Ltd. ("Lianhe Credit Rating") to carry out a follow-up rating on the A Share Convertible Corporate Bonds issued by the Bank in March 2022. On 20 May 2025, Lianhe Credit Rating has issued the 2025 Follow-up Rating Report on the Public Issuance of the A Share Convertible Corporate Bonds by Bank of Chongqing Co., Ltd. The rating results are as follows: the Company's overall credit rating is "AAA", and the BCQ Convertible Bonds' credit rating is "AAA" and its rating outlook is "stable". The rating results remain unchanged as compared with the previous one.

The Bank has a reasonable asset structure with good credit standing, and there are no significant changes in liabilities. As such, the Bank has sufficient solvency.

13.4 Existing Internal Employee Shares

The shares held by internal employees of the Bank are mainly obtained through the following methods: (1) at the time of the establishment of the Bank, the former 39 districts and counties' on-the-job full-time employees or short-term contract workers in the business category participated in the establishment of the Bank as promoters and shareholders; (2) shares obtained through the employee stock ownership plan in 1997 and transferred from previous dividends; and (3) the Bank's shares obtained through agreement transfer, gift, inheritance and judicial judgments.

The Bank's existing restricted internal employee shares resulted from the conversion of shares held by employees of original credit cooperative into shares of the Bank at its establishment, so that the issuance date and price of Shares held by internal employees cannot be accurately verified. As of the end of the Reporting Period, some of the Bank's restricted shares have been released from restriction and listed for circulation, and it is not possible to accurately verify the shareholding after circulation.

Report of the Board of Directors

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

Principal Activities

The Bank is principally engaged in a range of banking business and related financial services in China.

Business Review

For the summary of business review of the Bank, please refer to the subsection of “7.1 Overview” in the section headed “Management Discussions and Analysis” in this annual report.

Prospects for the Future Development of Banking Business

For the prospects for the future development of Banking Business, please refer to the subsection of “7.10 Environment and Outlook” in the section headed “Management Discussions and Analysis” in this annual report.

Major Risks and Uncertainties

For the major risks and uncertainties faced by the Bank, please refer to the subsection of “7.8 Risk Management” in the section of “Management Discussions and Analysis” in this annual report.

Employment Relations and Retirement Benefit

The Bank placed utmost emphasis on the enterprise cultural construction, employee management and training, and is committed to building harmonious and stable employment relations. The Bank treasures employees as one of the most important and valuable assets and has been always cherishing the employees’ contribution and support. The Bank has made great efforts to provide comfortable and harmonious working environment, sound welfare and compensation system and reasonable career plan. By means of appropriate trainings and opportunity offering, the Bank has helped a lot of employees in their career development and promotion in the Bank.

Details of the retirement benefits provided by the Bank to employees are set out in the note “Retirement Benefit Obligations” to the “Financial Statements” of this annual report.

Relations with Customers and Suppliers

The Bank has been always perfecting the financial services to all customers to win the customers’ understanding, trust and support. The Bank insists on the market principle for all customers who apply for loans, especially customers related to the Bank to whom the Bank would not provide credit support on terms more favorable to other customers.

In 2025, the aggregate amount of interest income and other operating income generated from the five largest customers of the Bank represented an amount not exceeding 30% of the total interest income and other operating income of the Bank.

Due to the nature of its business, the Bank had no major suppliers.

Report of the Board of Directors

Environmental Protection Policy and Implementation

The Bank kept close attention and focus on environmental protection, initiated and provided green credit financial services, including supporting industries engaged in environmental protection, new-energy industries and new material industries, and strictly controlled and gradually reduced the credit scale of high-pollution, high-energy-consumption and overcapacity industries.

The Bank also adheres to the concept of environmental protection in internal operation, in particular, recycling use of papers by printing on both sides, promoting paperless office, purchasing energy-saving equipment, turning off water and power when leaving the offices. The Bank is continuously making efforts to reduce energy consumption and carbon emission, and actively carried out works to protect the environment.

Compliance with Laws and Regulations

The Bank is subject to several laws and regulations, mainly including the Company Law of the People's Republic of China, the Law of the People's Republic of China on Commercial Banks and the Civil Code of the People's Republic of China, as well as domestic and overseas securities laws, regulations and exchange rules, and other laws and regulations and regulatory documents. The Board of Directors of the Bank paid close attention to the policies and practices, under relevant laws and regulations which the Bank is subject to. The Bank has engaged legal advisers for domestic and foreign laws to ensure the transactions and businesses of the Bank are carried out in compliance with the applicable laws. Relevant employees and operation units will be informed by updates on applicable laws and regulations from time to time.

Subsequent Major Events with Significant Influence on the Bank

The Bank conducted a comprehensive review on the financial performance of 2025 pursuant to the national laws and regulatory requirements and prepared annual report for the year of 2025. After the end of the annual financial review, the Bank did not have any incidents or cases that had a significant impact on the Bank.

Profits and Dividends

The Bank's revenue for the Reporting Period and financial position as of the end of the Reporting Period are set out in the section headed "Financial Statements" of this annual report.

As approved at the second extraordinary general meeting of 2024 held on 20 December 2024, the Bank paid all shareholders a quarterly dividend of RMB0.166 (inclusive of tax) per share for the nine months ended 30 September 2024 (the "First Three Quarters of 2024 Dividend"), amounting to a total dividend of RMB577 million (inclusive of tax). The First Three Quarters of 2024 Dividend has been paid to A shareholders and H shareholders on 24 January 2025. As approved at the general meeting of 2024 held on 22 April 2025, the Bank paid all shareholders a final dividend of RMB0.248 (inclusive of tax) per share for the year ended 31 December 2024 (the "2024 Final Dividend"), amounting to a total dividend of RMB862 million (inclusive of tax). The 2024 Final Dividend has been paid to A shareholders and H shareholders on 10 June 2025. The total cash dividend for 2024 of the Bank amounted to RMB1.438 billion (inclusive of tax) and the cash dividend as a percentage of net profit attributable to ordinary shareholders of the Bank on a consolidated basis accounted for 30.01%.

As approved at the first extraordinary general meeting of 2025 held on 28 November 2025, the Bank paid all shareholders a quarterly dividend of RMB0.1684 (inclusive of tax) per share for the nine months ended 30 September 2025 (the “First Three Quarters of 2025 Dividend”), amounting to a total dividend of RMB585 million (inclusive of tax). The First Three Quarters of 2025 Dividend has been paid to A shareholders and H shareholders on 7 January 2026 and 16 January 2026, respectively.

The Bank’s Board of Directors has proposed to pay all shareholders a final dividend of RMB0.2918 (inclusive of tax) per share for the year ended 31 December 2025 (the “2025 Final Dividend”). Based on the total number of ordinary shares at the end of 2025, the total dividend amounted to RMB1,014 million (inclusive of tax). The dividend distribution plan will be submitted to the 2025 annual general meeting of the Bank for consideration. Upon the consideration and approval of the general meeting, the Bank will implement the dividend distribution plan in details. The dividend is expected to be paid no later than two months after the general meeting which considers and approves the profit distribution plan. The Bank will publish a separate announcement on matters relating to the time of dividend distribution.

Change in the Reserves

Details of the changes in the reserves of the Bank for the year ended 31 December 2025 are set out in the “Consolidated Statement of Changes in Equity” in the “Financial Statements” and the note “Other Reserves” to the “Financial Statements” of this annual report.

Summary of Financial Information

The summary of the operating results and assets and liabilities of the Bank for the five years ended 31 December 2025 is set out in the “Financial Highlights” of this annual report.

Donations

The charitable and other donations made by the Bank for the year ended 31 December 2025 amounted to RMB3.50 million.

Property and Equipment

Details of the changes in property and equipment of the Bank for the year ended 31 December 2025 are set out in the note “Fixed Assets” to the “Financial Statements” of this annual report.

Substantial Shareholders

Details of the Bank’s substantial shareholders as at 31 December 2025 are set out in “Change in Share Capital and Shareholders” of this annual report.

Purchase, Sale and Redemption of Listed Securities of the Bank

The Bank and its subsidiaries had not purchased, sold or redeemed any listed securities of the Bank (including sale of treasury shares) during the Reporting Period. As at the end of the Reporting Period, the Bank did not hold any treasury shares.



Report of the Board of Directors

Pre-emptive Rights, Securities Issued

There are no provisions in the Articles of Association of the Bank and the relevant PRC laws for granting pre-emptive rights to shareholders of the Bank. The Articles of Association provides that the Bank may increase its capital by issuing shares to non-specific investors, issuing new shares to specific investors, distributing bonus shares to its existing shareholders, transferring reserves into share capital or by any other ways permitted by laws, administrative regulations and relevant regulatory authorities.

Details of securities issued by the Bank during the Reporting Period are set out in “Securities Issuance and Listing” of this annual report.

Share Capital

Details of the change in share capital of the Bank during the Reporting Period are set out in the “Change in Share Capital and Shareholders” and the note “Share Capital” to the “Financial Statements” in this annual report.

Equity-linked Agreement

No equity-linked agreements were entered into by the Bank during the year or subsisted at the end of the year.

Directors, Supervisors and Senior Management

Details of the Directors, Supervisors and senior management of the Bank are set out in the “Directors, Supervisors, Senior Management, Employees and Branch Outlets” of this annual report.

Confirmation of Independence by the Independent Non-executive Directors

The Bank has received from each of its independent Directors the annual confirmation of his/her independence made in accordance with Rule 3.13 of the Hong Kong Listing Rules. The Bank was of the view that all of its independent Directors are independent pursuant to the independence guidelines set out in Rule 3.13 of the Hong Kong Listing Rules.

Directors', Supervisors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Bank

As at 31 December 2025, the interests of the Directors, the Supervisors and the chief executives of the Bank and their associates in the shares of the Bank as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Bank and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 to the Hong Kong Listing Rules are as follows:

Name	Position	Type of share	Long position/ short position	Capacity	Number of shares held (shares)	Percentage of the total share capital of the Bank (%)
GAO Song	Deputy Secretary of the Party Committee President Executive Director	A Share	Long position	Beneficial owner	3,200	0.00009
WONG Hon Hing	Vice Chairman Non-executive Director	A Share	Long position	Beneficial owner	9,800	0.00028
WU Ping	Former Employee Supervisor	A Share	Long position	Beneficial owner	65,625	0.00189
ZHOU Xiaohong	Former Employee Supervisor	A Share	Long position	Beneficial owner	144,585	0.00416

Save as disclosed above, none of the Directors, the Supervisors, or the chief executives of the Bank or their associates held any interests or short positions in the shares, underlying shares and debentures of the Bank or its associated corporations (within the meaning of Part XV of the SFO) as at 31 December 2025.

Financial, Business and Family Relationships Between Directors, Supervisors and Senior Management

Except for the working relationship, there are no other relationships between each of the Directors, Supervisors and senior management of the Bank, including financial, business, family or other material relationships.

Arrangements to Purchase Shares or Debentures

At no time during the Reporting Period was the Bank, its holding company or any of its fellow subsidiaries, a party to any arrangements to enable the Directors and Supervisors to acquire benefits by means of the acquisition of shares in, or debentures of, the Bank or any other body corporate.

Directors' and Supervisors' Interests in Contracts and Service Contracts

Saved for the connected transactions which are fully exempted under Chapter 14A of the Hong Kong Listing Rules, none of the Directors or Supervisors or their related entities had any interest, whether directly or indirectly, in any material transaction, arrangement or contract in relation to the Group's business to which the Bank or any of its subsidiary is a party at the end of the Reporting Period and at any time during the Reporting Period. None of the Directors and Supervisors of the Bank has entered into a service contract with the Bank that cannot be terminated by the Bank within one year without payment of compensation (other than statutory compensation).



Report of the Board of Directors

Permitted Indemnity Provision

Appropriate Directors, Supervisors and Senior Management liability insurance cover has been arranged by the Bank to indemnify the Directors, Supervisors and Senior Management for liabilities arising out of corporate activities. The Directors, Supervisors and Senior Management liability insurance was effective during the Reporting Period and remains effective as at the date of this report.

Management Contract

Save for the service contracts entered into with the management of the Bank, the Bank has not entered into any other contract with any individual, company or body corporate in relation to the management or administration of the whole or any substantial part of any business of the Bank.

Directors and Supervisors' Interests in Competing Business of the Bank

None of the Directors and Supervisors has any interest in a business that competes directly or indirectly, or is likely to compete with the business of the Bank.

Corporate Governance

The Bank is committed to maintaining high standards in corporate governance. Our approach to applying and implementing the principles and provisions of the corporate governance code is set out in the "Corporate Governance Report" of this annual report.

Connected Transactions

Transactions between the Bank and the Bank's connected persons (as defined under the Hong Kong Listing Rules) and certain third parties specified under the Hong Kong Listing Rules constitute connected transactions of the Bank under Chapter 14A of the Hong Kong Listing Rules. However, the connected transactions of the Bank in the Reporting Period can be fully exempted from shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Hong Kong Listing Rules. The Bank has reviewed all of its connected transactions and confirmed that it had complied with the requirements under Chapter 14A of the Hong Kong Listing Rules.

The definition of connected persons under Chapter 14A of the Hong Kong Listing Rules is different from the definition of related parties under International Accounting Standard 24, "Related Party Disclosures", and its interpretations by the IASB. None of the related party transactions set out in the financial statements constitute disclosable connected transactions as required under the Hong Kong Listing Rules.

Remuneration Policies for Directors and Senior Management

Under the guidance of the relevant policies of the PRC, the Bank endeavors to improve its remuneration management measures and performance evaluation system for Directors and senior management.

The remuneration system for the executive Directors and senior management of the Bank adheres to the principle of balancing incentives and restraints, focusing on both short-term and long-term incentives and integrating governmental control with market regulation. The structure of the remuneration system consists of basic salary, annual performance bonus, term incentives. The Bank makes contribution to various statutory pension plans organized by governments at all levels in the PRC for its Directors and senior management.

Public Float

Based on the public information available to the Bank and to the knowledge of the Directors, as of the latest practicable date, the Bank has maintained sufficient public float as required by the Hong Kong Listing Rules and the waiver granted by the Hong Kong Stock Exchange.

For and on behalf of the Board
Bank of Chongqing Co., Ltd.
YANG Xiuming
Chairman



Financial Report

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Independent Auditor's Report

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

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

Opinion

We have audited the consolidated financial statements of Bank of Chongqing Co., Ltd. (the "Bank") and its subsidiaries (the "Group") set out on pages 182 to 326, which comprise the consolidated statement of financial position as at 31 December 2025, and 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, including material accounting policy 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 ("IASB") and have been properly prepared in compliance with the disclosure requirements of Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") as issued by the International Auditing and Assurance Standards Board. 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 *Code of Ethics for Professional Accountants* (the "Code") issued by the Hong Kong Institute of Certified Public Accountants as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Independent Auditor's Report

Key audit matter

How our audit addressed the key audit matter

Expected credit losses for loans and advances to customers and financial investments at amortised cost

The Group uses a number of judgements and assumptions in the measurement of expected credit losses, for example:

- Significant increase in credit risk – Criteria for determining whether significant increase in credit risk has occurred are highly judgemental, and may have a significant impact on expected credit losses for loans and advances to customers (“loans”) and financial investments at amortised cost with longer outstanding maturities;
- Models and parameters – Complex models, numerous parameters are used to measure expected credit losses, involving plenty of management judgements and assumptions;
- Forward-looking information – Macroeconomic forecasts are developed, and impacts on expected credit losses are considered for probability weighted multiple economic scenarios;
- Individual impairment assessment – Identifying credit impairment requires consideration of a range of factors, and individual impairment assessments are dependent upon estimates of future cash flows.

We evaluated and tested the effectiveness of design and implementation of key internal controls related to expected credit losses for loans and financial investments at amortised cost, including relevant data quality and information systems.

We adopted a risk-based sampling approach in our review procedures for loans and financial investments at amortised cost. We assessed the debtors' repayment capacity and evaluated the Group's stage division for loans and financial investments at amortised cost, taking into consideration post-lending/investment investigation reports, debtors' financial information, collateral valuation reports and other available information.

With the support of internal credit risk modelling experts, we evaluated and tested the expected credit loss model, key parameters, major management judgements and related assumptions, mainly focusing on the following aspects:

1. Expected credit loss model:

- Taking into account macroeconomic changes, we assessed the reasonableness of the expected credit loss model methodology and related parameters, including probability of default, loss given default, risk exposure, risk grouping and whether there had been significant increase in credit risk; and

Key audit matter

How our audit addressed the key audit matter

Expected credit losses for loans and advances to customers and financial investments at amortised cost (continued)

Since the measurement of expected credit losses for loans and financial investments at amortised cost involves many significant judgements and assumptions, and in view of the significance of the amount (as at 31 December 2025, gross loans and financial investments at amortised cost amounted to RMB777,698 million, representing 75.23% of total assets, and impairment allowance for loans and financial investments at amortised cost amounted to RMB15,976 million), we consider expected credit losses for loans and financial investments at amortised cost a key audit matter.

Relevant disclosures are included in Note 3.1.4, Note 4(d), Note 21 and Note 22 to the consolidated financial statements.

- We assessed the forward-looking information that management used to determine expected credit losses, including the forecasts of macroeconomic variables and the assumption and the weights of multiple macroeconomic scenarios; and
 - We evaluated the models and the related assumptions used in individual impairment assessment and analysed the reasonableness of amount, timing and likelihood of management's estimated future cash flows from collateral.
2. Design and operating effectiveness of key controls:
- We evaluated and tested the data and processes used to determine expected credit losses, including business data of loans and financial investments at amortised cost, internal credit rating data, macroeconomic statistics, as well as the computational logic, data inputs and system interfaces of the impairment assessment system; and
 - We evaluated and tested key controls over the expected credit loss model, including approval of model changes, ongoing monitoring model performance, model validation and parameter calibration.

We evaluated the appropriateness of disclosures of credit risk exposures and expected credit losses.

Independent Auditor's Report

Key audit matter

How our audit addressed the key audit matter

Consolidation assessment and disclosures of structured entities

The Group holds interests in various structured entities, including wealth management products, funds, trust plans, asset management plans, and asset-backed securities, in conducting businesses such as financial investments, asset management, and credit asset transfers. The Group needs to comprehensively consider the power it possesses, its exposure to variable returns, and the link between the power and the returns to determine whether it has control over such structured entities, and therefore whether it should include them in the scope of consolidation.

The assessment of the Group's control over structured entities involves significant judgements on factors such as the purpose and design of structured entities, the Group's ability to direct relevant activities, direct and indirect beneficial interests and returns, performance fee, benefits received or losses incurred from providing credit enhance or liquidity support. Comprehensive analysis of these factors and concluding on whether the Group has control involve significant management judgements and estimates.

In view of the materiality and the complexity of management judgements, we consider consolidation assessment and disclosures of structured entities a key audit matter.

Relevant disclosures are included in Note 4(b) and Note 37 to the consolidated financial statements.

We evaluated and tested the design and operating effectiveness of the key internal controls related to the Group's assessment of whether it controls a structured entity.

We assessed the Group's analysis and conclusions on whether it controls structured entities based on the Group's analysis on its power over the structured entities, and the magnitude and variability of variable returns from its involvement with structured entities.

We also assessed whether the Group had obligations to ultimately take the risk of structured entities by reviewing relevant contractual documents, and assessed whether the Group had provided liquidity support or credit enhancement to structured entities.

We evaluated the appropriateness of disclosures of unconsolidated structured entities.

Other information included in the Annual Report

The directors of the Bank are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

The directors 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 as issued by the IASB and the disclosure requirements of 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 of the Bank 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 of the Bank either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Bank are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

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. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Independent Auditor's Report

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgement 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.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to 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.

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is LEUNG, Chiu Yu (practising certificate number: P08012).

Ernst & Young
Certified Public Accountants
Hong Kong

24 March 2026

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025

(In RMB thousands, unless otherwise stated)

	Note	For the year ended 31 December	
		2025	2024
Interest income		31,588,541	28,690,811
Interest expense		(19,129,127)	(18,514,682)
Net interest income	6	12,459,414	10,176,129
Fee and commission income		807,834	1,120,724
Fee and commission expense		(210,103)	(233,125)
Net fee and commission income	7	597,731	887,599
Net trading gains	8	732,084	787,523
Net gains on investment securities	9	828,384	1,269,584
Other operating income	10	128,293	142,332
Operating income		14,745,906	13,263,167
Operating expenses	11	(4,505,464)	(4,097,551)
Credit impairment losses	12	(3,858,058)	(3,188,648)
Other impairment losses		–	(2,972)
Operating profit		6,382,384	5,973,996
Share of profits of associates	23	370,291	419,935
Profit before income tax		6,752,675	6,393,931
Income tax	15	(647,611)	(872,900)
Net profit for the year		6,105,064	5,521,031
Net profit attributable to:			
Shareholders of the Bank		5,654,218	5,117,290
Non-controlling interests		450,846	403,741
		6,105,064	5,521,031

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

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025
(In RMB thousands, unless otherwise stated)

	Note	For the year ended 31 December	
		2025	2024
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Net (losses)/gains on debt investments at fair value through other comprehensive income		(2,674,163)	1,771,197
Less: Relevant income tax effect		668,541	(442,798)
Subtotal		(2,005,622)	1,328,399
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Net losses on equity investments designated at fair value through other comprehensive income		17,615	36,540
Less: Relevant income tax effect		(4,403)	(9,136)
Remeasurement gains/(losses) on retirement benefit plans		294	(660)
Less: Related income tax effect		(74)	165
Subtotal		13,432	26,909
Total other comprehensive income, net of tax	40	(1,992,190)	1,355,308
Total comprehensive income for the year		4,112,874	6,876,339
Total comprehensive income attributable to:			
Shareholders of the Bank		3,662,028	6,472,598
Non-controlling interests		450,846	403,741
		4,112,874	6,876,339
Earnings per share attributable to the shareholders of the Bank (expressed in RMB per share)	16		
Basic		1.53	1.38
Diluted		1.20	1.10

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

Consolidated Statement of Financial Position

As at 31 December 2025

(In RMB thousands, unless otherwise stated)

		As at 31 December	
	Note	2025	2024
ASSETS			
Cash and balances with central bank	17	40,764,533	34,510,468
Due from and placements with banks and other financial institutions	18	53,914,676	34,468,211
Financial assets at fair value through profit or loss (“FVPL”)	19	60,564,102	64,680,693
Derivative financial instruments	20	1,469,022	44,443
Loans and advances to customers	21	516,486,516	427,263,845
Investment securities	22		
– Fair value through other comprehensive income (“FVOCI”)		97,494,390	113,800,112
– Amortised cost		245,235,625	169,427,008
Investments in associates	23	3,531,012	3,173,826
Property, plant and equipment	24	3,597,720	2,898,032
Deferred tax assets	30	5,153,469	4,210,831
Other assets	25	5,514,616	2,164,371
Total assets		1,033,725,681	856,641,840
LIABILITIES			
Due to and placements from banks and other financial institutions	26	189,490,035	119,420,436
Financial liabilities at fair value through profit or loss		350,584	590,361
Derivative financial liabilities	20	234,981	7,240
Customer deposits	27	565,704,384	474,116,904
Current tax liabilities		106,334	120,393
Debt securities issued	28	204,206,537	191,559,600
Other liabilities	29	7,633,984	7,062,988
Total liabilities		967,726,839	792,877,922
EQUITY			
Share capital	32	3,474,588	3,474,569
Other equity instruments:	33	8,071,242	8,071,257
– of which: Perpetual bonds		6,999,594	6,999,594
– Convertible bonds		1,071,648	1,071,663
Capital surplus	34	7,743,833	7,734,021
Other reserves	35	15,545,733	16,428,015
Retained earnings		28,136,711	25,363,111
Equity attributable to shareholders of the Bank		62,972,107	61,070,973
Non-controlling interests		3,026,735	2,692,945
Total equity		65,998,842	63,763,918
Total liabilities and equity		1,033,725,681	856,641,840

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

YANG XIUMING
CHAIRMAN

GAO SONG
PRESIDENT

LI CONG
VICE PRESIDENT

WU ZHU
HEAD OF FINANCE
DEPARTMENT

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

(In RMB thousands, unless otherwise stated)

	Equity attributable to shareholders of the Bank										
	Share capital (Note 32)	Other equity instruments		Capital surplus (Note 34)	Surplus reserve (Note 35)	General reserve (Note 35)	Revaluation reserve for financial assets at FVOCI (Note 35)	Remeasure-ment of retirement benefit plans (Note 35)	Retained earnings	Non-controlling interests	Total
		Perpetual bonds (Note 33)	Convertible bonds (Note 33)								
Balance at 31 December 2024	3,474,569	6,999,594	1,071,663	7,734,021	5,328,022	8,597,970	2,506,465	(4,442)	25,363,111	2,692,945	63,763,918
Net profit for the year	-	-	-	-	-	-	-	-	5,654,218	450,846	6,105,064
Other comprehensive income (Note 40)	-	-	-	-	-	-	(1,992,410)	220	-	-	(1,992,190)
Total comprehensive income	-	-	-	-	-	-	(1,992,410)	220	5,654,218	450,846	4,112,874
Conversion of convertible bonds	19	-	(15)	149	-	-	-	-	-	-	153
Others	-	-	-	9,663	-	-	-	-	-	4,219	13,882
Dividends to ordinary shareholders (Note 36)	-	-	-	-	-	-	-	-	(1,446,710)	(121,275)	(1,567,985)
Dividends to other equity instrument holders (Note 36)	-	-	-	-	-	-	-	-	(324,000)	-	(324,000)
Transfer to other reserves	-	-	-	-	531,100	578,808	-	-	(1,109,908)	-	-
Balance at 31 December 2025	3,474,588	6,999,594	1,071,648	7,743,833	5,859,122	9,176,778	514,055	(4,222)	28,136,711	3,026,735	65,998,842

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

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

(In RMB thousands, unless otherwise stated)

	Equity attributable to shareholders of the Bank										
	Share capital	Other equity instruments		Capital surplus	Surplus reserve	General reserve	Revaluation reserve for financial assets at FVOCI	Remeasurement of retirement benefit plans	Retained earnings	Non-controlling interests	Total
	(Note 32)	Perpetual bonds	Convertible bonds	(Note 34)	(Note 35)	(Note 35)	(Note 35)	(Note 35)			
Balance at 31 December 2023	3,474,562	6,999,594	1,071,670	7,734,979	4,848,740	7,879,269	1,150,662	(3,947)	23,762,205	2,381,693	59,299,427
Net profit for the year	-	-	-	-	-	-	-	-	5,117,290	403,741	5,521,031
Other comprehensive income (Note 40)	-	-	-	-	-	-	1,355,803	(495)	-	-	1,355,308
Total comprehensive income	-	-	-	-	-	-	1,355,803	(495)	5,117,290	403,741	6,876,339
Conversion of convertible bonds	7	-	(7)	808	-	-	-	-	-	-	808
Others	-	-	-	(1,766)	-	-	-	-	-	(1,349)	(3,115)
Dividends to ordinary shareholders (Note 36)	-	-	-	-	-	-	-	-	(1,994,401)	(91,140)	(2,085,541)
Dividends to other equity instrument holders (Note 36)	-	-	-	-	-	-	-	-	(324,000)	-	(324,000)
Transfer to other reserves	-	-	-	-	479,282	718,701	-	-	(1,197,983)	-	-
Balance at 31 December 2024	3,474,569	6,999,594	1,071,663	7,734,021	5,328,022	8,597,970	2,506,465	(4,442)	25,363,111	2,692,945	63,763,918

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

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

(In RMB thousands, unless otherwise stated)

	For the year ended 31 December	
	2025	2024
Cash flows from operating activities:		
Profit before income tax	6,752,675	6,393,931
Adjustments:		
Depreciation and amortisation	641,376	508,919
Impairment losses on loans	3,550,934	3,570,831
Provision for impairment losses on other assets	307,124	(379,211)
Net gains on disposal of long-term assets	(2,858)	(6,090)
Gains on changes in fair value	830,482	(107,582)
Net gains arising from financial investments	(2,394,072)	(1,941,962)
Share of profits of associates	(370,291)	(419,935)
Interest income arising from investment securities	(9,332,449)	(8,630,247)
Interest expense arising from financing activities	4,177,064	4,049,255
Changes in operating assets:		
Net (increase)/decrease in restricted deposit balances with central bank	(1,727,809)	534,313
Net decrease in due from and placements to banks and other financial institutions	6,727,839	134,200
Net (increase)/decrease in financial assets held under resale agreements	(27,223,273)	13,635,697
Net increase in loans and advances to customers	(96,063,610)	(50,780,360)
Net decrease/(increase) in other operating assets	3,410,033	(39,913,384)
Changes in operating liabilities:		
Net increase/(decrease) in borrowings from central bank	28,273,526	(7,761,065)
Net increase in due to and placements from banks and other financial institutions	44,807,906	8,550,170
Net decrease in financial assets sold under repurchase agreements	(4,858,684)	(7,810,028)
Net increase in customer deposits	89,821,605	54,718,140
Net increase in other operating liabilities	3,052,947	6,034,736
Income tax paid	(944,872)	(1,127,214)
Net cash from/(used in) operating activities	49,435,593	(20,746,886)
Cash flows from investing activities:		
Proceeds from disposal of property, plant and equipment, intangible assets and other long-term assets	6,325	77,647
Purchase of property, plant and equipment, intangible assets and other long-term assets	(1,320,119)	(670,484)
Return on investments	94,415,654	86,392,672
Purchase of investment securities	(156,093,841)	(110,302,000)
Proceeds from sale and redemption of investments	10,663,005	10,002,144
Net cash used in investing activities	(52,328,976)	(14,500,021)
Cash flows from financing activities:		
Proceeds from issuance of debt securities	168,892,653	174,435,723
Cash paid to redeem debt securities issued	(159,530,000)	(139,730,000)
Cash paid for lease liabilities	(95,111)	(74,343)
Interest paid on debt securities	(1,209,648)	(886,897)
Dividends paid to shareholders	(1,535,065)	(1,536,213)
Net cash from financing activities	6,522,829	32,208,270
Impact from exchange rate changes on cash and cash equivalents	(18,593)	6,050
Net increase/(decrease) in cash and cash equivalents	3,610,853	(3,032,587)
Cash and cash equivalents at the beginning of the year	16,269,842	19,302,429
Cash and cash equivalents at the end of the year (Note 41)	19,880,695	16,269,842

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

Notes to Consolidated Financial Statements

For the year ended 31 December 2025

(In RMB thousands, unless otherwise stated)

1 CORPORATE INFORMATION

Bank of Chongqing Co., Ltd. (the “Bank”) was formerly known as Chongqing Urban Cooperative Bank (重慶城市合作銀行), which was established by consolidating 37 urban credit cooperatives and 1 urban credit union in Chongqing with the approval of Yin Fu [1996] No.140 by the People’s Bank of China (“PBOC”). On 30 March 1998, the Bank was renamed as “Commercial Bank of Chongqing Co., Ltd.” (重慶市商業銀行股份有限公司) with the approval of Yu Yin Fu [1998] No.48 by the PBOC Chongqing Branch. On 1 August 2007, the Bank was further renamed as “Bank of Chongqing Co., Ltd.” (重慶銀行股份有限公司) with the approval of Yin Jian Fu [2007] No.325 by the China Banking Regulatory Commission (“CBRC”). On 6 November 2013, the Bank was listed on the Stock Exchange of Hong Kong Limited. On 5 February 2021, the Bank was listed on Shanghai Stock Exchange.

Headquartered in Chongqing, the Bank operates in Chongqing, Sichuan Province, Guizhou Province and Shaanxi Province in the People’s Republic of China (“PRC”).

As at 31 December 2025, the Bank operated its business through 205 business outlets covering all the 38 districts and counties of Chongqing as well as three provinces in western China, namely Sichuan province, Shaanxi province and Guizhou province.

The principal activities of the Bank and its subsidiaries (together, the “Group”) include deposit taking, loan lending, settlement services, financial leasing and other services approved by the respective regulators.

These consolidated financial statements were authorized for issuance by the Bank’s Board of Directors (the “Board”) on 24 March 2026.

2 MATERIAL ACCOUNTING POLICIES

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

2.1 Basis of Preparation

The consolidated financial statements of the Group have been prepared in accordance with all the applicable IFRS Accounting Standards and disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through other comprehensive income, and financial assets and financial liabilities at fair value through profit or loss which are carried at fair value.

