中国农业银行
AGRICULTURAL BANK OF CHINA

Agricultural Bank of China Limited

(A joint stock company incorporated in the People's Republic of China with limited liability)
Stock Code: 1288

2025 ANNUAL REPORT

耕耘美丽中国 共创幸福生活

中国农业银行
AGRICULTURAL BANK OF CHINA

Profile

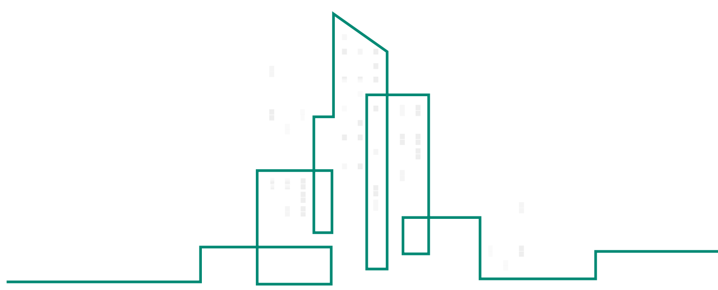
The predecessor of the Bank was Agricultural Cooperative Bank established in 1951. Since the resumption of establishment in February 1979, the Bank has evolved from a state-owned specialized bank into a wholly state-owned commercial bank and subsequently a state-controlled commercial bank. The Bank was restructured into a joint stock limited liability company in January 2009. In July 2010, the Bank was listed on both the Shanghai Stock Exchange and the Hong Kong Stock Exchange.

The Bank is one of the major integrated financial service providers in China, aiming at high-quality development, highlighting the two positionings of a leading bank serving rural revitalization and a major bank serving the real economy, and fully implementing its three strategies in rural and inclusive finance, green finance and digitalization. Capitalizing on its comprehensive business portfolio, extensive distribution network and advanced IT platform, the Bank provides a diverse portfolio of corporate and retail banking products and services for a broad range of customers and conducts treasury operations and asset management. Our business scope also includes, among other things, investment banking, fund management, financial leasing and life insurance. At the end of 2025, the Bank had total assets of RMB48,784,674 million, total loans and advances to customers of RMB27,134,834 million and deposits from customers of RMB32,649,947 million. Our capital adequacy ratio was 17.93%. The Bank achieved a net profit of RMB292,003 million in 2025.

As at the end of 2025, we had 23,128 domestic branch outlets, including the Head Office, Business Department of the Head Office, four specialized institutions managed by the Head Office, four training institutes, 37 tier-1 branches, 410 tier-2 branches, 3,316 tier-1 sub-branches, 19,313 foundation-level branch outlets and 42 other establishments. Our overseas branch outlets consisted of 13 overseas branches and four overseas representative offices. Our subsidiaries mainly included subsidiaries with integrated operations and overseas subsidiary banks, etc.

The Financial Stability Board has included the Bank in the list of Global Systemically Important Banks for 12 consecutive years since 2014. In 2025, the Bank ranked No. 3 among global banks in terms of Tier 1 capital. At the date of this annual report, Standard & Poor's affirmed long-/short-term issuer credit ratings of the Bank at A/A-1, Moody's affirmed long-/short-term bank deposit ratings of the Bank at A1/P-1 and Fitch Ratings affirmed long-/short-term issuer default ratings of the Bank at A/F1+.

Contents



Definitions

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

1	ABC/Agricultural Bank of China/ the Bank/the Group/We	Agricultural Bank of China Limited, or Agricultural Bank of China Limited and its subsidiaries
2	ABC-CA	ABC-CA Fund Management Co., Ltd.
3	ABC Financial Leasing	ABC Financial Leasing Co., Ltd.
4	ABC International	ABC International Holdings Limited
5	ABC Investment	ABC Financial Asset Investment Co., Ltd.
6	ABC Life Insurance	ABC Life Insurance Co., Ltd.
7	ABC Wealth Management	ABC Wealth Management Co., Ltd.
8	Articles of Association	The *Articles of Association of Agricultural Bank of China Limited* amended pursuant to the *Approval on the Articles of Association of Agricultural Bank of China Limited by the National Financial Regulatory Administration* (Jin Fu [2025] No. 561) on 23 September 2025
9	A Share(s)	Ordinary shares listed domestically which are subscribed and traded in Renminbi
10	CASs/PRC GAAP	The Accounting Standards for Enterprises promulgated on 15 February 2006 by the Ministry of Finance of the People's Republic of China and other related rules and regulations subsequently issued
11	County Area Banking Division	An internal division with management mechanism adopted by us for specialized operation of financial services provided to agriculture, rural areas and rural residents and county areas, as required under our restructuring into a joint stock limited liability company, which focuses on the County Area Banking Business with independence in aspects such as governance mechanism, operational decision making, financial accounting as well as incentive and constraint mechanism to a certain extent
12	CSRC	China Securities Regulatory Commission
13	Global Systemically Important Banks	Banks recognized as key players in the financial market with global features as announced by the Financial Stability Board
14	H Share(s)	Shares listed on The Stock Exchange of Hong Kong Limited and subscribed and traded in Hong Kong Dollars, the nominal value of which are denominated in Renminbi
15	Hong Kong Listing Rules	*The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*
16	Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
17	Huijin	Central Huijin Investment Ltd.

18	Independent Director	The independent director referred to in the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, as well as the independent non-executive director referred to in the Hong Kong Listing Rules
19	MOF	Ministry of Finance of the People's Republic of China
20	NFRA	National Financial Regulatory Administration, or the former China Banking and Insurance Regulatory Commission
21	PBOC	The People's Bank of China
22	SSF	National Council for Social Security Fund of the People's Republic of China

Basic Corporate Information

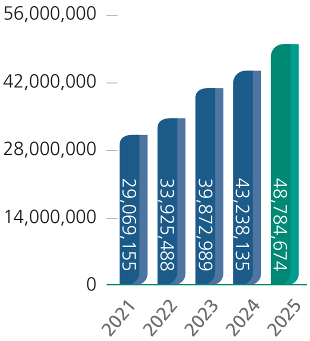
Legal name in Chinese **Abbreviation**	中國農業銀行股份有限公司 中國農業銀行
Legal name in English **Abbreviation**	AGRICULTURAL BANK OF CHINA LIMITED AGRICULTURAL BANK OF CHINA (ABC)
Legal representative	GU Shu
Authorized representative	WANG Zhiheng LIU Qing
Secretary to the Board of Directors and Company Secretary	LIU Qing Address: No. 69, Jianguomen Nei Avenue, Dongcheng District, Beijing, PRC Tel: 86-10-85109619 (Investors Relations) Fax: 86-10-85126571 E-mail: ir@abchina.com
Registered address and office address **Postal code**	No. 69, Jianguomen Nei Avenue, Dongcheng District, Beijing, PRC 100005
Hotline for customer service and complaint	95599
Internet website	www.abchina.com.cn, www.abchina.com
Principal place of business in Hong Kong	25/F, Agricultural Bank of China Tower, 50 Connaught Road, Central, Hong Kong, PRC
Selected media and websites for information disclosure	*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 Shanghai Stock Exchange publishing the annual report (A Shares)	www.sse.com.cn
Website of Hong Kong Stock Exchange publishing the annual report (H Shares)	www.hkexnews.hk
Location where copies of the annual report are kept	Office of the Board of Directors of the Bank
Listing exchange of A Shares **Stock name** **Stock code** **Share registrar**	Shanghai Stock Exchange 農業銀行 601288 China Securities Depository and Clearing Corporation Limited, Shanghai Branch (Address: No. 188 South Yanggao Road, Pudong New Area, Shanghai, PRC)

Listing exchange of H Shares	The Stock Exchange of Hong Kong Limited
Stock name	ABC
Stock code	1288
Share registrar	Computershare Hong Kong Investor Services Limited (Address: Shops 1712-1716, 17th Floor, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong, PRC)
Trading exchange and platform of preference shares	The Integrated Business Platform of Shanghai Stock Exchange
Stock name (stock code)	農行優1 (360001), 農行優2 (360009)
Share registrar	China Securities Depository and Clearing Corporation Limited, Shanghai Branch (Address: No. 188 South Yanggao Road, Pudong New Area, Shanghai, PRC)
Legal advisor as to laws of Chinese mainland	King & Wood
Address	17-18/F, East Tower, World Financial Centre 1, No. 1, Dongsanhuan Zhong Road, Chaoyang District, Beijing, PRC
Legal advisor as to laws of Hong Kong	Linklaters
Address	11/F, Alexandra House, Chater Road, Central, Hong Kong, PRC
Domestic auditor	KPMG Huazhen LLP
Address	8/F, Office Tower E2, Oriental Plaza, 1 East Chang An Avenue, Dongcheng District, Beijing, PRC
Name of the undersigned accountants	SHI Jian, HUANG Aizhou
International auditor	KPMG
Address	8/F, Prince's Building, 10 Chater Road, Central, Hong Kong, PRC
Name of the undersigned accountant	WONG Yuen Shan

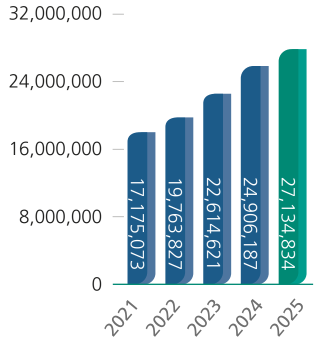
Financial Highlights

(Financial data and indicators recorded in this annual report are prepared in accordance with IFRS Accounting Standards and denominated in RMB, unless otherwise stated)

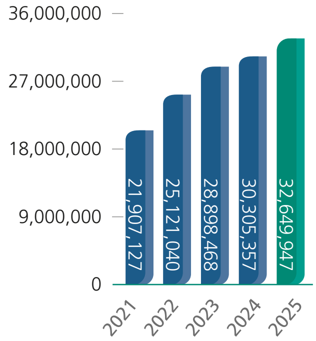
Total assets
(in millions of RMB)



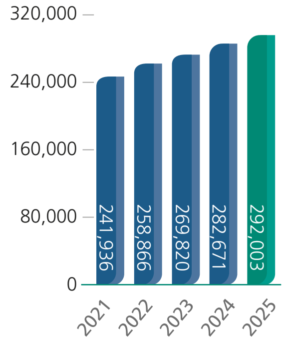
Total loans and advances to customers
(in millions of RMB)



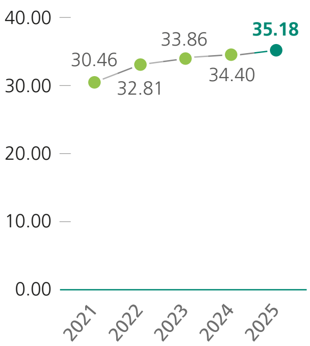
Deposits from customers
(in millions of RMB)



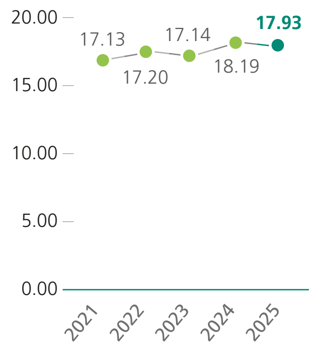
Net profit
(in millions of RMB)



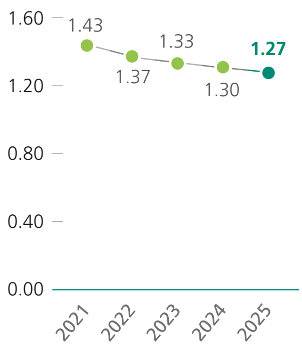
Cost-to-income ratio
(%)



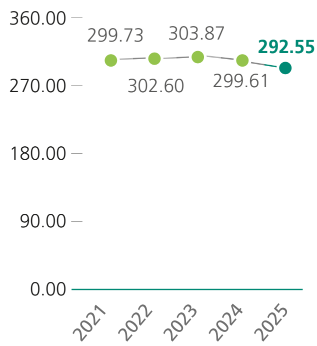
Capital adequacy ratio
(%)



Non-performing loan ratio
(%)



Allowance to non-performing loans
(%)



Major Financial Data

	31 December 2025	31 December 2024	31 December 2023	31 December 2022	31 December 2021
At the end of the reporting period (in millions of RMB)					
Total assets	**48,784,674**	43,238,135	39,872,989	33,925,488	29,069,155
Total loans and advances to customers	**27,134,834**	24,906,187	22,614,621	19,763,827	17,175,073
Including: Corporate loans	**15,485,867**	14,144,003	12,791,116	10,741,230	9,168,032
Discounted bills	**1,952,660**	1,507,921	1,310,747	1,007,548	424,329
Retail loans	**9,262,676**	8,814,212	8,059,915	7,545,282	7,117,212
Overseas and others	**381,443**	390,115	402,491	426,847	426,179
Loans and advances to customers, net	**26,178,354**	23,977,013	21,731,766	18,980,973	16,454,503
Financial investments	**16,321,315**	13,849,103	11,213,713	9,530,163	8,230,043
Cash and balances with central banks	**2,801,985**	2,134,452	2,922,047	2,549,130	2,321,406
Deposits and placements with and loans to banks and other financial institutions	**1,005,264**	1,101,723	1,596,257	1,131,215	665,444
Financial assets held under resale agreements	**1,564,991**	1,371,571	1,809,559	1,172,187	837,637
Total liabilities	**45,541,303**	40,140,862	36,976,122	31,251,728	26,647,796
Deposits from customers	**32,649,947**	30,305,357	28,898,468	25,121,040	21,907,127
Including: Corporate deposits	**10,286,009**	10,059,292	10,477,286	9,032,456	8,001,650
Retail deposits	**20,761,096**	18,692,180	17,109,711	14,977,766	12,970,450
Overseas and others	**1,098,602**	1,035,207	852,298	727,212	623,353
Deposits and placements from banks and other financial institutions	**6,389,320**	5,031,583	4,035,787	2,792,933	1,913,471
Financial assets sold under repurchase agreements	**1,453,842**	615,725	100,521	43,779	36,033
Debt securities issued	**3,263,887**	2,678,509	2,295,921	1,869,398	1,507,657
Equity attributable to equity holders of the Bank	**3,237,182**	3,090,808	2,889,248	2,668,063	2,414,605
Net capital[1]	**4,448,690**	4,112,653	3,828,171	3,416,349	3,057,867
Common Equity Tier 1 (CET1) capital, net[1]	**2,748,493**	2,582,305	2,394,940	2,215,612	2,042,352
Additional Tier 1 capital, net[1]	**469,775**	499,559	480,009	440,009	360,009
Tier 2 capital, net[1]	**1,230,422**	1,030,789	953,222	760,728	655,506
Risk-weighted assets[1]	**24,812,801**	22,603,866	22,338,078	19,862,505	17,849,566