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2 MATERIAL ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting polices

The Group has adopted amendments to IAS 21 Lack of Exchangeability for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries, joint ventures and associates for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

2.3 Issued but not yet effective IFRS Accounting Standards

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective

IFRS 18 ⁽²⁾	Presentation and Disclosure in Financial Statements
IFRS 19 and its amendments ⁽²⁾	Subsidiaries without Public Accountability: Disclosures
Amendments to IFRS 9 and IFRS 7 ⁽¹⁾	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7 ⁽¹⁾	Contracts Referencing Nature-dependent Electricity
Amendments to IFRS 10 and IAS 28 ⁽³⁾	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to IAS 21 ⁽²⁾	Translation to a Hyperinflationary Presentation Currency
Annual Improvements to IFRS ⁽¹⁾ Accounting Standards–Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7

⁽¹⁾ Effective for annual periods beginning on or after 1 January 2026

⁽²⁾ Effective for annual/reporting periods beginning on or after 1 January 2027

⁽³⁾ No mandatory effective date yet determined but available for adoption

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below.

Notes to Consolidated Financial Statements

For the year ended 31 December 2025

(In RMB thousands, unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

2.3 Issued but not yet effective IFRS Accounting Standards (Continued)

IFRS 18 replaces IAS 1 Presentation of Financial Statements. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of comprehensive income, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of comprehensive income into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as IAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 Statement of Cash Flows, IAS 33 Earnings per Share and IAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 Consolidated Financial Statements, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards. IFRS 19 was amended in April 2025 to include IFRS Accounting Standards in the eligibility criteria for applying the standard. The standard was further amended in October 2025 to (i) remove disclosure objectives from IFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to IFRS 18 for entities that use these measures. Earlier application is permitted. As the Group is a listed company, it is not eligible to elect to apply IFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of IFRS 19 and its amendments in their specified financial statements.

2 MATERIAL ACCOUNTING POLICIES (Continued)

2.3 Issued but not yet effective IFRS Accounting Standards (Continued)

Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to IFRS 9 and IFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now. The expected impact of these amendments on the Group's financial statements is not material.

Annual Improvements to IFRS Accounting Standards – Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying Guidance on implementing IFRS 7), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

Notes to Consolidated Financial Statements

For the year ended 31 December 2025

(In RMB thousands, unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

2.3 Issued but not yet effective IFRS Accounting Standards (Continued)

IFRS 7 Financial Instruments: Disclosures: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the Guidance on implementing IFRS 7 for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the Guidance on implementing IFRS 7 does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

IFRS 9 Financial Instruments: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

IFRS 10 Consolidated Financial Statements: The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

IAS 7 Statement of Cash Flows: The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

2 MATERIAL ACCOUNTING POLICIES (Continued)

2.4 Basis of consolidation

The consolidated financial statements incorporate the consolidated financial statements of the Bank and the subsidiaries (including structured entities) controlled by the Bank. Control is achieved when the Bank:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Bank reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Group obtains control until the date when the Group ceases to control the subsidiary.

The Group uses the acquisition method of accounting to account for business combinations. 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, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs are recognised in profit or loss as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interests in the acquiree at the non-controlling interests' proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the identifiable net assets of the acquiree in the case of a bargain purchase, the difference is recognised in profit or loss.

Total comprehensive income of the subsidiary is attributed to the shareholders of the Bank and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Notes to Consolidated Financial Statements

For the year ended 31 December 2025

(In RMB thousands, unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

2.5 Goodwill

Goodwill represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets. Goodwill is not amortised. Goodwill arising from a business combination is allocated to each cash-generating unit ("CGU") or group of CGUs, that is expected to benefit from the synergies of the combination. The Group performs an impairment test on goodwill at least once a year.

On disposal of the related CGU or group of CGUs, any attributable amount of goodwill net of allowances for impairment losses, if any, is included in the calculation of the profit or loss on disposal.

2.6 Associates

Associates are all entities over which the Group has a significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policy decisions.

Investments in associates are accounted for using the equity method of the accounting and are initially recognised at cost. The carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

The Group assesses at each financial reporting date whether there is objective evidence that investments in associates are impaired. Impairment losses are recognised for the amounts by which the investments in associates' carrying amounts exceed its recoverable amounts. The recoverable amounts are the higher of investments in associates' fair value less costs to sell and the present value of expected future cash flows.

2 MATERIAL ACCOUNTING POLICIES (Continued)

2.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

Recognition and derecognition of financial instruments

The Group shall recognise a financial asset or a financial liability in its statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets (or a part of a financial asset or group of financial assets) are derecognised when the financial assets meet one of the following conditions:

- (1) the contractual rights to the cash flows from the financial asset expire;
- (2) the contractual rights to the cash flows from the financial asset are transferred, or the Group undertake the obligation to pay the cash flows collected to a third party in full and on time under the “pass-through agreement” and the Group (a) transfers substantially all the risks and rewards of ownership of the financial assets or (b) where substantially all the risks and rewards of ownership of a financial asset are neither retained nor transferred, the control over that asset is relinquished.

The Group recognises and de-recognises financial assets on the trading day when trading financial assets in a conventional way. Trading financial assets in a conventional way refers to collecting on delivering financial assets within the time limit prescribed by laws or common practices in accordance with contract provisions. The trading day refers to the date on which the Group undertakes to buy or sell financial assets.

Financial liabilities are derecognised when they are extinguished – that is, when the obligation is discharged or cancelled, or expires. The difference between the carrying amount of the derecognised financial liability and the consideration paid is recognised in profit or loss.

Notes to Consolidated Financial Statements

For the year ended 31 December 2025

(In RMB thousands, unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

2.7 Financial instruments (Continued)

Classification and measurement of financial assets

The Group classifies financial assets as at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Only if when the Group changes the business model for managing financial assets, the Group shall reclassify the affected financial assets.

For financial assets at fair value through profit or loss, transaction costs are directly recognised in profit or loss. For other financial assets, transaction costs are recognised in the initial measurement.

Business models

The Group's business model refers to how the Group manages its financial assets in order to generate cash flows. That is, the Group's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. If financial assets are not held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, the business model of the financial assets is "other". The Group's assessment of the business model is performed on a financial asset portfolio basis, and determined on a reasonable expected scenario, taking into account: how cash flows were generated in the past, how the performance of the business model and the financial assets held within that business model is evaluated and reported to the Group's key management personnel; how risks are evaluated and managed; and how managers of the business are compensated.

The contractual cash flow characteristics

The assessment of contractual cash flow characteristics is to determine whether the cash flows are solely payments of principal and interest on the principal amount outstanding. Principal is the fair value of the financial asset at initial recognition. However, that principal amount may change over the life of the financial asset (for example, if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

The subsequent measurement of financial assets depends on the classification:

Debt instruments at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income is recognised using the effective interest method for such financial assets. The gains or losses from derecognition, amendments or impairment on such financial assets are recognised in profit or loss.

2 MATERIAL ACCOUNTING POLICIES (Continued)**2.7 Financial instruments (Continued)***Classification and measurement of financial assets (Continued)**Debt instruments at fair value through other comprehensive income*

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met: the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A gain or loss on a financial asset measured at the fair value through other comprehensive income should be recognised in other comprehensive income, except for interests calculated using effective interest method, impairment and foreign exchange gains and losses. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from other comprehensive income to profit or loss.

Equity instruments at fair value through other comprehensive income

The Group has irrevocably designated equity instruments that are not held for trading as financial assets at fair value through other comprehensive income. Only relevant dividend income (excluding dividend income explicitly recovered as part of investment cost) is recognised in profit or loss, and subsequent changes in fair value are recognised in other comprehensive income without provision for impairment. When financial assets are derecognised, the accumulated gains or losses previously recognised in other comprehensive income shall be reclassified to retained earnings under equity.

Financial assets at fair value through profit or loss

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. Such financial assets that the Group holds are subsequently measured at fair value. Gains or losses on such financial assets are recognised in profit or loss.

Notes to Consolidated Financial Statements

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2 MATERIAL ACCOUNTING POLICIES (Continued)

2.7 Financial instruments (Continued)

Classification and measurement of financial liabilities

The Group classifies financial liabilities as at fair value through profit or loss and financial liabilities at amortised cost at initial recognition. For financial liabilities at fair value through profit or loss, transaction costs are directly recognised in profit or loss. For financial liabilities at amortised cost, transaction costs are recognised in the initial measurement.

The subsequent measurement of financial liabilities depends on the classification:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading (including derivative financial instruments) and financial liabilities designated at fair value through profit or loss at initial recognition. Financial liabilities held for trading (including derivative financial instruments) are subsequently measured at the fair value. A gain or loss on such financial liability is recognised in profit or loss. Financial liabilities designated at fair value through profit or loss are subsequently measured at the fair value. A gain or loss on such financial liability is recognised in profit or loss, except that the changes in the fair value of the financial liability arising from changes in the Group's own credit risk should be recognised in other comprehensive income. If the recognition of the impact arising from changes in the financial liabilities' own credit risk in other comprehensive income will create or enlarge the accounting mismatch in profit or loss, the Group shall recognise the entire gain or loss of the financial liabilities (including the impact of changes in its own credit risk) in profit or loss.

Financial liabilities at amortised cost

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

Impairment of financial instruments

The Group evaluates and confirms relevant impairment allowance for financial assets measured at amortised cost, debt instrument investments at fair value through other comprehensive income, loan commitments and financial guarantee contracts based on ECL.

2 MATERIAL ACCOUNTING POLICIES (Continued)

2.7 Financial instruments (Continued)

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a current legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made by the issuer to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are measured at fair value at initial recognition. For financial guarantee contracts which are not designated as at fair value through profit or loss subsequently measured at the higher of the expenditure determined by the ECL model that is required to settle any financial obligation arising at the financial reporting date, and the value initially recognised less the accumulated amortisation recognised in accordance with the guidance for revenue recognition.

Derivative financial instruments

The Group uses derivative financial instruments, for example, to hedge exchange-rate risks and interest rate risks through foreign exchange forward contracts and interest rate swaps, which are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. All derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Changes in the fair value of these derivatives are recognised in profit or loss unless it is related to hedge accounting.

Convertible bonds

When the Group issues convertible bonds, the Group determines whether they contain both liability and equity components based on the terms. If a convertible bond is issued with both liability and equity components, the liability and equity components are separated at initial recognition and treated separately. The fair value of the liability component is determined as the initial recognition amount, and the initial recognition amount of the equity component is determined by deducting the initial recognition amount of the liability component from the issue price of the convertible bond as a whole. Transaction costs are apportioned between the liability component and the equity component based on their respective fair values. The liability component is presented as a liability and is subsequently remeasured at amortised cost until it is revoked, converted or redeemed. Equity components are presented as equity and are not subsequently remeasured.

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2 MATERIAL ACCOUNTING POLICIES (Continued)

2.7 Financial instruments (Continued)

Perpetual Bonds

The perpetual bonds issued by the Group do not include contractual obligations to pay cash or other financial assets to other parties, or to exchange financial assets or financial liabilities with other parties under potentially unfavourable conditions, and there are no arrangements under which the perpetual bonds are required to be settled by or may be settled by the Group's own equity instruments, thus the perpetual bonds issued by the Group are classified as equity instruments. Fees, commissions, and transaction costs incurred in issuing the perpetual bonds are deducted from equity. Interest on the perpetual bonds is treated as profit distribution when declared.

Transfer of financial assets

If the Group has transferred substantially all the risks and rewards of ownership of financial assets to the transferee, it shall derecognise the financial assets; if it retains substantially all the risks and rewards of ownership of financial assets, it shall not derecognise the financial assets.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of financial assets, it shall deal with the following situations separately: if it abandons its control over the financial assets, it should derecognise the financial assets and recognise the assets and liabilities that arose; if it does not abandon its control over the financial assets, it shall recognise the relevant financial assets in accordance with the extent to which it continues to be involved in the transferred financial assets, and relevant liabilities are recognised accordingly.

If the Group continues to be involved in the transferred financial assets by providing a financial guarantee, the assets that arose from the continued involvement shall be determined at the lower of the book value of the financial assets and the amount of the financial guarantee. The amount of the financial guarantee refers to the maximum amount that will be required to be repaid among the consideration received.

2.8 Interest income and expense

Interest income and expense are recognised in profit or loss on an accrual basis using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate. For purchased or originated credit-impaired ("POCI") financial assets – assets that are credit-impaired at initial recognition – the Group calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount.

2 MATERIAL ACCOUNTING POLICIES (Continued)

2.9 Fee and commission income

For the performance obligation implemented at a certain point of time, the Group recognises revenue when the customer obtains control of the service. For the performance obligation implemented during a certain period, the Group recognises the income according to the progress of the performance during the period.

2.10 Dividend distribution

Common stock cash dividends are recognised as liabilities in the current period of the approval of the general meeting. Preferred stock cash dividends are recognised as liabilities in the current period of the approval of the Board.

2.11 Sale/purchase and repurchase/resale agreements

Assets sold subject to a linked repurchase agreements with banks and other financial institutions are retained in the consolidated financial statements as financial assets held for trading or investment securities, as the Group still retains substantially all risk and rewards of the ownership of the underlying assets. The related liability is recorded as “due to and placements from banks and other financial institutions”.

Resale agreements (“Reverse repos”) refers to the agreement under which the Group purchases an asset with an obligation to resell it to the same counterparty at a pre-determined price on a specified date. Reverse repos are recorded as “due from and placements with banks and other financial institutions” while assets bought are not recognised.

Interest earned from resale agreement and interest paid under repurchase agreement are recorded as interest income or interest expense respectively using effective interest method during the agreement period.

2.12 Property, plant and equipment

The Group’s property, plant and equipment mainly comprise buildings, motor vehicles, electronic equipment, office equipment, assets under operating leases, and construction in progress.

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in an asset’s carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are recognised in profit or loss during the financial period in which they are incurred.

Notes to Consolidated Financial Statements

For the year ended 31 December 2025

(In RMB thousands, unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

2.12 Property, plant and equipment (Continued)

Depreciation is calculated on the straight-line method to write down the cost of such assets to their residual values over their estimated useful lives. The residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each reporting date.

Property, plant and equipment are reviewed for impairment at each reporting date. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and present value of expected future cash flows.

Gains or losses on disposals are determined by the difference between proceeds and carrying amount, after deduction of relevant sales taxes and expenses. These are recognised in profit or loss.

Buildings comprise primarily head and branch network premises and office premises. The estimated useful lives, estimated residual value rate and depreciation rate of buildings, motor vehicles, electronic equipment, office equipment and operating leasing assets are as follows:

Type of assets	Estimated useful lives	Estimated residual value rate	Depreciation rate
Buildings	30 years	3.0%	3.23%
Motor vehicles	5 years	3.0%	19.40%
Electronic equipment	5 years	3.0%	19.40%
Office equipment	5 years	3.0%	19.40%
Operating leasing assets	4-25 years	0.0%-3.0%	4.00%-25.00%

Construction in progress consists of assets under construction or being installed and is stated at cost. Cost includes equipment cost, cost of construction, cost of installation and other direct costs. Items classified as construction in progress are transferred to property, plant and equipment when such assets are ready for their intended use and the depreciation charge commences from then.

2 MATERIAL ACCOUNTING POLICIES (Continued)

2.13 Foreclosed assets

When the Group's obligor use foreclosed asset to compensate the principal and interest of loan, foreclosed asset was initially recognised and measured at fair value, then it was subsequently measured at the lower of carrying amount and recoverable amount. At each reporting date, the Group will assess if a foreclosed asset has been impaired individually. If recoverable amount of foreclosed asset is lower than carrying amount, the difference should be charged to profit or loss for the current period.

2.14 Land use rights

Land use rights, listed under "right-of-use assets", are recognised initially at "cost", being the consideration paid for the rights to use and occupy the land. Land use rights are amortised using the straight-line method over their authorized useful lives.

2.15 Intangible assets

An intangible asset is measured initially at cost, including direct expenses incurred in connection with the acquisition. When an intangible asset with a finite useful life is available for use, its original cost is amortised over its estimated useful life using the straight-line method. An intangible asset with an indefinite useful life is not amortised.

For an intangible asset with a finite useful life, the Group reviews the useful life and amortisation method at the end of each reporting period, and makes adjustments when necessary.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

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2 MATERIAL ACCOUNTING POLICIES (Continued)

2.16 Investment property

Investment properties, including buildings that are held for the purpose of leasing, and buildings that are being constructed or developed for the purpose of leasing in future, are measured initially at cost. Subsequent expenditures incurred in relation to an investment property are included in the cost of the investment property when it is probable that the associated economic benefits will flow to the Group and their costs can be reliably measured; otherwise, the expenditures are recognised in profit or loss in the period in which they are incurred.

Investment properties are initially measured at cost, including costs that are directly attributable to the properties, at the time of acquisition. The Group adopts the cost model for subsequent measurement of investment properties. The type of assets, estimated useful lives, estimated residual value rate and annual depreciation rate of investment properties are as follows:

Type of assets	Estimated useful lives (years)	Estimated residual value rate	Annual depreciation rate
Buildings	30 years	3.0%	3.23%

When an investment property is transferred to an owner-occupied property, it is reclassified as fixed asset or intangible asset at the date of the transfer. When an owner-occupied property is transferred out for earning rentals or for capital appreciation, the fixed asset or intangible asset is reclassified as investment properties at its carrying amount at the date of the transfer.

Investment properties are reviewed for impairment at each reporting date. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and the present value of the expected future net cash flows generated by the asset.

2.17 Impairment of non-financial assets

The Group determines the impairment of assets, other than the impairment of deferred tax assets and financial assets, using the following methods:

The Group assesses at the reporting date whether there is any indication that assets may be impaired. If any indication exists that an asset may be impaired, the Group estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired and it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the CGU to which the asset belongs.

2 MATERIAL ACCOUNTING POLICIES (Continued)

2.17 Impairment of non-financial assets (Continued)

CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash flows from other assets or groups of assets.

The recoverable amount of an asset (or CGU, group of CGUs) is the higher of its fair value less costs to sell and the present value of the expected future cash flows. The Group considers all relevant factors in estimating the present value of future cash flows, such as the expected future cash flows, the useful life and the discount rate.

(a) Testing CGU with goodwill for impairment

For the purposes of impairment testing, goodwill is allocated to each of the CGUs (or groups of CGUs) that is expected to benefit from the synergies of the combination.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently whenever there is an indication that the unit may be impaired.

(b) Impairment loss

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is recognised as an impairment loss and charged to the profit or loss.

For a CGU or a group of CGUs, the amount of impairment loss firstly reduces the carrying amount of any goodwill allocated to the CGU or group of CGUs, and then reduces the carrying amount of other assets (other than goodwill) within the CGU or group of CGUs, pro rata on the basis of the carrying amount of each asset.

(c) Reversing an impairment loss

If, in a subsequent period, the amount of impairment loss of the non-financial asset except for goodwill decreases and the decrease can be linked objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the profit or loss. A reversal of impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior periods.

An impairment loss in respect of goodwill is not reversed.

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2 MATERIAL ACCOUNTING POLICIES (Continued)

2.18 Leases

Lease refers to a contract in which the lessor transfers the right of use of the assets to the lessee for a certain period of time to obtain the consideration.

The Group as lessee

The Group recognises the right-of-use asset on the start date of the lease term and recognises the lease liability at the present value of the remaining lease payments. The lease payments include fixed payments and payments to be made in the case that it is reasonably determined that the purchase option will be exercised or the lease option will be terminated. The Group calculates the interest expense on the lease liabilities for each period of the lease term based on a fixed periodic interest rate, which is recognised in profit or loss.

The right-of-use asset is initially measured at cost, which includes the initial measurement of the lease liability, the lease payments already paid on or before the lease start date, the initial direct costs etc, and deducts any lease incentives. The asset is depreciated over the remaining useful life of the leased asset if Group could reasonably determine the ownership of the leased asset at the expiration of the lease term; if it is not possible to reasonably determine whether the ownership of the leased asset can be obtained at the expiration of the lease term, the right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. When the recoverable value is lower than the book value of the right-of-use asset, the Group reduces its book value to the recoverable value.

As for the short-term leases with a lease term less than 12 months and low-value asset leases with a lower value of individual assets, the Group will not recognise the right-of-use assets and lease liabilities, and the relevant rental expenses are recognised in profit or loss on the straight-line basis for each period of the lease term or in the related assets costs.

The Group accounts for a modification to a finance lease as a separate lease if both:(a) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and (b) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification, the Group remeasures the lease term and the lease liability by discounting the revised lease payments using a revised discount rate. The Group decreases the carrying amount of the right-of-use asset for lease modifications that decrease the scope or term of the lease, and recognises the gain or loss relating to the partial or full termination of the lease in profit or loss. The Group makes a corresponding adjustment to the right-of-use asset for all other lease modifications.

2 MATERIAL ACCOUNTING POLICIES (Continued)

2.18 Leases (Continued)

The Group as lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(i) *Operating lease*

When the Group leases out its own buildings, equipment and motor vehicles, the rental income arising from operating leases is recognised on the straight-line basis over the lease term. Initial direct costs are capitalised and amortised over the lease term on the same basis as rental income is recognised, and are charged to profit or loss.

(ii) *Finance lease*

When the Group is the lessor in a finance lease, an amount representing the minimum lease payment receivables and unguaranteed residual value, net of initial direct costs, and all discounted at the implicit lease rate (the “net lease investment”), is recorded in the consolidated statement of financial position as “Loans and advances to customers”. The difference between the net lease investment and the undiscounted amount is recorded as unearned finance income, which is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return. Impairment losses on lease receivables are accounted for in accordance with the accounting policies as financial instruments impairment.

2.19 Cash and cash equivalents

For the purposes of the consolidated cash flow statement, cash and cash equivalents comprise balances with less than three months’ maturity from the date of acquisition, including: cash, excess reserve with central bank and amounts due from and placements with banks and other financial institutions.

2.20 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 is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable and the amount can be reliably measured, it will then be recognised as provisions.

Notes to Consolidated Financial Statements

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2 MATERIAL ACCOUNTING POLICIES (Continued)

2.21 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount can be reliably measured.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the risks specific to the obligation, the uncertainties and the time value of money.

2.22 Current and deferred income taxes

The tax expense for the year comprises current and deferred income tax. Tax expense is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is recognised in other comprehensive income or equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. As at the consolidated financial statements date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the related deferred income tax asset is realised or the deferred income tax liability is settled pursuant to tax laws.

The temporary differences primarily arise from impairment allowance for loans and advances, impairment allowance for financial assets at amortised cost, and unrealised gains/losses of financial assets at FVOCI.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences and unused tax losses can be utilised. Deferred income tax liabilities are the amounts of income tax payable in respect of taxable temporary differences, which are measured at the amount expected to be paid to the tax authorities in the future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2 MATERIAL ACCOUNTING POLICIES (Continued)

2.23 Share capital

Share capital of equity comprises ordinary shares issued.

2.24 Employee benefits

Salaries and bonuses, housing benefits and costs for social security benefits are accrued in the financial period in which the services are rendered by employees of the Group. The Group also participates in various defined contribution retirement plans principally organised by municipal and provincial governments.

In addition, the Group pays supplementary retirement benefits to employees, who retired before 30 June 2011. The Group's obligations in respect of supplementary retirement benefits are calculated by estimating the amount of future benefits that the Group is committed to pay to the employees after their retirement using actuarial techniques. Such benefits are discounted to determine their present values. The discount rate is the yield on equivalent government bonds at the reporting date, the maturity dates of which approximate to the terms of the Group's obligations. Actuarial gains and losses, and changes in actuarial assumptions are charged or credited to the other comprehensive income as they occur. Current service cost and net interest on the net defined benefit liability (asset) is recognised in profit and loss.

After 1 January 2010, employees can also voluntarily participate in a defined contribution plan established by the Group ("the Annuity Plan") according to state corporate annuity plan besides the pension plan of the social security. The Group contributes to the Annuity Plan based on certain percentages of the employees' gross salaries in the previous year. The Group's contributions to annuity plans are charged to profit or loss in the financial period to which they relate.

2.25 Foreign currency translation

(a) *Functional and recording currency*

The Group's recording currency is Renminbi ("RMB"), the legal currency of the PRC. Items included in the consolidated financial statements of each of the Group are measured using the currency that best reflects the economic environment of the underlying events and circumstances relevant to that entity ("the functional currency"). The consolidated financial statements are presented in RMB which is the functional and recording currency of the Group.

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income. Foreign currency gains or losses in monetary assets measured at FVOCI are recognised in profit or loss.

Translation differences on non-monetary financial assets and liabilities held at fair value through profit or loss are recognised in the consolidated statement of comprehensive income as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities measured at FVOCI, are included in other comprehensive income.

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2 MATERIAL ACCOUNTING POLICIES (Continued)

2.26 Fiduciary activities

Assets and income arising thereon together with related undertakings to return such assets to customers are excluded from the consolidated financial statements where the Group acts in a fiduciary capacity such as nominee, trustee, custodian or agent.

The Group grants entrusted loans on behalf of third-party lenders. The Group grants loans to borrowers, as agent, at the direction of the third-party lenders, who fund these loans. The Group has been contracted by these third-party lenders to manage the administration and collection of these loans on their behalf. The third-party lenders determine both the underwriting criteria for and all terms of the entrusted loans including their purposes, amounts, interest rates, and repayment schedule. The Group charges a commission related to its activities in connection with the entrusted loans which are recognised ratably over the period the service is provided. The risk of loss is born by the third-party lenders, thus the principal amounts of the entrusted loans are recorded on the off-balance sheet.

2.27 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined the senior management team represented by the President as its chief operating decision maker.

An operating segment is a component of the Group with all of the following conditions are satisfied: (1) that component can earn revenues and incur expenses from ordinary activities; (2) the component's operating results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and (3) discrete consolidated financial statements for the component are available to the Group. If two or more operating segments have similar economic characteristics, and certain conditions are satisfied, they may be aggregated into a single operating segment.

Intra-segment revenue and costs are eliminated. Income and expenses directly associated with each segment are included in determining segment performance.

The classification of reporting segments are based on the operating segments, and the assets and expenses shared by all the segments are allocated according to their scales.

2.28 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specially, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the year in which they become receivable.

3 FINANCIAL RISK MANAGEMENT

Overview

The Group's business activities expose it to a variety of financial risks and those activities involve analysis, evaluation, acceptance and management of some degree of risks or combination of risks. Assuming risks are core to the financial business, and operational risks are an inevitable consequence of being in business. The Group's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Group's financial performance.

The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Group regularly reviews its risk management policies and systems to reflect changes in markets, and products and the emerged best practice.

As the highest decision-making body for risk management, the Board of Directors bears the ultimate responsibility for risk management, approving risk management strategies, significant risk management policies and procedures, supervising senior management in overall risk management, reviewing overall risk management reports, and evaluating overall risks. The Board of Directors authorizes its Risk Management Committee to fulfil some of its obligations regarding overall risk management. Senior management is responsible for the implementation of risk management, specifically including overall risk management and internal control, and development and implementation of policies and procedures to identify, measure, monitor and control risks. In addition, the internal audit department is responsible for independent review of the risk management and control environment.

The Group's main financial risks comprise credit risk, market risk (including currency risk and interest rate risk), liquidity risk and operational risk.

3.1 Credit risk

The Group's credit risk is the risk of default by debtors or counterparties or their downgrade in credit rating or reduction in performance capability. Credit risk arises mainly from loans (including trade financing), bill acceptance and discounting, overdrafts, bond investments, special purpose vehicle investments, letters of credit, factoring, guarantees, loan commitments and other transactions where the Group substantially bears the credit risk.

The Group monitors credit risk on a regular basis to identify changes in borrowers' credit risk status in a timely manner, pays close attention to the changes and takes appropriate measures for effective management, and also transfers or reduces credit risk through qualified collaterals and pledges, net settlement, guarantees and credit derivatives.

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.1 Credit risk management

(a) Credit business

The Group measures and monitors the quality of the Group's loans in accordance with external rules and regulations such as the Measures for the Risk-based Classification of Financial Assets by Commercial Banks formulated by the CBIRC and the People's Bank of China. Loans are classified based on the borrower's repayment capability, repayment record, willingness to repay, loan guarantee, legal liability for loan repayment and bank credit management. The Measures for the Risk-based Classification of Financial Assets by Commercial Banks require financial institutions to divide credit assets into five categories, namely pass, special-mentioned, substandard, doubtful and loss, and assets of the last three categories are non-performing assets. For retail loans, the number of days past due is also an important indicator for loan classification.

Each category of credit assets is primarily defined as follows under the Measures for the Risk-based Classification of Financial Assets by Commercial Banks:

Pass: the debtor is able to perform the contract, and there is no objective evidence showing that it is unable to repay the principal, interest or earnings in full and on time.

Special-mentioned: although there are some factors which are likely to have adverse impact on the performance of the contract, the debtor is currently able to repay the principal, interest or earnings.

Substandard: the debtor is unable to repay the principal, interest or earnings in full, or the financial asset has suffered from credit impairment.

Doubtful: the debtor is unable to repay the principal, interest or earnings in full, and the financial asset has suffered from significant credit impairment.

Loss: after all possible measures are taken, only a very small part of financial assets is recovered, or all of the financial assets are lost.

Risk management department coordinates the classification of loans. The classification of loans is performed monthly and adjusted timely. Risk management department monthly summarises the reclassification information and reports to risk management and internal control committee for approval. The classification of loans is monitored through credit risk management system.

(b) Treasury business

The Group manages the credit quality of amounts due from and placements with banks and other financial institutions by considering the size, financial position and the external credit rating of banks and financial institutions. The head office monitors and reviews the credit risk of loans to banks and other financial institutions by counterparties periodically. Limits are placed on different counterparties. For debt securities and other treasury business, the Group manages the credit risk exposures by setting limits to the external credit ratings of its investments.

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.2 Risk limit control and mitigation policies

(a) Credit business

The Group takes the same credit risk management control procedure for on and off-balance sheet risk exposures. The risk control procedure of the Group's credit risk includes the following: credit policy stipulating, pre-credit investigation, credit rating for corporate and retail customers, collateral assessment, examination and approval of credit loans, draw-down, post-loan management, management on non-performing loans, due-diligence on non-performing loans.

The Group has established a mechanism of risk warning for credit business, mainly including single customer credit authorisation risk and systematic risk. Unified credit authorisation management is implemented for key customers. Once the maximum exposure of a single customer is determined, the customer's exposure limit should not exceed its credit limit at any time before it achieved new credit limit.

The Group takes action to strengthen controls over credit risk in relation to group customers and related party customers. The Group manages the concentration risk of group customers to control credit risk. The committee of related party transactions is set up under the Board to manage controls over related party transaction.

The Group employs a range of policies and practices to mitigate credit risk. The most traditional of these is taking collateral, which is a common practice.

Most of the borrowers are required to provide proper collateral for loans. The type of collateral mainly includes mortgage, pledge and guarantee. The Group employs property appraisal companies with certificates to evaluate the collateral. The detailed collateral type and amount are determined by credit risk of counterparty or customers. Please refer to Note 3.1.5(c) for specific guidelines on collateral and guarantee.

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.2 Risk limit control and mitigation policies (Continued)

(b) Treasury business

Financial inter-bank division centralises control over treasury business with hierarchical authorisation from department heads to the President for different business types such as subscription, distribution, buying, selling and repurchase of bonds.

The Group invests in bonds with hierarchical authorisation under the guidelines of asset and liability management committee. The Group sets stop-loss point accordingly for different maturity period and evaluates risk and loss of trading bonds. The Group places limits for interbank borrowing and lending. The Group manages the credit risk exposures of interbank borrowing and lending strictly within the limit of regulation and credit authorisation.

For bonds, the Group manages the credit risk exposures by setting limits to the external credit ratings of its investments, par value of single debt security purchase, selling price. RMB bond investments require a rating of AA- or above. Among foreign currency bond investments, financial institution bonds refer to those issued by a financial institution with an external credit rating of BBB or above (by Standard & Poor's, Moody's or equivalent agencies)

The bond traders regularly review and monitor the changes of market interest and report the market value of bonds to the financial market department and the asset and liability management department, and conduct risk prevention measures based on guidance. If there is any violation of interest rate in the market or any significant credit risk encountered to debtors, the business department responsible for bond investments will ask for holding extraordinary asset and liability management meeting to conclude an emergency plan. The debt traders will react according to the plan.