	2025	2024	2023	2022	2021
Operating results for the year (in millions of RMB)					
Operating income	**725,131**	711,416	695,468	695,283	721,746
Net interest income	**569,594**	580,692	571,750	589,883	577,987
Net fee and commission income	**88,085**	75,567	80,093	81,282	80,329
Operating expenses	**275,371**	261,180	252,305	243,571	260,275
Credit impairment losses	**127,189**	130,840	135,707	145,266	165,886
Total profit before tax	**323,689**	319,201	307,419	306,453	295,880
Net profit	**292,003**	282,671	269,820	258,866	241,936
Net profit attributable to equity holders of the Bank	**291,041**	282,083	269,356	259,232	241,183
Net cash flows generated from operating activities	**2,112,907**	1,353,042	1,825,282	1,322,003	239,615

Financial Indicators

	2025	2024	2023	2022	2021
Profitability (%)					
Return on average total assets[2]	**0.63**	0.68	0.73	0.82	0.86
Return on weighted average net assets[3]	**10.16**	10.46	10.91	11.29	11.57
Net interest margin[4]	**1.28**	1.42	1.60	1.90	2.12
Net interest spread[5]	**1.16**	1.27	1.45	1.73	1.96
Return on risk-weighted assets[1, 6]	**1.18**	1.25	1.21	1.30	1.36
Net fee and commission income to operating income	**12.15**	10.62	11.52	11.69	11.13
Cost-to-income ratio[7]	**35.18**	34.40	33.86	32.81	30.46
Data per share (RMB Yuan)					
Basic earnings per share[3]	**0.78**	0.75	0.72	0.69	0.65
Diluted earnings per share[3]	**0.78**	0.75	0.72	0.69	0.65
Net cash flows per share generated from operating activities	**6.04**	3.87	5.22	3.78	0.68

	31 December 2025	31 December 2024	31 December 2023	31 December 2022	31 December 2021
Asset quality (%)					
Non-performing loan ratio[8]	**1.27**	1.30	1.33	1.37	1.43
Allowance to non-performing loans[9]	**292.55**	299.61	303.87	302.60	299.73
Allowance to loan ratio[10]	**3.71**	3.88	4.05	4.16	4.30
Capital adequacy (%)					
Common Equity Tier 1 (CET1) capital adequacy ratio[1]	**11.08**	11.42	10.72	11.15	11.44
Tier 1 capital adequacy ratio[1]	**12.97**	13.63	12.87	13.37	13.46
Capital adequacy ratio[1]	**17.93**	18.19	17.14	17.20	17.13
Risk-weighted assets to total assets ratio[1]	**50.86**	52.28	56.02	58.55	61.40
Total equity to total assets ratio	**6.65**	7.16	7.27	7.88	8.33
Data per share (RMB Yuan)					
Net assets per ordinary share[11]	**7.91**	7.40	6.88	6.37	5.87

Notes:
1. *After 1 January 2024, figures were calculated in accordance with the Rules on Capital Management of Commercial Banks and other relevant regulations; before 1 January 2024, figures were calculated in accordance with the Rules on Capital Management of Commercial Banks (Provisional) and other relevant regulations.*
2. *Calculated by dividing net profit by the average balances of total assets at the beginning and the end of the period.*
3. *Calculated in accordance with the Rules for the Compilation and Submission of Information Disclosure by Companies that Offer Securities to the Public No. 9 — Computation and Disclosure of Return on Net Assets and Earnings per Share (2010 Revision) issued by the CSRC and International Accounting Standard 33 — Earnings per share.*
4. *Calculated by dividing net interest income by the average balances of interest-earning assets.*
5. *Calculated as the difference between the average yield on interest-earning assets and the average cost of interest-bearing liabilities.*
6. *Calculated by dividing net profit by risk-weighted assets at the end of the period. The risk-weighted assets are calculated in accordance with the relevant regulations of the NFRA.*
7. *Calculated by dividing operating and administrative expenses by operating income in accordance with CASs, which is consistent with the corresponding figures as stated in the financial report of the Bank prepared in accordance with CASs.*
8. *Calculated by dividing the balance of non-performing loans (excluding accrued interest) by the balance of total loans and advances to customers (excluding accrued interest).*
9. *Calculated by dividing the balance of allowance for impairment losses on loans by the balance of non-performing loans (excluding accrued interest), among which, the balance of allowance for impairment losses on loans includes the allowance for impairment losses on bills and forfeiting recognized in other comprehensive income.*
10. *Calculated by dividing the balance of allowance for impairment losses on loans by the balance of total loans and advances to customers (excluding accrued interest), among which, the balance of allowance for impairment losses on loans includes the allowance for impairment losses on bills and forfeiting recognized in other comprehensive income.*
11. *Calculated by dividing equity attributable to ordinary equity holders of the Bank (excluding other equity instruments) at the end of the period by the total number of ordinary shares at the end of the period.*

Quarterly Data

2025 (in millions of RMB)	First quarter	Second quarter	Third quarter	Fourth quarter
Operating income	**186,735**	**183,058**	**180,981**	**174,357**
Net profit attributable to equity holders of the Bank	**71,931**	**67,579**	**81,349**	**70,182**
Net cash flows (used in)/generated from operating activities	**(768,830)**	**1,774,634**	**1,028,324**	**78,779**

Chairman's Statement

GU Shu
Chairman of
the Board of Directors

The year 2025 marked the conclusion of China's 14th Five-Year Plan, standing out as a year in which Agricultural Bank of China made new headway and took new strides towards high-quality development. In 2025, guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, we upheld and strengthened the overall leadership of the Party, conscientiously implemented the decisions and plans of the Communist Party of China ("**CPC**") Central Committee and the State Council, and strove to advance reform and innovation in management and services, with a focus on preventing risks and promoting high-quality development. As a result, we successfully accomplished our annual objectives and plans, bringing all the tasks set out in our 14th Five-Year Plan to a satisfactory conclusion.

Our business operations maintained a momentum of steady growth, with operational foundation further consolidated. Operating efficiency improved steadily. We sustained positive growth in terms of both net profit and operating income. Specifically, we achieved net profit of RMB292.0 billion and operating income of RMB725.1 billion, representing a year-on-year increase of 3.3% and 1.9%, respectively. Asset quality remained sound. The non-performing loan ratio was 1.27%, representing a decrease of 3 BPs as compared to the end of the previous year. The overdue loan ratio was 1.25%, maintaining a relatively favorable level among comparable peers. The overdue loan ratio was lower than the non-performing loan ratio, reflecting strict asset quality classification standards. The balance of allowance for impairment losses on loans was above RMB1 trillion, and the allowance to non-performing loans was 292.55%, remaining sufficiently resilient against risks. Aggregate financing grew reasonably. Total assets amounted to RMB48.8 trillion, of which total loans were RMB27.13 trillion, representing an increase of RMB2.23 trillion as compared to the end of the previous year. Financial investments reached RMB16.3 trillion, representing an increase of RMB2.47 trillion. The stability of deposits continued to improve. The balance of all-system deposits from customers amounted to RMB38.69 trillion, representing an increase of RMB3.71 trillion as compared to the end of the previous year. We recorded a RMB and foreign currency deposit deviation ratio of 0.58%, which outperformed comparable peers and were the only one to keep the ratio below 3% for seven consecutive quarters.

We delivered more targeted and solid financial services for rural revitalization. The growth rate of loans in County Areas remained higher than that of the Bank's total loans. We fully supported all-around rural revitalization and integrated urban-rural development. The balance of loans in County Areas reached RMB10.9 trillion, representing an increase of 11.0% as compared to the end of the previous year and accounting for 41.0% of domestic loans. We have been awarded the highest rating, "Excellent", in the regulatory assessment of serving rural revitalization for five consecutive years, the only one among twenty national financial institutions to have made this achievement. We continuously strengthened financial support for key fields. Focusing on key areas and weak links, such as ensuring China's food security, rural industries, rural construction and rural reform, we made ongoing efforts to unleash the effectiveness of financial services for strengthening agriculture, benefitting farmers, and boosting rural prosperity. The balance of loans in fields related to ensuring a stable supply of grains and major agricultural products, loans to rural industries, and loans to rural construction stood at RMB1.21 trillion, RMB2.66 trillion and RMB2.46 trillion, respectively, with growth rates of 20.3%, 19.5% and 9.6% as compared to the end of the previous year, which were 11.4, 10.6 and 0.7 percentage points higher than the growth rate of the Bank's total loans, respectively. We maintained a ledger for each county and adopted county-specific policies to ensure effective financial services for key areas receiving assistance. The balance of loans to 160 key counties receiving national assistance for rural revitalization reached RMB480.0 billion, representing an increase of 9.9% as compared to the end of the previous year. We further expanded the coverage of services. We relocated 179 outlets in townships and established 1,742 Huinong service stations, further expanding service coverage in townships. The number of monthly active users of mobile banking in County Areas was 0.13 billion. The balance of Huinong E-loan reached RMB1.84 trillion, representing an increase of 22.9%, with our financial services for rural households becoming more accessible and available.

We intensified our efforts to provide higher-quality and more efficient services for the real economy. We strengthened services for stabilizing investment and boosting consumption. Focusing on key areas such as the implementation of major national strategies and security capacity building in key areas, as well as large-scale equipment upgrades and consumer goods trade-in programs, we increased financing supply to help consolidate and expand the momentum of economic recovery and growth. The scales of financing we provided for project lists of new types of policy-backed financial instruments, technology transformation and equipment upgrades, and the implementation of major national strategies and security capacity building in key areas, etc., all maintained a leading position among comparable peers. We vigorously supported the endeavour to boost consumption and actively enriched the scenarios of consumption finance. The balance of personal consumption loans, including credit card balances, reached RMB1.45 trillion, representing an increase of 9.0% as compared to the end of the previous year. We fully supported the fostering of new quality productive forces. We introduced innovative financial products and service mechanisms to help achieve greater self-reliance and strength in science and technology. The balance of technology loans was RMB4.7 trillion, representing an increase of 20.1% as compared to the end of the previous year. We have signed cooperation agreements with all cities included in the pilot program for asset investment companies (AIC) equity investment and set up a total of 27 pilot funds. The balance of loans granted to the manufacturing industry was RMB3.72 trillion, with a growth rate of 14.6%. We steadily advanced the development of green finance. We deeply implemented the green finance strategy, with the balance of green loans reaching RMB5.93 trillion, representing an increase of 18.7% as compared to the end of the previous year. We developed diversified green investment and financing businesses and issued RMB66.0 billion of green finance bonds in the domestic market, with the balance of green bond investments exceeding RMB150.0 billion. Our services in inclusive finance achieved new progress. The balance of inclusive loans amounted to RMB4.35 trillion, representing an increase of RMB749.9 billion as compared to the end of the previous year. The number of inclusive small and micro enterprise customers with outstanding loan balances amounted to 5.24 million, representing an increase of 0.66 million. The balance and increment of inclusive loans, as well as the number and increment of inclusive small and micro enterprise customers with outstanding loan balances, all ranked first among comparable peers. We stepped up support for the development of the private sector. The balance of loans granted to private enterprises was RMB7.57 trillion, representing an increase of RMB1.03 trillion as compared to the end of the previous year, and the number of customers with outstanding loan balances was 8.23 million, representing an increase of 0.78 million as compared to the end of the previous year, with both the balance of loans and the number of customers with outstanding loan balances ranking first among comparable peers. We made ongoing efforts to improve the pension finance service system. We continuously helped promote the coverage of the three pillars system of pension finance. The number of users of physical and electronic social security cards reached 0.28 billion and 0.21 billion, respectively, both ranking first among peers. The scale of pension funds under entrusted management amounted to RMB388,134 million, representing an increase of 22.6% as compared to the end of the previous year. The number of private pension customers ranked among the top in the banking industry. We strengthened multi-tiered industrial support, with the balance of loans to the elderly care industry reaching RMB23.16 billion.

We consolidated and strengthened our customer base and the business development drivers. We continuously enhanced our customer base. Upholding the customer-centered principle, we continued to build and improve the service system aligned with the needs of customers in the new era, with our customer services capabilities steadily improving. The total number of retail banking customers reached 896 million, ranking first among peers, and the number of corporate banking customers exceeded 13 million. We strengthened online financial service capabilities. The number of monthly active users of mobile banking exceeded 276 million, maintaining a leading position among comparable peers. We continued to enrich the scenario ecosystem, with a total of 65 thousand high-frequency internet scenarios. We further improved wealth management capabilities. The scale of wealth management products steadily increased, with the balance of RMB2,151.3 billion as at the end of 2025. The agency distribution business maintained a positive growth momentum. The scale of agency insurance remained the largest among comparable peers, with a growth rate of 17.9%, and the sales volume of agency distribution of funds increased by 20.4%. We accelerated the smart banking construction. We vigorously promoted the AI technology, and major application projects of smart banking have been implemented and delivered tangible results. The model of digitalization became more mature, significantly improving customers' sense of gain and satisfaction. The "onsite + remote" investigation model reduced the number of customer managers' onsite visits by 225 thousand person-times, streamlining business processes. We promoted the new customer service system at outlets, cutting transaction processing time at counters by over 20% and further enhancing service quality and efficiency.

We reinforced risk prevention and control. Our risk management was robust and effective. Always taking risk prevention and control as our primary task, we prevented and mitigated various types of risks in a robust, orderly and effective manner, strengthened management and control of overdue loans, and refined policies for the disposal of non-performing loans, continuously consolidating sound asset quality. We integrated compliance management requirements into the whole process of business development, further reinforcing safeguards for case prevention and compliance. We continuously strengthened market risk prevention and control. We focused on proactive market risk management, accurately grasped trends in interest rate and exchange rate movements, and optimized the maturity structure of investments and financing in a timely manner. We leveraged the supporting and empowering role of the market risk management platform, effectively improving the level of automated management. We ensured the stable operation of various types of market businesses, and continued to improve the precision of risk management and control of market businesses. We improved technological security capabilities. We completed the mainframe migration and decommissioning which was the largest-scale project involving the largest number of customers in the banking industry. Under the distributed architecture, the average daily transaction volume processed by the core system on working days reached 1,736 million, with the daily transaction peak volume of 2,183 million, and the availability rate of core system services reached 100%, with the operation maintaining smooth.

We continued to enhance corporate values. In 2025, we maintained a momentum of steady growth and achieved leading profit growth among comparable peers in core businesses, striving to create greater value for investors. We continuously refined the corporate governance system, integrated Party's leadership into every aspect of corporate governance, and kept improving the effective corporate governance system with the Bank's features. The members of the Board of Directors performed their duties diligently, and the Board of Directors operated effectively and compliantly. We were awarded the "Best Practice Case for the Board of Directors of Listed Companies" once again. In active response to market and investor concerns, we improved information disclosure and investor relations management, and strengthened two-way interaction with the capital market. In 2025, the Bank ranked first among comparable peers in terms of indicators such as the increase of A Share price and H Share price, the growth of market capitalization, the price-to-book (P/B) ratio and the price-to-earnings (P/E) ratio, contributing to the steady and positive momentum of the capital market through our own sound value growth. In order to deliver returns to investors actively and share them with the fruits of development, the Board of Directors proposed to distribute a cash dividend of RMB1.300 (tax inclusive) per 10 shares to all ordinary shareholders in addition to the interim dividend, bringing the full-year dividend for 2025 to RMB2.495 (tax inclusive) per 10 shares with a total amount of RMB87,321 million (tax inclusive), maintaining the cash dividend ratio above 30%.

Looking back on 2025, amidst a complex and ever-changing operating environment, we adhered to doing the "hard but right things" and strove to remain resilient beyond economic cycle. The achievements of the past year were rooted in the solid foundation of China's long-term economic growth, fundamentally attributed to the strong leadership of the CPC Central Committee, benefited from the trust and support provided by regulators, shareholders, and all sectors of society, and were made possible by the hard work and dedication of all cadres and employees of the Bank. I would like to express sincere gratitude on behalf of the Board of Directors!

The year 2026 is the first year of the 15th Five-Year Plan period. A new era calls for new responsibilities, and a new journey demands new actions. Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, we will further strengthen the leading role of Party building, foster and practice a correct understanding of what it means to perform well, and stay true to the founding mission of finance for serving the real economy. We will deepen the implementation of strategies, pool the synergy for development, and strive to break new ground for the Bank's high-quality development. We will provide high-quality financial services to help consolidate and expand the positive momentum of steady economic growth, and contribute to making a good start in implementing the 15th Five-Year Plan.

GU Shu
Chairman of the Board of Directors
30 March 2026

President's Statement

WANG Zhiheng
President

The year 2025 marked the conclusion of the 14th Five-Year Plan. Over the past year, in the face of changes in internal and external situations, Agricultural Bank of China upheld the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, faithfully implemented the decisions and plans of the CPC Central Committee and the State Council, deeply practiced the political and people-oriented nature of financial work, adhered to the work theme of preventing risks and promoting high-quality development, and made coordinated efforts in financial services, reform and innovation, risk prevention and control, and other tasks. Through these endeavors, we achieved steady progress and improvements in business operations, delivered targeted and effective financial services for the real economy, maintained stable asset quality, continuously enhanced our comprehensive strength, and built stronger operational resilience. As a result, we accomplished all the objectives and tasks set out in the Bank's 14th Five-Year Plan, and made new advances and achievements in high-quality development.

Staying true to serving agriculture, as indicated by our name, we consolidated the foundation of business development by focusing on our primary responsibility and core business of serving agriculture, rural areas and rural residents. We resolutely shouldered our mission of serving all-around rural revitalization and supporting the building of China's strength in agriculture, continuously increased the supply of agriculture-related financial services, and further enhanced the quality and efficiency of financial services for agriculture, rural areas and rural residents. The annual increment of loans and advances to customers in County Areas has exceeded RMB1 trillion for four consecutive years, with the balance reaching RMB10.9 trillion. Service channels were further improved. We prioritized services to the grassroots level and extended the reach of services, and improved the "six-in-one" service channel system of "physical outlets + ATMs + mobile banking + Huinong service stations + mobile service vehicles + remote banking", thereby our capabilities to deliver services to villages and households were enhanced. The product portfolio was further enriched. We built a product and service system of "Ten Finance" covering grain finance and assistance finance, etc., and innovatively promoted exclusive products such as Agricultural Park Sci-Tech Enterprise Loan and Professional Large-Scale Operator Loan, to meet the differentiated and diversified financing needs of customers related to agriculture, rural areas and rural residents in a targeted manner. Service models became more efficient. We continuously optimized the application process for rural household loans, and actively promoted the "onsite + remote" operating model, further enhancing the accessibility and availability of financial services for rural households. The balance of Huinong E-loan reached RMB1.84 trillion, representing a fourfold increase during the 14th Five-Year Plan period. Services for key areas were further strengthened. The balance of loans in fields related to ensuring stable supply of grains and major agricultural products, loans to rural industries, and loans to rural construction and related areas increased by 20.3%, 19.5%, and 9.6%, respectively, as compared to the end of the previous year. The growth rates of loans to 832 counties lifted out of poverty and 160 key counties receiving national assistance for rural revitalization remained higher than the average growth rate of loans of the Bank.

Staying true to the founding mission of finance, we built new strengths for business development by providing targeted services for the real economy. We aligned with the transition from old growth drivers to new ones and the trend of industrial transformation and upgrading, and continuously optimized the allocation of financial resources, serving the high-quality development of the real economy and achieving sustainable development of the Bank at the same time. The balance of our loans reached RMB27.13 trillion, representing an increase of RMB2.23 trillion as compared to the end of the previous year. Our balance of retail loans, inclusive loans, and loans granted to private enterprises each took the lead among peers in exceeding RMB9 trillion, RMB4 trillion, and RMB7 trillion, respectively. We made all-out efforts to serve the strategy of expanding domestic demand. We proactively provided financing support for projects of implementing major national strategies, enhancing security capacity in key areas, carrying out large-scale equipment upgrades and consumer goods trade-in programs, as well as new types of policy-backed financial instruments, among other initiatives. We solidly carried out special initiatives to serve the objective of boosting consumption, helping consolidate and expand the momentum of economic recovery and growth. Loans to infrastructure, manufacturing and other sectors achieved steady growth, and both the increment and growth rate of consumption loans maintained a leading position among comparable peers. We continuously optimized work on the "Five Priorities" of finance. We optimized differentiated supporting policies to channel more financial resources towards key areas and weak links, including new quality productive forces, green development, and inclusive small and micro businesses. The growth rates of loans related to the "Five Priorities" were all higher than the average growth rate of loans of the Bank. We actively served high-standard opening up. We rolled out service plans to maintain stable performance of foreign trade and keep foreign investment stable, refined the cross-border integrated financial service system, enhanced the infrastructure construction for international use of RMB, actively supported cross-border RMB use, and facilitated the diversification of trade markets and the integrated development of domestic and foreign trade. The volume of international settlement increased by 8% as compared to the previous year.

Upholding the customer-first philosophy, we tapped into every potential for business development by enhancing customer service capabilities. Consistently taking customer construction as a fundamental and strategic project, we pushed ahead with the efforts to expand the scale and improve the quality of corporate customers and strengthen retail customer management classified by groups and layers. We improved the service model driven by data and models, to continuously enhance the level of refined and integrated customer services. Our customer base continued to expand. The number of retail banking customers was 896 million, remaining the first in the banking industry, and the assets under management of our retail banking customers reached RMB24.7 trillion, representing an increase of RMB2.4 trillion as compared to the end of the previous year. The number of corporate banking customers was 13.29 million, representing an increase of 1.16 million as compared to the end of the previous year, ranking top among comparable peers in terms of the increment. Our customer service continued to improve in both quality and efficiency. Taking better meeting customers' financial needs as our ultimate objective, we enriched and expanded the supply of deposits, credit, and wealth management products, etc., deepened synergy between commercial banking and investment banking, RMB and foreign currencies, financial and non-financial services, and took solid steps to protect consumer rights and interests, making customer services more diverse and more caring. Our professional service capabilities continued to strengthen. We refined the employee cultivation and training system and stepped up efforts to build a customer manager team with Mr. Rao Caifu as the model, providing robust support for improving our customer services. The total number of customer managers of the Bank reached 119 thousand, representing an increase of six thousand as compared to the end of the previous year.

Deepening reform and innovation, we fostered new momentum for business development by deepening the integration of business, technology and data. We actively embraced the new round of technological revolution, further advanced the smart banking construction, and continuously deepened the data empowerment and AI application, driving operational and management efficiency to a higher level. The foundation for scientific and technological application and innovations became more solid. We closely tracked the development of large AI models, and accelerated the development of an "AI+" capability system covering data, technology, models, ecosystem and security, providing strong support for the large-scale and inclusive application of AI in credit, operations, office work and other fields. The digital and intelligent operating approach became more mature. We leveraged multi-dimensional data to conduct real-time analysis of customer needs and provide precisely matched products and services, achieving higher customer stickiness and value contribution through higher marketing reach and conversion rates. Efforts to reduce burdens on employees at the foundation level and empower them delivered more notable results. We accelerated the automation and online migration of labor-intensive and repetitive tasks, and innovatively promoted the smart handling of loans, the convenient use of data and the centralized operation model, effectively addressing the pain points and challenges at the foundation level.

Strengthening bottom-line thinking, we enhanced security capacity for business development by consolidating the foundation for risk prevention and control. Consistently taking risk prevention and control as the eternal theme of financial work, we firmly guarded the bottom line of preventing systemic risks, and acted as the cornerstone of financial stability. We improved the comprehensive risk management system. We consistently adhered to a moderate risk appetite, continuously optimized the whole-process management and control mechanisms for various types of risks including credit risk, market risk, country risk and technology risk, implemented risk management requirements across the Group and all business lines, and integrated them into the whole process and all links of business operations. We strengthened the forward-looking identification, preliminary research and prediction of risks. We dynamically adjusted credit policies and risk control strategies, improved risk prevention and control plans for extreme situations, deepened the "online + offline" and "digital + manual" risk control synergy, and strove to achieve early warning, early identification and early disposal of risks. We intensified risk disposal and response in key areas. We prevented and defused risks in the real estate and local government debts in a robust and effective manner, expedited the building of a new-type management system for inclusive and retail credit businesses, and sustained regular and long-term efforts in the management and control of overdue loans as well as the collection and disposal of non-performing loans. As a result, our asset quality maintained sound, with the non-performing loan ratio of 1.27%, representing a decrease of 0.03 percentage point as compared to the end of the previous year. We continued to consolidate the foundation for internal control and compliance management. We improved the "Three Nos" system of internal control and case prevention that ensured no willingness, no opportunity and no intention to commit violations, refined the whole-chain compliance governance structure of the Group, strengthened the promotion of newly released laws and regulations as well as the philosophy of compliance, and focused on the governance of telecom and online fraud, anti-money laundering and sanctions risk management and control, thereby the effectiveness of our internal control and compliance management was continuously enhanced.

As a new journey unfolds ahead, we will set out again with a profound sense of responsibility. The year 2026 is the first year of the 15th Five-Year Plan period. We will thoroughly implement the guiding principles from the 20th CPC National Congress and the plenary sessions of the 20th CPC Central Committee, fully implement the decisions and plans of the CPC Central Committee and the State Council, and firmly foster and practice a correct understanding of what it means to peform well. We will continuously improve financial services, deepen reform and innovation, and strengthen risk management, so as to attain new and greater achievements in promoting high-quality development, and reward our customers, investors and all sectors of society for their trust and support with more excellent operation performance.

WANG Zhiheng
President
30 March 2026

Discussion and Analysis

Situation and Prospects

In 2025, Chinese economy forged ahead against headwinds and achieved innovation-driven, and high-quality development, with a GDP growth rate of 5.0%. The scale of consumer market maintained steady expansion, with total retail sales of consumer goods increasing by 3.7%. The investment structure continued to improve, with investment in key areas growing steadily and the manufacturing investment rising by 0.6%. Imports and exports of goods grew steadily with a growth rate of 3.8% (RMB-denominated). The industrial producer price index (PPI) decreased by 2.6%, and the consumer price index (CPI) was flat from the previous year. With reasonable growth in money and credit, the broad money supply (M2) increased by 8.5%, and the outstanding aggregate financing to the real economy increased by 8.3%.

In 2025, the Chinese government implemented more proactive and effective macro policies, fully leveraged policies already in place and introduced a range of more robust measures to maintain employment and economic stability. These steps effectively cushioned downward economic pressure and ensured the fulfillment of major objectives for the year. It pursued a more proactive fiscal policy and an appropriately accommodative monetary policy. Government spending was increased to strengthen fiscal support for key areas, while policy interest rates and required reserve ratios were cut to further reduce overall financing costs. Consumer goods trade-in programs were ramped up and extended to more items. To boost effective investment, it stepped up efforts to implement major national strategies and enhance security capacity in key areas. Funding for equipment upgrades was allocated and put to use more quickly.