The Group invests in trust plans and asset management plans which are mainly guaranteed by third party banks or guarantee companies, or secured by collateral. The Group sets credit risk limit to the counter party banks and third party companies to mitigate the risk associated therewith.

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.3 Credit risk assessment

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The Group measures credit risk using Probability of Default ("PD"), Exposure at Default ("EAD") and Loss Given Default ("LGD").

Aiming to the exposure of corporate client risk, the Group uses internal credit risk gradings to reflect its assessment of the PD of individual counterparties, while using various internal rating models to various categories of counterparty. Borrower and loan specific information collected at the time of application (such as key financial ratios, turnover and industry type of corporate borrowers) is fed into this rating model. In addition, the models enable expert judgement from the Credit Risk Officer to be fed into the final internal credit rating for each exposure. This allows for considerations which may not be captured as part of the other data inputs into the model. The rating is determined at the borrower level. A relationship manager will incorporate any updated or new information/credit assessments into the credit system on an ongoing basis. In addition, the relationship manager will also update information about the creditworthiness of the borrower every year from sources such as public financial statements. This will determine the updated internal credit rating and PD.

The credit grades are calibrated such that the risk of default increases exponentially at each higher risk grade. For example, this means that the difference in the PD between an A and A- rating grade is lower than the difference in the PD between a BB and B rating grade.

Aiming to bond investment and interbank business, the Group uses external credit risk gradings to reflect its probability of default of individual counterparties, which is the prediction base of future PD. External rating agency credit grades are used. These published grades are continuously monitored and updated. The PD's associated with each grade are determined based on realised default rates over the prior 12 months, as published by the rating agency.

In order to assess the exposure of individual risk, the Group uses historical data to estimate the historical default data, which is the prediction base of future PD, under various overdue period and aging. After the date of initial recognition, the payment behaviour of the borrower, such as previous delinquency history, is monitored on a periodic basis. This score is mapped to a PD.

The internal rating system of the Group includes 15 non-default levels (AAA+ to C) and 1 default grades (D). The main scale table matches the default probability of a specific range for each rating category and stays stable for a certain period of time. The Group conducts regular verification and recalibration of the rating method to enable it to reflect all actual observable default situations.

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.4 Expected credit loss measurement

IFRS 9 outlines a “three-stage” model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in “Stage 1” and has its credit risk continuously monitored by the Group.
- If a significant increase in credit risk (“SICR”) since initial recognition is identified, the financial instrument is moved to “Stage 2” but is not yet deemed to be credit-impaired. Please refer to Note 3.1.4(a) for a description of how the Group determines when a significant increase in credit risk has occurred.
- If the financial instruments is credit-impaired, the financial instrument is then moved to “Stage 3”. Please refer to Note 3.1.4(b) for a description of how the Group determines when a significant increase in credit risk has occurred.
- The provision method of impairment allowance at different stages is as follows: Financial instruments in Stage 1 have their ECL allowance measured at an amount equal to portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL allowance measured based on expected credit losses on a lifetime basis. Please refer to Note 3.1.4(c) for a decryption of inputs, assumptions and estimation techniques used in measuring the ECL allowance.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information. Note 3.1.4(d) includes an explanation of how the Group has incorporated this in its ECL models.
- POCI financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis.

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.4 Expected credit loss measurement (Continued)

(a) Significant increase in credit risk (SICR)

The group considers a financial instrument to have experienced a SICR when it meets one or more of the following criteria.

Quantitative criteria:

The borrower is more than 30 days past due on its contractual payments.

Qualitative criteria:

- i) Borrower of loan-related financial instrument is on the Watchlist, which is used to monitor credit risks and assessment at the counterparty level is conducted regularly; or
- ii) The risk classification of the instrument is between Special-mention I and Special-mention III; or
- iii) the change of internal rating triggers stage 2 condition; or
- iv) The status of credit card is classified as “overdue” under internal management.

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.4 Expected credit loss measurement (Continued)

(b) Definition of default and credit-impaired assets

The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria:

The borrower is more than 90 days past due on its contractual payments.

Qualitative criteria:

- i) Borrower of loan-related financial instrument is on the Monitoring List, which is used to monitor credit risks and assessment at the counterparty level is conducted regularly; or
- ii) The instrument is classified between Substandard I and Loss; or
- iii) The status of credit card is classified as “outsourced collection” or “sued and interest accrual stopped” under internal management.

The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

- The borrower is in long-term forbearance
- The borrower is deceased
- The borrower is insolvent
- The borrower is in breach of financial covenant(s)
- An active market for that financial asset has disappeared because of financial difficulties
- Concessions have been made by the lender relating to the borrower’s financial difficulty
- It is becoming probable that the borrower will enter bankruptcy
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss given Default (LGD) throughout the Group’s expected loss calculation.

3 FINANCIAL RISK MANAGEMENT (Continued)**3.1 Credit risk (Continued)****3.1.4 Expected credit loss measurement (Continued)****(c) Measuring ECL – Explanation of inputs, assumptions and estimation techniques**

The Group classifies credit risk exposures according to credit risk characteristics including product type, customer type, customer industry and market distribution. Non-retail business risks are grouped into “industry, commerce and trade, construction, real estate, government-affiliated institutions, small and micro enterprises, general companies”. Retail business risks are grouped into “mortgage loans, online consumption loans, online business loans, offline consumption loans and offline business loans”. Credit card risks are grouped into “collateralized M0, collateralized M1, collateralized M2, collateralized M3, non-collateralized M0, non-collateralized M1, non-collateralized M2, non-collateralized M3, M4”

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined set out below:

- The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation. For the definition of default, refer to Note 3.1.4(b).
- EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). For example, for a revolving commitment, the Group includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.
- Loss Given Default (LGD) represents the Group’s expectation of the extent of loss on a defaulted exposure. LGD varies by availability of collateral and other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD).

The ECL is determined by projecting the PD, LGD, and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival. This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.4 Expected credit loss measurement (Continued)

(c) Measuring ECL – Explanation of inputs, assumptions and estimation techniques (Continued)

The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

The 12M and Lifetime EADs are determined based on the expected payment profile, which varies by product type:

- For amortising products and bullet payment loans, this is based on the contractual repayments owed by the borrower over a 12M or lifetime basis.
- For revolving products, the exposure at default is predicted by taking current drawn balance and adding a “credit conversion factor” which allows for the expected drawdown of the remaining limit by the time of default.

The 12M and Lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product types. For secured products, this is primarily based on collateral types.

Forward-looking economic information is also included in determining the 12M and Lifetime PDs, EADs, and LGDs. These assumptions vary by product types. Refer to Note 3.1.4(d) for an explanation of forward-looking information and its inclusion in ECL calculations.

The assumptions underlying the ECL calculation, such as how the maturity profile of the PDs and how collateral value change, are monitored and reviewed regularly.

Except for forward-looking information, there have been no significant changes in estimation techniques or significant assumptions made in 2025 (2024: Nil).

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.4 Expected credit loss measurement (Continued)

(d) Forward-looking information incorporated in the ECL models

The assessment of a significant increase in credit risk and the calculation of expected credit losses both involve forward-looking information. Through historical data analysis, the Group identifies key economic indicators that affect the credit risk and expected credit loss of various assets, such as the accumulated year-on-year growth rate of consumer price index ("CPI"), the cumulative year-on-year growth rate of gross domestic product ("GDP"), the accumulated year-on-year growth rate of industrial value added, and purchasing managers' index ("PMI"). The Group evaluates and forecasts these economic indicators at least annually, and regularly checks the evaluation results. In 2025, the Group adjusted the forecast of forward-looking economic indicators by using statistical analysis methods and expert judgements. When considering forward-looking information, the Group comprehensively considers internal and external data, expert forecasting, and statistical analysis to determine the relationship between these economic indicators and PD, LGD, and EAD. The input value of the model has been smoothly adjusted. As at 31 December 2025, the key macroeconomic parameters used by the Group in various macroeconomic scenarios and the forecasting values for the next year are listed as follows:

	Economic Scenario		
	Central	Upside	Downside
CPI: accumulated year on year	0.20	0.50	(0.10)
GDP: accumulated year on year	5.00	5.10	4.90
PMI	50.00	50.20	49.80

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instruments. Expert judgement has also been applied in this process. Forecasts of these economic variables (the "base/central economic scenario") are provided by the Group on year basis and provide the best estimate view and prediction in scenarios of the future economy. To project the economic variables out for the full remaining lifetime of each instrument following the forecast period, a mean reversion approach has been used, which means that economic variables tend to either a long run average rate or a long run average growth rate over a period of years. The impact of these economic variables on the PD has been determined by performing Merton-type model and statistical regression analysis to understand the impact of historical changes in these variables on default rates and on the PD.

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.4 Expected credit loss measurement (Continued)

(d) Forward-looking information incorporated in the ECL models (Continued)

The Group conducts sensitivity analysis on the key economic indicators used in forward-looking measurement. As at 31 December 2025, when the predicted value of the core economic indicators in the main scenarios increase or decrease by 10%, the Group expected the respective decrease or increase in ECL will not exceed 10%.

The Group also provide other possible scenarios along with scenario weightings. The number of other scenarios used is set based on the analysis of each major product type to ensure non-linearities are captured. The number of scenarios and their attributes are reassessed at each reporting date. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement, taking account of the range of possible outcomes each chosen scenario is representative of. This determines whether the whole financial instrument is in Stage 1, Stage 2, or Stage 3 and hence whether 12M or Lifetime ECLs should be recorded. Following this assessment, the Group measures ECL as either a probability weighted 12M ECL (Stage 1), or a probability weighted Lifetime ECL (Stages 2 and 3). These probability-weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting (as opposed to weighting the inputs). As at 31 December 2025, the weights assigned to various economic scenarios were: “central” 70%, “upside” 10%, and “downside” 20% (31 December 2024: the weights assigned to various economic scenarios were: “central” 70%, “upside” 10%, and “downside” 20%).

The multi-scenario weight is based on the principle of the benchmark scenario and supplemented by other scenarios. According to the sensitivity analysis, when the weight of the “upside” scenario increases by 10% and the weight of the “central” scenario decreases by 10%, or the weight of the downside scenario increases by 10% and the weight of the “central” scenario decreases by 10%, the Group expected the respective decrease or increase in ECLs will not exceed 5%.

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.4 Expected credit loss measurement (Continued)

(d) Forward-looking information incorporated in the ECL models (Continued)

As at 31 December 2025, the ECL calculated for the above three scenarios and the weighted average ECL of the Group are as follows:

	As at 31 December 2025		
	Loans and advances to corporate entities	Retail loans	Investment securities
Weighted average	10,455,364	4,342,970	1,989,631
Central	10,459,577	4,335,405	1,966,434
Upside	9,701,623	4,194,598	1,849,155
Downside	10,817,487	4,443,633	2,141,060

	As at 31 December 2024		
	Loans and advances to corporate entities	Retail loans	Investment securities
Weighted average	10,092,281	3,260,235	1,737,996
Central	10,069,497	3,243,551	1,735,699
Upside	9,821,314	3,139,350	1,717,449
Downside	10,307,510	3,379,069	1,756,308

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.5 Credit risk exposure

(a) Maximum exposure to credit risk – Financial instruments subject to impairment

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets.

	As at 31 December	
	2025 Carrying amount	2024 Carrying amount
On-balance-sheet items		
BBalances with central bank (Stage 1)	40,079,411	33,622,552
Due from and placements with banks and other financial institutions	53,914,676	34,468,211
Stage 1	53,683,463	34,296,404
Stage 3	199,000	45,471
Accrued interest	32,213	126,336
Loans and advances to customers		
– Amortised cost	493,935,572	399,589,447
Stage 1	474,170,195	385,273,635
Stage 2	15,816,876	8,684,093
Stage 3	1,783,837	3,310,839
Accrued interest	2,164,664	2,320,880
– FVOCI (Stage 1)	22,550,944	27,674,398
Investment securities – Amortised cost	245,235,625	169,427,008
Stage 1	241,054,460	165,495,848
Stage 2	1,222,517	1,243,873
Stage 3	35,559	233,881
Accrued interest	2,923,089	2,453,406
Investment securities – FVOCI	97,354,660	113,677,997
Stage 1	95,773,253	111,798,424
Stage 2	211,271	–
Stage 3	–	96,000
Accrued interest	1,370,136	1,783,573
Other assets	1,087,045	314,480
Stage 1	926,540	300,147
Stage 2	16,288	3,203
Stage 3	144,217	11,130
On-balance-sheet total	954,157,933	778,774,093
Off-balance-sheet total	101,400,394	76,838,647
Total	1,055,558,327	855,612,740

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.5 Credit risk exposure (Continued)

(a) Maximum exposure to credit risk – Financial instruments subject to impairment (Continued)

The Group internally ranks the asset risk characteristics based on the quality of the assets. The financial assets used in the expected credit loss is classified as “low risk”, “medium risk” and “high risk” according to internal rating for internal credit risk management purposes. “Low risk” means that the assets are of good quality, of which the possibility of future default is low, and it is less affected by external unfavourable factors; “medium risk” refers to the assets with certain solvency, but persistent major instability and poor commercial, financial or economic conditions may reduce its solvency; “high risk” refers to the assets with high risk of default or those meet the definition of default by the Group, and there exist unfavourable factors that have a greater impact on solvency.

The following tables illustrates the maximum credit risk exposure of loans and advances to customers at amortised cost classified by credit grade:

	ECL Stage			Total
	Stage 1 12M ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
As at 31 December 2025				
Credit rating				
Low risk	300,010,061	847,762	–	300,857,823
Medium risk	179,460,740	15,448,334	52,306	194,961,380
High risk	–	4,317,026	6,433,013	10,750,039
Gross principal balance	479,470,801	20,613,122	6,485,319	506,569,242
Impairment allowance	(5,300,606)	(4,796,246)	(4,701,482)	(14,798,334)
Total	474,170,195	15,816,876	1,783,837	491,770,908
As at 31 December 2024				
Credit rating				
Low risk	249,566,806	79,070	–	249,645,876
Medium risk	139,687,913	9,271,072	1,432,169	150,391,154
High risk	–	2,832,349	7,751,704	10,584,053
Gross principal balance	389,254,719	12,182,491	9,183,873	410,621,083
Impairment allowance	(3,981,084)	(3,498,398)	(5,873,034)	(13,352,516)
Total	385,273,635	8,684,093	3,310,839	397,268,567

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.5 Credit risk exposure (Continued)

(a) Maximum exposure to credit risk – Financial instruments subject to impairment (Continued)

The following tables illustrates the maximum credit risk exposure of financial investment – amortised cost classified by credit grade:

	ECL Stage			Total
	Stage 1 12M ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
As at 31 December 2025				
Credit rating				
Low risk	237,280,111	210,000	–	237,490,111
Medium risk	3,953,586	863,400	–	4,816,986
High risk	–	364,590	818,393	1,182,983
Gross principal balance	241,233,697	1,437,990	818,393	243,490,080
Impairment allowance	(179,237)	(215,473)	(782,834)	(1,177,544)
Total	241,054,460	1,222,517	35,559	242,312,536
As at 31 December 2024				
Credit rating				
Low risk	158,569,142	–	–	158,569,142
Medium risk	7,103,896	863,700	148,746	8,116,342
High risk	–	595,700	609,550	1,205,250
Gross principal balance	165,673,038	1,459,400	758,296	167,890,734
Impairment allowance	(177,190)	(215,527)	(524,415)	(917,132)
Total	165,495,848	1,243,873	233,881	166,973,602

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.5 Credit risk exposure (Continued)

(a) Maximum exposure to credit risk – Financial instruments subject to impairment (Continued)

The following tables illustrates the maximum credit risk exposure of financial investment measured at fair value and the change of which is included in other comprehensive income classified by credit grade:

	ECL Stage			Total
	Stage 1 12M ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
As at 31 December 2025				
Credit rating				
Low risk	94,742,701	211,271	–	94,953,972
Medium risk	1,030,552	–	–	1,030,552
Gross principal balance	95,773,253	211,271	–	95,984,524
Impairment allowance	(107,663)	(4,424)	(700,000)	(812,087)
Total	95,665,590	206,847	(700,000)	95,172,437
As at 31 December 2024				
Credit rating				
Low risk	107,999,245	–	–	107,999,245
Medium risk	3,799,179	–	–	3,799,179
High risk	–	–	96,000	96,000
Gross principal balance	111,798,424	–	96,000	111,894,424
Impairment allowance	(157,254)	–	(663,610)	(820,864)
Total	111,641,170	–	(567,610)	111,073,560

(b) Maximum exposure to credit risk – Financial instruments not subject to impairment

The following table contains an analysis of the maximum credit risk exposure from financial assets not subject to impairment (i.e. at FVPL):

	Maximum exposure to credit risk	
	As at 31 December	
	2025	2024
Bond investments	24,425,234	28,622,466
Trust investments	2,593,978	2,885,840
Asset management plans	3,589,216	5,183,076
Wealth management products purchased from financial institutions	2,010,682	1,008,736
Fund investments	25,104,521	24,752,744
Total	57,723,631	62,452,862

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.5 Credit risk exposure (Continued)

(c) Collateral and other credit enhancements

The Group has a range of policies and practices for mitigating credit risk. The common practice is to accept collateral.

The Group implements guidelines on the acceptability of specific classes of collateral. The principal types of collateral for loans and advances to customers are: residential properties; business assets such as premises, inventories and accounts receivable; financial instruments such as stocks.

The value of collateral at the time of loan origination is subject to loan-to-value ratio limits based on collateral types. The principal types of collateral for corporate loans and individual loans are as follows:

Type of collateral	Maximum loan-to-value ratio
Bank note and bank acceptance bill	90%
Warehouse receipt and accounts receivable	70%
Construction in progress	50%
Publicly traded stocks	60%
Properties	70%
Land use rights	70%
Motor vehicles	40%

Mortgage loans to retail customers are generally collateralised by residential properties. Other loans are collateralised dependent on the nature of the loan.

For loans guaranteed by a third-party guarantor, the Group will assess the guarantor's credit rating, financial condition, credit history and ability to meet obligations.

Collateral held as security for financial assets other than loans and advances is determined by the nature of the instrument. Bonds, treasury and other eligible bills are generally unsecured, with the exception of certain asset-backed securities and similar instruments, which are secured by portfolios of financial instruments.

Collateral is also held as part of reverse repurchase agreements. Details of collateral accepted and which the Group is obligated to return are disclosed in Note 39.

Notes to Consolidated Financial Statements

For the year ended 31 December 2025
(In RMB thousands, unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.5 Credit risk exposure (Continued)

(c) Collateral and other credit enhancements (Continued)

The coverage and non-coverage of collateral for the loans and advances with credit impairment that have occurred in this group are presented as follows:

	Corporate loans	Retail loans	Total
As at 31 December 2025			
Coverage	1,863,462	1,340,105	3,203,567
Non-coverage	1,483,713	1,798,039	3,281,752
Total	3,347,175	3,138,144	6,485,319
As at 31 December 2024			
Coverage	5,350,194	1,441,939	6,792,133
Non-coverage	1,171,189	1,220,551	2,391,740
Total	6,521,383	2,662,490	9,183,873

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For the year ended 31 December 2025
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3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.6 Loss allowance

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent “step up” (or “step down”) between 12M and Lifetime ECL;
- Additional allowances for new financial instruments recognised for the current year;
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs for the current year, arising from regular refreshing of inputs to models;
- Impacts on the measurement of ECL due to changes made to models and assumptions;
- Discount unwind within ECL due to the passage of time, as ECL is measured on a present value basis;
- Foreign exchange retranslations for assets denominated in foreign currencies and other movements; and
- Loans and advances to customers derecognised for the current year and write-offs of allowances related to loans and advances to customers that were written off during the period.

The impact of the above factors on the loss allowance of loans and advances to customers made from the beginning to the end of this year is set out in Note 21(c). The impact of the above factors on the Investment securities measured at FVOCI made from the beginning to the end of this period is set out in Note 22. The impact of the above factors on the Investment securities measured at amortised cost made from the beginning to the end of this period is set out in Note 22.

3.1.7 Write-off policy

In the case of meeting the provisions of the relevant documents issued by the Ministry of Finance for the write-off of bad debts, the Group writes-off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that show no reasonable expectation of recovery include (1) collection or enforcement activity having been in place for a necessary period or (2) recovery method foreclosing on collateral and the value of the collateral not expected to recover the principal and interest in full, etc.

The Group may write-off financial assets that are still subject to enforcement activity. The outstanding amounts of such assets written off for the year ended 31 December 2025 was RMB2,367,307 thousand (2024: RMB2,717,793 thousand).

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For the year ended 31 December 2025
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3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.8 Loans and advances to customers

(a) Restructured loans and advances

Rescheduled loans are loans that have been renegotiated due to deterioration in the borrower's financial position to the extent that the borrower is unable to repay according to the original terms and where the Group has made concessions that it would not otherwise consider under normal circumstances. Rescheduled loans are subject to ongoing monitoring. The balance of restructured loans and advances as at 31 December 2025 was RMB913,504 thousand (31 December 2024: RMB1,378,757 thousand).

(b) Concentration risk analysis for loans and advances to customers (gross) by geographic sector

	As at 31 December 2025		
	Gross amount	%	Non-performing loan ratio
Chongqing City	404,865,597	76.20	1.11%
Sichuan Province	51,864,689	9.76	0.46%
Shaanxi Province	46,734,341	8.80	2.14%
Guizhou Province	25,655,559	4.83	1.25%
Accrued interest	2,164,664	0.41	N/A
Total	531,284,850	100.00	1.14%

	As at 31 December 2024		
	Gross amount	%	Non-performing loan ratio
Chongqing City	334,655,355	75.94	1.39%
Sichuan Province	41,676,748	9.46	0.51%
Shaanxi Province	38,093,362	8.65	0.76%
Guizhou Province	23,870,016	5.42	1.34%
Accrued interest	2,320,880	0.53	N/A
Total	440,616,361	100.00	1.25%

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For the year ended 31 December 2025

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.8 Loans and advances to customers (Continued)

(c) The composition of loans and advances to customers by industry or nature

	As at 31 December			
	2025		2024	
	Amount	%	Amount	%
Corporate loans – Amortised cost				
Leasing and commercial services	143,762,828	33.28	104,653,880	30.72
Water conservation, environment and public facility administration	100,817,068	23.31	78,857,689	23.15
Wholesale and retail	39,068,140	9.03	30,259,485	8.88
Manufacturing	38,793,404	8.97	31,345,400	9.20
Construction	31,437,536	7.27	24,890,411	7.31
Electricity, heat, gas and water production and supply	10,898,563	2.52	7,000,843	2.05
Real estate	9,873,505	2.28	10,112,881	2.97
Transportation, storage and postal service	9,643,086	2.23	5,670,157	1.66
Scientific research and technology services	5,274,124	1.22	2,650,492	0.78
Agriculture, forestry, animal husbandry and fishery	5,119,482	1.18	4,219,395	1.24
Information transmission, software and information technology services	3,695,281	0.85	3,288,476	0.97
Culture, sports and entertainment	3,173,250	0.73	2,560,066	0.75
Accommodation and catering	2,754,860	0.64	1,998,770	0.59
Health and social welfare	1,910,308	0.44	1,777,130	0.52
Mining	1,527,088	0.35	1,352,280	0.40
Financing	840,003	0.19	1,045,555	0.31
Household services, repairing and other services	658,041	0.15	621,144	0.18
Education	615,905	0.14	691,159	0.20
Public administration, social security and social organizations	5,000	0.00	8,000	0.00
Corporate loans – FVOCI				
Discounted bills	22,550,944	5.22	27,674,398	8.12
Total corporate loans	432,418,416	100.00	340,677,611	100.00
Retail loans – Amortised cost				
Mortgage loans	36,170,280	37.40	39,282,720	40.24
Personal business loans	20,777,814	21.49	21,660,113	22.19
Personal consumption loans and others	39,753,676	41.11	36,675,037	37.57
Total retail loans	96,701,770	100.00	97,617,870	100.00
Accrued interest	2,164,664		2,320,880	
Gross amount of loans and advances to customers	531,284,850		440,616,361	

The economic sector risk concentration analysis for loans and advances to customers is based on the type of industry of the borrowers.

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For the year ended 31 December 2025
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3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.8 Loans and advances to customers (Continued)

(d) Analysis for loans and advances to customers (gross) by type of collateral

	As at 31 December	
	2025	2024
Guaranteed loans	284,551,198	208,159,317
Unsecured loans	107,539,654	87,988,991
Collateralised loans	95,970,827	96,631,089
Pledged loans	41,058,507	45,516,084
Accrued interest	2,164,664	2,320,880
Total	531,284,850	440,616,361

3.1.9 Investment securities

The Group's bonds are rated by Zhongchengxin International Credit Rating Co. Ltd., China Lianhe Credit Rating Co., Ltd., Shanghai Far East Credit Rating Co., Ltd., Shanghai Brilliance Credit Rating & Investors Service Co., Ltd., Pengyuan Credit Rating Co., Ltd. and Golden Credit Rating International Co., Ltd.

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For the year ended 31 December 2025
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3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.9 Investment securities (Continued)

The rate of the Group's investment securities made by the independent credit agencies is as follows:

	Financial assets at FVPL	Investment securities at FVOCI	Investment securities at amortised cost	Total
As at 31 December 2025				
AAA	16,479,828	45,589,328	113,271,050	175,340,206
AA- to AA+	2,999,624	38,734,528	41,720,999	83,455,151
A+ and below	52,490	–	–	52,490
Unrated ^(a)	38,191,689	11,660,668	87,320,487	137,172,844
Accrued interest	–	1,370,136	2,923,089	4,293,225
Total	57,723,631	97,354,660	245,235,625	400,313,916
As at 31 December 2024				
AAA	24,848,818	39,472,535	29,296,705	93,618,058
AA- to AA+	2,391,843	53,985,233	8,507,719	64,884,795
A+ and below	53,148	237,841	–	290,989
Unrated ^(a)	35,159,053	18,198,815	129,169,178	182,527,046
Accrued interest	–	1,783,573	2,453,406	4,236,979
Total	62,452,862	113,677,997	169,427,008	345,557,867

- (a) These mainly represent debt securities at FVPL, debt securities at FVOCI and debt securities at amortised cost issued by PRC Ministry of Finance, the central bank and policy banks who are creditworthy issuers in the market, but are not rated by independent rating agencies. In addition, debt securities at FVOCI and debt securities at amortised cost mainly include non-principal-guaranteed wealth management products issued by other banks, and the beneficiary rights of trust plans and asset management plans.

As at 31 December 2025, the impairment allowance for debt securities at FVOCI amounted to RMB812,087 thousand and the impairment allowance for debt securities at amortised cost amounted to RMB1,177,544 thousand (31 December 2024: RMB820,864 thousand and RMB917,132 thousand).

For the year ended 31 December 2025
(In RMB thousands, unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.9 Investment securities (Continued)

Trust investments/asset management plans classification by underlying asset are summarised as follow:

	As at 31 December	
	2025	2024
Financial assets at FVPL		
– Credit assets	6,183,194	8,068,916
Financial assets at amortised cost		
– Credit assets	3,465,459	4,128,342
– Bond assets	6,998,000	12,577,410
Total	10,463,459	16,705,752

As at 31 December 2025, the gross principal balance of the Group's Stage 3 investments in trust plans and asset management plans at amortised cost was RMB818,393 thousand, whose underlying assets were all credit assets, of which the accrued ECL allowance amounted to RMB782,834 thousand (31 December 2024: RMB758,296 thousand and RMB524,415 thousand).

3.2 Market risk

3.2.1 Overview

The Group is exposed to market risk from fluctuations in fair value or future cash flows of financial instruments resulting from changes in market prices (interest rates, exchange rates, stock prices and prices of goods). The Group classifies its market risk into trading and non-trading market risk.

In accordance with the requirements of the National Financial Regulatory Administration, the Group divides its transaction book and bank book. The transaction book includes financial instruments, foreign exchange and commodity positions held for the purpose of transactions or hedging the risks of other items in the transaction book and other instruments recognized by regulatory authorities, while the bank book includes all on- and off-balance sheet financial instruments of the Group that are not included in the transaction book.

The market risks arising from trading and non-trading activities are monitored by two teams separately. Regular reports are submitted to the Board and head of each business unit.

Notes to Consolidated Financial Statements

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(In RMB thousands, unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Market risk (Continued)

3.2.2 Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Fair value interest rate risk is the risk that the market value of a financial instrument will fluctuate due to changes in market interest rates.

The interest rate risk of the Group mainly comes from the impact of interest rate change on net interest income, which was caused by the mismatch between the interest-rate-sensitive assets and liabilities' maturity date or the re-pricing date.

The Group records the assets in trading book and non-trading book. The freely tradable financial instruments held for trading purpose or avoiding the risks of other items in trading book were recorded under the trading book; others were recorded under the non-trading book.

The Financial Market Department manages and conducts treasury transactions within the interest rate limit approved by the senior management, and monitors the market risk of the trading book and its risk limit compliance. The Financial Markets Department manages and implements capital trading business in accordance with the interest rate risk limit approved by the senior management, and monitors the market risk of the trading book and the risk limit compliance.

The Board or its special committees review and approve policies, strategies, and procedures related to interest rate risk management in the banking book based on risk appetite. The senior management or its subordinate Asset and Liability Management Committee is responsible for formulating and evaluating policies, strategies, and procedures related to interest rate risk management in the banking book. Asset and Liability Management Department implements the daily management of interest rate risk in the banking book, and is responsible for the analysis of RMB interest rate risk, submission of interest rate analysis report to the Asset and Liability Management Committee, and timely reporting and dealing with extraordinary situations of interest rate risks identified.

The Group uses the RMB interest rate risk management system to monitor and manage the overall interest rate risk of the assets and liabilities under the non-trading book. At the current stage, the Group manages the interest rate risk mainly through raising suggestion about the re-pricing date of assets and liabilities, setting market risk limit and other methods. The Group analyses the interest rate gap and assesses the difference between the interest-bearing assets and liabilities which would mature or re-price within certain time period, to provide instruction for the adjustment of interest-bearing assets and liabilities' re-pricing date. Meanwhile, the Group controls and manages interest risk by establishing the instruction and authorisation limit of investment portfolio. The Group's treasury management conducts real-time market value assessment to monitor the investment risk more accurately. In addition, the Group manages the interest rate risk of branches by the head office using the internal fund transfer-pricing system.

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Market risk (Continued)

3.2.2 Interest rate risk (Continued)

The tables below summarise the Group's exposures to interest rate risks and present the Group's financial assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing and maturity dates.