In 2025, China's banking industry continuously increased support for the real economy, achieved growth of total assets, maintained basically stable asset quality and remained resilient against risks. As at the end of December 2025, the total assets of Chinese commercial banks reached RMB414.79 trillion, representing an increase of 9.0% as compared to the end of the previous year. The non-performing loan ratio was 1.50%, and the allowance to non-performing loans was 205.21%. The capital adequacy ratio was 15.46%.

In 2026, the conditions underpinning China's long-term growth and its underlying trend remain unchanged. Growth in fixed asset investment is expected to stabilize and recover. Infrastructure investment will return to growth with funding and policy support, manufacturing investment is projected to remain stable, and the decline in real estate investment is expected to narrow. As policies to boost consumption continue to take effect, the consumption environment will improve and the consumption market is poised for steady growth. The fundamentals of foreign trade remain solid, and exports will continue to demonstrate resilience.

In 2026, the Chinese government will continue to pursue progress while ensuring stability, improve both the quality and performance of growth, boost synergy between adopted policies and new ones, enhance counter- and cross-cyclical adjustments, and make macroeconomic governance more effective. It will continue to implement a more proactive fiscal policy. Government spending will continue to be fairly large in scale. More will be done to optimize its structure so that fiscal funds are used more cost-effectively, with priority given to boosting consumption, investing in people, and raising living standards. It will continue to apply an appropriately accommodative monetary policy. Promoting steady economic growth and an appropriate rebound in prices are key considerations underpinning China's monetary policy. It will flexibly and effectively employ a range of policy instruments, including cuts to required reserve ratios and interest rates, and maintain adequate liquidity to ensure that aggregate financing and money supply rise in step with projected economic growth and CPI levels.

The year 2026 is the first year of the 15th Five-Year Plan period. We will comprehensively, profoundly and accurately understand the strategic arrangements for economic and social development during the 15th Five-Year Plan period, define our positionings precisely, and implement various decisions and plans of the CPC Central Committee with more targeted and effective financial services. Firstly, we will focus on our primary responsibilities and core businesses, further channeling financial resources toward County Areas and rural areas. We will increase credit supply to key areas such as the whole industrial chain of grains, the building of a beautiful and harmonious countryside for people to live and work in, and the distinctive rural industries, and provide high-quality financial services for rural households. We will establish and improve a normalized mechanism for financial assistance to help guard against any large-scale lapse or relapse into poverty. Secondly, we will scale up financing supply for key sectors to consolidate and expand the positive momentum of steady economic growth. We will adhere to the combination of investment in physical assets with investment in human capital, and strengthen financial support for the implementation of major national strategies and security capacity building in key areas, and for a new round of large-scale equipment upgrades and consumer goods trade-in programs, as well as for areas related to people's livelihood and consumption. We will further advance the "Five Priorities" of finance, improve the technology finance service system, and fully support the development of modernized industrial systems and new quality productive forces. Thirdly, we will prevent and mitigate risks in a robust, orderly and effective manner to safeguard the security bottom line for high-quality development. We will actively and steadily mitigate credit risk in key areas such as local government debts and real estate, continue to strengthen risk prevention and control in inclusive and retail loans, to consistently maintain sound asset quality. We will enhance the resilience of science and technology security and improve our capability in preventing and mitigating new types of risks. Fourthly, we will deepen reform and innovation in key areas, adhering to the standard of satisfaction of customers and employees. We will deeply advance the smart banking construction and accelerate the large-scale and inclusive application of AI technologies. We will deepen the reform of intensive operation to better empower the employees at foundation level and reduce their burdens. We will enhance the refinement of customer services to continuously improve our service efficiency and customer experience.

Implementation of Strategy

Special Column: Achievements during the 14th Five-Year Plan Period

During the 14th Five-Year Plan period, we deeply implemented the political and people-oriented nature of financial work, remained committed to the original aspiration and founding mission of serving agriculture, rural areas and rural residents as well as the real economy, and made solid progress in the One Theme, Two Positionings, and Three Strategies. Our overall strength, operational quality and efficiency, sound and safe development, and market influence reached a new level.

Adhering to pursuing progress while ensuring stability, we achieved positive results in high-quality development. During the 14th Five-Year Plan period, we aimed at the theme of promoting high-quality development, continuously stepped up the supply of financial services for major national strategies, key areas and weak links, and our core businesses achieved both effective improvement of quality and reasonable growth of quantity. Our total assets increased from RMB27.21 trillion as at the end of 2020 to RMB48.78 trillion as at the end of 2025, and operating indicators such as growth rates of operating income and per capita net profit maintained a leading position among comparable peers. We achieved significant breakthroughs in businesses such as agriculture, rural areas and rural residents, retail and inclusive finance, and our new achievements in high-quality development were fully recognized by the market. We have been awarded the highest rating, "Excellent", in the regulatory assessment of serving rural revitalization for five consecutive years, won the Best Global Poverty Reduction Practice award for four consecutive years, and took the first place in the ranking of the Global Retail Banking Brands for four consecutive years.

Keeping in mind the original aspiration and founding mission, we continuously consolidated the positioning of a leading bank serving the rural revitalization. During the 14th Five-Year Plan period, we remained committed to our primary responsibility and core business of serving agriculture, rural areas and rural residents, channeled more financial resources to agriculture, rural areas and rural residents and County Areas. The balance of loans to customers in County Areas increased from RMB5.31 trillion as at the end of 2020 to RMB10.94 trillion as at the end of 2025, accounting for over 40% of loans of the Bank. We made every effort to provide financial services for high-standard cropland development, seed industry revitalization, and stable supply of major agricultural products. We supported the consolidation and expansion of achievements in poverty alleviation and the effective dovetailing with rural revitalization consistently. We launched a series of special initiatives, including financial services for the building of a beautiful and harmonious countryside, the green development in agriculture and rural areas, and the integrated urban-rural development in County Areas. We innovatively introduced products and service plans of "Ten Finance" for rural revitalization. As a result, the quality and efficiency of our financial services for all-around rural revitalization have been steadily improved.

Staying true to the fundamental purpose of finance, we fully leveraged our role as a major bank serving the real economy. During the 14th Five-Year Plan period, we took serving the real economy as our fundamental mission, and proactively integrated into the process of Chinese modernization. We made solid efforts in advancing the "Five Priorities"[1]. We continuously improved the technology finance service ecosystem, actively developed the diversified green investment and financing service system, focused on expanding the coverage and increasing the supply of inclusive finance, fully supported the rapid development of pension finance, and continuously deepened digital finance, thus driving high-quality development of the real economy through our high-quality financial services.

Adhering to reform and innovation, we continuously unleashed the momentum and vitality of business development. During the 14th Five-Year Plan period, we continued to focus on the bottlenecks constraining the high-quality development, improved corporate governance mechanism, optimized and adjusted business structures, strengthened customer management classified by groups and layers, built and strengthened the customer manager team and talent workforce, and steadily advanced the smart banking construction. The balance of ABC E-loan increased by RMB5.49 trillion and the monthly active users (MAU) of mobile banking increased by 173 million during the 14th Five-Year Plan period. We achieved notable achievements in management and innovation empowerment as well as the reduction of burdens on employees at foundation level. Driven by deepening reform comprehensively, we stimulated synergy and momentum for serving the real economy with high efficiency and high quality.

Consolidating the bottom line of risk management, we significantly improved our risk prevention and control capabilities. During the 14th Five-Year Plan period, we consistently took risk prevention and mitigation as the eternal theme of financial work, and continuously improved the comprehensive risk management system covering the entire chain, all field and whole process. We addressed risks in key areas such as real estate and local government debt in a steady and orderly manner, vigorously and effectively prevented and controlled emerging risks, continuously deepened the building and application of the risk management and control platform, and strove to enhance the level of digital, refined and intelligent risk management, so that our asset quality consistently remained sound and our role as the cornerstone of financial stability was fully exerted. Our non-performing loan ratio decreased from 1.57% as at the end of 2020 to 1.27% as at the end of 2025, and our capital adequacy ratio increased from 16.59% as at the end of 2020 to 17.93% as at the end of 2025.

1 *The data related to the "Five Priorities" of finance in this annual report is in accordance with the statistical criteria specified in the Notice on Strengthening the Statistical Work of the "Five Priorities" of Finance issued by the General Office of PBOC.*

County Area Banking

We conscientiously implemented the deployments on agriculture, rural areas and rural residents of the CPC Central Committee and the State Council, persistently fulfilled our primary responsibility and core business of serving agriculture, rural areas and rural residents, insisted on serving the objectives of moving faster to build a strong agricultural sector and advancing all-around rural revitalization, and coordinated efforts on the Five Priorities and County Area Banking services. Focusing on key areas receiving assistance and low-income groups, we continued to optimize financial support policies, and strengthened financial support for consolidating and expanding achievements in poverty alleviation, to help guard against any large-scale lapse or relapse into poverty. We continuously increased credit supply to agriculture and rural areas, deepened the innovation of featured products and digital finance, strengthened the development of talent teams for rural revitalization, and reinforced our system and mechanism for serving agriculture, rural areas and rural residents. We were committed to serving the coordinated efforts in promoting integrated urban-rural development and all-around rural revitalization and supporting the agricultural and rural modernization with Chinese characteristics. We strove to play a demonstrative and leading role in pioneering a distinctive path for rural finance with Chinese characteristics and in shaping a modern rural finance system with Chinese characteristics. As at the end of 2025, the balance of deposits from customers and loans to customers in County Areas amounted to RMB14.38 trillion and RMB10.94 trillion, representing an increase of 9.3% and 11.0% as compared to the end of the previous year, respectively. We have been awarded the highest rating, "Excellent", in the regulatory assessment of serving rural revitalization for five consecutive years, and we are the only one among the twenty national financial institutions to have made this achievement.

The balance of loans to customers in County Areas

RMB **10.94** trillion

an increase of **11.0**%

Technology Finance

We actively innovated financial products and service mechanisms to support the greater self-reliance and strength in science and technology. We developed the NongYinChuangDa, a full life-cycle service solution of technology finance, to deliver differentiated financial services to sci-tech enterprises at various stages of development with diverse financing needs through the "online + offline" comprehensive product system. We developed a three-tier specialized service system comprising "Technology Finance Service Center – Technology Finance Division – Professional Technology Finance Sub-branch", and established 25 technology finance service centers and over 300 professional technology finance sub-branches, to expand the coverage of professional services. We innovatively launched the Technology Quick Loan, an exclusive online product, optimized and adjusted the Innovation Reward Points Loan and the Emerging Industries Empowerment Loan. We accelerated the implementation of various national policies supporting sci-tech innovation, and actively served enterprises on the national sci-tech innovation loan list. We successfully issued RMB20.0 billion of commercial banks' sci-tech innovation bonds, and intensified efforts to invest in and underwrite sci-tech innovation bonds. We actively developed the business of M&A loans targeting sci-tech enterprises in a pilot program to support their mergers, acquisitions and reorganizations. We have signed cooperation agreements with all cities included in the pilot program for AIC equity investment and set up a total of 27 pilot funds, and 31 sci-tech innovation projects were invested by such funds. As at the end of 2025, the balance of technology loans amounted to RMB4.7 trillion, representing an increase of 20.1% as compared to the end of the previous year.

The balance of technology loans

RMB**4.7** trillion

an increase of **20.1**%

Green Finance

We thoroughly implemented the green finance strategy with a focus on the Beautiful China Initiative. We continuously improved the management system and mechanism, accelerated the innovation of service models, and deepened the building of our green finance brand, to promote the high-quality development of green finance. We refined our multi-tiered policy system and continued to incorporate the requirements of green and low-carbon development into our credit policy system, to guide the deployment of green funds. We improved the mechanism for the major project pool of green finance and increased the supply of green loans focusing on key areas including energy conservation and carbon reduction, environmental protection, resource recycling, and green and low-carbon transition of energy. We established a multi-tiered, multi-dimensional green finance service system, issued green financial bonds, carried out investment in green bonds, and continuously developed innovative businesses such as green funds, green leasing and green wealth management to meet customers' diversified investment and financing needs. We also made steady progress in energy conservation and carbon reduction within our own operations, and conducted carbon emissions accounting for investment and financing activities. Ensuring both development and security, we comprehensively strengthened ESG risk management. As at the end of 2025, the balance of green loans was RMB5.93 trillion, representing an increase of 18.7% as compared to the end of the previous year.

The balance of green loans

RMB**5.93** trillion

an increase of **18.7**%

Inclusive Finance

We proactively assumed our responsibilities and missions to serve the real economy, and to benefit enterprises and the people as well as provide relief support. Pursuing high-quality development as our overarching task, driven by digital and intelligent management, and aiming to meet the financial needs of a broad range of market entities, we comprehensively advanced our strategy of rural and inclusive finance, expanded service scenarios, improved service models, optimized business processes, and solidified the development foundation, to effectively enhance our inclusive finance service capabilities and provide more convenient, affordable and sustainable financial services for small and micro enterprises, self-employed individuals, and rural households, among others. As at the end of 2025, the balance of inclusive loans amounted to RMB4.35 trillion, representing an increase of 20.9% as compared to the end of the previous year. The balance of inclusive loans to small and micro enterprises reached RMB3.93 trillion, representing an increase of 21.7% as compared to the end of the previous year. The number of inclusive small and micro enterprise customers with outstanding loan balances amounted to 5,239.4 thousand, representing an increase of 657.5 thousand customers as compared to the end of the previous year. Our role as a major bank in inclusive finance with the largest supply of inclusive loans, the broadest service coverage and leading capabilities in sustainable development was further consolidated.