	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest- bearing	Total
As at 31 December 2025							
Assets							
Cash and balances with central bank	40,065,820	-	-	-	-	698,713	40,764,533
Due from and placements with banks and other financial institutions	53,337,988	329,485	214,990	-	-	32,213	53,914,676
Derivative financial assets	-	-	-	-	-	1,469,022	1,469,022
Financial assets at FVPL	24,748,387	7,321,349	11,316,000	10,966,221	2,711,276	3,500,869	60,564,102
Loans and advances to customers	67,695,575	48,209,037	111,089,467	257,674,516	26,661,898	5,156,023	516,486,516
Investment securities							
– FVOCI	1,082,152	1,896,591	8,213,121	45,496,103	39,296,557	1,509,866	97,494,390
– Amortised cost	99,991	16,975,896	11,737,845	93,706,608	119,792,196	2,923,089	245,235,625
Other financial assets	-	-	-	-	-	1,089,037	1,089,037
Total financial assets	187,029,913	74,732,358	142,571,423	407,843,448	188,461,927	16,378,832	1,017,017,901
Liabilities							
Due to and placements from banks and other financial institutions	(17,735,278)	(42,746,980)	(127,886,649)	-	-	(1,121,128)	(189,490,035)
Financial liabilities at FVPL	(118,114)	-	(10,391)	(222,079)	-	-	(350,584)
Derivative financial liabilities	-	-	-	-	-	(234,981)	(234,981)
Customer deposits	(127,091,168)	(58,086,105)	(160,866,191)	(204,732,506)	(15,780)	(14,912,634)	(565,704,384)
Debt securities issued	(2,697,491)	(29,694,190)	(122,305,051)	(37,846,389)	(10,999,199)	(664,217)	(204,206,537)
Other financial liabilities	-	-	-	-	-	(5,648,372)	(5,648,372)
Total financial liabilities	(147,642,051)	(130,527,275)	(411,068,282)	(242,800,974)	(11,014,979)	(22,581,332)	(965,634,893)
Total interest rate risk gap	39,387,862	(55,794,917)	(268,496,859)	165,042,474	177,446,948	(6,202,500)	51,383,008

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Market risk (Continued)

3.2.2 Interest rate risk (Continued)

	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest- bearing	Total
As at 31 December 2024							
Assets							
Cash and balances with central bank	33,610,928	–	–	–	–	899,540	34,510,468
Due from and placements with banks and other financial institutions	25,203,215	5,033,580	4,059,609	–	–	171,807	34,468,211
Derivative financial assets	–	–	–	–	–	44,443	44,443
Financial assets at FVPL	40,654,886	8,785,661	7,626,110	3,019,442	1,985,864	2,608,730	64,680,693
Loans and advances to customers	62,969,775	30,814,724	108,715,219	202,657,779	15,777,498	6,328,850	427,263,845
Investment securities							
– FVOCI	705,490	1,824,893	12,423,999	57,398,376	39,680,009	1,767,345	113,800,112
– Amortised cost	374,535	4,939,355	27,484,760	83,550,807	49,855,915	3,221,636	169,427,008
Other financial assets	–	–	–	–	–	703,543	703,543
Total financial assets	163,518,829	51,398,213	160,309,697	346,626,404	107,299,286	15,745,894	844,898,323
Liabilities							
Due to and placements from banks and other financial institutions	(11,398,832)	(13,759,939)	(92,872,112)	(900,000)	–	(489,553)	(119,420,436)
Financial liabilities at FVPL	(590,361)	–	–	–	–	–	(590,361)
Derivative financial liabilities	–	–	–	–	–	(7,240)	(7,240)
Customer deposits	(103,118,853)	(42,722,598)	(131,968,969)	(183,151,075)	(8,650)	(13,146,759)	(474,116,904)
Debt securities issued	(2,588,492)	(16,854,931)	(129,037,970)	(31,617,909)	(10,999,090)	(461,208)	(191,559,600)
Other financial liabilities	–	–	–	–	–	(5,309,935)	(5,309,935)
Total financial liabilities	(117,696,538)	(73,337,468)	(353,879,051)	(215,668,984)	(11,007,740)	(19,414,695)	(791,004,476)
Total interest rate risk gap	45,822,291	(21,939,255)	(193,569,354)	130,957,420	96,291,546	(3,668,801)	53,893,847

The Group assesses the impact of interest rate changes on net profit and equity through sensitivity analysis. The following table illustrates the interest rate sensitivity analysis result based on the structure of assets and liabilities as at the reporting date.

Interest rate sensitivity test

The result of the interest rate sensitivity tests set out in the table below is based on the following assumptions: yield curves move parallel to the change of interest rate; except for financial assets at FVPL, the assets and liabilities portfolio has a static structure of interest rate; all positions are held and renewed after maturity. The Group has not considered the following: changes after the reporting date; the impact of interest rate fluctuations on the customers' behaviours; the complicated relationship between complex structured products and interest rate fluctuations; the impact of interest rate fluctuations on market prices; the impact of interest rate fluctuations on off-balance sheet products; and impact of risk management.

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Market risk (Continued)

3.2.2 Interest rate risk (Continued)

Interest rate sensitivity test (Continued)

On the basis of the above gap analysis on the interest rate, the Group implemented sensitivity test to analyse the sensitivity of bank's net interest income against change in interest rate. The table below illustrates the analysis of potential pre-tax impact on the Group's net interest income within the next year on the assumption of a 100 basis point parallel move of the yield curves on each reporting date.

	Changes of net interest income	
	As at 31 December	
	2025	2024
+ 100 basis points parallel move in all yield curves	(1,434,972)	(469,582)
– 100 basis points parallel move in all yield curves	1,434,972	469,582

The table below illustrates the potential pre-tax impact of a 100 basis point parallel move on the other comprehensive income of the Group.

	Changes of other comprehensive income	
	As at 31 December	
	2025	2024
+ 100 basis points parallel move in all yield curves	(4,907,862)	(4,696,743)
– 100 basis points parallel move in all yield curves	5,646,014	5,365,739

3.2.3 Foreign exchange risk

The Group's main business is located in China, and its main business is settled in RMB. However, the foreign currency assets and liabilities recognised by the Group and foreign currency transactions in the future still remain exposed to foreign exchange risk. The exchange rate risk is that the foreign exchange exposure level and cash flow of the Group will also be affected by fluctuations in the main foreign exchange rate. The Group's daily management of exchange rate risk is the responsibility of Trade and Finance Department. The Group mitigates and controls foreign exchange rate risk by setting foreign currency exposure limits and stop-loss limits.

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Market risk (Continued)

3.2.3 Foreign exchange risk (Continued)

The following tables show the Group's financial assets and liabilities at carrying amounts in RMB, categorised by the original currency:

	RMB	US Dollar	HK Dollar	Others	Total
31 December 2025					
Assets					
Cash and balances with central bank	40,432,108	329,400	1,126	1,899	40,764,533
Due from and placements with banks and other financial institutions	53,009,140	861,068	894	43,574	53,914,676
Derivative financial assets	1,469,022	–	–	–	1,469,022
Financial assets at FVPL	60,564,102	–	–	–	60,564,102
Loans and advances to customers	516,486,516	–	–	–	516,486,516
Investment securities					
– FVOCI	80,315,818	16,692,403	–	486,169	97,494,390
– Amortised cost	245,235,625	–	–	–	245,235,625
Other financial assets	1,089,037	–	–	–	1,089,037
Total financial assets	998,601,368	17,882,871	2,020	531,642	1,017,017,901
Liabilities					
Due to and placements from banks and other financial institutions	(180,157,439)	(9,332,596)	–	–	(189,490,035)
Financial liabilities at FVPL	(350,584)	–	–	–	(350,584)
Derivative financial liabilities	(234,981)	–	–	–	(234,981)
Customer deposits	(557,958,279)	(7,736,744)	(245)	(9,116)	(565,704,384)
Debt securities issued	(204,206,537)	–	–	–	(204,206,537)
Other financial liabilities	(5,648,319)	(25)	(27)	(1)	(5,648,372)
Total financial liabilities	(948,556,139)	(17,069,365)	(272)	(9,117)	(965,634,893)
Net position	50,045,229	813,506	1,748	522,525	51,383,008
Financial guarantees and credit related commitments	99,550,615	1,973,628	–	667	101,524,910

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Market risk (Continued)

3.2.3 Foreign exchange risk (Continued)

	RMB	US Dollar	HK Dollar	Others	Total
31 December 2024					
Assets					
Cash and balances with central bank	34,361,061	146,645	407	2,355	34,510,468
Due from and placements with banks and other financial institutions	31,901,017	1,777,591	4,087	785,516	34,468,211
Derivative financial assets	44,443	–	–	–	44,443
Financial assets at FVPL	64,680,693	–	–	–	64,680,693
Loans and advances to customers	427,263,845	–	–	–	427,263,845
Investment securities					
– FVOCI	101,726,966	11,868,340	–	204,806	113,800,112
– Amortised cost	169,427,008	–	–	–	169,427,008
Other financial assets	703,543	–	–	–	703,543
Total financial assets	830,108,576	13,792,576	4,494	992,677	844,898,323
Liabilities					
Due to and placements from banks and other financial institutions	(108,657,928)	(10,762,508)	–	–	(119,420,436)
Financial liabilities at FVPL	(590,361)	–	–	–	(590,361)
Derivative financial liabilities	(7,240)	–	–	–	(7,240)
Customer deposits	(472,483,727)	(1,629,617)	(54)	(3,506)	(474,116,904)
Debt securities issued	(191,559,600)	–	–	–	(191,559,600)
Other financial liabilities	(5,309,880)	(26)	(28)	(1)	(5,309,935)
Total financial liabilities	(778,608,736)	(12,392,151)	(82)	(3,507)	(791,004,476)
Net position	51,499,840	1,400,425	4,412	989,170	53,893,847
Financial guarantees and credit related commitments	76,336,375	582,462	–	14,061	76,932,898

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(In RMB thousands, unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Market risk (Continued)

3.2.3 Foreign exchange risk (Continued)

The Group assesses the impact of foreign exchange rate changes on net profit through sensitivity analysis. The following table illustrates the foreign exchange rate sensitivity analysis result based on the structure of assets and liabilities as at the reporting date.

Foreign exchange sensitivity test

The Group performs exchange rate sensitivity analysis on net profit before tax for the Group by measuring the impact of a change in exchange rate on foreign exchange sensitivity gap. The analysis is based on the assumptions below: the sensitivities of foreign currencies are exchange gains or losses of RMB against the foreign currency fluctuating by 1% absolute value in closing price at the reporting date. The foreign currency exchange rates against RMB move by the same amount and same trends. The portfolio of assets and liabilities has a static structure of foreign exchange risk and all positions are held and renewed after maturity. The Group has not considered the following: business changes after the reporting date, the impact of exchange rate fluctuations on the customers' behaviours; the complicated relationship between complex structured products and exchange rate fluctuations; the impact of exchange rate fluctuations on market prices, the impact of exchange rate fluctuations on off-balance sheet products; and the impact of risk management.

The table below illustrates the potential impact of 1% change of rates of RMB against foreign currencies on the Group's net profit before tax:

	Changes of expected net profit before tax	
	As at 31 December	
	2025	2024
1% upward change of foreign exchange rates	17,387	23,579
1% downward change of foreign exchange rates	(17,387)	(23,579)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Liquidity risk

3.3.1 Overview

Liquidity risk is the risk that the Group will be unable to obtain sufficient funds on a timely basis at a reasonable cost to deal with asset growth, repayment of due debts or other payment obligations. The Group's objective in liquidity management is to ensure the availability of adequate funding to meet its needs for deposit withdrawals and repayment of other liabilities as they fall due and to ensure that it is able to meet its obligations to fund loan originations and commitments while taking advantage of new investment opportunities.

The Group needs to respond to daily calls on its available cash resources from overnight deposits, current accounts, matured deposits, loan drawdowns, guarantees and cash deposit held as collateral. The Board set the minimum proportion of funds to be made available to meet such calls and the minimum level of interbank and other borrowing facilities that should be in place to cover different levels of unexpected withdrawals. As at 31 December 2025, 5.5% (31 December 2024: 6%) of the Bank's total RMB-denominated and 4% (31 December 2024: 4%) of the total foreign-currency-denominated customer deposits were required to be deposited with the PBOC.

3.3.2 Liquidity risk management process

The Board or the subordinate special committee approves the policies, strategies, procedures, limits and contingency plans related to the overall management of liquidity risk according to risk preference. The asset and liability management committee is established under the top management, which is responsible for formulating and assessing the policies, strategies, procedures, limits and the contingency plans related to the overall management of the liquid risk management, and implementing the daily operations in liquidity risk management. The Asset and Liability Management Department cooperates with the Financial Market Department and other departments to form a well-organised, fully functional and efficient liquidity risk management system.

The Group proactively applies new technology to enhance the involvement of IT in liquidity risk management. A system is introduced to monitor the liquidity index and exposure, which forms a mechanism for regular, automatic liquidity risk assessment, and arrange the Bank's asset and liability operations according to current liquidity exposure. The Group actively modifies the assets and liabilities maturity structure by applying internal fund transfer pricing, while taking control of the limit of the liquidity risk positively by carrying out performance assessment. The Group pays constant attention to its liquidity risk management process, holds meetings for assets and liabilities integration, enhances and improves liquidity risk related policy, and adjusts policies in a timely manner, eventually achieving its goal in liquidity risk management.

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Liquidity risk (Continued)

3.3.3 Cash flows of non-derivative financial instruments

The table below presents the undiscounted cash flows of the Group under non-derivative financial liabilities and assets held for managing liquidity risk by remaining contractual maturities at the reporting date. The amounts listed in the table present the undiscounted cash flows as per the contracts.

	On demand	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Indefinite	Overdue	Total
As at 31 December 2025									
Liabilities									
Due to and placements from banks and other financial institutions	(92,271)	(17,822,002)	(43,335,350)	(129,866,364)	-	-	-	-	(191,115,987)
Financial liabilities at FVPL	-	(118,114)	-	(10,391)	(222,079)	-	-	-	(350,584)
Customer deposits	(100,391,085)	(27,606,055)	(59,861,163)	(167,510,548)	(222,007,315)	(17,585)	-	-	(577,393,751)
Debt securities issued	-	(2,700,000)	(30,286,485)	(123,768,200)	(40,278,767)	(11,908,200)	-	-	(208,941,652)
Other financial liabilities	(508,254)	(1,619,996)	(269,351)	(671,357)	(2,354,250)	(225,164)	-	-	(5,648,372)
Total financial liabilities	(100,991,610)	(49,866,167)	(133,752,349)	(421,826,860)	(264,862,411)	(12,150,949)	-	-	(983,450,346)
Assets									
Cash and balances with central bank	685,122	10,577,972	-	-	-	-	29,501,439	-	40,764,533
Due from and placements with banks and other financial institutions	4,599,088	48,782,505	336,084	525,195	-	-	-	-	54,242,872
Non-derivative financial assets at FVPL	-	24,782,156	7,853,979	11,771,239	11,532,271	2,990,114	2,809,867	86,120	61,825,746
Loans and advances to customers	-	12,443,555	43,643,718	104,932,330	301,380,982	138,683,065	-	4,526,376	605,610,026
Investment securities									
- FVOCI	-	1,640,886	2,960,223	11,139,398	51,106,782	47,739,645	139,730	-	114,726,664
- Amortised cost	-	911,030	18,991,258	17,102,043	108,581,339	128,837,419	-	-	274,423,089
Other financial assets	158,933	1,048	768	4,975	57,824	-	718,422	147,067	1,089,037
Total financial assets	5,443,143	99,139,152	73,786,030	145,475,180	472,659,198	318,250,243	33,169,458	4,759,563	1,152,681,967
Net liquidity gap	(95,548,467)	49,272,985	(59,966,319)	(276,351,680)	207,796,787	306,099,294	33,169,458	4,759,563	169,231,621

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Liquidity risk (Continued)

3.3.3 Cash flows of non-derivative financial instruments (Continued)

	On demand	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Indefinite	Overdue	Total
As at 31 December 2024									
Liabilities									
Due to and placements from banks and other financial institutions	(116,462)	(11,358,651)	(14,010,118)	(94,417,171)	(910,868)	-	-	-	(120,813,270)
Financial liabilities at FVPL	-	(590,361)	-	-	-	-	-	-	(590,361)
Customer deposits	(80,151,203)	(23,614,908)	(43,825,401)	(138,439,057)	(202,333,626)	(10,132)	-	-	(488,374,327)
Debt securities issued	-	(2,590,000)	(17,246,493)	(131,119,350)	(34,528,800)	(12,228,500)	-	-	(197,713,143)
Other financial liabilities	(1,091,543)	(1,033,202)	(236,530)	(695,119)	(2,096,024)	(157,517)	-	-	(5,309,935)
Total financial liabilities	(81,359,208)	(39,187,122)	(75,318,542)	(364,670,697)	(239,869,318)	(12,396,149)	-	-	(812,801,036)
Assets									
Cash and balances with central bank	887,916	5,848,923	-	-	-	-	27,773,629	-	34,510,468
Due from and placements with banks and other financial institutions	4,066,231	20,959,272	5,106,868	4,368,047	-	-	-	51,176	34,551,594
Non-derivative financial assets at FVPL	-	37,233,736	6,603,258	7,670,114	10,030,867	2,519,394	2,227,831	120,696	66,405,896
Loans and advances to customers	-	12,682,960	28,219,746	110,276,942	235,584,518	105,933,539	-	6,131,313	498,829,018
Investment securities									
- FVOCI	-	3,850,474	7,847,536	8,758,216	65,537,053	46,659,656	122,115	96,000	132,871,050
- Amortised cost	-	1,013,504	6,465,785	31,931,120	92,108,307	55,183,808	-	785,937	187,488,461
Other financial assets	8,425	33,305	44,350	60,132	165,165	-	161,086	231,080	703,543
Total financial assets	4,962,572	81,622,174	54,287,543	163,064,571	403,425,910	210,296,397	30,284,661	7,416,202	955,360,030
Net liquidity gap	(76,396,636)	42,435,052	(21,030,999)	(201,606,126)	163,556,592	197,900,248	30,284,661	7,416,202	142,558,994

Assets available to meet all of the liabilities include cash, balances with central bank, items in the course of collection and treasury, amounts due from and placements with banks and other financial institutions, and loans and advances to customers. In the normal course of business, a proportion of customer loans contractually repayable within one year will be extended. In addition, certain debt securities have been pledged for liabilities. The Group would also be able to meet unexpected net cash outflows by selling securities, using credit commitments from other financial institutions, early termination of borrowings from other financial institutions and repurchase agreements and using the mandatory reserve deposits upon the PBOC's approval.

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(In RMB thousands, unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Liquidity risk (Continued)

3.3.4 Cash flows of derivative financial instruments

Derivatives settled on a net basis

The Group's derivatives that will be settled on a net basis include interest rate swap contracts. The table below analyses the Group's derivative financial instruments that will be settled on a net basis into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Up to 3 months	3 months to 1 year	1 to 5 years	Total
As at 31 December 2025				
Net outflow	1,793	2,674	–	4,467

	Up to 3 months	3 months to 1 year	1 to 5 years	Total
As at 31 December 2024				
Net outflow	1,387	1,305	–	2,692

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(In RMB thousands, unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Liquidity risk (Continued)

3.3.4 Cash flows of derivative financial instruments (Continued)

Derivatives settled on a full basis

The Group's derivatives that will be settled on a full basis include foreign exchange swaps, foreign exchange forwards, precious metal swaps, currency swaps, and others. The table below analyses the Group's derivative financial instruments that will be settled on a full basis by relevant maturity grouping based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Up to 3 months	3 months to 1 year	1 to 5 years	Total
As at 31 December 2025				
Foreign exchange swaps				
Cash inflow	1,410,990	1,290,625	367,887	3,069,502
Cash outflow	(1,410,970)	(1,270,061)	(359,918)	(3,040,949)
Currency swaps				
Cash inflow	–	–	3,519,202	3,519,202
Cash outflow	–	–	(3,520,673)	(3,520,673)
Precious metal swaps				
Cash inflow	2,026,268	2,563,162	–	4,589,430
Cash outflow	(2,994,826)	(2,759,167)	–	(5,753,993)
Foreign exchange forwards				
Cash inflow	282,060	3,657,971	–	3,940,031
Cash outflow	(282,348)	(3,657,472)	–	(3,939,820)
Credit risk mitigation warrant				
Cash inflow	–	–	–	–
Cash outflow	(56)	–	–	(56)

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Liquidity risk (Continued)

3.3.4 Cash flows of derivative financial instruments (Continued)

Derivatives settled on a full basis (Continued)

	Up to 3 months	3 months to 1 year	1 to 5 years	Total
As at 31 December 2024				
Foreign exchange swaps				
Cash inflow	1,860,064	—	222,945	2,083,009
Cash outflow	(1,817,988)	—	(203,425)	(2,021,413)
Currency swaps				
Cash inflow	—	—	72,175	72,175
Cash outflow	—	—	(72,175)	(72,175)
Precious metal swaps				
Cash inflow	—	805,774	—	805,774
Cash outflow	—	(801,450)	—	(801,450)
Credit risk mitigation warrant				
Cash inflow	—	—	—	—
Cash outflow	—	—	(56)	(56)

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Liquidity risk (Continued)

3.3.5 Maturity analysis

The table below analyses the Group's assets and liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

	On Demand	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Indefinite	Overdue	Total
As at 31 December 2025									
Assets									
Cash and balances with central bank	685,122	10,577,972	-	-	-	-	29,501,439	-	40,764,533
Due from and placements with banks and other financial institutions	4,599,088	48,764,609	334,510	216,469	-	-	-	-	53,914,676
Derivative financial assets	-	-	-	-	-	-	1,469,022	-	1,469,022
Financial assets at FVPL	-	24,727,871	7,765,666	11,429,333	10,997,376	2,747,869	2,809,867	86,120	60,564,102
Loans and advances to customers	-	10,837,002	39,970,944	90,193,100	270,470,724	101,629,307	-	3,385,439	516,486,516
Investment securities									
– FVOCI	-	1,349,468	2,417,809	8,794,723	45,496,103	39,296,557	139,730	-	97,494,390
– Amortised cost	-	407,658	18,073,612	13,255,551	93,706,608	119,792,196	-	-	245,235,625
Other financial assets	158,933	1,048	768	4,975	57,824	-	718,422	147,067	1,089,037
Total financial assets	5,443,143	96,665,628	68,563,309	123,894,151	420,728,635	263,465,929	34,638,480	3,618,626	1,017,017,901
Liabilities									
Due to and placements from banks and other financial institutions	(92,271)	(17,818,163)	(43,137,846)	(128,441,755)	-	-	-	-	(189,490,035)
Financial liabilities at FVPL	-	(118,114)	-	(10,391)	(222,079)	-	-	-	(350,584)
Derivative financial liabilities	-	-	-	-	-	-	(234,981)	-	(234,981)
Customer deposits	(100,391,085)	(27,581,682)	(59,650,461)	(165,496,895)	(212,568,299)	(15,962)	-	-	(565,704,384)
Debt securities issued	-	(2,697,491)	(30,088,703)	(122,574,755)	(37,846,389)	(10,999,199)	-	-	(204,206,537)
Other financial liabilities	(508,254)	(1,619,996)	(269,351)	(671,357)	(2,354,250)	(225,164)	-	-	(5,648,372)
Total financial liabilities	(100,991,610)	(49,835,446)	(133,146,361)	(417,195,153)	(252,991,017)	(11,240,325)	(234,981)	-	(965,634,893)
Net liquidity gap	(95,548,467)	46,830,182	(64,583,052)	(293,301,002)	167,737,618	252,225,604	34,403,499	3,618,626	51,383,008

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Liquidity risk (Continued)

3.3.5 Maturity analysis (Continued)

	On Demand	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Indefinite	Overdue	Total
As at 31 December 2024									
Assets									
Cash and balances with central bank	887,916	5,848,923	-	-	-	-	27,773,629	-	34,510,468
Due from and placements with banks and other financial institutions	4,066,231	21,145,792	5,083,351	4,121,661	-	-	-	51,176	34,468,211
Derivative financial assets	-	-	-	-	-	-	44,443	-	44,443
Financial assets at FVPL	-	37,168,170	6,498,954	7,262,504	9,106,108	2,296,430	2,227,831	120,696	64,680,693
Loans and advances to customers	-	11,382,623	25,084,138	98,329,196	211,362,100	76,627,959	-	4,477,829	427,263,845
Investment securities									
– FVOCI	-	3,612,345	7,139,196	5,752,071	57,398,376	39,680,009	122,115	96,000	113,800,112
– Amortised cost	-	610,863	5,714,011	28,907,782	83,550,807	49,857,608	-	785,937	169,427,008
Other financial assets	8,425	33,305	44,350	60,132	165,165	-	161,086	231,080	703,543
Total financial assets	4,962,572	79,802,021	49,564,000	144,433,346	361,582,556	168,462,006	30,329,104	5,762,718	844,898,323
Liabilities									
Due to and placements from banks and other financial institutions	(116,462)	(11,343,522)	(13,865,615)	(93,193,602)	(901,235)	-	-	-	(119,420,436)
Financial liabilities at FVPL	-	(590,361)	-	-	-	-	-	-	(590,361)
Derivative financial liabilities	-	-	-	-	-	-	(7,240)	-	(7,240)
Customer deposits	(80,151,203)	(23,589,411)	(43,643,528)	(136,319,210)	(190,404,866)	(8,686)	-	-	(474,116,904)
Debt securities issued	-	(2,588,492)	(17,098,897)	(129,255,212)	(31,617,909)	(10,999,090)	-	-	(191,559,600)
Other financial liabilities	(1,091,543)	(1,033,202)	(236,530)	(695,119)	(2,096,024)	(157,517)	-	-	(5,309,935)
Total financial liabilities	(81,359,208)	(39,144,988)	(74,844,570)	(359,463,143)	(225,020,034)	(11,165,293)	(7,240)	-	(791,004,476)
Net liquidity gap	(76,396,636)	40,657,033	(25,280,570)	(215,029,797)	136,562,522	157,296,713	30,321,864	5,762,718	53,893,847

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(In RMB thousands, unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Liquidity risk (Continued)

3.3.6 Off-balance-sheet items

The table below lists the off-balance-sheet items of the Group according to their remaining term to maturity, and also includes the future minimum lease payments under non-cancellable operating leases where the Group are the lessees. The financial commitments are listed by the earliest maturity date in notional principal.

	Up to 1 year	1 to 5 years	Over 5 years	Total
As at 31 December 2025				
Bank acceptance bills	73,383,290	–	–	73,383,290
Letters of credit	18,034,301	–	–	18,034,301
Letters of guarantee	556,598	549,805	–	1,106,403
Confirmation	3,356,303	–	–	3,356,303
Other financial guarantees and credit related commitments	5,644,613	–	–	5,644,613
Capital expenditure commitments	454,647	438,831	–	893,478
Total	101,429,752	988,636	–	102,418,388
As at 31 December 2024				
Bank acceptance bills	59,148,780	–	–	59,148,780
Letters of credit	9,874,916	–	–	9,874,916
Letters of guarantee	552,866	766,123	1,539	1,320,528
Confirmation	1,089,491	–	–	1,089,491
Other financial guarantees and credit related commitments	5,499,183	–	–	5,499,183
Capital expenditure commitments	228,453	15,391	–	243,844
Total	76,393,689	781,514	1,539	77,176,742

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.4 Fair values of financial assets and liabilities

(a) Financial instruments not measured at fair value

Financial assets and liabilities that are not measured at fair value in consolidated statement of financial position mainly include: balances with central bank, amounts due from and placements with banks and other financial institutions, loans and advances to customers, financial assets at amortised cost, amounts due to and placements from banks and other financial institutions, customer deposits, and debt securities issued. Except for the following financial assets and financial liabilities, the carrying amount of financial assets and liabilities that are not measured at fair value is a reasonable approximation of their fair value.

The table below summarises the carrying amounts and fair value of those financial assets and liabilities not presented on the Group's consolidated statement of financial position at their fair value.

	As at 31 December 2025				
	Carrying amount	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets					
Investment securities					
– Amortised cost	245,235,625	–	237,524,903	10,983,055	248,507,958
Financial liabilities					
Debt securities issued	204,206,537	16,282,409	190,881,690	–	207,164,099
	As at 31 December 2024				
	Carrying amount	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets					
Investment securities					
– Amortised cost	169,427,008	–	155,353,811	19,579,635	174,933,446
Financial liabilities					
Debt securities issued	191,559,600	15,379,000	179,087,108	–	194,466,108

3 FINANCIAL RISK MANAGEMENT (Continued)

3.4 Fair values of financial assets and liabilities (Continued)

(a) *Financial instruments not measured at fair value (Continued)*

Investment securities

The fair value of financial investments at amortised cost is based on market prices or broker/dealer price quotations. When the information is not available, fair value is estimated using quoted market prices for securities with similar credit risk, maturity and yield characteristics.

Debt securities issued

The fair value of fixed interest bearing debt securities issued is calculated using a discounted cash flow model which is based on a current yield curve appropriate for the remaining term to maturity.

Other than the above, the carrying amounts of those financial assets and liabilities not presented at their fair value on the consolidated statement of financial position are a reasonable approximation of their fair values. Those financial assets and liabilities include balances with central bank, amounts due from and placements with banks and other financial institutions, loans and advances to customers, amounts due to and placements from banks and other financial institutions, customer deposits, etc. Their fair value is measured using a discounted future cash flow model.

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.4 Fair values of financial assets and liabilities (Continued)

(b) Fair value hierarchy

The table below analyses financial instruments carried at fair value, by level of inputs to valuation techniques. The different levels have been defined as follow:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly.
- Level 3 – Inputs for the assets or liabilities that are not based on observable market data (that is, unobservable inputs).

The following table presents the Group's financial assets and liabilities that are measured at fair value on a recurring basis:

As at 31 December 2025	Level 1	Level 2	Level 3	Total
Measured at fair value on a recurring basis Assets				
Derivative financial instruments	–	1,469,022	–	1,469,022
Loans and advances to customers				
– Discounted bills	–	22,550,944	–	22,550,944
Financial assets at FVPL				
– Debt securities	–	13,921,455	–	13,921,455
– Fund investments	25,104,521	–	–	25,104,521
– Inter-bank certificate of deposit	–	10,503,779	–	10,503,779
– Trust investments	–	–	2,593,978	2,593,978
– Asset management plans	–	–	3,589,216	3,589,216
– Wealth management products purchased from financial institutions	–	–	2,010,682	2,010,682
– Equity investments at fair value	716,648	1,774,103	349,720	2,840,471
Total	25,821,169	26,199,337	8,543,596	60,564,102
Financial investments at FVOCI				
– Debt securities	–	97,354,660	–	97,354,660
– Equity investments	–	–	139,730	139,730
	–	97,354,660	139,730	97,494,390
Total	25,821,169	147,573,963	8,683,326	182,078,458
Measured at fair value on a recurring basis Liabilities				
Borrowed funds measured at FVPL	(5,753,993)	–	–	(5,753,993)
Financial liabilities at FVPL	–	(350,584)	–	(350,584)
Derivative financial liabilities	–	(234,981)	–	(234,981)
Total	(5,753,993)	(585,565)	–	(6,339,558)

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For the year ended 31 December 2025
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3 FINANCIAL RISK MANAGEMENT (Continued)

3.4 Fair values of financial assets and liabilities (Continued)

(b) Fair value hierarchy (Continued)

As at 31 December 2024	Level 1	Level 2	Level 3	Total
Measured at fair value on a recurring basis Assets				
Derivative financial instruments	–	44,443	–	44,443
Loans and advances to customers				
– Discounted bills	–	27,674,398	–	27,674,398
Financial assets at FVPL				
– Debt securities	–	17,259,258	–	17,259,258
– Fund investments	24,752,744	–	–	24,752,744
– Inter-bank certificate of deposit	–	11,363,208	–	11,363,208
– Trust investments	–	–	2,885,840	2,885,840
– Asset management plans	–	–	5,183,076	5,183,076
– Wealth management products purchased from financial institutions	–	–	1,008,736	1,008,736
– Equity investments at fair value	546,103	1,226,380	455,348	2,227,831
Total	25,298,847	29,848,846	9,533,000	64,680,693
Financial investments at FVOCI				
– Debt securities	–	113,677,997	–	113,677,997
– Equity investments	–	–	122,115	122,115
Total	–	113,677,997	122,115	113,800,112
Total	25,298,847	171,245,684	9,655,115	206,199,646
Measured at fair value on a recurring basis Liabilities				
Borrowed funds measured at FVPL	(801,450)	–	–	(801,450)
Financial liabilities at FVPL	–	(590,361)	–	(590,361)
Derivative financial liabilities	–	(7,240)	–	(7,240)
Total	(801,450)	(597,601)	–	(1,399,051)

The Group takes the date of the event that causes the transfers between hierarchies as the timing of recognising the transfers between hierarchies. There were no significant transfers within the fair value hierarchy of the Group for the years ended 31 December 2025 and 2024.