The balance of inclusive loans

RMB**4.35** trillion

an increase of **20.9**%

Pension Finance

Focusing on the functional, people-centered and inclusive nature of pension finance, we built a service system with comprehensive product supply, all-channel age-friendly services, multi-tiered industry support, multi-dimensional customer group services, and multi-scenario ecosystem development, and strove to build a bank featuring pension finance that would satisfy the people. We continued to facilitate expanding the coverage of the three-pillar pension finance system. As at the end of 2025, the number of users of physical and electronic social security cards of the Bank reached 0.28 billion and 0.21 billion, respectively, both leading the banking industry. Our pension funds under entrusted management amounted to RMB388,134 million, representing an increase of 22.6% as compared to the end of the previous year. The number of private pension customers increased by 109.1% as compared to the end of the previous year, with contributed amounts rising by 101.5%, maintaining a leading position in the industry. We comprehensively enhanced the service experience of pension finance products. We innovatively launched the ABC Yi Yang Bao, a monthly payout product portfolio incorporating selected innovative products such as funds, insurance and wealth management products. We continued to optimize the "four-in-one" age-friendly service system. We established 3,300 model branch outlets for age-friendly services and upgraded the Pension Zone on mobile banking. We improved access to the service hotline via remote banking, providing 8 million person-times "direct access to staff" hotline services accumulatively. We also offered door-to-door caring services, delivering services to elderly customers for 1.30 million times. We strengthened multi-tiered support for the elderly care industry and actively implemented the PBOC's policies of re-lending facility aimed at boosting service consumption and elderly care. As at the end of 2025, the balance of loans to the elderly care industry amounted to RMB23.16 billion, representing an increase of 108.5% as compared to the end of the previous year.

The balance of loans to the elderly care industry

RMB**23.16** billion

an increase of **108.5**%

Digital Finance

Taking customer and employee satisfaction as the standard, we made every effort to advance the smart banking construction to make our digital operation model more mature, the business value continuously unleashed, and the sense of fulfillment and satisfaction of employees at foundation level significantly improved. We continued to promote the large-scale application of AI in areas such as customer service, risk prevention and control as well as internal management, and continuously enhanced the AI application capability system to effectively improve the precision and inclusiveness of financial services. We launched the 11.0 version of mobile banking with the number of monthly active users (MAU) continuing to lead the industry, and developed the Super Workbench as a standard productivity tool for frontline staff to conduct business operations, accelerating the coordinated online-offline operations. We deepened the application of data and models as tools, to provide stronger data support for enhancing financial services. We completed the mainframe migration and decommissioning which was the largest-scale project involving the largest number of customers in the banking industry. As at the end of 2025, the balance of ABC E-loan amounted to RMB6.80 trillion, representing an increase of 18.7% as compared to the end of the previous year, and the number of MAU of mobile banking exceeded 276 million.

The balance of ABC E-loan

RMB**6.80** trillion

an increase of **18.7**%

Financial Statement Analysis

Income Statement Analysis

In 2025, the Bank achieved a net profit of RMB292,003 million, representing an increase of RMB9,332 million, or 3.3% as compared to the previous year.

Changes of Significant Income Statement Items

In millions of RMB, except for percentages

Item	2025	2024	Increase/ (decrease)	Growth rate (%)
Net interest income	**569,594**	580,692	(11,098)	-1.9
Net fee and commission income	**88,085**	75,567	12,518	16.6
Other non-interest income	**67,452**	55,157	12,295	22.3
Operating income	**725,131**	711,416	13,715	1.9
Less: Operating expenses	**275,371**	261,180	14,191	5.4
Credit impairment losses	**127,189**	130,840	(3,651)	-2.8
Impairment losses on other assets	**18**	267	(249)	-93.3
Operating profit	**322,553**	319,129	3,424	1.1
Share of results of associates and joint ventures	**1,136**	72	1,064	1,477.8
Profit before tax	**323,689**	319,201	4,488	1.4
Less: Income tax expense	**31,686**	36,530	(4,844)	-13.3
Net profit	**292,003**	282,671	9,332	3.3
Attributable to: Equity holders of the Bank	**291,041**	282,083	8,958	3.2
Non-controlling interests	**962**	588	374	63.6

Net Interest Income

Net interest income was the largest component of our operating income, accounting for 78.6% of the operating income in 2025. Our net interest income was RMB569,594 million in 2025, representing a decrease of RMB11,098 million as compared to the previous year, among which, the increase in volume and changes in interest rates resulted in an increase of RMB44,049 million and a decrease of RMB55,147 million in net interest income, respectively. Our net interest margin and net interest spread were 1.28% and 1.16% respectively, representing a decrease of 14 and 11 BPs respectively, primarily due to a decrease in the yield of interest-earning assets as a result of the decrease of loan prime rate (LPR) and low market interest rates.

Operating income

RMB**725,131** million

an increase of **1.9**%

Operating profit

RMB**322,553** million

an increase of **1.1**%

Net profit

RMB**292,003** million

an increase of **3.3**%

The table below presents the average balance, interest income/expense, and average yield/cost of interest-earning assets and interest-bearing liabilities.

In millions of RMB, except for percentages

Item	2025 Average balance	2025 Interest income/ expense	2025 Average yield/cost (%)	2024 Average balance	2024 Interest income/ expense	2024 Average yield/cost (%)
Assets						
Loans and advances to customers	**26,163,780**	**752,296**	**2.88**	23,926,450	816,608	3.41
Debt securities investments[1]	**13,892,887**	**370,798**	**2.67**	12,041,470	360,219	2.99
Non-restructuring-related debt securities	**13,508,685**	**362,866**	**2.69**	11,657,259	350,578	3.01
Restructuring-related debt securities[2]	**384,202**	**7,932**	**2.06**	384,211	9,641	2.51
Balances with central banks	**2,609,436**	**39,816**	**1.53**	2,490,326	39,345	1.58
Amounts due from banks and other financial institutions[3]	**1,968,380**	**38,428**	**1.95**	2,471,020	59,508	2.41
Total interest-earning assets	**44,634,483**	**1,201,338**	**2.69**	40,929,266	1,275,680	3.12
Allowance for impairment losses	**(746,168)**			(736,259)		
Non-interest-earning assets	**1,900,221**			1,724,350		
Total assets	**45,788,536**			41,917,357		
Liabilities						
Deposits from customers	**30,715,539**	**412,528**	**1.34**	28,805,254	469,120	1.63
Amounts due to banks and other financial institutions[4]	**6,646,093**	**129,089**	**1.94**	5,221,861	128,403	2.46
Other interest-bearing liabilities[5]	**3,988,482**	**90,127**	**2.26**	3,617,599	97,465	2.69
Total interest-bearing liabilities	**41,350,114**	**631,744**	**1.53**	37,644,714	694,988	1.85
Non-interest-bearing liabilities	**1,327,726**			1,274,686		
Total liabilities	**42,677,840**			38,919,400		
Net interest income		**569,594**			580,692	
Net interest spread			**1.16**			1.27
Net interest margin			**1.28**			1.42

Notes:
1. *Debt securities investments include debt securities investments at fair value through other comprehensive income and debt securities investments at amortized cost.*
2. *Restructuring-related debt securities include the receivable from the MOF and the special government bonds.*
3. *Amounts due from banks and other financial institutions primarily include deposits with banks and other financial institutions, placements with and loans to banks and other financial institutions and financial assets held under resale agreements.*
4. *Amounts due to banks and other financial institutions primarily include deposits from banks and other financial institutions, placements from banks and other financial institutions as well as financial assets sold under repurchase agreements.*
5. *Other interest-bearing liabilities primarily include debt securities issued and borrowings from central banks.*

The table below presents the changes in net interest income due to changes in volume and interest rate.

In millions of RMB

	Increase/(decrease) due to		Net increase/ (decrease)
	Volume	Interest rate	
Assets			
Loans and advances to customers	64,331	(128,643)	(64,312)
Debt securities investments	49,414	(38,835)	10,579
Balances with central banks	1,817	(1,346)	471
Amounts due from banks and other financial institutions	(9,813)	(11,267)	(21,080)
Changes in interest income	105,749	(180,091)	(74,342)
Liabilities			
Deposits from customers	25,656	(82,248)	(56,592)
Amounts due to banks and other financial institutions	27,663	(26,977)	686
Other interest-bearing liabilities	8,381	(15,719)	(7,338)
Changes in interest expense	61,700	(124,944)	(63,244)
Changes in net interest income	**44,049**	**(55,147)**	**(11,098)**

Note: Changes caused by both volume and interest rate have been allocated to changes in volume.

Interest Income

We achieved interest income of RMB1,201,338 million in 2025, representing a decrease of RMB74,342 million as compared to the previous year, which was primarily due to a decrease in the yield of interest-earning assets.

Interest Income from Loans and Advances to Customers

Interest income from loans and advances to customers decreased by RMB64,312 million, or 7.9%, to RMB752,296 million as compared to the previous year, which was primarily due to a decrease in the yield of loans and advances to customers.

The table below presents the average balance, interest income and average yield of loans and advances to customers by business type.

In millions of RMB, except for percentages

	2025			2024		
Item	Average balance	Interest income	Average yield (%)	Average balance	Interest income	Average yield (%)
Corporate loans	**15,078,811**	**434,913**	**2.88**	13,975,369	466,683	3.34
Short-term corporate loans	**4,039,432**	**114,257**	**2.83**	3,667,634	120,325	3.28
Medium- and long-term corporate loans	**11,039,379**	**320,656**	**2.90**	10,307,735	346,358	3.36
Discounted bills	**1,624,835**	**14,306**	**0.88**	1,033,104	12,209	1.18
Retail loans	**9,078,970**	**287,845**	**3.17**	8,509,179	318,588	3.74
Overseas and others	**381,164**	**15,232**	**4.00**	408,798	19,128	4.68
Total loans and advances to customers	**26,163,780**	**752,296**	**2.88**	23,926,450	816,608	3.41

Interest Income from Debt Securities Investments

Interest income from debt securities investments was the second largest component of interest income. In 2025, the interest income of the Bank from debt securities investments increased by RMB10,579 million to RMB370,798 million as compared to the previous year, which was primarily due to an increase in the scale of debt securities investments.

Interest Income from Balances with Central Banks

Interest income from balances with central banks increased by RMB471 million to RMB39,816 million as compared to the previous year, which was primarily due to an increase in the average balance with central banks.

Interest Income from Amounts Due from Banks and Other Financial Institutions

Interest income from amounts due from banks and other financial institutions decreased by RMB21,080 million to RMB38,428 million as compared to the previous year, which was primarily due to a decrease in the scale and the average yield of amounts due from banks and other financial institutions.

Interest Expense

Interest expense decreased by RMB63,244 million to RMB631,744 million as compared to the previous year, which was primarily due to a decrease in the cost of interest-bearing liabilities.

Interest Expense on Deposits from Customers

Interest expense on deposits from customers decreased by RMB56,592 million to RMB412,528 million as compared to the previous year, which was primarily due to a decrease in the cost of deposits as a result of the our active efforts to implement the market-based adjustment mechanism for deposit interest rates and optimize the deposit structure.

Analysis of Average Cost of Deposits by Product Type

In millions of RMB, except for percentages

Item	2025 Average balance	2025 Interest expense	2025 Average cost (%)	2024 Average balance	2024 Interest expense	2024 Average cost (%)
Corporate deposits						
Time	**5,716,923**	**124,874**	**2.18**	5,679,769	142,842	2.51
Demand	**5,159,922**	**28,578**	**0.55**	5,318,010	49,549	0.93
Sub-Total	**10,876,845**	**153,452**	**1.41**	10,997,779	192,391	1.75
Retail deposits						
Time	**12,849,609**	**253,155**	**1.97**	11,207,177	264,234	2.36
Demand	**6,989,085**	**5,921**	**0.08**	6,600,298	12,495	0.19
Sub-Total	**19,838,694**	**259,076**	**1.31**	17,807,475	276,729	1.55
Total deposits from customers	**30,715,539**	**412,528**	**1.34**	28,805,254	469,120	1.63

Interest Expense on Amounts Due to Banks and Other Financial Institutions

Interest expense on amounts due to banks and other financial institutions increased by RMB686 million to RMB129,089 million as compared to the previous year, which was primarily due to an increase in deposits from banks and other financial institutions.

Interest Expense on Other Interest-bearing Liabilities

Interest expense on other interest-bearing liabilities decreased by RMB7,338 million to RMB90,127 million as compared to the previous year, which was primarily due to a decrease in the interest rates of interbank certificates of deposits and bonds as a result of low market interest rates.

Net Fee and Commission Income

In 2025, we generated net fee and commission income of RMB88,085 million, representing an increase of RMB12,518 million, or 16.6% as compared to the previous year, among which, agency commissions increased by 87.8%, which was primarily due to our deepening transformation of wealth management business, with increased income from wealth management and agency distribution of funds.

Composition of Net Fee and Commission Income

In millions of RMB, except for percentages

Item	2025	2024	Increase/ (decrease)	Growth rate (%)
Settlement and clearing	**10,661**	9,618	1,043	10.8
Consultancy and advisory	**12,927**	14,231	(1,304)	-9.2
Agency commissions	**30,464**	16,221	14,243	87.8
Bank card	**16,600**	16,741	(141)	-0.8
Electronic banking service	**25,648**	27,605	(1,957)	-7.1
Credit commitment	**1,010**	1,111	(101)	-9.1
Custodian and other fiduciary service	**4,283**	4,021	262	6.5
Others	**361**	417	(56)	-13.4
Fee and commission income	**101,954**	89,965	11,989	13.3
Less: Fee and commission expenses	**13,869**	14,398	(529)	-3.7
Net fee and commission income	**88,085**	75,567	12,518	16.6

Other Non-interest Income

In 2025, other non-interest income amounted to RMB67,452 million, representing an increase of RMB12,295 million as compared to the previous year. In particular, the net trading gain decreased by RMB8,600 million, which was primarily due to a decrease in net trading gain on derivative financial instruments; net gain on financial investments decreased by RMB4,723 million, which was primarily due to a decrease in net gain on financial instruments at fair value through profit or loss; net gain on derecognition of financial assets measured at amortized cost increased by RMB15,741 million, which was primarily due to an increase in income from disposal of debt securities investments; other operating income increased by RMB9,877 million, which was primarily due to an increase in the foreign exchange gains related to foreign exchange business.

Composition of Other Non-interest Income

In millions of RMB

Item	2025	2024
Net trading gain	**16,905**	25,505
Net gain on financial investments	**15,892**	20,615
Net gain on derecognition of financial assets measured at amortized cost	**22,908**	7,167
Other operating income	**11,747**	1,870
Total	**67,452**	55,157

Operating Expenses

In 2025, our operating expenses increased by RMB14,191 million to RMB275,371 million as compared to the previous year; cost-to-income ratio increased by 0.78 percentage point to 35.18% as compared to the previous year.

Composition of Operating Expenses

In millions of RMB, except for percentages

Item	2025	2024	Increase/ (decrease)	Growth rate (%)
Staff costs	**169,377**	160,469	8,908	5.6
General operating and administrative expenses	**62,259**	61,082	1,177	1.9
Insurance benefits and claims	**7,907**	6,276	1,631	26.0
Depreciation and amortization	**23,495**	22,869	626	2.7
Taxes and surcharges	**7,840**	7,548	292	3.9
Others	**4,493**	2,936	1,557	53.0
Total	**275,371**	261,180	14,191	5.4

Credit Impairment Losses

In 2025, our credit impairment losses amounted to RMB127,189 million, among which, impairment losses on loans increased by RMB11,126 million to RMB140,835 million as compared to the previous year.

Income Tax Expense

In 2025, our income tax expense decreased by RMB4,844 million, or 13.3%, to RMB31,686 million as compared to the previous year. The effective tax rate was 9.79%, which was lower than the statutory tax rate. This was primarily because the interest income from the PRC treasury bonds and local government bonds held by the Bank was exempted from enterprise income tax by the relevant tax laws.

Segment Reports

We assessed our performance and determined the allocation of resources based on the segment reports. Segment information has been presented in the same manner with that of internal management and reporting. At present, we manage our segments from the aspects of business lines, geographical regions and the County Area Banking Business.

The table below presents our operating income by business segment during the periods indicated.

In millions of RMB, except for percentages

Item	2025		2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Corporate banking business	**264,171**	**36.4**	278,878	39.2
Retail banking business	**383,573**	**52.9**	389,859	54.8
Treasury operations	**52,105**	**7.2**	18,972	2.7
Other business	**25,282**	**3.5**	23,707	3.3
Total operating income	**725,131**	**100.0**	711,416	100.0

The table below presents our operating income by geographic segment during the periods indicated.

In millions of RMB, except for percentages

Item	2025 Amount	2025 Percentage (%)	2024 Amount	2024 Percentage (%)
Head Office	**(17,995)**	**(2.5)**	(48,092)	(6.8)
Yangtze River Delta	**171,533**	**23.6**	176,253	24.8
Pearl River Delta	**107,303**	**14.8**	115,921	16.3
Bohai Rim	**113,124**	**15.6**	112,294	15.8
Central Region	**129,563**	**17.9**	132,039	18.6
Western Region	**163,133**	**22.5**	166,211	23.4
Northeastern Region	**26,754**	**3.7**	27,506	3.9
Overseas and others	**31,716**	**4.4**	29,284	4.0
Total operating income	**725,131**	**100.0**	711,416	100.0

Note: Please refer to "Note IV. 39 Geographical Operating Segments to the Consolidated Financial Statements" for details of geographic segments.

The table below presents our operating income from the County Area Banking Business and Urban Area Banking Business during the periods indicated.

In millions of RMB, except for percentages

Item	2025 Amount	2025 Percentage (%)	2024 Amount	2024 Percentage (%)
County Area Banking Business	**359,977**	**49.6**	349,547	49.1
Urban Area Banking Business	**365,154**	**50.4**	361,869	50.9
Total operating income	**725,131**	**100.0**	711,416	100.0

Balance Sheet Analysis

Assets

At 31 December 2025, our total assets amounted to RMB48,784,674 million, representing an increase of RMB5,546,539 million, or 12.8%, as compared to the end of the previous year. In particular, net loans and advances to customers increased by RMB2,201,341 million, or 9.2%; financial investments increased by RMB2,472,212 million, or 17.9%; cash and balances with central banks increased by RMB667,533 million, or 31.3%; deposits and placements with and loans to banks and other financial institutions decreased by RMB96,459 million, or 8.8%, which was primarily due to a decrease in deposits with banks; financial assets held under resale agreements increased by RMB193,420 million, or 14.1%, which was primarily due to an increase in debt securities held under resale agreements.

Key Items of Assets

In millions of RMB, except for percentages

Item	31 December 2025 Amount	31 December 2025 Percentage (%)	31 December 2024 Amount	31 December 2024 Percentage (%)
Total loans and advances to customers	**27,134,834**	**–**	24,906,187	–
Less: Allowance for impairment losses on loans at amortized cost	**956,480**	**–**	929,174	–
Loans and advances to customers, net	**26,178,354**	**53.7**	23,977,013	55.5
Financial investments	**16,321,315**	**33.4**	13,849,103	32.0
Cash and balances with central banks	**2,801,985**	**5.7**	2,134,452	4.9
Deposits and placements with and loans to banks and other financial institutions	**1,005,264**	**2.1**	1,101,723	2.5
Financial assets held under resale agreements	**1,564,991**	**3.2**	1,371,571	3.2
Others	**912,765**	**1.9**	804,273	1.9
Total assets	**48,784,674**	**100.0**	43,238,135	100.0

Loans and Advances to Customers

At 31 December 2025, our total loans and advances to customers amounted to RMB27,134,834 million, representing an increase of RMB2,228,647 million, or 8.9%, as compared to the end of the previous year.

Distribution of Loans and Advances to Customers by Business Type

In millions of RMB, except for percentages

Item	31 December 2025 Amount	31 December 2025 Percentage (%)	31 December 2024 Amount	31 December 2024 Percentage (%)
Domestic loans	**26,701,203**	**98.6**	24,466,136	98.4
Corporate loans	**15,485,867**	**57.2**	14,144,003	56.8
Discounted bills	**1,952,660**	**7.2**	1,507,921	6.1
Retail loans	**9,262,676**	**34.2**	8,814,212	35.5
Overseas and others	**381,443**	**1.4**	390,115	1.6
Sub-Total	**27,082,646**	**100.0**	24,856,251	100.0
Accrued interest	**52,188**	**–**	49,936	–
Total	**27,134,834**	**–**	24,906,187	–

Distribution of Corporate Loans by Maturity

In millions of RMB, except for percentages

Item	31 December 2025 Amount	31 December 2025 Percentage (%)	31 December 2024 Amount	31 December 2024 Percentage (%)
Short-term corporate loans	**4,175,045**	**27.0**	3,478,420	24.6
Medium- and long-term corporate loans	**11,310,822**	**73.0**	10,665,583	75.4
Total	**15,485,867**	**100.0**	14,144,003	100.0

Distribution of Corporate Loans by Industry[1]

In millions of RMB, except for percentages

Item	31 December 2025 Amount	Percentage (%)	31 December 2024 Amount	Percentage (%)
Manufacturing	**2,535,619**	**16.5**	2,356,480	16.7
Production and supply of electricity, heating, gas and water	**1,772,301**	**11.4**	1,606,497	11.4
Real estate	**874,310**	**5.6**	858,127	6.1
Transportation, storage and postal services	**3,171,653**	**20.5**	2,967,712	20.8
Wholesale and retail	**1,009,117**	**6.5**	867,917	6.1
Water, environment and public utilities management	**1,357,939**	**8.8**	1,267,293	9.0
Construction	**605,652**	**3.9**	546,646	3.9
Mining	**326,921**	**2.1**	288,314	2.0
Leasing and commercial services	**2,572,276**	**16.6**	2,334,026	16.5
Finance	**465,237**	**3.0**	389,722	2.8
Information transmission, software and IT services	**146,782**	**0.9**	106,693	0.8
Others[2]	**648,060**	**4.2**	554,576	3.9
Total	**15,485,867**	**100.0**	14,144,003	100.0

Notes: 1. Classification of the loans in the above table is based on the industries in which the borrowers operate.
2. Others mainly include agriculture, forestry, animal husbandry, fishery, public health, and social work, etc.

At 31 December 2025, the top five major industries for our corporate loans include: (1) transportation, storage and postal services; (2) leasing and commercial services; (3) manufacturing; (4) production and supply of electricity, heating, gas and water; and (5) water, environment and public utilities management. Aggregate loan balance of the top five major industries accounted for 73.8% of our total corporate loans, representing a decrease of 0.6 percentage point as compared to the end of the previous year.

Distribution of Retail Loans by Product Type

In millions of RMB, except for percentages

Item	31 December 2025 Amount	Percentage (%)	31 December 2024 Amount	Percentage (%)
Residential mortgage loans	**4,816,355**	**52.0**	4,984,592	56.6
Personal consumption loans	**604,758**	**6.5**	476,391	5.4
Loans to private business	**2,991,201**	**32.3**	2,494,263	28.3
Credit card balances	**850,087**	**9.2**	858,811	9.7
Others	**275**	**–**	155	–
Total	**9,262,676**	**100.0**	8,814,212	100.0

At 31 December 2025, our retail loans increased by RMB448,464 million, or 5.1%, as compared to the end of the previous year. In particular, personal consumption loans (including credit card balances) increased by RMB119,643 million, or 9.0%, as compared to the end of the previous year, primarily due to our continuous increase in the granting of consumption loans, resulting from our focus on the integration into consumption scenarios such as education, tourism and culture, efforts in supporting the consumer goods trade-in programs, and advancement of the government's fiscal interest subsidy programs for consumption loans in a steady and orderly manner. Loans to private business increased by RMB496,938 million, or 19.9%, as compared to the end of the previous year, primarily due to our implementation of the coordination mechanism for supporting small and micro enterprises in obtaining financing, deep cultivation of County Areas and rural areas market, and active response to the financing demands of customer groups such as small and micro enterprise owners, self-employed individuals and rural households, etc.

Distribution of Loans and Advances to Customers by Geographic Region

In millions of RMB, except for percentages

Item	31 December 2025		31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Head Office	1,081,629	4.0	920,361	3.7
Yangtze River Delta	6,509,002	23.9	6,029,691	24.3
Pearl River Delta	4,186,481	15.5	3,895,277	15.7
Bohai Rim	3,617,191	13.4	3,354,604	13.5
Central Region	4,521,692	16.7	4,072,430	16.4
Northeastern Region	861,442	3.2	769,852	3.1
Western Region	5,923,766	21.9	5,423,921	21.7
Overseas and others	381,443	1.4	390,115	1.6
Sub-Total	27,082,646	100.0	24,856,251	100.0
Accrued interest	52,188	–	49,936	–
Total	27,134,834	–	24,906,187	–

Financial Investments

At 31 December 2025, our financial investments amounted to RMB16,321,315 million, representing an increase of RMB2,472,212 million, or 17.9%, as compared to the end of the previous year. In particular, investments in non-restructuring-related debt securities increased by RMB2,421,686 million as compared to the end of the previous year, primarily due to an increase in the investments in government bonds.

Distribution of Financial Investments by Product Type

In millions of RMB, except for percentages

Item	31 December 2025		31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Non-restructuring-related debt securities	15,465,515	95.9	13,043,829	95.5
Restructuring-related debt securities	384,198	2.4	384,206	2.8
Equity instruments	161,160	1.0	127,573	0.9
Others	108,852	0.7	110,735	0.8
Sub-Total	16,119,725	100.0	13,666,343	100.0
Accrued interest	201,590	–	182,760	–
Total	16,321,315	–	13,849,103	–

Distribution of Non-restructuring-related Debt Securities Investments by Issuer

In millions of RMB, except for percentages

Item	31 December 2025 Amount	31 December 2025 Percentage (%)	31 December 2024 Amount	31 December 2024 Percentage (%)
Government bonds	**12,211,392**	**79.0**	9,205,375	70.6
Bonds issued by policy banks	**1,418,806**	**9.2**	1,628,909	12.5
Bonds issued by banks and other financial institutions	**1,229,774**	**8.0**	1,737,001	13.3
Bonds issued by entities in public sectors	**258,824**	**1.7**	246,490	1.9
Corporate bonds	**346,719**	**2.1**	226,054	1.7
Total	**15,465,515**	**100.0**	13,043,829	100.0

Distribution of Non-restructuring-related Debt Securities Investments by Remaining Maturity

In millions of RMB, except for percentages

Remaining Maturity	31 December 2025 Amount	31 December 2025 Percentage (%)	31 December 2024 Amount	31 December 2024 Percentage (%)
Less than 3 months	**605,100**	**3.9**	686,076	5.3
3-12 months	**1,866,857**	**12.1**	1,857,564	14.2
1-5 years	**6,088,729**	**39.4**	4,019,528	30.8
Over 5 years	**6,904,829**	**44.6**	6,480,661	49.7
Total	**15,465,515**	**100.0**	13,043,829	100.0

Distribution of Non-restructuring-related Debt Securities Investments by Currency

In millions of RMB, except for percentages

Item	31 December 2025 Amount	31 December 2025 Percentage (%)	31 December 2024 Amount	31 December 2024 Percentage (%)
RMB	**14,974,971**	**96.8**	12,593,350	96.5
USD	**365,662**	**2.4**	371,985	2.9
Other foreign currencies	**124,882**	**0.8**	78,494	0.6
Total	**15,465,515**	**100.0**	13,043,829	100.0

Distribution of Financial Investments by Business Models and Characteristics of Contractual Cash Flows

In millions of RMB, except for percentages

Item	31 December 2025 Amount	31 December 2025 Percentage (%)	31 December 2024 Amount	31 December 2024 Percentage (%)
Financial assets at fair value through profit or loss	**556,994**	**3.5**	513,306	3.8
Debt investments at amortized cost	**11,628,715**	**72.1**	9,748,446	71.3
Other debt instruments and other equity investments at fair value through other comprehensive income	**3,934,016**	**24.4**	3,404,591	24.9
Sub-Total	**16,119,725**	**100.0**	13,666,343	100.0
Accrued interest	**201,590**	**–**	182,760	–
Total	**16,321,315**	**–**	13,849,103	–

Investment in Financial Bonds

Financial bonds refer to securities issued by policy banks, banks and other financial institutions, the principals and interests of which are to be repaid pursuant to a pre-determined schedule. At 31 December 2025, the balance of financial bonds held by the Bank was RMB2,648,580 million, including bonds of RMB1,418,806 million issued by policy banks and bonds of RMB1,229,774 million issued by banks and other financial institutions.