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(In RMB thousands, unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.4 Fair values of financial assets and liabilities (Continued)

(b) Fair value hierarchy (Continued)

For financial instruments traded in active markets, the Group determines its fair value with its active market quotation; for financial instruments that are not traded on active markets, the Group uses valuation techniques to determine its fair value. The valuation models used are mainly discounted cash flow models and market comparable company models. The input value of valuation technique mainly include risk-free interest rate, benchmark interest rate, exchange rate, credit point difference, lack of liquidity discount and so on.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.4 Fair values of financial assets and liabilities (Continued)

(b) Fair value hierarchy (Continued)

Changes in Level 3 financial assets are analysed below:

	Financial assets at FVPL	Investment securities at FVOCI
Balance at 31 December 2024	9,533,000	122,115
Total gains or losses		
– Current profits and losses	(459,523)	–
– Other comprehensive income	–	17,615
Increase	2,010,000	–
Sales and settlement	(2,539,881)	–
Balance at 31 December 2025	8,543,596	139,730
Total unrealised gains for the year included in profit and loss for financial assets held as at 31 December 2025	(617,246)	–
Balance at 31 December 2023	12,569,957	85,575
Total gains or losses		
– Current profits and losses	(245,066)	–
– Other comprehensive income	–	36,540
Increase	1,000,000	–
Sales and settlement	(3,791,891)	–
Balance at 31 December 2024	9,533,000	122,115
Total unrealised gains for the year included in profit and loss for financial assets held as at 31 December 2024	(163,656)	–

Valuation of financial instruments with significant unobservable inputs

Financial instruments valued with significant unobservable inputs are primarily unlisted equity and derivative contracts. These financial instruments are valued using cash flow discount model and market method. The models incorporate various non-observable assumptions such as discount rate and market rate volatilities.

As at 31 December 2025, the carrying amounts of financial instruments valued with significant unobservable inputs were immaterial, and the effects of changes in significant unobservable assumptions to reasonably possible alternative assumptions were also immaterial.

Notes to Consolidated Financial Statements

For the year ended 31 December 2025

(In RMB thousands, unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.5 Capital management

The Group's objectives when managing capital, which is a broader concept than 'equity' on the consolidated statement of financial position, are:

- To comply with the capital requirements set by the regulators of the banking markets where the Group operates;
- To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its business.

The Group has calculated the capital adequacy ratio since 1 January 2024 in accordance with the Rules for Regulating the of Capital of Commercial Banks issued by the NFRA in 2023. As required, the Group measured the credit risk-weighted assets using the weighting method, market risk-weighted assets using the simplified standard method, and operational risk-weighted assets using the standard method during the reporting period.

According to the capital regulatory requirements set forth in the Rules for Regulating the of Capital of Commercial Banks, the minimum core tier I capital adequacy ratio must not be less than 7.5%, the tier I capital adequacy ratio must not be less than 8.5%, and the capital adequacy ratio must not be less than 10.5%. At present, the Group is fully compliant with legal and regulatory requirements.

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.5 Capital management (Continued)

The capital adequacy ratios calculated by the Group based on the *Rules for Regulating the Capital Adequacy of Commercial Banks* are as follows:

	As at 31 December	
	2025	2024
Core capital:		
Share capital	3,474,588	3,474,569
Counted part of capital surplus	7,422,350	9,378,241
Eligible portion of other equity instruments	1,071,648	1,071,663
Surplus reserve and general reserve	15,035,900	13,925,992
Counted part of retained earnings	28,136,711	25,363,111
Capital contribution by non-controlling interests	2,132,307	1,689,943
Core tier I Capital deductibles items:		
Full deduction items	(634,186)	(577,784)
Threshold deduction items	—	—
Core tier I Capital, net	56,639,318	54,325,735
Other tier I Capital, net	7,283,901	7,224,920
Tier II Capital, net	19,431,575	17,920,031
Net capital	83,354,794	79,470,686
On-balance sheet risk-weighted assets	626,073,454	517,164,597
Off-balance sheet risk-weighted assets	9,330,105	6,728,580
Risk-weighted assets for exposure to counterparty credit risk	1,496,168	79,144
Total credit risk-weighted assets	636,899,727	523,972,321
Total market risk-weighted assets	3,588,251	3,081,108
Total operational risk-weighted assets	23,751,468	22,686,611
Total risk-weighted assets before applying capital base	664,239,446	549,740,040
Total risk-weighted assets after applying capital base	664,239,446	549,740,040
Core tier I Capital adequacy ratio	8.53%	9.88%
Tier I Capital adequacy ratio	9.62%	11.20%
Capital adequacy ratio	12.55%	14.46%

Notes to Consolidated Financial Statements

For the year ended 31 December 2025

(In RMB thousands, unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.6 Fiduciary activities

The Group acts in fiduciary activities as a manager, a custodian or an agent for customers. As the Group does not assume the risk and rewards of the entrusted loans and the corresponding entrusted funds, the entrusted loans and funds are not recorded on the statement of financial position. As at 31 December 2025, the Group's entrusted loans amounted to RMB4,975,642 thousand (31 December 2024: RMB5,138,143 thousand).

The entrusted wealth management business of the Group mainly refers to wealth management products sold by the Group to enterprises or individuals that are not included in the consolidated financial statements. For detailed entrusted wealth management scale, please refer to Note 37.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

(a) Fair value of financial instruments

The fair values of financial instruments that are not quoted in active markets are determined by using valuation models (e.g. discounted cash flow model). To the extent of practicality, only observable data is used in the discounted cash flow model. However, areas such as expected future cash flows, credit risks (from both parties of transactions), market volatilities and correlations require the management to make estimates. Changes in assumptions about these factors could affect reported fair value of financial instruments.

(b) Consolidation of structured entity

Structured entity refers that when judging the control side of the entity, the key elements to consider are the contracts which the entities' main activities are based on or the corresponding arrangements rather than the voting rights or similar rights (for example: the voting rights are just associated with administrative matters only).

When the Group acts as the asset manager in structured entity, the Group needs to identify its own role as the agent or the trustee to make decisions for the structured entity. If the Group's role is just an agent, the Group's primary responsibility is to exercise decision-making authority for other parties (other investors of the structured entity), and therefore the Group does not control the structured entity. However, if the Group's primary responsibility is to exercise decision-making authority for itself, thus the Group controls the structured entity. During the evaluation to identify its own role as the agent or the trustee, the Group considers many factors, such as the purpose and design of structured entities, the Group's ability to direct relevant activities, direct and indirect beneficial interests and returns, performance fees, and benefits received or losses incurred from providing credit enhancement or liquidity support.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (Continued)

(c) Income taxes

There are certain transactions and activities for which the ultimate tax determination is uncertain during the ordinary course of business. The Group has made estimates for items of uncertainty and application of new tax legislation taking into account existing tax legislation and policies given by authorities in charge in previous years. Where the final tax outcomes of these matters are different from the amounts that were initially estimated, such differences will impact the current income tax and deferred income tax in the period during which such a determination is made.

(d) Measurement of the expected credit loss

The measurement of the expected credit loss for financial assets including loans and advances to customers and investment securities measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

A number of significant estimates and judgements are also required in applying the accounting requirements to measuring ECL, such as:

- Significant increase in credit risk – Criteria for determining whether significant increase in credit risk has occurred are highly judgemental, and may have a significant impact on expected credit losses for loans and advances to customers (“loans”) and financial investments at amortised cost with longer outstanding maturities;
- Models and parameters – Complex models, numerous inputs and parameters are used to measure expected credit losses, involving plenty of management judgements and assumptions;
- Forward-looking information – Macroeconomic forecasts are developed, and impacts on expected credit losses are considered for probability weighted multiple economic scenarios; and
- Individual impairment assessment – Identifying credit impairment requires consideration of a range of factors, and individual impairment assessments are dependent upon estimates of future cash flows.

Detailed information about the judgements and estimates made by the Group in the above areas is set out in Note 3.1.4.

Notes to Consolidated Financial Statements

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5 SUBSIDIARIES

As at 31 December 2025, details of the Bank's subsidiaries are set out below:

Name of entity	Date of incorporation	Principle place of business and place of incorporation	Paid-in capital	Proportion of equity interest	Proportion of voting rights	Principal activities
Chongqing Xinyu Financial Leasing Co., Ltd.	23 March 2017	Chongqing, the PRC	3,000,000	51.00%	51.00%	Financial leasing
Xingyi Wanfeng Village Bank Co., Ltd.	5 May 2011	Guizhou, the PRC	324,500	69.09%	69.09%	Financial services

	Assets	Liabilities	Revenue	Net profit
Chongqing Xinyu Financial Leasing Co., Ltd.	57,480,815	51,348,861	1,660,127	919,820
Xingyi Wanfeng Village Bank Co., Ltd.	950,968	826,461	36,919	432
	58,431,783	52,175,322	1,697,046	920,252

As at 31 December 2024, details of the Bank's subsidiaries are set out below:

Name of entity	Date of incorporation	Principle place of business and place of incorporation	Paid-in capital	Proportion of equity interest	Proportion of voting rights	Principal activities
Chongqing Xinyu Financial Leasing Co., Ltd.	23 March 2017	Chongqing, the PRC	3,000,000	51.00%	51.00%	Financial leasing
Xingyi Wanfeng Village Bank Co., Ltd.	5 May 2011	Guizhou, the PRC	324,500	69.09%	69.09%	Financial services

	Assets	Liabilities	Revenue	Net profit
Chongqing Xinyu Financial Leasing Co., Ltd.	47,871,943	42,412,309	1,565,211	823,656
Xingyi Wanfeng Village Bank Co., Ltd.	880,207	756,131	34,978	378
	48,752,150	43,168,440	1,600,189	824,034

The above subsidiaries are companies limited by share and limited by liability respectively.

Notes to Consolidated Financial Statements

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6 NET INTEREST INCOME

	2025	2024
Interest income		
Balances with central bank	489,654	474,756
Due from and placements with banks and other financial institutions	690,055	1,256,685
Loans and advances to customers	21,076,383	18,329,123
Investment securities	9,332,449	8,630,247
Subtotal	31,588,541	28,690,811
Interest expense		
Due to and placements from banks and other financial institutions	(3,491,257)	(3,083,068)
Customer deposits	(11,460,806)	(11,382,359)
Debt securities issued	(4,170,319)	(4,043,751)
Other liabilities	(6,745)	(5,504)
Subtotal	(19,129,127)	(18,514,682)
Net interest income	12,459,414	10,176,129

7 NET FEE AND COMMISSION INCOME

	2025	2024
Fee and commission income		
Wealth management agency service	344,475	679,275
Guarantees and credit commitments	111,978	81,361
Settlement and agency services	265,027	231,040
Bank card services and annual fee	39,826	101,330
Others	46,528	27,718
Subtotal	807,834	1,120,724
Fee and commission expense		
Settlement and agency services	(82,030)	(77,850)
Bank card services	(80,853)	(104,597)
Others	(47,220)	(50,678)
Subtotal	(210,103)	(233,125)
Net fee and commission income	597,731	887,599

Notes to Consolidated Financial Statements

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8 NET TRADING GAINS

	2025	2024
Foreign exchange gains	14,649	11,623
Bond and fund investments	830,003	764,676
Equity investments	(70,895)	22,084
Derivatives	(41,673)	(10,860)
Total	732,084	787,523

Net trading gains mainly include net gains on foreign exchange, and gains and losses arising from buying and selling of, interest income on and changes in the fair value of financial assets held for trading. Net gains on foreign exchange mainly include gains or losses from the trading of spot, forward and swap contracts and translation of foreign currency monetary assets and liabilities into RMB.

9 NET GAINS ON INVESTMENT SECURITIES

	2025	2024
Net gains arising from financial assets at FVPL and net gains on disposal of investment securities at FVOCI	828,384	736,588
Net gains on derecognition of investment securities at amortised cost	–	532,996
Total	828,384	1,269,584

10 OTHER OPERATING INCOME

	2025	2024
Government grants ^(a)	20,596	102,318
Rental income ^(b)	86,954	24,741
Dividend income	11,880	4,624
Gains on disposal of long-term assets	3,650	6,596
Penalty income	80	265
Other miscellaneous income	5,133	3,788
Total	128,293	142,332

(a) The government grants mainly include enterprise development support bonus, bonus of small and micro business loans and other government grants.

(b) The rental income of the Group is generated from leasing its self-owned buildings and machinery equipment.

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11 OPERATING EXPENSES

	2025	2024
Staff costs (Note 13)	2,508,381	2,297,211
General and administrative expenses	995,384	938,340
Tax and surcharges	197,570	180,742
Depreciation of property, plant and equipment (Note 24)	298,130	227,179
Amortisation of intangible assets (Note 25(b))	213,102	170,446
Depreciation of right-of-use assets (Note 25(c))	89,001	79,315
Depreciation of investment properties (Note 25(f))	3,011	838
Amortisation of long-term prepaid expenses	38,132	31,141
Rental expenses	2,183	4,384
Professional fees	137,376	149,655
Auditors' remuneration		
– Audit services	6,100	5,804
Donations	3,500	3,200
Others	13,594	9,296
Total	4,505,464	4,097,551

12 CREDIT IMPAIRMENT LOSSES

	2025	2024
Loans and advances to customers carried at amortised cost	3,568,430	3,599,868
Loans and advances to customers at FVOCI	(17,496)	(29,037)
Investment securities – Amortised cost	260,412	(270,084)
Investment securities – FVOCI	(8,777)	(104,278)
Loan commitments and financial guarantee contracts	30,265	1,898
Due from and placements with banks and other financial institutions	41,410	(2,862)
Other credit impairment losses	(16,186)	(6,857)
Total	3,858,058	3,188,648

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13 STAFF COSTS

	2025	2024
Salaries and bonuses	1,818,233	1,647,512
Pension expenses (Note 31)	258,108	239,909
Housing benefits and subsidies	156,170	147,741
Labour union and staff education funds	44,010	40,924
Other social security and benefit costs	231,860	221,125
Total	2,508,381	2,297,211

Five highest paid individuals

The five individuals with highest emoluments exclude one of directors and supervisors for the year ended 31 December 2025 (2024: one), whose emoluments were included in Note 14 below. The aggregate emolument of the remaining four (2024: four) highest paid individuals who were neither directors nor supervisors of the Bank is as follows.

	2025
Paid remuneration	5,725
Contribution to pension schemes	563
Total	6,288

	2024
Paid remuneration	8,014
Contribution to pension schemes	520
Total	8,534

The emoluments payable to the senior management and individuals fell within the following bands:

	Number of individuals	
	2025	2024
RMB1,000,001 – RMB1,500,000	1	–
RMB1,500,001 – RMB2,000,000	3	1
RMB2,000,001 – RMB2,500,000	–	3
Total	4	4

No emoluments had been paid by the Group to any of the directors, supervisors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for demission.

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14 BENEFITS AND INTERESTS OF DIRECTORS AND SUPERVISORS

(a) Directors' and supervisors' emoluments

Details of the directors' and supervisors' emoluments for the year ended 31 December 2025 are as follows:

Expressed in ten thousands of RMB

Name	Paid remuneration	Contribution to pension schemes	Other monetary income	Part-time fee	Total emoluments before tax	Notes
Executive directors						
Yang Xiuming	42.28	14.59	–	–	56.87	
Gao Song	42.28	14.50	4.80	–	61.58	
Hou Ximeng	33.82	14.19	3.84	–	51.85	
Non-executive directors						
Huang Hanxing	–	–	–	13.00	13.00	
Guo Xile	–	–	–	11.10	11.10	
Zhou Zongcheng	–	–	–	3.66	3.66	
Fu Wei	–	–	–	4.56	4.56	
Wu Heng	–	–	–	–	–	According to the requirement of SAIC Group Co., Ltd., the nominating shareholder, no emolument will be paid
Yu Hua	–	–	–	4.26	4.26	
Zhu Yanjian	–	–	–	17.50	17.50	
Liu Ruihan	–	–	–	14.73	14.73	
Wang Qinlin	–	–	–	9.87	9.87	
Zeng Hong	–	–	–	10.92	10.92	
Cheng Fengxiang	–	–	–	9.60	9.60	

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(In RMB thousands, unless otherwise stated)

14 BENEFITS AND INTERESTS OF DIRECTORS AND SUPERVISORS (Continued)

(a) Directors' and supervisors' emoluments (Continued)

Expressed in ten thousands of RMB

Name	Paid remuneration	Contribution to pension schemes	Other monetary income	Part-time fee	Total emoluments before tax	Notes
Resigning director						
Liu Xing	-	-	-	6.73	6.73	Executive director resigned in April 2025
Wang Rong	-	-	-	6.43	6.43	Executive director resigned in April 2025
Feng Dunxiao	-	-	-	5.50	5.50	Executive director resigned in April 2025
Yuan Xiaobin	-	-	-	2.62	2.62	Executive director resigned in February 2025
Resigning Supervisor						
Yin Jun	-	-	-	-	-	
Wu Pin	-	-	-	-	-	
Zhou Xiaohong	-	-	-	-	-	
Qi Jun	-	-	-	6.70	6.70	
Chen Zhong	-	-	-	8.40	8.40	
Peng Daihui	-	-	-	9.80	9.80	
Hou Guoyue	-	-	-	8.40	8.40	
Total	118.38	43.28	8.64	153.78	324.08	

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14 BENEFITS AND INTERESTS OF DIRECTORS AND SUPERVISORS (Continued)

(a) Directors' and supervisors' emoluments (Continued)

The total remuneration packages (including discretionary bonus) for directors and supervisors for the year ended 31 December 2025 have not yet been finalised in accordance with relevant regulations of the relevant authorities in PRC. The amount of the remuneration not provided for is not expected to have any significant impact on the Group's consolidated financial statements for the year ended 31 December 2025.

Details of the directors' and supervisors' emoluments for the year ended 31 December 2024 are as follows:

Expressed in ten thousands of RMB

Name	Paid remuneration	Contribution to pension schemes	Other monetary income	Part-time fee	Total emoluments before tax	Notes
Executive directors						
Yang Xiuming	41.48	14.36	–	–	55.84	
Gao Song	41.48	14.06	4.80	–	60.34	
Non-executive directors						
WONG Hon Hing	–	–	–	15.25	15.25	
Wu Heng	–	–	–	–	–	According to the requirement of SAIC Group Co., Ltd., the nominating shareholder, no emolument will be paid
Guo Xile	–	–	–	7.30	7.30	
Liu Xing	–	–	–	20.35	20.35	
Wang Rong	–	–	–	20.35	20.35	
Yuan Xiaobin	–	–	–	19.15	19.15	
Feng Dunxiao	–	–	–	19.30	19.30	
Zhu Yanjian	–	–	–	16.95	16.95	
Supervisors						
Yin Jun	–	–	–	–	–	
Wu Ping	–	–	–	–	–	
Zhou Xiaohong	–	–	–	–	–	

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(In RMB thousands, unless otherwise stated)

14 BENEFITS AND INTERESTS OF DIRECTORS AND SUPERVISORS (Continued)

(a) Directors' and supervisors' emoluments (Continued)

Expressed in ten thousands of RMB

Name	Paid remuneration	Contribution to pension schemes	Other monetary income	Part-time fee	Total emoluments before tax	Notes
Supervisors						
Chen Zhong	–	–	–	8.60	8.60	
Peng Daihui	–	–	–	10.30	10.30	
Hou Guoyue	–	–	–	9.30	9.30	
Qi Jun	–	–	–	7.00	7.00	
Resigning director						
Lin Jun	3.46	1.50	–	–	4.96	Chairman and executive director resigned in January 2024
Liu Jianhua	27.65	11.89	3.20	–	42.74	Executive director resigned in October 2024
Huang Huasheng	33.18	0.39	–	–	33.57	Executive director expired in December 2024
Wang Fengyan	–	–	–	5.78	5.78	Non-executive director resigned in July 2024
You Lili	–	–	–	8.39	8.39	Non-executive director resigned in November 2024
Zhou Qiang	–	–	–	9.30	9.30	Non-executive director expired in December 2024
Resigning Supervisor						
Huang Changsheng	13.83	6.01	1.60	–	21.44	Employee Supervisor resigned in May 2024
Total	161.08	48.21	9.60	177.32	396.21	

The total remuneration packages (including discretionary bonus) for directors and supervisors for the year ended 31 December 2025 have not yet been finalised in accordance with relevant regulations of the relevant authorities in PRC. The amount of the remuneration not provided for is not expected to have any significant impact on the Group's consolidated financial statements for the year ended 31 December 2025.

For the year ended 31 December 2025
(In RMB thousands, unless otherwise stated)

14 BENEFITS AND INTERESTS OF DIRECTORS AND SUPERVISORS (Continued)

(b) Directors' and supervisors' retirement benefits

For the year ended 31 December 2025, no retirement benefits were paid to the directors or supervisors by the defined benefit pension plan operated by the Group (2024: Nil).

(c) Directors' and supervisors' termination benefits

For the year ended 31 December 2025, no termination benefits were paid to the directors or supervisors by the Group (2024: Nil).

(d) Consideration provided to third parties for making available directors' and supervisors' services

For the year ended 31 December 2025, no consideration was provided to third parties for making available directors' and supervisor' services by the Group (2024: Nil).

(e) Information about loans, quasi-loans and other dealings in favour of directors, supervisors and body corporates controlled by such directors and supervisors

For the year ended 31 December 2025, no loan, quasi-loan and other dealing was entered into by the Group, where applicable, in favour of directors, supervisors, and body corporates controlled by directors and supervisors.

For the year ended 31 December 2024, no loan, quasi-loan and other dealing was entered into by the Group, where applicable, in favour of body corporates controlled by directors and supervisors. The information about loans, quasi-loans and other dealings entered into by the Group, where applicable, in favour of a director and a supervisor is as follows:

Name of director	Nature of connection	Outstanding at the beginning of the year	Outstanding at the end of the year	Maximum outstanding during the year	Amounts due but not been paid	Provisions for doubtful/bad debts made	Term	Interest rate	Security
Liu Jianhua	Executive director	563	-	563	-	-	18 years, average capital plus interest	3.565%	mortgaged by real estate

(f) Directors' and supervisors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business, to which the Group was a party and in which a director or a supervisor of the Group had a material interest, whether directly or indirectly, subsisted at the end of 2025 or at any time during the year (2024: Nil).

Notes to Consolidated Financial Statements

For the year ended 31 December 2025

(In RMB thousands, unless otherwise stated)

15 INCOME TAX EXPENSE

	2025	2024
Current income tax	930,739	1,099,249
Deferred income tax (Note 30)	(283,128)	(226,349)
Total	647,611	872,900

Current income tax is calculated at the statutory tax rate based on the taxable income of estimated assessable profit of the Group for the respective year as stipulated in PRC tax laws.

A reconciliation between the actual income tax charge in the profit or loss and the amounts which would result from applying the enacted tax rate to profit before income tax is as follows:

	2025	2024
Profit before income tax	6,752,675	6,393,931
Income tax calculated at statutory tax rate of 25%	1,688,169	1,598,483
Tax effect arising from non-taxable income ^(a)	(1,522,312)	(985,875)
Tax effect of expenses that are not deductible for tax purposes ^(b)	481,830	456,640
Income tax adjustment for prior years	(76)	538
The impact of tax rate changes on the balance of deferred income tax at the beginning of the period	–	(196,886)
Income tax expense	647,611	872,900

(a) The Group's non-taxable income mainly represents interest income arising from treasury bonds and local government bonds, which is non-taxable in accordance with PRC tax laws.

(b) The Group's expenses that are not tax deductible for tax purposes mainly represent asset impairment losses that do not meet the pre-tax deduction conditions, as well as the part of certain expenditures, such as entertainment expenses, which exceed the tax deduction limits pursuant to PRC Laws.

Notes to Consolidated Financial Statements

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16 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the year attributable to shareholders of the Bank by the weighted average number of ordinary shares in issue during the year.

	2025	2024
Net profit attributable to shareholders of the Bank	5,654,218	5,117,290
Less: Net profit attributable to other equity holders of the Bank	(324,000)	(324,000)
Net profit attributable to ordinary shareholders of the Bank	5,330,218	4,793,290
Weighted average number of ordinary shares issued (in thousands)	3,474,580	3,474,565
Basic earnings per share (in RMB)	1.53	1.38

Diluted earnings per share was computed by dividing the net profit attributable to the ordinary shareholders of the Bank based on the assumption of the conversion of all dilutive potential shares for the year, by the adjusted weighted average number of ordinary shares in issue. The Bank had convertible bonds as dilutive potential ordinary shares.

	2025	2024
Net profit attributable to ordinary shareholders of the Bank	5,330,218	4,793,290
Add: Interest expense on convertible bonds, net of tax	443,173	431,141
Net profit used to determine diluted earnings per share	5,773,391	5,224,431
Weighted average number of ordinary shares issued (in thousands)	3,474,580	3,474,565
Add: Weighted average number of ordinary shares with the assumption of the conversion of all dilutive shares (in thousands)	1,344,273	1,288,335
Weighted average number of ordinary shares for diluted earnings per share (in thousands)	4,818,853	4,762,900
Diluted earnings per share (in RMB)	1.20	1.10

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For the year ended 31 December 2025

(In RMB thousands, unless otherwise stated)

17 CASH AND BALANCES WITH CENTRAL BANK

	As at 31 December	
	2025	2024
Cash	685,122	887,916
Mandatory reserve deposits with central bank	29,500,996	27,773,600
Surplus reserve deposits with central bank	10,564,381	5,837,298
Fiscal deposits	443	30
Subtotal	40,750,942	34,498,844
Accrued interest	13,591	11,624
Total	40,764,533	34,510,468

The Group is required to place mandatory reserve deposits with central bank. The deposits are calculated based on the amount of customer deposits placed with the Group. As at 31 December 2025, the mandatory reserve rate of the Bank for deposits denominated in RMB was 5.5% (31 December 2024: 6%), and the mandatory reserve rate of the Bank for deposits denominated in foreign currencies was 4% (31 December 2024: 4%). The mandatory reserve deposit rate of the subsidiaries of the Bank was consistent with the requirements of the central bank.

Mandatory reserve deposits with the central bank are not available for use by the Group in its day-to-day operations. Deposits with the central bank other than the mandatory reserve maintained are mainly for liquidity purposes.

18 DUE FROM AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	As at 31 December	
	2025	2024
Securities purchased under resale agreements	44,026,850	14,656,224
Bills purchased under resale agreements	–	2,147,353
Due from banks and other financial institutions	8,703,547	6,002,720
Placements with banks and other financial institutions	1,356,357	11,698,459
Subtotal	54,086,754	34,504,756
Accrued interest	32,213	126,336
Less: ECL allowance	(204,291)	(162,881)
Total	53,914,676	34,468,211

As at 31 December 2025, the gross principal balance of the Group's amounts due from and placements with banks and other financial institutions in Stage 3 was RMB199,000 thousand (RMB199,000 thousand at 31 December 2024), of which the accrued ECL allowance amounted to RMB199,000 thousand (RMB153,529 thousand at 31 December 2024). The rest was all in Stage 1.

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19 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December	
	2025	2024
Financial assets at FVPL		
– Listed outside Hong Kong	953,371	546,103
– Unlisted	59,610,731	64,134,590
Total	60,564,102	64,680,693

Unlisted financial assets measured at FVPL are set out below:

	As at 31 December	
	2025	2024
Unlisted financial assets at FVPL		
– Corporate bonds	4,270,910	4,076,268
– Trust investments	2,593,978	2,885,840
– Asset management plans	3,589,216	5,183,076
– Wealth management products purchased from financial institutions	2,010,682	1,008,736
– Fund investments	25,104,521	24,752,744
– Inter-bank certificates of deposit	10,503,779	11,363,208
– Commercial bank bonds	5,714,543	8,714,523
– Government bonds	1,342,809	1,349,734
– Policy bank bonds	2,356,470	3,118,733
– Equity Investment	2,123,823	1,681,728
Total	59,610,731	64,134,590

The Group's unlisted commercial bank bonds, policy bank bonds, corporate bonds and government bonds are traded in the inter-bank bond market in Chinese mainland.

As at 31 December 2025, there were no financial assets at FVPL of the Group pledged to third parties under repurchase agreements (31 December 2024: Nil).

Notes to Consolidated Financial Statements

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19 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Financial assets at fair value through profit or loss by the issuer are set out below:

	As at 31 December	
	2025	2024
Financial assets at FVPL		
– Trust companies	2,593,978	2,885,840
– Securities companies	3,589,216	5,183,076
– Commercial banks	18,229,004	21,086,467
– Fund companies	25,104,521	24,752,744
– Corporations	4,507,633	4,076,268
– Governments	1,342,809	1,349,734
– Policy banks	2,356,470	3,118,733
– Equity investment	2,840,471	2,227,831
Total	60,564,102	64,680,693

20 DERIVATIVE FINANCIAL INSTRUMENTS

As at 31 December 2025	Notional amount	Fair value	
		Assets	Liabilities
Interest rate swaps	46,921,929	5,551	(5,153)
Foreign exchange swaps	3,040,949	48,531	(20,874)
Foreign exchange forwards	3,939,820	19,406	(19,213)
Currency swaps	3,520,673	204,199	(189,685)
Precious metal swaps	4,589,430	1,191,335	–
Credit risk mitigation warrant	11,000	–	(56)
Total	62,023,801	1,469,022	(234,981)

As at 31 December 2024	Notional amount	Fair value	
		Assets	Liabilities
Interest rate swaps	40,090,727	4,589	(5,118)
Foreign exchange swaps	2,021,413	36,708	(238)
Currency swaps	72,175	1,828	(1,828)
Precious metal swaps	805,774	1,318	–
Credit risk mitigation warrant	10,000	–	(56)
Total	43,000,089	44,443	(7,240)

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21 LOANS AND ADVANCES TO CUSTOMERS

	As at 31 December	
	2025	2024
Loans and advances to customers		
– Amortised cost	506,569,242	410,621,083
– FVOCI	22,550,944	27,674,398
Total	529,120,186	438,295,481
Accrued interest	2,164,664	2,320,880
Less: ECL allowance	(14,798,334)	(13,352,516)
Carrying amount of loans and advances to customers	516,486,516	427,263,845

(a) Loans and advances to customers analysis

	As at 31 December	
	2025	2024
Loans and advances to corporate entities – Amortised cost		
– Corporate loans and advances	409,867,472	313,003,213
Loans and advances to corporate entities – FVOCI		
– Discounted bills	22,550,944	27,674,398
Subtotal	432,418,416	340,677,611
Loans and advances to individuals – Amortised cost		
– Mortgage loans	36,170,280	39,282,720
– Individual business loans	20,777,814	21,660,113
– Individual consumption loans and others	39,753,676	36,675,037
Subtotal	96,701,770	97,617,870
Total	529,120,186	438,295,481
Accrued interest	2,164,664	2,320,880
Gross amount of loans and advances to customers	531,284,850	440,616,361
Less: ECL allowance	(14,798,334)	(13,352,516)
Carrying amount of loans and advances to customers	516,486,516	427,263,845

Notes to Consolidated Financial Statements

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(In RMB thousands, unless otherwise stated)

21 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(b) Credit quality of loans and advances to customers

	As at 31 December 2025				
	Overdue within 90 days (inclusive)	Overdue for 90 days to 1 year (inclusive)	Overdue for 1 to 3 years (inclusive)	Overdue for more than 3 years	Total
Collateralised loans	906,941	1,222,084	1,292,434	73,070	3,494,529
Unsecured loans	477,660	1,019,428	562,402	25,768	2,085,258
Guaranteed loans	597,526	659,463	204,164	21,597	1,482,750
Pledged loans	23,939	–	118,740	970	143,649
Total	2,006,066	2,900,975	2,177,740	121,405	7,206,186

	As at 31 December 2024				
	Overdue within 90 days (inclusive)	Overdue for 90 days to 1 year (inclusive)	Overdue for 1 to 3 years (inclusive)	Overdue for more than 3 years	Total
Collateralised loans	1,774,672	1,768,459	1,170,054	74,668	4,787,853
Unsecured loans	281,999	843,650	334,717	32,640	1,493,006
Guaranteed loans	618,706	228,279	234,169	5,537	1,086,691
Pledged loans	156,180	4,150	74,270	–	234,600
Total	2,831,557	2,844,538	1,813,210	112,845	7,602,150

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21 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(c) Movements on impairment allowance for loans and advances to customers

(1) Movements on impairment allowance for loans and advances to customers at amortised cost