The table below presents the top ten financial bonds held by the Bank in terms of nominal value at 31 December 2025.

In millions of RMB, except for percentages

Bond	Face value	Annual interest rate	Maturity date	Allowance[1]
2020 policy bank bond	49,985	3.74%	2030/11/16	–
2020 policy bank bond	48,430	3.79%	2030/10/26	–
2021 policy bank bond	47,385	3.38%	2031/07/16	–
2021 policy bank bond	47,023	3.30%	2031/11/05	–
2021 policy bank bond	41,988	3.52%	2031/05/24	–
2021 policy bank bond	40,558	3.22%	2026/05/14	–
2022 policy bank bond	38,391	3.18%	2032/03/11	–
2022 policy bank bond	38,355	3.06%	2032/06/06	–
2022 policy bank bond	34,332	2.91%	2029/02/21	–
2021 policy bank bond	34,080	3.48%	2028/02/04	–

Note: 1. Allowance in this table refers to allowance for impairment losses in stage II and stage III, not including allowance for impairment losses in stage I.

Liabilities

At 31 December 2025, our total liabilities amounted to RMB45,541,303 million, representing an increase of RMB5,400,441 million, or 13.5%, as compared to the end of the previous year. In particular, deposits from customers increased by RMB2,344,590 million, or 7.7%; deposits and placements from banks and other financial institutions increased by RMB1,357,737 million, or 27.0%, mainly due to an increase in deposits from domestic financial institutions; financial assets sold under repurchase agreements increased by RMB838,117 million, or 136.1%, mainly due to an increase in bond repurchase; debt securities issued increased by RMB585,378 million, or 21.9%, mainly due to the issuance of interbank certificates of deposits and financial bonds.

Key Items of Liabilities

In millions of RMB, except for percentages

Item	31 December 2025 Amount	31 December 2025 Percentage (%)	31 December 2024 Amount	31 December 2024 Percentage (%)
Deposits from customers	**32,649,947**	**71.7**	30,305,357	75.5
Deposits and placements from banks and other financial institutions	**6,389,320**	**14.0**	5,031,583	12.5
Financial assets sold under repurchase agreements	**1,453,842**	**3.2**	615,725	1.5
Debt securities issued	**3,263,887**	**7.2**	2,678,509	6.7
Other liabilities	**1,784,307**	**3.9**	1,509,688	3.8
Total liabilities	**45,541,303**	**100.0**	40,140,862	100.0

Deposits from Customers

At 31 December 2025, the balance of our deposits from customers amounted to RMB32,649,947 million, representing an increase of RMB2,344,590 million, or 7.7%, as compared to the end of the previous year. In terms of customer structure, the proportion of retail deposits increased by 1.8 percentage points to 64.6% as compared to the end of the previous year. In terms of maturity structure, the proportion of demand deposits decreased by 1.7 percentage points to 39.2% as compared to the end of the previous year.

Distribution of Deposits from Customers by Business Type

In millions of RMB, except for percentages

Item	31 December 2025 Amount	31 December 2025 Percentage (%)	31 December 2024 Amount	31 December 2024 Percentage (%)
Domestic deposits	**31,973,985**	**99.5**	29,611,505	99.4
Corporate deposits	**10,286,009**	**32.0**	10,059,292	33.7
Time	**5,083,187**	**15.8**	4,837,501	16.2
Demand	**5,202,822**	**16.2**	5,221,791	17.5
Retail deposits	**20,761,096**	**64.6**	18,692,180	62.8
Time	**13,361,728**	**41.6**	11,750,277	39.4
Demand	**7,399,368**	**23.0**	6,941,903	23.4
Other deposits[1]	**926,880**	**2.9**	860,033	2.9
Overseas and others	**171,722**	**0.5**	175,174	0.6
Sub-Total	**32,145,707**	**100.0**	29,786,679	100.0
Accrued interest	**504,240**	**–**	518,678	–
Total	**32,649,947**	**–**	30,305,357	–

Note: 1. Including margin deposits, remittance payables and outward remittance.

Distribution of Deposits from Customers by Geographic Region

In millions of RMB, except for percentages

Item	31 December 2025 Amount	31 December 2025 Percentage (%)	31 December 2024 Amount	31 December 2024 Percentage (%)
Head Office	**165,460**	**0.5**	91,941	0.3
Yangtze River Delta	**7,365,168**	**22.9**	6,981,158	23.5
Pearl River Delta	**4,465,667**	**13.9**	4,260,191	14.3
Bohai Rim	**5,729,085**	**17.8**	5,286,682	17.7
Central Region	**5,701,354**	**17.8**	5,215,174	17.5
Northeastern Region	**1,877,604**	**5.9**	1,552,230	5.2
Western Region	**6,667,454**	**20.7**	6,224,129	20.9
Overseas and others	**173,915**	**0.5**	175,174	0.6
Sub-Total	**32,145,707**	**100.0**	29,786,679	100.0
Accrued interest	**504,240**	**–**	518,678	–
Total	**32,649,947**	**–**	30,305,357	–

Distribution of Deposits from Customers by Remaining Maturity

In millions of RMB, except for percentages

Item	31 December 2025 Amount	31 December 2025 Percentage (%)	31 December 2024 Amount	31 December 2024 Percentage (%)
Demand	**13,443,398**	**41.8**	12,915,799	43.3
Less than 3 months	**4,077,928**	**12.7**	3,680,897	12.4
3-12 months	**6,351,318**	**19.8**	5,578,773	18.7
1-5 years	**8,237,431**	**25.6**	7,609,342	25.5
Over 5 years	**35,632**	**0.1**	1,868	0.1
Sub-Total	**32,145,707**	**100.0**	29,786,679	100.0
Accrued interest	**504,240**	**–**	518,678	–
Total	**32,649,947**	**–**	30,305,357	–

Quality of Liabilities

The Bank fully implements all regulatory provisions and related system requirements, continuously optimizes the mechanism for liability quality management in accordance with the principle of compatibility with our business strategy, risk appetite and overall business characteristics, and actively carries out work related to liability quality management. During the reporting period, the Bank adhered to the customer-centered business philosophy, continuously enhancing the adaptability of liability products and services to economic and social development and the needs of the people; comprehensively enhanced the management of "Six Aspects", continuously improving the quality and efficiency of management of aspects including stability of the liability sources, diversity of liability structure, rationality of the matching between liabilities and assets, initiative in obtaining liabilities, appropriateness of liability costs, and authenticity of liability items, and consolidated the foundation for high-quality development of liability business, so as to ensure that all indicators fully met regulatory requirements.

Shareholders' Equity

At 31 December 2025, our shareholders' equity amounted to RMB3,243,371 million, representing an increase of RMB146,098 million, or 4.7%, as compared to the end of the previous year. Net assets per ordinary share were RMB7.91, representing an increase of RMB0.51 as compared to the end of the previous year.

The table below presents the composition of shareholders' equity at the dates indicated.

In millions of RMB, except for percentages

Item	31 December 2025 Amount	31 December 2025 Percentage (%)	31 December 2024 Amount	31 December 2024 Percentage (%)
Ordinary shares	**349,983**	**10.8**	349,983	11.3
Other equity instruments	**470,000**	**14.5**	500,000	16.1
Capital reserve	**173,426**	**5.3**	173,419	5.6
Surplus reserve	**330,932**	**10.2**	301,841	9.7
General reserve	**570,282**	**17.6**	532,991	17.2
Retained earnings	**1,272,603**	**39.2**	1,150,758	37.3
Other comprehensive income	**69,956**	**2.2**	81,816	2.6
Non-controlling interests	**6,189**	**0.2**	6,465	0.2
Total	**3,243,371**	**100.0**	3,097,273	100.0

Off-balance Sheet Items

Off-balance sheet business refers to business engaged by the Bank that is not recorded on the balance sheet under current accounting standards for enterprises and does not form actual assets or liabilities, but may lead to changes in profit or loss. Based on the characteristics and legal relationships, off-balance sheet business is categorized into guarantees and commitments, agency investment and financing services, intermediary services, and others. For details on off-balance sheet items such as credit commitments and capital expenditure commitments, please refer to Note IV.42 Contingent liabilities and commitments to the Consolidated Financial Statements.

In 2025, adhering to the principle of prudent operations, the Bank highly prioritized off-balance sheet business development and risk control. It fully implemented regulatory requirements, specified development objectives for off-balance sheet business, continued to optimize off-balance sheet business management strategies and improved relevant systems, measures and management procedures. It integrated off-balance sheet business into the comprehensive risk management system and continuously enhanced off-balance sheet business risk management and control capabilities to consolidate the foundation for the development of off-balance sheet business across the Bank.

Other Financial Information

Changes in Accounting Policies

There were no significant changes in accounting policies during the reporting period.

Differences between the Consolidated Financial Statements Prepared under IFRS Accounting Standards and those Prepared under CASs

There were no differences in the net profit or shareholders' equity, during the reporting period, between the Consolidated Financial Statements of the Bank prepared under IFRS Accounting Standards and the corresponding figures prepared in accordance with CASs.

Other Financial Indicators

		Regulatory Standard	**31 December 2025**	31 December 2024	31 December 2023
Liquidity ratio[1] (%)	RMB	≥25	**97.01**	85.34	75.42
	Foreign currency	≥25	**164.41**	181.05	182.67
Percentage of loans to the largest single customer[2] (%)		≤10	**2.58**	2.64	1.99
Percentage of loans to the top ten customers[3] (%)			**13.87**	13.79	12.02
Loan migration ratio[4] (%)	Normal		**1.28**	1.26	1.39
	Special mention		**21.30**	18.61	23.85
	Substandard		**37.25**	39.37	35.45
	Doubtful		**65.62**	22.98	17.29

Notes:
1. *Calculated by dividing current assets by current liabilities in accordance with the relevant regulations of the NFRA.*
2. *Calculated by dividing total loans to the largest single customer (excluding accrued interest) by net capital.*
3. *Calculated by dividing total loans to the top ten customers (excluding accrued interest) by net capital.*
4. *Calculated in accordance with relevant regulations of the NFRA.*

Business Review

Corporate Banking

During the reporting period, we focused on serving the building of modernized industrial systems, took proactive and effective actions in the "Five Priorities" of finance, and stepped up efforts to support fostering new quality productive forces. We fully leveraged our advantages in integrated operations, and increased financial support for major national strategies, key areas and weak links. Being customer-centered, we deepened customer management classified by groups and layers, strengthened technological empowerment and intelligent marketing, so as to promote the high-quality development of our corporate banking business. As at the end of 2025, the balance of domestic corporate deposits amounted to RMB10,286,009 million. The balance of domestic corporate loans and discounted bills amounted to RMB17,438,527 million, representing an increase of RMB1,786,603 million as compared to the end of the previous year. As at the end of 2025, we had 13,294.7 thousand corporate banking customers, among which 647.6 thousand customers had outstanding loan balances, representing an increase of 40.1 thousand customers as compared to the end of the previous year.

- We implemented the national strategy of building a manufacturing powerhouse. Focusing on advanced manufacturing, industrial transformation and upgrading, industrial green development, industrial chain and supply chain and other fields, we strengthened policy support and resource supply, optimized financial products and service models, and supported large-scale equipment upgrades, as well as the transformation, upgrading and high-quality development of the manufacturing industry. As at the end of 2025, the contracted loans under the program for technology transformation and equipment upgrades reached RMB403.5 billion, and the balance of loans was RMB173.0 billion, representing an increase of RMB147.2 billion as compared to the end of the previous year; the balance of loans granted to the manufacturing industry (based on the distribution of loans) amounted to RMB3.72 trillion, representing an increase of RMB474.1 billion or 14.6% as compared to the end of the previous year.

- We served national strategies of regional development. We took advantage of our omni-channel, full range of products and multiple licenses and strengthened differentiated policy support to comprehensively serve national strategies of regional development, such as Coordinated Development of the Beijing-Tianjin-Hebei Region, Integrated Development of the Yangtze River Delta, Guangdong-Hong Kong-Macao Greater Bay Area and Chengdu-Chongqing Economic Circle, with an increase of RMB1.09 trillion in loans to corporate customers in 2025.

- We supported the high-quality development of the private sector. We formulated an action plan to improve the quality and efficiency of services for private enterprises. We strengthened credit supply, increased financial support for the private enterprises in key fields such as rural revitalization, technology, inclusiveness and green transformation, and supported private enterprises in participating in high-quality private investment projects under the investment-loan linkage mechanism of the National Development and Reform Commission. As at the end of 2025, the balance of loans granted to private enterprises was RMB7.57 trillion, representing an increase of RMB1,033.1 billion or 15.8% as compared to the end of the previous year.

- We supported the stable operation of the capital market. As one of the first batch of banks approved to participate in central bank lending facility for share buybacks and shareholding increases, we established an efficient linkage mechanism among the Head Office, branches and sub-branches, provided proactive services, marketed from the source, and built a whole-chain service system covering solution design to follow-up management with a focus on the core needs of high-quality listed companies. We granted loans to companies in multiple sectors, with the cumulative amount maintaining a stable leading position in the banking industry.

- We promoted digital transformation. We improved the intelligent marketing management platform and a series of digital support tools to further enhance the financial service capabilities in support of modernized industry.

- We continuously and deeply built the transaction banking system based on account services and payment and settlement to facilitate the high-quality development of transaction banking business. We fully leveraged technology empowerment, enhanced our account service capabilities in terms of process design and customer outreach, among other dimensions, and optimized the corporate account opening process, to meet customers' diverse demands. As at the end of 2025, we had 16,507.7 thousand corporate RMB-denominated settlement accounts.