	Stage 1 12M ECL	Stage 2 Lifetime ECL (No Credit Impairment)	Stage 3 Lifetime ECL (Credit Impairment Occurred)	Total
Loans and advances to corporate entities				
As at 31 December 2024	3,227,227	2,488,369	4,376,685	10,092,281
New financial assets originated or purchased	2,412,563	—	—	2,412,563
Remeasurement	(231,465)	1,737,228	178,018	1,683,781
Repayments	(1,139,997)	(466,539)	(1,268,597)	(2,875,133)
Write-offs and disposals	—	—	(1,553,920)	(1,553,920)
Transfers:				
Transfer from Stage 1 to Stage 2	(181,525)	181,525	—	—
Transfer from Stage 1 to Stage 3	(10,594)	—	10,594	—
Transfer from Stage 2 to Stage 1	49,666	(49,666)	—	—
Transfer from Stage 2 to Stage 3	—	(383,706)	383,706	—
Transfer from Stage 3 to Stage 2	—	19,926	(19,926)	—
Recoveries of loans and advances written off in previous years	—	—	752,797	752,797
Unwind impact of discount	—	—	(57,005)	(57,005)
As at 31 December 2025	4,125,875	3,527,137	2,802,352	10,455,364

	Stage 1 12M ECL	Stage 2 Lifetime ECL (No Credit Impairment)	Stage 3 Lifetime ECL (Credit Impairment Occurred)	Total
Loans and advances to corporate entities				
As at 31 December 2023	2,546,229	2,246,685	4,736,800	9,529,714
New financial assets originated or purchased	1,826,722	—	—	1,826,722
Remeasurement	(445,484)	1,169,233	1,115,084	1,838,833
Repayments	(1,013,485)	(376,089)	(318,243)	(1,707,817)
Write-offs and disposals	—	—	(1,863,591)	(1,863,591)
Transfers:				
Transfer from Stage 1 to Stage 2	(62,181)	62,181	—	—
Transfer from Stage 1 to Stage 3	(9,730)	—	9,730	—
Transfer from Stage 2 to Stage 1	332,905	(332,905)	—	—
Transfer from Stage 2 to Stage 3	—	(547,307)	547,307	—
Transfer from Stage 3 to Stage 1	52,251	—	(52,251)	—
Transfer from Stage 3 to Stage 2	—	266,571	(266,571)	—
Recoveries of loans and advances written off in previous years	—	—	517,488	517,488
Unwind impact of discount	—	—	(49,068)	(49,068)
As at 31 December 2024	3,227,227	2,488,369	4,376,685	10,092,281

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21 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(c) Movements on impairment allowance for loans and advances to customers (Continued)

(1) *Movements on impairment allowance for loans and advances to customers at amortised cost (Continued)*

	Stage 1	Stage 2	Stage 3	
		Lifetime ECL	Lifetime	
	12M ECL	(No Credit	ECL (Credit	Total
Retail loans		Impairment)	Impairment	
			Occurred)	
As at 31 December 2024	753,857	1,010,029	1,496,349	3,260,235
New financial assets originated or purchased	590,680	–	–	590,680
Remeasurement	168,992	738,914	1,529,158	2,437,064
Repayments	(351,297)	(167,372)	(161,856)	(680,525)
Write-offs and disposals	–	–	(1,487,066)	(1,487,066)
Transfers:				
Transfer from Stage 1 to Stage 2	(46,106)	46,106	–	–
Transfer from Stage 1 to Stage 3	(46,818)	–	46,818	–
Transfer from Stage 2 to Stage 1	88,450	(88,450)	–	–
Transfer from Stage 2 to Stage 3	–	(335,884)	335,884	–
Transfer from Stage 3 to Stage 1	16,973	–	(16,973)	–
Transfer from Stage 3 to Stage 2	–	65,766	(65,766)	–
Recoveries of loans and advances written off in previous years	–	–	320,372	320,372
Unwind impact of discount	–	–	(97,790)	(97,790)
As at 31 December 2025	1,174,731	1,269,109	1,899,130	4,342,970

	Stage 1	Stage 2	Stage 3	
		Lifetime ECL	Lifetime	
	12M ECL	(No Credit	ECL (Credit	Total
Retail loans		Impairment)	Impairment	
			Occurred)	
As at 31 December 2023	610,247	908,947	1,090,518	2,609,712
New financial assets originated or purchased	385,104	–	–	385,104
Remeasurement	(13,601)	643,962	1,291,219	1,921,580
Repayments	(290,684)	(224,113)	(149,757)	(664,554)
Write-offs and disposals	–	–	(1,185,756)	(1,185,756)
Transfers:				
Transfer from Stage 1 to Stage 2	(38,717)	38,717	–	–
Transfer from Stage 1 to Stage 3	(33,587)	–	33,587	–
Transfer from Stage 2 to Stage 1	123,987	(123,987)	–	–
Transfer from Stage 2 to Stage 3	–	(255,122)	255,122	–
Transfer from Stage 3 to Stage 1	11,108	–	(11,108)	–
Transfer from Stage 3 to Stage 2	–	21,625	(21,625)	–
Recoveries of loans and advances written off in previous years	–	–	221,968	221,968
Unwind impact of discount	–	–	(27,819)	(27,819)
As at 31 December 2024	753,857	1,010,029	1,496,349	3,260,235

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21 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(c) Movements on impairment allowance for loans and advances to customers (Continued)

(2) *Movements on impairment allowance for loans and advances to customers at FVOCI*

	Stage 1 12M ECL	Stage 2 Lifetime ECL (No Credit Impairment)	Stage 3 Lifetime ECL (Credit Impairment Occurred)	Total
Discounted bills				
As at 31 December 2024	36,724	—	—	36,724
New financial assets originated or purchased	19,228	—	—	19,228
Repayments	(36,724)	—	—	(36,724)
As at 31 December 2025	19,228	—	—	19,228
As at 31 December 2023	65,761	—	—	65,761
New financial assets originated or purchased	36,724	—	—	36,724
Repayments	(65,761)	—	—	(65,761)
As at 31 December 2024	36,724	—	—	36,724

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21 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(d) Movements on gross amount (excluding accrued interest) of loans and advances to customers

(1) Movements on gross amount (excluding accrued interest) of loans and advances to customers at amortised cost

Loans and advances to corporate entities	Stage 1 12M ECL	Stage 2 Lifetime ECL (No Credit Impairment)	Stage 3 Lifetime ECL (Credit Impairment Occurred)	Total
As at 31 December 2024	297,315,218	9,166,612	6,521,383	313,003,213
New financial assets originated or purchased	212,683,601	–	–	212,683,601
Proceeds received	(108,676,806)	(2,301,345)	(2,532,964)	(113,511,115)
Financial assets derecognised other than write-offs	–	–	(990,008)	(990,008)
Write-offs	–	–	(1,318,219)	(1,318,219)
Transfers:				
Transfer from Stage 1 to Stage 2	(11,693,944)	11,693,944	–	–
Transfer from Stage 1 to Stage 3	(437,111)	–	437,111	–
Transfer from Stage 2 to Stage 1	343,036	(343,036)	–	–
Transfer from Stage 2 to Stage 3	–	(1,263,201)	1,263,201	–
Transfer from Stage 3 to Stage 2	–	33,329	(33,329)	–
As at 31 December 2025	389,533,994	16,986,303	3,347,175	409,867,472

Loans and advances to corporate entities	Stage 1 12M ECL	Stage 2 Lifetime ECL (No Credit Impairment)	Stage 3 Lifetime ECL (Credit Impairment Occurred)	Total
As at 31 December 2023	231,678,264	11,621,999	7,097,810	250,398,073
New financial assets originated or purchased	155,954,301	–	–	155,954,301
Proceeds received	(87,646,107)	(2,691,530)	(487,144)	(90,824,781)
Financial assets derecognised other than write-offs	–	–	(665,540)	(665,540)
Write-offs	–	–	(1,858,840)	(1,858,840)
Transfers:				
Transfer from Stage 1 to Stage 2	(3,990,359)	3,990,359	–	–
Transfer from Stage 1 to Stage 3	(564,830)	–	564,830	–
Transfer from Stage 2 to Stage 1	1,807,949	(1,807,949)	–	–
Transfer from Stage 2 to Stage 3	–	(2,374,624)	2,374,624	–
Transfer from Stage 3 to Stage 1	76,000	–	(76,000)	–
Transfer from Stage 3 to Stage 2	–	428,357	(428,357)	–
As at 31 December 2024	297,315,218	9,166,612	6,521,383	313,003,213

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21 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(d) Movements on gross amount (excluding accrued interest) of loans and advances to customers (Continued)

(1) *Movements on gross amount (excluding accrued interest) of loans and advances to customers at amortised cost (Continued)*

	Stage 1 12M ECL	Stage 2 Lifetime ECL (No Credit Impairment)	Stage 3 Lifetime ECL (Credit Impairment Occurred)	Total
Retail loans				
As at 31 December 2024	91,939,501	3,015,879	2,662,490	97,617,870
New financial assets originated or purchased	33,264,458	–	–	33,264,458
Proceeds received	(31,715,178)	(530,638)	(352,858)	(32,598,674)
Financial assets derecognised other than write-offs	–	–	(251,996)	(251,996)
Write-offs	–	–	(1,329,888)	(1,329,888)
Transfers:				
Transfer from Stage 1 to Stage 2	(2,295,122)	2,295,122	–	–
Transfer from Stage 1 to Stage 3	(1,584,521)	–	1,584,521	–
Transfer from Stage 2 to Stage 1	298,514	(298,514)	–	–
Transfer from Stage 2 to Stage 3	–	(974,860)	974,860	–
Transfer from Stage 3 to Stage 1	29,155	–	(29,155)	–
Transfer from Stage 3 to Stage 2	–	119,830	(119,830)	–
As at 31 December 2025	89,936,807	3,626,819	3,138,144	96,701,770

	Stage 1 12M ECL	Stage 2 Lifetime ECL (No Credit Impairment)	Stage 3 Lifetime ECL (Credit Impairment Occurred)	Total
Retail loans				
As at 31 December 2023	90,242,603	2,796,474	1,910,851	94,949,928
New financial assets originated or purchased	37,150,559	–	–	37,150,559
Proceeds received	(32,225,556)	(733,214)	(326,460)	(33,285,230)
Financial assets derecognised other than write-offs	–	–	(16,292)	(16,292)
Write-offs	–	–	(1,181,095)	(1,181,095)
Transfers:				
Transfer from Stage 1 to Stage 2	(2,076,233)	2,076,233	–	–
Transfer from Stage 1 to Stage 3	(1,563,254)	–	1,563,254	–
Transfer from Stage 2 to Stage 1	391,999	(391,999)	–	–
Transfer from Stage 2 to Stage 3	–	(768,734)	768,734	–
Transfer from Stage 3 to Stage 1	19,383	–	(19,383)	–
Transfer from Stage 3 to Stage 2	–	37,119	(37,119)	–
As at 31 December 2024	91,939,501	3,015,879	2,662,490	97,617,870

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21 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(d) Movements on gross amount (excluding accrued interest) of loans and advances to customers (Continued)

(2) *Movements on gross amount (excluding accrued interest) of loans and advances to customers at FVOCI*

	Stage 1	Stage 2	Stage 3	
	12M ECL	Lifetime ECL (No Credit Impairment)	Lifetime ECL (Credit Impairment Occurred)	Total
Discounted bills				
As at 31 December 2024	27,674,398	–	–	27,674,398
New financial assets originated or purchased	22,546,486	–	–	22,546,486
Proceeds received	(27,674,398)	–	–	(27,674,398)
Fair value measurement	4,458	–	–	4,458
As at 31 December 2025	22,550,944	–	–	22,550,944
As at 31 December 2023	44,852,396	–	–	44,852,396
New financial assets originated or purchased	27,716,469	–	–	27,716,469
Proceeds received	(44,852,396)	–	–	(44,852,396)
Fair value measurement	(42,071)	–	–	(42,071)
As at 31 December 2024	27,674,398	–	–	27,674,398

22 INVESTMENT SECURITIES

	As at 31 December	
	2025	2024
Investment securities – FVOCI		
Debt securities – measured at fair value		
– Listed outside Hong Kong	65,716,843	73,001,374
– Listed in Hong Kong	9,411,305	7,278,171
– Unlisted	20,856,362	31,614,865
Subtotal	95,984,510	111,894,410
Accrued interest	1,370,136	1,783,573
Equity securities – measured at fair value		
– Unlisted	139,730	122,115
Others	14	14
Total	97,494,390	113,800,112

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22 INVESTMENT SECURITIES (Continued)

Unlisted financial investments measured at FVOCI are set out below:

	As at 31 December	
	2025	2024
Debt securities – measured at fair value (unlisted)		
– Corporate bonds	13,518,326	19,091,479
– Policy bank bonds	2,422,259	4,939,417
– Commercial bank bonds	4,915,777	7,583,969
Subtotal	20,856,362	31,614,865
Equity securities – measured at fair value (unlisted)		
– Equity investments	139,730	122,115
Total	20,996,092	31,736,980

	As at 31 December	
	2025	2024
Investment securities – Amortised cost		
Debt securities – measured at amortised cost		
– Listed outside Hong Kong	213,378,493	142,568,896
– Unlisted	30,111,587	25,321,838
Subtotal	243,490,080	167,890,734
Accrued interest	2,923,089	2,453,406
Less: ECL allowance	(1,177,544)	(917,132)
Total	245,235,625	169,427,008

Unlisted financial assets measured at amortised cost are set out below:

	As at 31 December	
	2025	2024
Debt securities – measured at amortised cost (unlisted)		
– Bonds	19,648,128	6,496,086
– Trust investments	2,996,273	3,658,996
– Asset management plans	7,467,186	13,046,756
– Debt financing plans	–	2,120,000
Total	30,111,587	25,321,838

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22 INVESTMENT SECURITIES (Continued)

Movements on impairment allowance for investment securities are set out below:

	Stage 1 12M ECL	Stage 2 Lifetime ECL (No Credit Impairment)	Stage 3 Lifetime ECL (Credit Impairment Occurred)	Total
Investment securities – FVOCI				
As at 31 December 2024	157,254	–	663,610	820,864
New financial assets originated or purchased	40,174	–	–	40,174
Remeasurement	(20,405)	3,932	36,390	19,917
Repayments	(68,868)	–	–	(68,868)
Transfers:				
<i>Transfer from Stage 1 to Stage 2</i>	<i>(492)</i>	<i>492</i>	<i>–</i>	<i>–</i>
As at 31 December 2025	107,663	4,424	700,000	812,087

	Stage 1 12M ECL	Stage 2 Lifetime ECL (No Credit Impairment)	Stage 3 Lifetime ECL (Credit Impairment Occurred)	Total
Investment securities – FVOCI				
As at 31 December 2023	255,102	6,430	663,610	925,142
New financial assets originated or purchased	59,434	–	–	59,434
Remeasurement	(83,941)	–	–	(83,941)
Repayments	(73,341)	(6,430)	–	(79,771)
As at 31 December 2024	157,254	–	663,610	820,864

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22 INVESTMENT SECURITIES (Continued)

	Stage 1 12M ECL	Stage 2 Lifetime ECL (No Credit Impairment)	Stage 3 Lifetime ECL (Credit Impairment Occurred)	Total
Investment securities – Amortised cost				
As at 31 December 2024	177,190	215,527	524,415	917,132
New financial assets originated or purchased	82,328	–	–	82,328
Remeasurement	(25,378)	38,455	237,096	250,173
Repayments	(54,425)	(258)	(17,406)	(72,089)
Assignment:				
Transfers:				
Transfer from Stage 1 to Stage 2	(478)	478	–	–
Transfer from Stage 2 to Stage 3	–	(38,729)	38,729	–
As at 31 December 2025	179,237	215,473	782,834	1,177,544

	Stage 1 12M ECL	Stage 2 Lifetime ECL (No Credit Impairment)	Stage 3 Lifetime ECL (Credit Impairment Occurred)	Total
Investment securities – Amortised cost				
As at 31 December 2023	275,020	252,447	861,623	1,389,090
New financial assets originated or purchased	33,322	–	–	33,322
Remeasurement	(20,142)	60,964	(129,754)	(88,932)
Repayments	(111,010)	(97,884)	(5,580)	(214,474)
Assignment:	–	–	(201,874)	(201,874)
Transfers:	–	–	–	–
As at 31 December 2024	177,190	215,527	524,415	917,132

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22 INVESTMENT SECURITIES (Continued)

Movements on gross amount (excluding accrued interest) of investment securities are set out below:

	Stage 1 12M ECL	Stage 2 Lifetime ECL (No Credit Impairment)	Stage 3 Lifetime ECL (Credit Impairment Occurred)	Total
Investment securities – FVOCI				
As at 31 December 2024	108,823,071	–	700,000	109,523,071
New financial assets originated or purchased	40,344,212	–	–	40,344,212
Proceeds received	(53,560,003)	–	–	(53,560,003)
Transfers:				
<i>Transfer from Stage 1 to Stage 2</i>	<i>(210,000)</i>	<i>210,000</i>	<i>–</i>	<i>–</i>
As at 31 December 2025	95,397,280	210,000	700,000	96,307,280

	Stage 1 12M ECL	Stage 2 Lifetime ECL (No Credit Impairment)	Stage 3 Lifetime ECL (Credit Impairment Occurred)	Total
Investment securities – Amortised cost				
As at 31 December 2023	90,818,491	146,545	700,000	91,665,036
New financial assets originated or purchased	53,847,855	–	–	53,847,855
Proceeds received	(35,843,275)	(146,545)	–	(35,989,820)
As at 31 December 2024	108,823,071	–	700,000	109,523,071

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22 INVESTMENT SECURITIES (Continued)

	Stage 1 12M ECL	Stage 2 Lifetime ECL (No Credit Impairment)	Stage 3 Lifetime ECL (Credit Impairment Occurred)	Total
Investment securities – Amortised cost				
As at 31 December 2024	165,673,038	1,459,400	758,296	167,890,734
New financial assets originated or purchased	108,931,912	–	–	108,931,912
Proceeds received	(33,161,253)	(710)	(170,603)	(33,332,566)
Transfers:				
Transfer from Stage 1 to Stage 2	(210,000)	210,000	–	–
Transfer from Stage 2 to Stage 3	–	(230,700)	230,700	–
As at 31 December 2025	241,233,697	1,437,990	818,393	243,490,080

	Stage 1 12M ECL	Stage 2 Lifetime ECL (No Credit Impairment)	Stage 3 Lifetime ECL (Credit Impairment Occurred)	Total
Investment securities – Amortised cost				
As at 31 December 2023	155,057,111	2,084,000	1,023,612	158,164,723
New financial assets originated or purchased	48,027,281	–	–	48,027,281
Proceeds received	(37,411,354)	(624,600)	(15,942)	(38,051,896)
Assignment:	–	–	(249,374)	(249,374)
Transfers:	–	–	–	–
As at 31 December 2024	165,673,038	1,459,400	758,296	167,890,734

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22 INVESTMENT SECURITIES (Continued)

Investment securities are analysed by issuer as follows:

	As at 31 December	
	2025	2024
Investment securities – FVOCI		
– Corporations	54,869,681	65,657,618
– Policy banks	2,422,259	4,939,417
– Commercial banks	4,922,774	7,390,742
– Governments	33,769,796	33,906,633
– Equity investments at fair value	139,730	122,115
– Others	14	14
Subtotal	96,124,254	112,016,539
Accrued interest	1,370,136	1,783,573
Total	97,494,390	113,800,112
Investment securities – Amortised cost		
– Governments	183,044,350	136,244,377
– Asset management companies	6,998,000	12,577,410
– Corporations	48,847,261	13,805,048
– Trust companies	2,996,273	3,658,996
– Policy banks	535,010	535,557
– Securities companies	469,186	469,346
– Commercial banks	600,000	600,000
Subtotal	243,490,080	167,890,734
Accrued interest	2,923,089	2,453,406
Less: ECL allowance	(1,177,544)	(917,132)
Total	245,235,625	169,427,008

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23 INVESTMENTS IN ASSOCIATES

	As at 31 December	
	2025	2024
Balance at the beginning of the year	3,173,826	2,818,162
Share of profits of associates	370,291	419,935
Declared cash dividends	(13,105)	(64,271)
Balance at the end of the year	3,531,012	3,173,826

On 15 June 2015, the Group invested RMB54,000 thousand in Mashang Consumer Finance Co., Ltd. ("Mashang Finance") on its incorporation, and appointed a director. As at 14 August 2016, Mashang Finance increased its registered capital to RMB1,300,000 thousand, and the Group increased the investment to RMB205,270 thousand which accounted for 15.79% of equity interest. On 13 July 2017, Mashang Finance further increased its registered capital to RMB2,210,294 thousand, and the Group increased the investment to RMB338,346 thousand, which accounted for 15.31% of total registered capital. On 9 August 2018, Mashang Finance further increased its registered capital to RMB4 billion, and the Group increased the investment to RMB655,142 thousand, which accounted for 15.53% of equity interest. The Group has appointed one director who can have significant influence on the operation and financial decisions of immediate consumption, therefore it is accounted for as a joint venture.

As of December 31, 2025, the Group holds 4.97% of the shares of Chongqing Three Gorges Bank Co., Ltd. ("Three Gorges Bank") with an investment cost of RMB379,024 thousand. At the same time, the Group has appointed one director who can exert significant influence on the operation and financial decisions of Three Gorges Bank, so it is accounted for as a joint venture.

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24 PROPERTY, PLANT AND EQUIPMENT

	Buildings	Motor vehicles	Electronic equipment	Office equipment	Assets under operating leases	Construction in progress	Total
Cost							
As at 31 December 2024	3,262,855	9,295	825,128	187,281	178,173	247,591	4,710,323
Additions	7,019	879	159,029	32,508	804,966	17,280	1,021,681
Disposals	(7,920)	(118)	(39,115)	(6,712)	(71)	–	(53,936)
Transfer to investment property	(39,233)	–	–	–	–	–	(39,233)
As at 31 December 2025	3,222,721	10,056	945,042	213,077	983,068	264,871	5,638,835
Accumulated depreciation							
As at 31 December 2024	(1,081,939)	(8,031)	(522,991)	(130,074)	(64,794)	–	(1,807,829)
Charge for the year (Note 11)	(105,365)	(498)	(98,599)	(21,962)	(71,706)	–	(298,130)
Disposals	5,809	115	37,968	6,533	44	–	50,469
Transfer to investment property	18,837	–	–	–	–	–	18,837
As at 31 December 2025	(1,162,658)	(8,414)	(583,622)	(145,503)	(136,456)	–	(2,036,653)
Impairment allowance							
As at 31 December 2025	(4,462)	–	–	–	–	–	(4,462)
Net book value							
As at 31 December 2025	2,055,601	1,642	361,420	67,574	846,612	264,871	3,597,720
As at 31 December 2024	2,176,454	1,264	302,137	57,207	113,379	247,591	2,898,032

	Buildings	Motor vehicles	Electronic equipment	Office equipment	Assets under operating leases	Construction in progress	Total
Cost							
As at 31 December 2023	3,342,051	9,886	714,838	174,796	118,901	262,174	4,622,646
Additions	436	–	133,192	23,479	59,272	1,031	217,410
Transfers from construction in progress	15,614	–	–	–	–	(15,614)	–
Disposals	(33,094)	(591)	(22,902)	(10,994)	–	–	(67,581)
Transfer to investment property	(62,152)	–	–	–	–	–	(62,152)
As at 31 December 2024	3,262,855	9,295	825,128	187,281	178,173	247,591	4,710,323
Accumulated depreciation							
As at 31 December 2023	(1,016,012)	(8,145)	(463,459)	(122,535)	(47,284)	–	(1,657,435)
Charge for the year (Note 11)	(109,289)	(459)	(81,700)	(18,221)	(17,510)	–	(227,179)
Disposals	21,093	573	22,168	10,682	–	–	54,516
Transfer to investment property	22,269	–	–	–	–	–	22,269
As at 31 December 2024	(1,081,939)	(8,031)	(522,991)	(130,074)	(64,794)	–	(1,807,829)
Impairment allowance							
As at 31 December 2024	(4,462)	–	–	–	–	–	(4,462)
Net book value							
As at 31 December 2024	2,176,454	1,264	302,137	57,207	113,379	247,591	2,898,032
As at 31 December 2023	2,324,539	1,741	251,379	52,261	71,617	262,174	2,963,711

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24 PROPERTY, PLANT AND EQUIPMENT (Continued)

As at 31 December 2025, the cost of motor vehicles and machinery equipment leased out by the Group under operating lease arrangements was RMB983,068 thousand (31 December 2024: RMB178,173 thousand). The depreciation charged for the year amounted to RMB71,706 thousand (for the year ended 31 December 2024: RMB17,510 thousand). There were no clauses regarding to residual value guarantee under the lease contracts signed by the Group as a lessor.

As at 31 December 2025, the net value of the buildings whose registration procedures had not been completed was RMB45,385 thousand (31 December 2024: RMB59,983 thousand). The aforesaid matter would not affect the Group's rights to these assets, nor would it have any significant impact on the Group's business operation.

25 OTHER ASSETS

	As at 31 December	
	2025	2024
Other receivables ^(a)	806,166	335,739
Less: Impairment allowance ^(a)	(25,008)	(21,259)
Intangible assets ^(b)	612,694	568,138
Right-of-use assets ^(c)	436,289	447,943
Interest receivable	147,067	231,079
Continuing involvement in transferred assets	57,157	131,466
Fee and commission receivables	158,820	176,245
Foreclosed assets ^(d)	2,580,771	38,185
Leasehold improvements	105,524	94,127
Prepaid rental expenses	190	157
Investment properties ^(e)	59,299	41,914
Input tax to be deducted	572,666	117,336
Others	2,981	3,301
Total	5,514,616	2,164,371

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25 OTHER ASSETS (Continued)

(a) Other receivables

Movements on impairment allowance for other receivables:

	Stage 1	Stage 2	Stage 3	
		Lifetime ECL	Lifetime	
Other receivables	12M ECL	(No Credit	ECL (Credit	Total
		Impairment)	Impairment	
			Occurred)	
As at 31 December 2024	4,329	880	16,050	21,259
New financial assets originated or purchased	1,010	–	–	1,010
Remeasurement	365	1,029	21,694	23,088
Write-offs	–	–	(14,024)	(14,024)
Repayments	(1,560)	(91)	(4,674)	(6,325)
Transfers:				
Transfer from Stage 1 to Stage 2	(69)	69	–	–
Transfer from Stage 1 to Stage 3	(149)	–	149	–
Transfer from Stage 2 to Stage 3	–	(322)	322	–
As at 31 December 2025	3,926	1,565	19,517	25,008

	Stage 1	Stage 2	Stage 3	
		Lifetime ECL	Lifetime	
Other receivables	12M ECL	(No Credit	ECL (Credit	Total
		Impairment)	Impairment	
			Occurred)	
As at 31 December 2023	3,332	323	13,246	16,901
New financial assets originated or purchased	1,463	–	–	1,463
Remeasurement	(37)	895	13,048	13,906
Write-offs	–	–	(10,014)	(10,014)
Repayments	(299)	(186)	(512)	(997)
Transfers:				
Transfer from Stage 1 to Stage 2	(28)	28	–	–
Transfer from Stage 1 to Stage 3	(102)	–	102	–
Transfer from Stage 2 to Stage 3	–	(180)	180	–
As at 31 December 2024	4,329	880	16,050	21,259

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25 OTHER ASSETS (Continued)

(a) Other receivables (Continued)

Movements on gross amount of other receivables:

Other receivables	Stage 1 12M ECL	Stage 2 Lifetime ECL (No Credit Impairment)	Stage 3 Lifetime ECL (Credit Impairment Occurred)	Total
As at 31 December 2024	304,476	4,083	27,180	335,739
New financial assets originated or purchased	721,271	–	–	721,271
Proceeds received	(229,944)	(564)	(6,312)	(236,820)
Write-offs	–	–	(14,024)	(14,024)
Transfers:				
Transfer from Stage 1 to Stage 2	(8,119)	8,119	–	–
Transfer from Stage 1 to Stage 3	(17,520)	–	17,520	–
Transfer from Stage 2 to Stage 3	–	(1,990)	1,990	–
As at 31 December 2025	770,164	9,648	26,354	806,166

Other receivables	Stage 1 12M ECL	Stage 2 Lifetime ECL (No Credit Impairment)	Stage 3 Lifetime ECL (Credit Impairment Occurred)	Total
As at 31 December 2023	170,585	1,834	22,726	195,145
New financial assets originated or purchased	257,354	–	–	257,354
Proceeds received	(105,013)	(866)	(867)	(106,746)
Write-offs	–	–	(10,014)	(10,014)
Transfers:				
Transfer from Stage 1 to Stage 2	(3,952)	3,952	–	–
Transfer from Stage 1 to Stage 3	(14,498)	–	14,498	–
Transfer from Stage 2 to Stage 3	–	(837)	837	–
As at 31 December 2024	304,476	4,083	27,180	335,739

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25 OTHER ASSETS (Continued)

(b) Intangible assets

	2025	2024
Cost		
Balance at the beginning of the year	1,358,244	1,079,918
Additions	257,658	283,835
Disposals	(6,237)	(5,509)
Balance at the end of the year	1,609,665	1,358,244
Accumulated amortisation		
Balance at the beginning of the year	(790,106)	(625,169)
Amortisation for the year (Note 11)	(213,102)	(170,446)
Disposals	6,237	5,509
Balance at the end of the year	(996,971)	(790,106)
Net book value		
Balance at the end of the year	612,694	568,138
Balance at the beginning of the year	568,138	454,749

(c) Right-of-use assets

	Buildings	Land use rights	Total
Cost			
As at 31 December 2024	361,941	318,498	680,439
Additions	77,347	–	77,347
Deductions	(14,597)	–	(14,597)
As at 31 December 2025	424,691	318,498	743,189
Accumulated depreciation			
As at 31 December 2024	(157,785)	(74,711)	(232,496)
Depreciation (Note 11)	(81,776)	(7,225)	(89,001)
Deductions	14,597	–	14,597
As at 31 December 2025	(224,964)	(81,936)	(306,900)
Net book value			
As at 31 December 2025	199,727	236,562	436,289
As at 31 December 2024	204,156	243,787	447,943

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25 OTHER ASSETS (Continued)

(c) Right-of-use assets (Continued)

	Buildings	Land use rights	Total
Cost			
As at 31 December 2023	285,958	186,923	472,881
Additions	106,249	131,575	237,824
Deductions	(30,266)	–	(30,266)
As at 31 December 2024	361,941	318,498	680,439
Accumulated depreciation			
As at 31 December 2023	(115,925)	(67,186)	(183,111)
Depreciation (Note 11)	(71,790)	(7,525)	(79,315)
Deductions	29,930	–	29,930
As at 31 December 2024	(157,785)	(74,711)	(232,496)
Net book value			
As at 31 December 2024	204,156	243,787	447,943
As at 31 December 2023	170,033	119,737	289,770

(d) Foreclosed assets

	As at 31 December	
	2025	2024
Business properties	2,398,574	29,808
Residential properties	178,933	8,377
Others	3,264	–
Total	2,580,771	38,185

The Group intends to dispose of foreclosed assets through various methods including auction, competitive bidding and transfer. For the year ended 31 December 2025, the Group made no disposal of debt-for-asset arrangements (for the year ended 31 December 2024: the Group disposed of the foreclosed assets with an original value of RMB63,521 thousand).

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25 OTHER ASSETS (Continued)

(e) Investment properties

	2025	2024
Cost		
Balance at the beginning of the year	70,427	8,275
Transfer from property, plant and equipment	39,233	62,152
Balance at the end of the year	109,660	70,427
Accumulated depreciation		
Balance at the beginning of the year	(28,513)	(5,406)
Transfers from property, plant and equipment	(18,837)	(22,269)
Depreciation for the year (Note 11)	(3,011)	(838)
Balance at the end of the year	(50,361)	(28,513)
Net book value		
Balance at the end of the year	59,299	41,914
Balance at the beginning of the year	41,914	2,869

26 DUE TO AND PLACEMENTS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	As at 31 December	
	2025	2024
Borrowings from central bank	82,662,056	54,388,530
Placements from banks and other financial institutions	68,513,063	54,666,544
Deposits from banks	19,846,894	870,492
Deposits from other financial institutions	13,308,827	108,566
Securities sold under repurchase agreements	4,038,067	5,914,586
Bills sold under repurchase agreements	–	2,982,165
Subtotal	188,368,907	118,930,883
Accrued interest	1,121,128	489,553
Total	189,490,035	119,420,436

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27 CUSTOMER DEPOSITS

	As at 31 December	
	2025	2024
Corporate demand deposits	70,191,944	53,879,467
Corporate time deposits	145,459,769	132,127,766
Individual demand deposits	26,336,881	23,678,149
Individual time deposits	280,367,063	225,880,099
Other deposits	28,436,093	25,404,664
Subtotal	550,791,750	460,970,145
Accrued interest	14,912,634	13,146,759
Total	565,704,384	474,116,904

28 DEBT SECURITIES ISSUED

	As at 31 December	
	2025	2024
Subordinated debts		
Fixed rate tier II capital debt – 2032 ^(a)	4,999,632	4,999,572
Fixed rate tier II capital debt – 2034 ^(b)	5,999,567	5,999,518
Financial debts		
Fixed rate small and micro business debt – 2027 ^(c)	3,999,824	3,999,702
Fixed rate small and micro business debt – 2027 ^(d)	4,999,699	4,999,529
Fixed rate small and micro business debt – 2026 ^(e)	4,499,943	4,499,881
Fixed rate small and micro business debt – 2028 ^(f)	4,999,630	–
Fixed rate small and micro business debt – 2028 ^(g)	2,099,821	–
Fixed rate small and micro business debt – 2028 ^(h)	299,974	–
Fixed rate science and technology innovation debt – 2030 ⁽ⁱ⁾	2,999,734	–
Fixed rate green financial debt – 2027 ^(j)	4,999,892	4,999,815
Convertible Bonds ^(k)	13,447,813	13,118,982
Inter-bank certificates of deposit ^(l)	150,196,791	148,481,393
Subtotal	203,542,320	191,098,392
Accrued interest	664,217	461,208
Total	204,206,537	191,559,600

- (a) Pursuant to a resolution at the general meeting passed on 20 November 2020 and the Approval for Bank of Chongqing Co., Ltd. to Issue Tier II Capital Bonds (Yu Yin Bao Jian Fu [2022] No. 17) by the the China Banking and Insurance Regulatory Commission (“CBIRC”) Chongqing Bureau on 20 January 2022, the Bank issued RMB5 billion tier II capital bonds in the domestic inter-bank bond market of China on 24 March 2022. Such tier II bonds have a maturity of 10 years, with a fixed coupon rate of 3.73% per annum before maturity, payable annually. The Bank has the option to exercise the redemption right to redeem all of the bonds at the par value on 28 March 2027.

The bonds have the write-down characteristics of the tier II capital instrument. When the regulatory trigger events stipulated in the issuance document occur, the Bank has the right to write down the principal of the bonds, and any accumulated interest payables will not be paid as well. According to the related regulations issued by the CBIRC, the tier II capital bonds meet the standards of the qualified tier II capital instrument.

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28 DEBT SECURITIES ISSUED (Continued)

- (b) Pursuant to a resolution at the general meeting passed on 31 January 2024 and the Approval for Bank of Chongqing Co., Ltd. to Issue Tier II Capital Bonds (Yu Jin Guan Fu [2024] No. 101) by the National Financial Regulatory Administration Chongqing Bureau on 25 July 2024, the Bank issued RMB6 billion tier II capital bonds in the domestic inter-bank bond market of China on 20 August 2024. Such tier II bonds have a maturity of 10 years, with a fixed coupon rate of 2.23% per annum before maturity, payable annually. The Bank has the option to exercise the redemption right to redeem all of the bonds at the par value on 22 August 2029.

The bonds have the write-down characteristics of the tier II capital instrument. When the regulatory trigger events stipulated in the issuance document occur, the Bank has the right to write down the principal of the bonds, and any accumulated interest payables will not be paid as well. According to the related regulations issued by the National Financial Regulatory Administration, the tier II capital bonds meet the standards of the qualified tier II capital instrument.

- (c) Pursuant to a resolution at the general meeting passed on 31 January 2024 and the Approval of PBOC (Yin Xu Zhun Yu Jue Zi [2024] No. 53) on 16 April 2024, the Bank issued RMB4 billion special financial bonds for small and micro enterprise loans in the domestic inter-bank bond market of China on 24 June 2024. Such bonds have a maturity of 3 years, with a fixed coupon rate of 2.17% per annum before maturity, payable annually. The proceeds from this issue were used for loans to small and micro enterprises.
- (d) Pursuant to a resolution at the general meeting passed on 31 January 2024 and the approval of PBOC (Yin Xu Zhun Yu Jue Zi [2024] No. 53) on 16 April 2024, the Bank issued RMB5 billion special financial bonds for small and micro business loans in the domestic inter-bank bond market of China on 27 October 2024. Such bonds have a maturity of 3 years, with a fixed coupon rate of 2.23% per annum before maturity, payable annually. The proceeds from this issue were used for loans to small and micro enterprises.
- (e) Pursuant to a resolution at the general meeting passed on 27 April 2023 and the approval of PBOC (Yin Xu Zhun Yu Jue Zi [2023] No. 80) on 7 September 2023, the Bank issued RMB4.5 billion special financial bonds for small and micro business loans, in the domestic inter-bank bond market of China on 12 September 2023, such bonds have a maturity of 3 years, with a fixed coupon rate of 2.75% per annum before maturity, payable annually. The proceeds from this issue were used for loans to small and micro enterprises.
- (f) Pursuant to a resolution at the general meeting passed on 31 January 2024 and the approval of PBOC (Yin Xu Zhun Yu Jue Zi [2025] No. 33) on 4 March 2025, the Bank issued RMB5.0 billion special financial bonds for small and micro business loans, in the domestic inter-bank bond market of China on 28 March 2025, such bonds have a maturity of 3 years, with a fixed coupon rate of 1.98% per annum before maturity, payable annually. The proceeds from this issue were used for loans to small and micro enterprises.

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28 DEBT SECURITIES ISSUED (Continued)

- (g) Pursuant to a resolution at the general meeting passed on 31 March 2025 and the approval of PBOC (Yin Xu Zhun Yu Jue Zi [2025] No. 33) on 4 March 2025, the Bank issued RMB2.1 billion special financial bonds for small and micro business loans, in the domestic inter-bank bond market of China on 30 July 2025, such bonds have a maturity of 3 years, with a fixed coupon rate of 1.80% per annum before maturity, payable annually. The proceeds from this issue were used for loans to small and micro enterprises.
- (h) Pursuant to a resolution at the general meeting passed on 31 March 2025 and the approval of PBOC (Yin Xu Zhun Yu Jue Zi [2025] No. 33) on 4 March 2025, the Bank issued RMB0.3 billion special financial bonds for small and micro business loans, in the domestic inter-bank bond market of China on 30 July 2025, such bonds have a maturity of 3 years, with a fixed coupon rate of 1.85% per annum before maturity, payable annually. The proceeds from this issue were used for loans to small and micro enterprises.
- (i) Pursuant to a resolution at the general meeting passed on 31 January 2024 and the approval of PBOC (Yin Xu Zhun Yu Jue Zi [2025] No. 33) on 4 March 2025, the Bank issued science and technology innovation bonds of RMB3 billion in the domestic inter-bank bond market of China on 9 June 2025, such bonds have a maturity of 5 years, with a fixed coupon rate of 1.85% per annum before maturity, payable annually. The proceeds from this issue were used to the fields of science and technology innovation specified in the *General Statistical System for the Five Key Areas of Finance (Trial)*, including the issuance of technology loans and investments in bonds issued by technology innovation enterprises, to specifically support business activities in the field of scientific and technological innovation.
- (j) Pursuant to a resolution at the general meeting passed on 31 January 2024 and with the approval of PBOC (Yin Xu Zhun Yu Jue Zi [2024] No. 53) on 16 April 2024, the Bank issued first phase of green financial bonds of RMB5 billion in the domestic inter-bank bond market of China on 28 May 2024. Such bonds have a maturity of 3 years, with a fixed coupon rate of 2.27% per annum before maturity, payable annually. The funds raised from this bond will be used for green projects as defined in the *Green Bond Support Project Catalogue* (2021 Edition), subject to applicable laws and regulatory approvals.
- (k) Pursuant to a resolution at the general meeting passed on 20 May 2021, and the Approval for Bank of Chongqing Co., Ltd. to Publicly Issue A-share Convertible Bonds (Yu Yin Bao Jian Fu [2021] No. 227) by the CBIRC Chongqing Bureau on 26 September 2021, and the Approval for Bank of Chongqing Co., Ltd. to Publicly Issue Convertible Bonds (Zheng Jian Xu Ke [2022] No. 505) by China Securities Regulatory Commission on 11 March 2022, the Bank publicly issued A-share convertible bonds with a total nominal amount of RMB13 billion on 23 March 2022. The convertible bonds have a maturity term of six years from 23 March 2022 to 22 March 2028, and bear a fixed interest rate of 0.20% for the first year, 0.40% for the second year, 1.00% for the third year, 1.70% for the fourth year, 2.50% for the fifth year and 3.50% for the sixth year. The convertible bond holders may exercise their rights to convert the convertible bonds into the Bank's A shares at the stipulated conversion price during the year ("conversion period") beginning six months after the date of issuance until the maturity date. Within 5 trading days after maturity, the Bank shall redeem the outstanding convertible bonds at 110% of the par value, including interest for the sixth year.

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28 DEBT SECURITIES ISSUED (Continued)

(k) (continued)

The liabilities and equity components of the convertible bonds issued are as follows:

	Liability component	Equity component	Total
Nominal value of convertible bonds	11,926,926	1,073,074	13,000,000
Direct transaction costs	(15,033)	(1,353)	(16,386)
Balance as at the issuance date	11,911,893	1,071,721	12,983,614
Accumulated amortization at the beginning of the year	1,207,785	–	1,207,785
Accumulated conversion amount at the beginning of the year	(696)	(58)	(754)
Balance at the beginning of the year	13,118,982	1,071,663	14,190,645
Amortisation	329,015	–	329,015
Conversion	(184)	(15)	(199)
Balance at the end of the year	13,447,813	1,071,648	14,519,461

During the conversion period, if the closing price of the Bank's A Shares is not lower than or equal to 130% of the prevailing conversion price in at least 15 trading days out of any 30 consecutive trading days, subject to the approval by relevant PRC authorities (if needed), the Bank has the right to redeem all or part of the outstanding convertible bonds at par value plus accrued interest on the first day on which the redemption criteria are met. In case that the Bank's conversion price is adjusted due to the ex-right or ex-dividend at these trading days, the pre-adjustment price is calculated at the conversion price and the closing price at the trading day before the adjustment, and the post-adjustment price is calculated at the conversion price and the closing price at the trading day after the adjustment. The Bank also has the right to redeem all the convertible bonds at par value plus accrued interest should the total outstanding amount be less than RMB30 million.

Based on the calculation method in the prospectus of the convertible bonds, the initial conversion price is RMB11.28 per share, no less than the average trading price of the Bank's A shares within 20 trading days before the announcement date of the prospectus (if the stock price is adjusted due to the ex-right or ex-dividend within these 20 trading days, the pre-adjustment price is calculated at the related adjusted price), the average trading price of the Bank's A shares at the previous trading day, as well as the latest audited net asset value per share and the face value. For the year ended 31 December 2025, the latest convertible bond conversion price is RMB9.67 per share.

As at 31 December 2025, convertible bonds of RMB880 thousand had been converted into 82,939 A-shares ordinary shares (31 December 2024: convertible bonds of RMB696 thousand had been converted into 64,242 A-shares ordinary shares).

For the year ended 31 December 2025, the Bank paid interest of RMB130,147 thousand on the convertible bonds (for the year ended 31 December 2024: the Bank paid interest of RMB52,923 thousand on the convertible bonds).

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28 DEBT SECURITIES ISSUED (Continued)

- (l) For the year ended 31 December 2025, the Bank issued 82 inter-bank certificates of deposit at discounts with maturities from three month to one year and annual interest rates between 1.62% and 2.08% (2024: 83 inter-bank certificates of deposit with maturities from six month to one year and annual interest rates between 1.69% and 2.55%). As at 31 December 2025, 74 items of them were not yet due with a total par value of RMB151.08 billion (31 December 2024: 79 items were not due with a total par value of RMB150.07 billion).

For the year ended 31 December 2025, there were no defaults of principal and interest or other breaches with respect to these debts since their issuance (2024: Nil).

29 OTHER LIABILITIES

	As at 31 December	
	2025	2024
Lease deposits	3,119,718	2,736,316
Other payables	1,339,612	1,267,011
Notes payable	449,434	507,394
Employee benefits payable	1,146,317	920,995
Deferred income	81,461	114,630
Value-added tax and other taxes payable	339,900	306,816
Continuing involvement in transferred liabilities	57,157	131,466
Provisions	239,459	209,194
Clearing funds for wealth management products	52,053	51,202
Lease liabilities	178,475	189,494
Dividends payable	604,528	571,608
Others	25,870	56,862
Total	7,633,984	7,062,988

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30 DEFERRED INCOME TAXES

Movements in the deferred income tax are listed as follows:

	As at 31 December	
	2025	2024
Balance at the beginning of the year	4,210,831	4,426,083
Charge to profit or loss (Note 15)	283,128	226,349
Changes to FVOCI	659,510	(441,601)
Balance at the end of the year	5,153,469	4,210,831

Deferred tax assets and liabilities are attributable to the following items:

	As at 31 December	
	2025	2024
Deferred tax assets		
Asset impairment allowances	4,577,045	4,565,674
Salaries payable	273,689	222,012
Changes in fair value of financial assets at FVPL	217,022	88,574
Changes in fair value of financial assets at FVOCI	80,689	–
Changes in fair value of loans and advances to customers at FVOCI	–	10,518
Others	305,579	288,314
Subtotal	5,454,024	5,175,092
Deferred tax liabilities		
Changes in fair value of financial assets at FVPL	(9,143)	(80,221)
Changes in fair value of financial assets at FVOCI	–	(592,838)
Changes in fair value of loans and advances to customers at FVOCI	(1,114)	–
Share of the profit from associates under the equity method	(144,067)	(144,067)
Changes in fair value of other equity instruments	(32,783)	(28,379)
Others	(113,448)	(118,756)
Subtotal	(300,555)	(964,261)
Net deferred tax assets	5,153,469	4,210,831

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30 DEFERRED INCOME TAXES (Continued)

Deferred income tax in the consolidated statement of comprehensive income comprises the following temporary differences:

	2025	2024
Asset impairment allowances	9,326	228,432
Changes in fair value of financial assets at FVPL	199,524	(28,757)
Salaries payable	51,677	30,336
Others	22,601	(3,662)
Total	283,128	226,349

31 RETIREMENT BENEFIT OBLIGATIONS

The Group pays supplementary retirement benefits to employees in Chinese mainland, who retired before 30 June 2011. The Group's obligations in respect of supplementary retirement benefits are calculated by estimating the amount of future benefits that the Group is committed to pay to the employees after their retirement using actuarial techniques. Such benefits are discounted to determine their present values. The discount rate is the yield on government bonds at the reporting date, the maturity dates of which approximate to the terms of the Group's obligations. Actuarial gains and losses and changes in actuarial assumptions are charged or credited to the consolidated statement of comprehensive income as they occur. The amounts recognised in the consolidated statement of financial position represent the present value of unfunded obligations plus any unrecognised actuarial gains and losses minus any unrecognised past service cost.

Employees who retire after 1 January 2010 can voluntarily participate in an annuity plan set up by the Group pursuant to related state corporate annuity regulations. The Group contributes to the annuity plan based on certain percentage of the employees' gross salary of previous year and the contribution is recognised in other comprehensive income as incurred.

The Group has not forfeited any retirement benefit scheme contributions (i.e., contributions which are processed by the employer on behalf of the employee after the employee has withdrawn from the scheme before the relevant contributions become his/her own). At 31 December 2025, there are no forfeited contributions under the Group's retirement benefit plans which can be used to deduct contributions payable for future years.

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31 RETIREMENT BENEFIT OBLIGATIONS (Continued)

	2025	2024
Expenses incurred for retirement benefit plans	181,888	167,109
Expenses incurred for supplementary retirement benefits	251	201
Expenses incurred for corporate annuity plan	75,969	72,599
Total (Note 13)	258,108	239,909

	As at 31 December	
	2025	2024
Consolidated statement of financial position obligations for:		
– Retirement benefits	12,957	14,488

	2025	2024
Consolidated statement of comprehensive income charge for:		
– Retirement benefits	251	201

The amounts recognised in the consolidated statements of financial position are determined as follows:

	As at 31 December	
	2025	2024
Present value of unfunded obligations	12,957	14,488
Unrecognised past service cost	–	–
Net amount of liabilities in the consolidated statement of financial position	12,957	14,488

Movements of the present value of unfunded obligations are as follows:

	2025	2024
Balance at the beginning of the year	14,488	15,115
Retirement benefits paid	(1,488)	(1,488)
Interest cost	251	201
Net actuarial losses/(gains)	(294)	660
Balance at the end of the year	12,957	14,488

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31 RETIREMENT BENEFIT OBLIGATIONS (Continued)

Amounts of retirement benefits recognised in the consolidated statement of comprehensive income are as follows:

	2025	2024
Interest cost	251	201
Retirement benefit expense – total	251	201

Remeasurement of retirement benefit plans recognised in the consolidated statement of comprehensive income is as follows:

	2025	2024
Remeasurement of retirement benefit plans (Note 40)	220	(495)

The mortality assumptions are determined based on the statistics published by China Banking and Insurance Regulatory Commission.

The following table lists an average remaining life expectancy in years of a pensioner retiring at age 60 for male and 55 for female:

	As at 31 December	
	2025	2024
Male	22.08	22.08
Female	29.58	29.58

32 SHARE CAPITAL

All shares of the Bank issued are fully paid ordinary shares. The par value per share is RMB1. The number of the Group's shares is as follows:

	31 December 2024	Additions	Deductions	31 December 2025
Quantity in shares (in thousands)	3,474,569	19	–	3,474,588
Carrying amount	3,474,569	19	–	3,474,588

	31 December 2023	Additions	Deductions	31 December 2024
Quantity in shares (in thousands)	3,474,562	7	–	3,474,569
Carrying amount	3,474,562	7	–	3,474,569

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33 OTHER EQUITY INSTRUMENTS

	As at 31 December	
	2025	2024
Perpetual bonds (note 33(a))	6,999,594	6,999,594
Equity of convertible bonds (note 28(k))	1,071,648	1,071,663
Total	8,071,242	8,071,257

Movements of perpetual bonds and preference shares are as follows:

	31 December 2024	Additions	Deductions	31 December 2025
Perpetual bonds				
Par value	7,000,000	–	–	7,000,000
Carrying amount	6,999,594	–	–	6,999,594

	31 December 2023	Additions	Deductions	31 December 2024
Perpetual bonds				
Par value	7,000,000	–	–	7,000,000
Carrying amount	6,999,594	–	–	6,999,594

(a) Main clauses of perpetual bonds

Pursuant to a resolution at the general meeting passed on 23 June 2022, and the *Approval for Bank of Chongqing Co., Ltd. to Issue Perpetual Bonds* (Yu Yin Bao Jian Fu [2022] No. 191) by the CBIRC Chongqing Bureau on 30 September 2022, and the approval of PBOC (Yin Xu Ke Zhun Yu Jue Zi [2022] No. 182) on 22 November 2022, the Bank issued in the domestic inter-bank bond market of China RMB4.5 billion perpetual bonds on 16 December 2022, and RMB2.5 billion perpetual bonds on 18 October 2023. The annual coupon rates of the Bonds are 4.70% and 4.50% respectively for the first five years, and are reset every 5 years.

The duration of the above bonds is the same as the period of continuing operation of the Bank. Subject to the satisfaction of the redemption conditions and having obtained the prior approval of the National Administration of Financial Regulation (“NAFR”), the Bank may redeem the above bonds in whole or in part on each distribution payment date 5 years after the issuance date of the above bonds. Upon the occurrence of a trigger event for the write-downs, with the consent of the NAFR, the Bank has the right to write down all or part of the above bonds issued and existing at that time in accordance with the total par value, where no consent of bondholders is required. The claims of the holders of the above bonds will be subordinated to the claims of depositors, general creditors and subordinated creditors with higher ranks; and shall rank in priority to the claims of shareholders and will rank pari passu with the claims under any other additional tier I capital instruments of the Bank that rank pari passu with the above bonds.

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33 OTHER EQUITY INSTRUMENTS (Continued)

(a) Main clauses of perpetual bonds (Continued)

The above bonds are paid with non-cumulative interest. The Bank shall have the right to cancel distributions on the above bonds in whole or in part and such cancellation shall not constitute a default. The Bank may at its discretion utilise the proceeds from the cancelled distributions to meet other obligations of maturing debts. However, the Bank shall not distribute profits to ordinary shareholders until the resumption of full interest payment.

Capital raised from the issuance of the above bonds, after deduction of transaction costs, was wholly used to replenish the Bank's additional tier I capital and to increase its capital adequacy ratio.

34 CAPITAL SURPLUS

Generally, transactions of the following nature are recorded in the capital surplus:

- (i) Share premium arising from the issue of shares at prices in excess of their par value;
- (ii) Donations received from shareholders; and
- (iii) Any other items required by the PRC regulations to be so treated.

Capital surplus can be utilised for the issuance of bonus shares or for increasing paid-in capital as approved by the shareholders at the general meeting.

The Bank issued shares at share premium. Share premium was recorded in the capital surplus after deducting direct issuance costs, which mainly included underwriting fees and professional fees.

The Group's capital surplus is shown as follows:

	As at 31 December	
	2025	2024
Share premium	7,738,499	7,728,755
Others	5,334	5,266
Total	7,743,833	7,734,021

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35 OTHER RESERVES

	Surplus reserve ^(a)	General reserve ^(b)	Revaluation reserve of equity instruments at FVOCI	Revaluation reserve of debt instruments at FVOCI	Impairment allowances for financial assets at FVOCI	Remeasurement of retirement benefit plans	Total
Balance at 31 December 2024	5,328,022	8,597,970	85,136	1,778,138	643,191	(4,442)	16,428,015
Other comprehensive income	–	–	13,212	(1,985,917)	(19,705)	220	(1,992,190)
Appropriation reserve	531,100	578,808	–	–	–	–	1,109,908
Balance at 31 December 2025	5,859,122	9,176,778	98,348	(207,779)	623,486	(4,222)	15,545,733
Balance at 31 December 2023	4,848,740	7,879,269	57,732	349,753	743,177	(3,947)	13,874,724
Other comprehensive income	–	–	27,404	1,428,385	(99,986)	(495)	1,355,308
Appropriation reserve	479,282	718,701	–	–	–	–	1,197,983
Balance at 31 December 2024	5,328,022	8,597,970	85,136	1,778,138	643,191	(4,442)	16,428,015

(a) Surplus reserve

In accordance with the *Company Law of the People's Republic of China* and the Articles of Association, 10% of the net distributable profit of the Bank and its subsidiaries, is required to be transferred to a non-distributable statutory surplus reserve until such time when this reserve represents 50% of the share capital. With approval, statutory surplus reserve can be used for making up losses, or increasing the share capital.

The Group's statutory surplus reserve as at 31 December 2025 amounted to RMB5,859,122 thousand (31 December 2024: RMB5,328,022 thousand).

(b) General reserve

The Bank and its subsidiaries appropriate general reserves according to *Administrative Measures for the Provision of Reserves of Financial Enterprises* (Cai Jin [2012] No. 20) issued by the Ministry of Finance (MOF) on 30 March 2012. In principle, the balance of general reserve shall not be less than 1.5% of the ending balance of risk assets.

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36 DIVIDENDS

	2025	2024
Ordinary shares dividends declared during the year	1,446,710	1,994,401
Dividend per share (in RMB)(Based on prior year shares)	0.416	0.574
Dividends to other equity holders declared during the year	324,000	324,000

Under the *Company Law of the People's Republic of China* and the Bank's Articles of Association, the net profit after tax as reported in the PRC statutory consolidated financial statements can only be distributed as dividends after allowances for the following:

- (i) Making up prior year's cumulative losses, if any;
- (ii) Allocation to the non-distributable statutory surplus reserve of 10% of the net profit of the Bank.

In accordance with the relevant regulations, the net profit after tax of the Bank for the purpose of profit distribution is deemed to be the lower of (i) the retained profits determined in accordance with the China Accounting Standards for Business Enterprises and (ii) the retained profit determined in accordance with IFRS.

37 STRUCTURED ENTITY

(a) Consolidated structured entity

The Group's structured entities included in the scope of consolidation are open-ended securities investment funds. As the Group has power over the structured entity, enjoys variable returns through its participation in related activities, and has the ability to use its power over the investee to influence its variable returns, the Group has control over the structured entity.

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37 STRUCTURED ENTITY (Continued)

(b) Unconsolidated structured entity

(1) Unconsolidated structured entities managed by the Group

The unconsolidated structure entities managed by the Group were mainly unsecured wealth management products issued and managed by the Group acting as an agent. Based on the analysis and research on the potential targeted clients, the Group designed and sold capital investment and management plan to specific targeted clients, and the raised funds were then put into related financial market or invested in related financial products according to the product contracts. Gains would be allocated to investors after the Group gained from investment. The Group received corresponding wealth management commission fee income as the asset manager. The Group recognised net commission income from unsecured wealth management products with the amount of RMB344,475 thousand for the year ended 31 December 2025 through provision of asset management services (2024: RMB679,275 thousand). The Group expected that the variable return would be insignificant as to the structured entities. For the year ended 31 December 2025, the Group had no plan to provide liquidity support to wealth management products (2024: Nil).

As at 31 December 2025, the balance of unconsolidated wealth management products issued and managed by the Group amounted to RMB48,290,392 thousand (31 December 2024: RMB51,265,079 thousand).

(2) Unconsolidated structured entities invested by the Group

To make better use of capital for profit, the Group invested in unconsolidated structured entities, mainly including the capital trust plans, asset management plans and funds issued and managed by independent third parties.

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37 STRUCTURED ENTITY (Continued)

(b) Unconsolidated structured entity (Continued)

(2) Unconsolidated structured entities invested by the Group (Continued)

The table below lists the carrying amount and maximum risk exposure of the assets due to the holding of interests from unconsolidated structured entities.

	Carrying amount	Maximum risk exposure
As at 31 December 2025		
Financial assets at FVPL	33,298,397	33,298,397
Investment securities – Amortised cost	9,431,975	9,431,975
Total	42,730,372	42,730,372

	Carrying amount	Maximum risk exposure
As at 31 December 2024		
Financial assets at FVPL	33,830,396	33,830,396
Investment securities – Amortised cost	15,871,554	15,871,554
Total	49,701,950	49,701,950

The income from the above unconsolidated structured entities managed or invested by the Group is as below.

	2025	2024
Interest income	707,545	1,578,435
Income from investment	981,213	867,633
Fee and commission income	391,003	706,993
Total	2,079,761	3,153,061

For the year ended 31 December 2025, the Group had no plan to provide liquidity support to unconsolidated structured entities (2024: Nil).

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38 FINANCIAL GUARANTEES AND CREDIT RELATED COMMITMENTS, OTHER COMMITMENTS AND CONTINGENT LIABILITIES

Financial guarantees and credit related commitments

The following tables indicate the contractual amounts of the Group's financial guarantees and credit related commitments which the Group has committed to the customers:

	As at 31 December	
	2025	2024
Bank acceptance bills	73,383,290	59,148,780
Letters of credit	18,034,301	9,874,916
Letters of guarantee	1,106,403	1,320,528
Confirmation	3,356,303	1,089,491
Other commitments	5,644,613	5,499,183
Total	101,524,910	76,932,898

Capital expenditure commitments

	As at 31 December	
	2025	2024
Contracted but not provided for:		
– Capital expenditure commitments for buildings	629,311	41,782
– Acquisition of IT system	264,167	202,062
Total	893,478	243,844

External investment commitment

As at 31 December 2025, the Group had no external investment commitments (31 December 2024: Nil).

Legal proceedings

Legal proceedings are initiated by third parties against the Group as defendant. As at 31 December 2025, The Group had 12 outstanding legal claims amounting to RMB368,903 thousand (31 December 2024: 9 outstanding legal claims amounting to RMB587,325 thousand). After consulting legal professionals, management of the Group believes that at the current stage these legal proceedings and arbitrations will not have a material impact on the financial position or operation results of the Group.

Notes to Consolidated Financial Statements

For the year ended 31 December 2025
(In RMB thousands, unless otherwise stated)

39 COLLATERAL

(a) Assets pledged

The carrying amounts of assets pledged as collateral under repurchase agreements are as follows:

	As at 31 December	
	2025	2024
Bonds	4,700,059	6,859,413
Discounted bills	–	2,978,195
Total	4,700,059	9,837,608

The carrying amounts of loans and bonds pledged as collateral under borrowings from the PBOC are as follows:

	As at 31 December	
	2025	2024
Bonds	74,585,649	56,927,612
Total	74,585,649	56,927,612

As at 31 December 2025, the Group's repurchase agreements and borrowings from the PBOC were due within 12 months (31 December 2024: the Group's repurchase agreements and borrowings from the PBOC were due within 12 months).

(b) Collateral accepted

The bonds and bills the Group received as collateral in connection with the purchase of assets under resale agreements cannot be resold or repledged.

As at 31 December 2025, the Group had accepted collateral with fair value of RMB47,563,829 thousand (31 December 2024: RMB18,230,216 thousand). The Group had no re-pledged collateral which shall be returned upon maturity as at 31 December 2025 (31 December 2024: Nil).

Notes to Consolidated Financial Statements

For the year ended 31 December 2025

(In RMB thousands, unless otherwise stated)

40 OTHER COMPREHENSIVE INCOME

	Before tax amount	Income tax	Net of tax amount
As at 31 December 2025			
<i>Items that may be reclassified to profit or loss:</i>			
Net losses on valuation of financial assets measured at FVOCI	(1,872,209)	468,052	(1,404,157)
Net losses on reclassification to profit or loss of financial assets measured at FVOCI	(775,681)	193,921	(581,760)
Credit loss provision of financial assets measured at FVOCI	(26,273)	6,568	(19,705)
<i>Items that will not be reclassified to profit or loss:</i>			
Net losses on equity investments designated at fair value through other comprehensive income	17,615	(4,403)	13,212
Remeasurement of retirement benefit plans	294	(74)	220
Other comprehensive income for the year	(2,656,254)	664,064	(1,992,190)
As at 31 December 2024			
<i>Items that may be reclassified to profit or loss:</i>			
Net losses on valuation of financial assets measured at FVOCI	2,029,525	(507,381)	1,522,144
Net losses on reclassification to profit or loss of financial assets measured at FVOCI	(125,013)	31,254	(93,759)
Credit loss provision of financial assets measured at FVOCI	(133,315)	33,329	(99,986)
<i>Items that will not be reclassified to profit or loss:</i>			
Net losses on equity investments designated at fair value through other comprehensive income	36,540	(9,136)	27,404
Remeasurement of retirement benefit plans	(660)	165	(495)
Other comprehensive income for the year	1,807,077	(451,769)	1,355,308

For the year ended 31 December 2025
(In RMB thousands, unless otherwise stated)

41 NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Cash and cash equivalents

	As at 31 December	
	2025	2024
Cash and balances with central bank	11,249,503	6,725,214
Due from banks and other financial institutions	8,173,835	5,930,101
Placements with banks and other financial institutions	457,357	3,614,527
Balance of cash and cash equivalents	19,880,695	16,269,842

(b) Cash outflows relating to leases

For the year ended 31 December 2025, total cash outflows paid by the Group as a lessee amounted to RMB97,294 thousand (2024: RMB78,727 thousand), of which cash payments for the principal portion and interest portion of the lease liabilities as cash flows from financing activities amounted to RMB95,111 thousand (2024: RMB74,343 thousand), and the rest, generated from the rental expenses prepaid for lease exempted from recognition of right-of-use assets and lease liabilities, which resulted from a lease term of 12 months or less or an underlying asset of low value based on the value of the asset when it is new, was included in operating activities.

42 FINANCIAL ASSETS TRANSFER

The Group enters into transactions in the normal course of business by which it transfers recognised financial assets to third parties or to special purpose entities. In some cases where these transferred financial assets qualify for derecognition, the transfers may give rise to full or partial derecognition of the financial assets concerned. In other cases where the transferred assets do not qualify for derecognition as the Group has retained substantially all the risks and rewards of these assets, the Group continues to recognise the transferred assets.

(a) Disposal of loans and advances

For the year ended 31 December 2025, the Group disposed of loans to the third parties with a gross amount of RMB1,712,755 thousand for RMB1,363,197 thousand. The Group derecognised these loans accordingly. As at 31 December 2025, all transfer consideration had been received.

For the year ended 31 December 2024, the Group disposed of loans to the third parties with a gross amount of RMB1,812,188 thousand for RMB1,114,726 thousand. The Group derecognised these loans accordingly. As at 31 December 2024, RMB67,380 thousand of the transfer price had not been collected.

Notes to Consolidated Financial Statements

For the year ended 31 December 2025

(In RMB thousands, unless otherwise stated)

42 FINANCIAL ASSETS TRANSFER (Continued)

(b) Credit asset securitization and income rights transfer transactions

The Group transfers credit assets and the income rights to special purpose entities which in turn issue asset backed securities or transfer of trust beneficial interest to investors. The Group may acquire some asset backed securities and trust beneficial interest at the subordinated tranche level and accordingly, may retain parts of the risks and rewards of the transferred credit assets. The Group would determine whether or not to derecognise the associated credit assets by evaluating the extent to which it retains the risks and rewards of the assets.

For credit asset securitization and income rights transfer transactions that qualified for derecognition, the Group derecognised the transferred credit assets in their entirety. For the year ended 31 December 2025, the Group disposed of loans with a gross amount of RMB207,590 thousand through such income rights transfer transactions (For the year ended 31 December 2024: Nil).

For which the Group has neither transferred nor retained substantially all the risks and rewards of the transferred credit asset, and has retained control over the credit asset. Those financial assets are recognised on the statement of financial position to the extent of the Group's continuing involvement, otherwise the financial assets are derecognised. As at 31 December 2025, assets continuously recognised by the Group amounting to RMB57,157 thousand have been securitised by the Group under arrangements in which the Group retained a continuing involvement in such assets in the form of holding subordinated tranches (31 December 2024: RMB131,466 thousand).

(c) Disposal of financial assets

For the year ended 31 December 2025, the Group had no disposals of financial assets to third parties.

For the year ended 31 December 2024, the Group disposed of financial assets with a gross amount of RMB249,374 thousand to third parties for RMB47,500 thousand. The Group derecognised the asset accordingly. As at 31 December 2024, all receivables had been collected.

43 RELATED PARTY TRANSACTIONS

(a) Related parties of the Group

The related parties of the Group mainly include: the major shareholders (those who have 5% or more shares of the Bank, or who hold less than 5% of the total shares or capital but have significant influence on the Bank's operation and management); as well as the related parties of them; the Group's associates; the key management personnel (including the Group's directors, supervisors and senior management) and their family members who have close relationships with them; as well as the entities which are controlled, jointly controlled or can be significantly influenced by the Group's key management personnel or their close family members; staff with credit approval authority and their close family members; the enterprises controlled, jointly controlled and can be significantly influenced by staff with credit approval authority and their close family members; and the natural persons or juridical persons who have been under one of the above circumstances in the past 12 months or will be in the next 12 months according to relevant agreements and arrangements.

Notes to Consolidated Financial Statements

For the year ended 31 December 2025
(In RMB thousands, unless otherwise stated)

43 RELATED PARTY TRANSACTIONS (Continued)

(b) Related party transactions and balances

	2025	2024
Interest income from loans and advances to customers	332,290	304,669
Interest income from investment securities	125,421	60,099
Income from investment securities	647	12
Interest expense for customer deposits	189,335	281,273
Fee and commission income	1,021	1,562
Consideration of credit asset transfers	104,248	128,544

	As at 31 December	
	2025	2024
Loans and advances to customers	10,985,176	8,048,552
Customer deposits	13,099,068	10,141,018
Due to and placements from banks and other financial institutions	8,703,907	637
Due from and placements with banks and other financial institutions	1	1
Investment securities at amortised cost	900,000	200,000
Investment securities at FVOCI	1,867,640	2,360,000
Financial assets at fair value through profit or loss	–	300,000
Financial guarantees and credit related commitments	124,610	280,231

	2025	2024
Loans and advances to customers	2.08%-9.13%	2.00%-6.86%
Customer deposits	0.00%-5.50%	0.00%-5.50%
Due to and placements from banks and other financial institutions	0.05%-2.11%	0.10%-0.99%
Due from and placements with banks and other financial institutions	0.01%	0.01%
Investment securities at amortised cost	2.55%	2.55%
Investment securities at FVOCI	1.62%-3.26%	2.01%-4.00%
Financial assets at fair value through profit or loss	2.95%	2.95%

Notes to Consolidated Financial Statements

For the year ended 31 December 2025

(In RMB thousands, unless otherwise stated)

43 RELATED PARTY TRANSACTIONS (Continued)

(c) Balance of loans and advances to customers guaranteed by the related parties

	As at 31 December	
	2025	2024
Chongqing Xingnong Financing Guarantee Co., Ltd.	5,689,273	2,513,751
Chongqing Sanxia Financing Guarantee Group Corporation	4,725,791	4,189,464
Chongqing Education Guarantee Co., Ltd.	32,410	32,910
Chongqing Yutai Guarantee Co., Ltd.	21,371	21,423
Chongqing Jiaotong Financing Guarantee Co., Ltd.	–	63,235
Chongqing Financing Re-guarantee Co., Ltd.	13,390	13,745
Chongqing Export-Import Financing Guarantee Co., Ltd.	829,500	588,000
	11,311,735	7,422,528

(d) Transactions between the Bank and its subsidiaries

Related party transactions are conducted between the Bank and its subsidiaries. The conditions and prices of these transactions are determined on the basis of market price and normal business procedure or contractual terms. They are examined and approved in accordance with the transaction type and content by corresponding decision-making authority.

Transactions and balances are as follows:

	As at 31 December	
	2025	2024
Due to and placements from banks and other financial institutions	227,219	251,954
Due from and placements with banks and other financial institutions	305,025	604,296
	2025	2024
Interest income	12,873	7,420
Interest expense	453	3,770
fee income	1	1
Other operating income	1,943	1,876

For the year ended 31 December 2025
(In RMB thousands, unless otherwise stated)

43 RELATED PARTY TRANSACTIONS (Continued)

(e) Transactions with key management personnel

Key management personnel are those persons in the Group who have the authority and responsibility to plan, direct and control the activities of the Bank or the Group.

The remuneration of directors and other members of key management during the year were as follows:

	2025	2024
Paid remuneration	3,366	2,883
Contribution to pension schemes	1,435	1,031
Other monetary income	336	243
Part-time fee	1,538	1,773
Total	6,675	5,930

Certain key management personnel's final emoluments for the current year are subject to approval by relevant authorities in the PRC and have not been finalised. Management of the Group believes that difference in emoluments will not have significant impact on the consolidated financial statements of the Group as at 31 December 2025. The disclosed amount of remuneration is the amount paid in current year. The amount of actual remuneration will be announced after approval.

(f) Loans and advances to directors, supervisors and senior management

The Group had no material balance of loans, quasi-loans and other credit transactions to directors, supervisors and senior management as at the end of reporting period. Those loans and advances to directors, supervisors and senior management were conducted in the normal and ordinary course of the business and under normal commercial terms or on the same terms and conditions with those which are available to other employees.

44 SEGMENT ANALYSIS

The Group's operating segments are business units which provide different financial products and services and are engaged in different types of financial transactions. As different operating segments face different clients and counterparties supported by specific techniques and market strategies, they operate independently.

Corporate banking mainly provides corporate customers with financial products and services including deposits and loans.

Retail banking mainly provides individual customers with financial products and services including deposits and loans.

Treasury mainly performs inter-bank lending and borrowing, bond investments, re-purchasing and foreign currency transactions.

Unallocated classes of businesses refer to the businesses that are not included in the above three segments or cannot be allocated on an appropriate basis.

Notes to Consolidated Financial Statements

For the year ended 31 December 2025

(In RMB thousands, unless otherwise stated)

44 SEGMENT ANALYSIS (Continued)

	2025				
	Corporate banking	Retail banking	Treasury	Unallocated	Total
Net interest income	10,818,942	3,172,899	(1,532,427)	–	12,459,414
Net fee and commission income	70,364	2,952	524,415	–	597,731
Net trading gains/(losses)	–	–	732,084	–	732,084
Net gains on investment securities	–	–	828,384	–	828,384
Share of profits of associates	–	–	370,291	–	370,291
Other operating income	86,172	–	11,880	30,241	128,293
Credit impairment losses	(1,742,980)	(1,853,666)	(240,803)	(20,609)	(3,858,058)
Other asset impairment losses	–	–	–	–	–
Operating expense	(2,561,354)	(1,414,974)	(510,927)	(18,209)	(4,505,464)
– Depreciation and amortisation	(528,619)	(89,335)	(23,422)	–	(641,376)
– Others	(2,032,735)	(1,325,639)	(487,505)	(18,209)	(3,864,088)
Profit before income tax	6,671,144	(92,789)	182,897	(8,577)	6,752,675

	As at 31 December 2025				
Capital expenditure	548,333	94,543	670,049	7,194	1,320,119
Segment assets	429,374,778	74,032,342	524,684,916	5,633,645	1,033,725,681
Segment liabilities	(252,732,555)	(319,935,938)	(395,057,921)	(425)	(967,726,839)

Notes to Consolidated Financial Statements

For the year ended 31 December 2025
(In RMB thousands, unless otherwise stated)

44 SEGMENT ANALYSIS (Continued)

	2024				
	Corporate banking	Retail banking	Treasury	Unallocated	Total
Net interest income	9,489,806	2,976,950	(2,290,627)	–	10,176,129
Net fee and commission income	39,663	25,719	822,217	–	887,599
Net trading gains/(losses)	–	–	787,523	–	787,523
Net gains on investment securities	–	–	1,269,584	–	1,269,584
Share of profits of associates	–	–	419,935	–	419,935
Other operating income	24,133	–	4,624	113,575	142,332
Credit impairment losses	(2,319,934)	(1,280,614)	428,473	(16,573)	(3,188,648)
Other asset impairment losses	–	–	–	(2,972)	(2,972)
Operating expense	(2,356,951)	(1,278,459)	(449,558)	(12,583)	(4,097,551)
– Depreciation and amortisation	(383,935)	(92,660)	(32,324)	–	(508,919)
– Others	(1,973,016)	(1,185,799)	(417,234)	(12,583)	(3,588,632)
Profit before income tax	4,876,717	443,596	992,171	81,447	6,393,931

As at 31 December 2024					
Capital expenditure	259,103	58,829	349,237	3,315	670,484
Segment assets	331,041,125	75,163,113	446,202,146	4,235,456	856,641,840
Segment liabilities	(221,123,690)	(259,353,028)	(312,369,937)	(31,267)	(792,877,922)

45 OPERATING LEASE PAYMENTS TO BE RECEIVED SUBSEQUENT TO THE REPORTING DATE

As a lessor, the undiscounted cash flow of lease payments to be received subsequent to the reporting date is summarised as follows:

	As at 31 December	
	2025	2024
Within 1 year	197,713	32,838
1 to 2 years	167,074	26,058
2 to 3 years	146,500	16,988
3 to 4 years	78,526	16,988
4 to 5 years	63,678	15,554
More than 5 years	1,073,407	50,930
	1,726,898	159,356

Notes to Consolidated Financial Statements

For the year ended 31 December 2025

(In RMB thousands, unless otherwise stated)

46 STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CHANGES IN EQUITY OF THE BANK

(a) Statement of financial position of the Bank

	As at 31 December	
	2025	2024
ASSETS		
Cash and balances with central bank	40,692,504	34,457,306
Due from and placements with banks and other financial institutions	52,628,137	31,527,128
Derivative financial instruments	1,469,022	44,443
Financial assets at fair value through profit or loss ("FVPL")	60,033,759	62,109,063
Loans and advances to customers	463,241,478	383,937,822
Investment securities		
– Fair value through other comprehensive income ("FVOCI")	97,494,390	113,800,112
– Amortised cost	245,235,625	169,427,008
Investments in subsidiaries	1,987,308	1,630,122
Investments in associates	3,173,826	3,173,826
Property, plant and equipment	2,689,729	2,719,976
Deferred tax assets	4,534,819	3,598,864
Other assets	2,703,695	1,999,467
Total assets	975,884,292	808,425,137
LIABILITIES		
Due to and placements from banks and other financial institutions	142,045,167	80,195,258
Derivative financial liabilities	234,981	7,240
Customer deposits	564,894,977	473,384,884
Current tax liabilities	106,334	15,277
Debt securities issued	204,206,537	191,559,600
Other liabilities	2,970,790	3,385,857
Total liabilities	914,458,786	748,548,116
EQUITY		
Share capital	3,474,588	3,474,569
Other equity instruments	8,071,242	8,071,257
– of which: Perpetual bonds	6,999,594	6,999,594
Convertible bonds	1,071,648	1,071,663
Capital surplus	7,729,938	7,729,555
Other reserves	15,167,372	16,103,858
Retained earnings	26,982,366	24,497,782
Total equity	61,425,506	59,877,021
Total liabilities and equity	975,884,292	808,425,137

YANG XIUMING

CHAIRMAN

GAO SONG

PRESIDENT

LI CONG

VICE PRESIDENT

WU ZHU

HEAD OF FINANCE
DEPARTMENT

Notes to Consolidated Financial Statements

For the year ended 31 December 2025
(In RMB thousands, unless otherwise stated)

46 STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CHANGES IN EQUITY OF THE BANK (Continued)

(b) Statement of Changes in Equity of the Bank

	Share capital	Other equity instruments		Capital surplus	Surplus reserve	General reserve	Revaluation reserve for financial assets at FVOCI	Remeasurement of retirement benefit plans	Retained earnings	Total
		Perpetual bonds	Others							
Balance at 31 December 2024	3,474,569	6,999,594	1,071,663	7,729,555	5,324,034	8,277,801	2,506,465	(4,442)	24,497,782	59,877,021
Net profit for the year	-	-	-	-	-	-	-	-	5,310,998	5,310,998
Other comprehensive income	-	-	-	-	-	-	(1,991,970)	(220)	-	(1,992,190)
Total comprehensive income	-	-	-	-	-	-	(1,991,970)	(220)	5,310,998	3,318,808
Conversion of convertible bonds	19	-	(15)	149	-	-	-	-	-	153
Other	-	-	-	234	-	-	-	-	-	234
Dividends to ordinary shareholders	-	-	-	-	-	-	-	-	(1,446,710)	(1,446,710)
Dividends to other equity instrument holders	-	-	-	-	-	-	-	-	(324,000)	(324,000)
Transfer to other reserves	-	-	-	-	531,100	524,604	-	-	(1,055,704)	-
Balance at 31 December 2025	3,474,588	6,999,594	1,071,648	7,729,938	5,855,134	8,802,405	514,495	(4,662)	26,982,366	61,425,506

Notes to Consolidated Financial Statements

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(In RMB thousands, unless otherwise stated)

46 STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CHANGES IN EQUITY OF THE BANK (Continued)

(b) Statement of Changes in Equity of the Bank (Continued)

	Share capital	Other equity instruments		Capital surplus	Surplus reserve	General reserve	Revaluation reserve for financial assets at FVOCI	Remeasurement of retirement benefit plans	Retained earnings	Total
		Perpetual bonds	Others							
Balance at 31 December 2023	3,474,562	6,999,594	1,071,670	7,728,747	4,844,752	7,597,832	1,150,662	(3,947)	23,182,613	56,046,485
Net profit for the year	-	-	-	-	-	-	-	-	4,792,821	4,792,821
Other comprehensive income	-	-	-	-	-	-	1,355,803	(495)	-	1,355,308
Total comprehensive income	-	-	-	-	-	-	1,355,803	(495)	4,792,821	6,148,129
Conversion of convertible bonds	7	-	(7)	808	-	-	-	-	-	808
Dividends to ordinary shareholders	-	-	-	-	-	-	-	-	(1,994,401)	(1,994,401)
Dividends to other equity instrument holders	-	-	-	-	-	-	-	-	(324,000)	(324,000)
Transfer to other reserves	-	-	-	-	479,282	679,969	-	-	(1,159,251)	-
Balance at 31 December 2024	3,474,569	6,999,594	1,071,663	7,729,555	5,324,034	8,277,801	2,506,465	(4,442)	24,497,782	59,877,021

47 SUBSEQUENT EVENTS

Up to the date of this report, the Group has no material events for disclosure after the reporting date.

Unaudited Supplementary Financial Information

1 Cross-border Claims

The Bank is principally engaged in business operations within Chinese mainland, and regards all claims on third parties outside Chinese mainland as cross-border claims.

Cross-border claims include amounts due from other banks and other financial institutions.

Cross-border claims have been disclosed by country or geographical area. A country or geographical area is reported separately where it constitutes 10% or more of the aggregate amount of cross-border claims, after taking into account any risk transfers. Risk transfer is only made if the claims are guaranteed by a party in another country which is different from that of the counterparty or if the claims are on an overseas branch of a bank whose head office is located in another country.

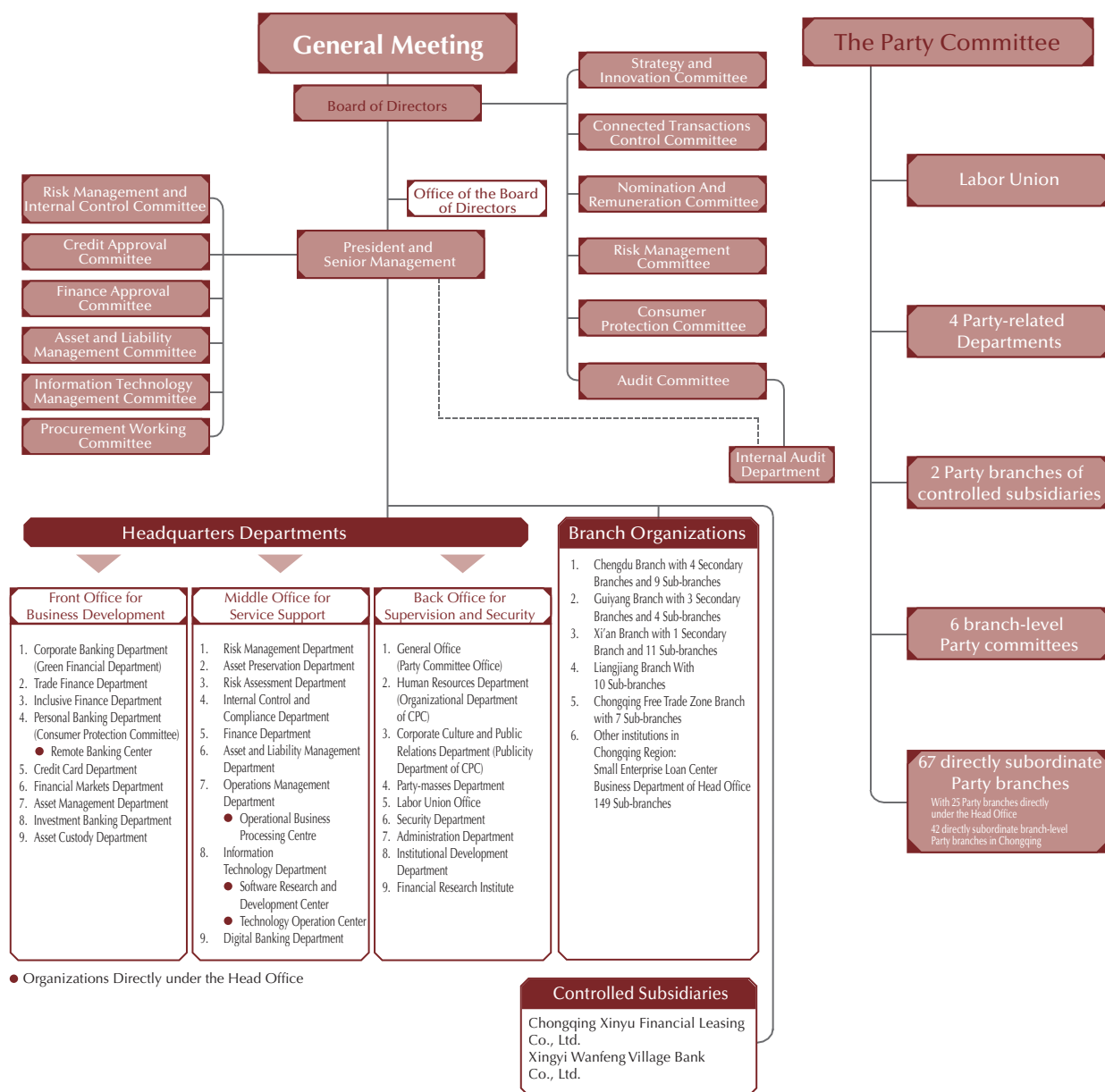
(All amounts expressed in thousands of RMB unless otherwise stated)	As at 31 December	
	2025	2024
Asia Pacific excluding Chinese mainland	28,842	42,670
– of which attributed to Hong Kong	7,272	25,244
North America	90,000	208,623
Total	118,842	251,293

2 Currency Concentrations

(All amounts expressed in thousands of RMB unless otherwise stated)	Equivalent in RMB			
	US Dollar	HK Dollar	Others	Total
As at 31 December 2025				
Spot assets	17,882,950	2,020	531,643	18,416,613
Spot liabilities	17,146,064	2,088	526,191	17,674,343
Net long/(short) position	736,886	(68)	5,452	742,270

(All amounts expressed in thousands of RMB unless otherwise stated)	Equivalent in RMB			
	US Dollar	HK Dollar	Others	Total
As at 31 December 2024				
Spot assets	13,888,908	4,495	992,893	14,886,296
Spot liabilities	13,441,594	4,532	988,421	14,434,547
Net long/(short) position	447,314	(37)	4,472	451,749

Organizational Chart



List of Branch Outlets

No.	Name of Banking Institution	Address	Number of Institutions	Postal Code
1.	Business Department of Bank of Chongqing Co., Ltd.	No. 6 Yongpingmen Street, Jiangbei District, Chongqing	1	400020
2.	Small Enterprise Loan Centre of Bank of Chongqing Co., Ltd.	No. 331 Donghu South Road, Yubei District, Chongqing	1	401147
3.	Liangjiang Branch of Bank of Chongqing Co., Ltd.	No. 52 Middle Section of Huangshan Avenue, Yubei District, Chongqing	11	401121
4.	Free Trade Zone Branch of Bank of Chongqing Co., Ltd.	No. 153 Zourong Road, Yuzhong District, Chongqing	8	400015
5.	Chengdu Branch of Bank of Chongqing Co., Ltd.	North Building, New Tianfu International Centre, No. 99 Tianfu Second Street, Hi-Tech District, Chengdu, Sichuan	14	610059
6.	Guiyang Branch of Bank of Chongqing Co., Ltd.	3/F to 8/F, North Zone of Financial Business District 4, Zone B, Zhongtian •Exhibition City, Changling North Road, Guanshanhu District, Guiyang, Guizhou	8	550081
7.	Xi'an Branch of Bank of Chongqing Co., Ltd.	1/F to 3/F and 18/F, Building 2, Yinhe Xinzhuobiao Building, No. 25 Tangyan Road, Xi'an, Shaanxi	13	710075
8.	Yuzhong Sub-branch of Bank of Chongqing Co., Ltd.	No. 129 Renmin Road, Yuzhong District, Chongqing	8	400015
9.	Shapingba Sub-branch of Bank of Chongqing Co., Ltd.	No. 339-3, Xiaolongkan Zheng Street, Shapingba District, Chongqing	5	400030
10.	Chongda Sub-branch of Bank of Chongqing Co., Ltd.	No. 127, Shapingba Zhengjie, Shapingba District, Chongqing, between columns 3-5 of the street-facing storefronts in the AB Passage Building, Chongqing University	3	400044
11.	Dadukou Sub-branch of Bank of Chongqing Co., Ltd.	No. 37-18 Cuibai Road, Chunhui Road Subdistrict, Dadukou District, Chongqing	3	400084
12.	Gaoxin Sub-branch of Bank of Chongqing Co., Ltd.	No. 1-3, 4, 5, and 6, Unit 1, Building 1, No 23 Bai Xin Road, Baishiyi Town, Jiulongpo District, Chongqing	4	401329
13.	Jiulongpo Sub-branch of Bank of Chongqing Co., Ltd.	No. 1409 Jingwei Avenue, Jiulongpo District, Chongqing	7	400039
14.	Nan'an Sub-branch of Bank of Chongqing Co., Ltd.	2-2, 1/F, No. 199 Nancheng Avenue, Nanping Subdistrict, Nan'an District, Chongqing	5	400060
15.	Banan Sub-branch of Bank of Chongqing Co., Ltd.	Shop-1 13-20, Shop-2 9-14, Shop-3 6-12, No. 40, Longzhou Avenue, Banan District, Chongqing	5	401320
16.	Beibei Sub-branch of Bank of Chongqing Co., Ltd.	No. 453, 455, 457, 459, 461 and 463 Yunqing Road, Beibei District, Chongqing	6	400700

List of Branch Outlets

No.	Name of Banking Institution	Address	Number of Institutions	Postal Code
17.	Jiangbei Sub-branch of Bank of Chongqing Co., Ltd.	No. 23-4 Jianxin North Road, Jiangbei District, Chongqing	7	400020
18.	Yubei Sub-branch of Bank of Chongqing Co., Ltd.	Shops 1-1 and 2-1 of Integrated Commercial Complex of Shengjing Tianxia, No. 9 Baiguo Road, Shuanglonghu Sub-district, Yubei District, Chongqing	9	401120
19.	Fuling Sub-branch of Bank of Chongqing Co., Ltd.	No. 1-2, 2-2, 3-1, 3-4, Basement, Block 2, Xiangjiang Garden, No. 8-1 Zhongshan Road, Fuling District, Chongqing	4	408000
20.	Changshou Sub-branch of Bank of Chongqing Co., Ltd.	No. 10 Taoyuan West Road, Changshou District, Chongqing	4	401220
21.	Hechuan Sub-branch of Bank of Chongqing Co., Ltd.	1-2, 2-1, No. 402, 400 Jiangcheng Avenue, South Office, Hechuan District, Chongqing	3	401520
22.	Wanzhou Sub-branch of Bank of Chongqing Co., Ltd.	No. 193 Baiyan Road, Wanzhou District, Chongqing	5	404000
23.	Qianjiang Sub-branch of Bank of Chongqing Co., Ltd.	No. 555 Xinhua Avenue (West Section), Chengxi Sub-district, Qianjiang District, Chongqing	3	409000
24.	Jiangjin Sub-branch of Bank of Chongqing Co., Ltd.	2-1, No. 503, 505 & 505 Dingshan Avenue, Jijiang Subdistrict, Jiangjin District, Chongqing	5	402260
25.	Tongliang Sub-branch of Bank of Chongqing Co., Ltd.	Shop-1 1, Shop-2 1, Shop-3 1, Building 1, No. 505, Jinlong Avenue (Financial Building), Dongcheng Subdistrict, Tongliang District, Chongqing	3	402560
26.	Yongchuan Sub-branch of Bank of Chongqing Co., Ltd.	No. 78 Renmin South Road, Yongchuan District, Chongqing	4	402160
27.	Liangping Sub-branch of Bank of Chongqing Co., Ltd.	No. 1-21 to 1-25, 1-96 to 1-101, 2-19 to 2-25, Building 2, No. 5, Jingui Road, Shuanggui Street, Liangping District, Chongqing	3	405200
28.	Nanchuan Sub-branch of Bank of Chongqing Co., Ltd.	No. 1-12 and No. 2-14, Block 1, No. 12 Longhua Avenue (Chamber of Commerce Building), Xi Cheng Sub- district, Nanchuan District, Chongqing	3	408400
29.	Rongchang Sub-branch of Bank of Chongqing Co., Ltd.	1-3 and 2-3, No. 43-2 Changlong Avenue, Changzhou Sub-district, Rongchang District, Chongqing	3	402460
30.	Zhong County Sub-branch of Bank of Chongqing Co., Ltd.	No. 3-1 Zhongbo Avenue, Zhongzhou Town, Zhong County, Chongqing	2	404300

No.	Name of Banking Institution	Address	Number of Institutions	Postal Code
31.	Bishan Sub-branch of Bank of Chongqing Co., Ltd.	No. 78, No. 80, No. 82, No. 84, No. 86, Shuangxing Avenue, Biquan Street, Bishan District, Chongqing	4	402760
32.	Qijiang Sub-branch of Bank of Chongqing Co., Ltd.	Sub No. 1-40 and Sub No. 2-225 to 229, Podium Building, Rongrun Kaixuan Mingcheng, No. 47 Jiulong Avenue, Wenlong Sub-district, Qijiang District, Chongqing	2	401420
33.	Wansheng Sub-branch of Bank of Chongqing Co., Ltd.	No. 23-1 Wansheng Avenue, Wansheng District, Chongqing	2	400800
34.	Xiushan Sub-branch of Bank of Chongqing Co., Ltd.	1-4, 1-5, 2-4 and 2-5, No. 70-1, Fengxiang Road, Zhonghe Street, Xiushan County, Chongqing	2	409900
35.	Kaizhou Sub-branch of Bank of Chongqing Co., Ltd.	Market Square, Kaizhou Avenue (Middle Section), Kaizhou County, Chongqing	3	405400
36.	Dazu Sub-branch of Bank of Chongqing Co., Ltd.	No. 335 Shengji West Road, Tangxiang Avenue, Dazu District, Chongqing	3	402360
37.	Tongnan Sub-branch of Bank of Chongqing Co., Ltd.	No. 173, 175, 177, 179 and 181 Xiangyang Road and 1-4, No. 219, 221, 223, 225, 227, 229 and 229 Ganquan West Road, Guilin Sub-district, Tongnan District, Chongqing	3	402660
38.	Fengdu Sub-branch of Bank of Chongqing Co., Ltd.	No. 181, 183, 185, 187, 189, 191, 179 (2-10, 2-11, 2-12, 2-13, 2-14, 2-15) and 179 (3-10, 3-11, 3-12, 3-13, 3-14, 3-15) Longcheng Avenue, Sanhe Sub-district, Fengdu County, Chongqing	2	408200
39.	Shizhu Sub-branch of Bank of Chongqing Co., Ltd.	26-30, No. 35, Dudu Avenue, Wan'an Street, Shizhu County, Chongqing	2	409100
40.	Dianjiang Sub-branch of Bank of Chongqing Co., Ltd.	No. 9-32 Nanyang West Road, Guiyang Subdistrict, Dianjiang County, Chongqing	2	408300
41.	Yunyang Sub-branch of Bank of Chongqing Co., Ltd.	No. 1299 Yunjiang Avenue, Qinglong Street, Yunyang County, Chongqing	3	404500
42.	Wuxi Sub-branch of Bank of Chongqing Co., Ltd.	Entertainment and Sports Building, Chunshen Avenue, Chengxiang Town, Wuxi County, Chongqing	2	405800
43.	Wulong Sub-branch of Bank of Chongqing Co., Ltd.	No. 117 Furong West Road, Xiangkou Town, Wulong District, Chongqing	3	408500
44.	Youyang Sub-branch of Bank of Chongqing Co., Ltd.	No. 1-14, 1-15, 2-1, Building 9, Huisheng Square, No. 10 Middle Road, Taohuayuan Avenue, Youyang County, Chongqing	3	409800

List of Branch Outlets

No.	Name of Banking Institution	Address	Number of Institutions	Postal Code
45.	Pengshui Sub-branch of Bank of Chongqing Co., Ltd.	2-1, No. 35 and No. 38, Building 1, No. 1 Liangjiang New Street, Shaoqing Sub-district, Pengshui Miao and Tujia Autonomous County, Chongqing	3	409699
46.	Wushan Sub-branch of Bank of Chongqing Co., Ltd.	Complex Building 1-1, No. 329 Guangdong East Road, Gaotang Sub- district, Wushan County, Chongqing	2	404700
47.	Chengkou Sub-branch of Bank of Chongqing Co., Ltd.	Commercial Building One, Block 1, Chongyang • Yicheng International Commercial Podium, No.18 Dongda Street, Gecheng Sub-district, Chengkou County, Chongqing	2	405900
48.	Fengjie Sub-branch of Bank of Chongqing Co., Ltd.	S21-95, S21-97, S21-99, S21-101, S21- 103, S21-105, S21-107, 2nd floor, Building S2, No. 91, Kui Fu Avenue, Kui Zhou Street, Fengjie County, Chongqing	2	404600