Institutional Banking

Adhering to the customer-centered principle, we promoted the smart scenarios construction and improved the customer service efficiency to promote the high-quality development of institutional banking. As at the end of 2025, we had 849.3 thousand institutional banking customers, representing an increase of 52.8 thousand customers as compared to the end of the previous year[1].

- In terms of financial services to the governments, we focused on four customer segments, namely, government agencies, political and legal institutions, public organizations and foundation-level organizations, and implemented measures tailored to each segment for targeted empowerment, thus achieving improvements in both customer base and service capabilities.

- In terms of fiscal and social security, we supported the fiscal budget institutional reform and facilitated the front-loaded implementation of a more proactive fiscal policy. We were awarded the excellent agent bank for central fiscal authorized payments by the MOF for eight consecutive years, and the excellent agent bank for central non-tax revenue collection by the MOF for 15 consecutive years. We deepened cooperation on social security and medical insurance business and consolidated the medical insurance service network, with the number of qualifications for cooperation in mobile payment of medical bills under medical insurance and medical insurance QR code users both ranking first in the banking industry.

- In terms of services to people's livelihood, we remained committed to ensuring and improving the people's wellbeing, and provided high-quality financial services to 1,530 universities and colleges, 844 Grade-A tertiary hospitals, as well as tens of millions of teachers, students and patients. Our services covered 98% of housing fund management centers.

- In terms of services to financial institutions, the contracted customers for third-party depository services amounted to 90.00 million, representing an increase of 8.77 million customers as compared to the end of the previous year.

---

1 *The statistical standard was adjusted.*

Investment Banking

We focused on the "Five Priorities" of finance, and continued to deepen the development of the first-class investment banking division of commercial banks. In 2025, the income from our investment banking business was RMB10,849 million.

- We focused on the financing demands of the real economy. We fully leveraged the advantages of the syndicated loan business to effectively meet the financing demands of customers in key sectors, with the scale of syndicated loans amounting to RMB3.25 trillion. We expanded securitization service methods and built a multi-level and diversified securitization service system to support the revitalization of existing assets of the real economy. We leveraged the Group's advantages in integrated operations with multiple licenses, and established and improved the "ABC EMATCH" matchmaking service system, with our comprehensive financial service capability for customers and the overall value contribution of our investment banking business both significantly enhanced.

- We deepened the strategic layout of technology finance. We advanced the establishment of AIC equity investment pilot funds and the investment in projects by such funds in a steady and orderly manner. As at the end of 2025, we had set up a total of 27 pilot funds and 31 sci-tech innovation projects were invested by such funds. We participated in the establishment of the Zhejiang Social Security Sci-tech Innovation Fund, the first and largest of equity investment funds in China launched jointly by the SSF and major state-owned banks, to provide patient capital for the cultivation and development of new quality productive forces. We underwrote the first batch of sci-tech innovation bonds, covering both technology enterprises and equity investment institutions, and providing strong support for rural revitalization and private technology enterprises, with RMB220.6 billion of sci-tech innovation bonds underwritten in 2025. We actively implemented the pilot policies on M&A loans targeting technology companies to greatly support their mergers, acquisitions and reorganizations in sci-tech innovation sector.

- We accelerated digital transformation and upgrading. We continuously advanced the construction and application of the ABC SISON platform, and enriched the platform's service resources to enhance our online customer service capabilities. Based on large model technology and enterprise-level knowledge bases, we developed and launched the intelligent Q&A platform for investment banking and actively piloted new scenarios for intelligent applications.

Retail Banking

Pursuing high-quality development as our overarching task, we persistently followed the development strategy of "One Main Body with Two Wings" for retail banking (namely, customer construction as the main body, unswervingly promoting broad wealth management and digital transformation as the two wings). We continuously deepened the transformation of service models, strove to build a retail banking customer service system that was refined, comprehensive, digital and intelligent, and to become the preferred principal bank for customers. We deepened whole-process broad wealth management services to help boost households' property income. We increased the supply of retail loans, optimized the full-scenario payment experience, and enhanced the quality and efficiency of services for domestic demand expansion and consumption promotion. Adhering to putting people's livelihood first, we reinforced the allocation of financial resources in key areas, and continuously supported the fulfillment of the people's pursuit of a better life.

Customer Management

Consistently adhering to the customer-centered principle, through the "four-wheel drive" of value, reform, organization, and digitalization and intelligence, we continued to build and refine a service system that responded to the evolving needs of customers in the new era, and further enhanced our "financial + non-financial" integrated service capabilities. As at the end of 2025, the total number of our retail banking customers reached 896 million, maintaining the first in the banking industry.

- We adhered to value-driven development. Taking the fulfillment of people's pursuit of a better life as our initial motivation and ultimate objective, we continued to improve services for key customer groups such as elderly customers, rural residents, and new urban residents. We innovatively launched the ABC Yi Yang Bao, a monthly payout product portfolio, and organized nearly 6,000 offline service activities of the ABC Elderly Festival. Nearly 20,000 rural revitalization service vanguard teams were organized to visit villages and rural households, addressing the last-mile gap in accessing financial services. We also introduced the Beautiful Life debit cards, expanded the service coverage of internet finance projects for new urban residents, and carried out thematic Customer Caring Service Month campaigns, further optimizing our services for new urban residents.

- We adhered to reform-driven development. We implemented the concept of "One Customer, One Bank", and built a service system integrating grouped maintenance, layered benefits, leveled management, integrated operations, and consolidated strategies. We systematically implemented a refined service strategy of "classification by groups first, layers next" to meet customers' needs in a differentiated manner. We comprehensively reshaped the customer rating system, and launched the upgraded Star-rated Privilege Service Zone, which further improved customers' benefits. We established a service network with "staff + digitalization and intelligence" collaborative customer management to enhance comprehensive service capabilities for all customers. We strengthened system coordination across business lines and fields to continuously improve the response efficiency and service experience.

- We adhered to organization-driven development. We continued to build a retail service workforce in the new era with Mr. Rao Caifu as the model, and carried out professional capability training by level and by specialty. We systematically established a knowledge system covering thematic research, case sharing, and micro-lesson learning. We further optimized the customer manager management mechanism encompassing training empowerment, performance evaluation and incentives, technological support, and management guarantee. We consolidated the building of our teams including the digital direct marketing team and wealth advisors, realizing coordinated delivery of integrated and professional services to customers.

- We adhered to digitalization and intelligence-driven development. We deepened the application of the "AI+" digital and intelligent technologies, enhanced the multi-agent collaborative capabilities of our digital employee "Yiming", and strengthened intelligent support in fields such as customer service and business management. We advanced the expansion and upgrading of the systems of digital and intelligent tools based on the DCRM system (digital customer relationship management system for retail banking). We leveraged intelligent outbound calls and WeCom to expand the coverage of direct marketing services, and upgraded the Close to Client, an all-scenario outreach marketing service platform. With these efforts, we strengthened the intelligent level of customer service across the whole chain.

Broad Wealth Management

We continued to enhance our professional wealth management service capabilities, strengthened whole-process companionship, and created long-term value for customers, striving to become a family financial planner trusted by customers. As at the end of 2025, the assets under management of our retail banking customers reached RMB24.68 trillion, ranking among the first tier in the banking industry; the balance of domestic retail deposits amounted to RMB20,761,096 million, representing an increase of RMB2,068,916 million as compared to the end of the previous year, maintaining a leading position in the banking industry.

- We continued to improve our open wealth management platform. Adhering to the principle of "reasonable expectations and qualified delivery", we strengthened internal collaboration within the Group and deepened external cooperation, gathered high-quality wealth management institutions, products and experts, among other resources, and expanded our network of partners, to enhance customer service capabilities in a coordinated manner and contribute to the prosperity of the wealth management ecosystem.

- We continuously advanced the supply-side reform of wealth management products. Through innovation and selection, we enriched the supply of products and refined the product portfolio. We increased the supply of protection-oriented insurance products and commercial insurance annuity products, actively deployed floating management fee funds, and rolled out new products such as ABC Kuai E Bao No.2, a new money market fund portfolio product. We continuously improved our low volatility and steady-return wealth management products. We also optimized the scientific product evaluation mechanism, striving to build a full-spectrum and high-quality wealth product shelf.

- We continued to build whole-process, professional service capabilities. Based on customers' needs and their risk preferences, we provided sustainable wealth growth solutions of "deposits + wealth management + other products/services", and improved the whole process service model of "demand insights + asset allocation + post-investment accompany", to improve customer investment experience. We intensified efforts to build the wealth management service team, to further enhance customer service capabilities.

Retail Loans

- We practiced the principle of "finance for the people". With a focus on national strategies such as expanding domestic demand, vigorously boosting consumption, as well as ensuring and improving the people's wellbeing, we fully leveraged our extensive network of outlets spanning both urban and rural areas to continuously increase the granting of retail loans. As at the end of 2025, the balance of retail loans reached RMB9,262,676 million, representing an increase of RMB448,464 million as compared to the end of the previous year, making it the first among peers to surpass the RMB9 trillion.

- We implemented the requirements for stabilizing the real estate market. We actively adapted to changes in supply and demand of the real estate market, supported high-quality urban renewal initiatives, and met the housing needs of customer groups such as new urban residents and rural migrant workers, to help consolidate the momentum of stemming the downturn and restoring stability in the real estate market. In 2025, we granted retail residential mortgage loans of RMB547.3 billion.

- We closely aligned with national policies to boost consumption. We focused on the integration and innovation of consumption scenarios such as education, tourism and culture, and optimized relevant financial service measures. We supported consumer goods trade-in programs by carrying out special financial service activities. We advanced the government's fiscal interest subsidy programs for consumption loans in a steady and orderly manner. Through the above comprehensive efforts, we supported the stimulation of household consumption and helped release the consumption potential. As at the end of 2025, the balance of personal consumption loans (including credit card balances) reached RMB1.45 trillion, representing an increase of RMB119.6 billion as compared to the end of the previous year.

- We actively served the development of the agriculture, rural areas and rural residents, inclusive groups, and the real economy. Adhering to a dual-wheel strategy of "city + county", we implemented the coordination mechanism for supporting small and micro enterprises in obtaining financing, and made an active response to the financing demands of customer groups such as small and micro enterprise owners, self-employed individuals and rural households. We optimized service models based on local conditions and customer characteristics, continued to improve flagship products such as Merchant Loan and Rural Household Loan, and intensified the in-depth application of digital and intelligent technologies to expand customer coverage and enhance the quality and efficiency of financial services. As at the end of 2025, the balance of loans to private business reached RMB2.99 trillion, representing an increase of RMB496.9 billion as compared to the end of the previous year.

Bank Card Business

- We continuously advanced the transformation of debit card business and built a new-generation debit card product management system. We upgraded the debit card customization functions to better meet customers' personalized needs. We forged the proprietary activity brand "Money-Saving Monthly Card", and collaborated with UnionPay as well as leading payment institutions to launch a series of consumption-boosting activities, such as Welcome Rewards for first-time card binding, Threshold Discounts for payment, Targeted Customer Activation, Government Subsidy Measures for benefiting the people, and supporting agriculture and rural industries, so as to contribute to the consumption recovery. We also continued to implement the measures of fee reduction and interest concession, exempting annual fees and minimum balance fees for eligible accounts. As at the end of 2025, we had 1,227 million existing debit cards, with 62,399.3 thousand debit cards newly issued in 2025, recording a total of RMB24.6 trillion of debit card consumption transactions in 2025.

- Aligning with national special initiatives to boost consumption, we increased support for consumer goods trade-in programs and partnered with major e-commerce platforms to carry out marketing campaigns, to ensure that the policies aimed at benefiting people directly benefited our customers. We introduced ten measures to boost consumption in County Areas and built the "one county, multiple business districts" consumption ecosystem, to support the quality improvement and scale expansion of consumption in County Areas. Focusing on key consumption scenarios such as culture and tourism as well as outbound travel, we conducted six major themed domestic marketing campaigns and launched exclusive offers for overseas consumption, to continuously stimulate consumption potential. Targeting high-value consumption areas including automobiles, home decorations, and agricultural inputs and machinery, we upgraded the model of credit card installment and promoted digital tools to improve approval efficiency and customer experience. We also developed an element of our credit card brand and built a multi-dimensional brand management system to enhance our market influence. The transaction volume of credit cards exceeded RMB2 trillion in 2025.

Private Banking Business

- Based on the enhancement of service capabilities in three aspects, namely wealth management, customer group management, and ecosystem integration, we drove the quality enhancement and upgrading of our Private Banking+ platform. We strengthened the construction of the professional wealth management service system, set up over 500 private banking centers at the Head Office and the branch levels and over 1,000 wealth management centers at the sub-branch level, and established a practice-oriented training system for wealth advisors featuring investment and research support, tiered training, and multi-dimensional empowerment, so as to build a solid foundation for the professional services of our private banking and wealth management business.

- We innovated a wealth management service platform that combined a full-spectrum product portfolio, diversified investment strategies and comprehensive asset allocation. Expanding into scenarios such as wealth inheritance and family protection, we further enhanced digitalization and intelligence support for wealth management with AI technologies, and created an integrated model encompassing investment and research, product innovation, service delivery, and risk control related to wealth management. We deepened the integrated management of the private banking customer group. Focusing on customer groups such as National Technology Innovation Demonstration Enterprises, specialized and sophisticated "Little Giant" enterprises, and leading agricultural technology enterprises, we reached deep into sci-tech enterprises, emerging industrial chains and campuses to provide integrated services for enterprises, and strengthened full-cycle pension finance planning as well as quality wealth inheritance services, with the increment of the AUM of three customer groups, namely entrepreneurs, elderly customers, and rural revitalization-related customers, all exceeding RMB160.0 billion. We further advanced the public welfare brand of "Agricultural Bank of China Private Banking", deepened the building of the Head Office Philanthropic Finance Lab along with six regional Philanthropic Finance Labs in order to further expand the coverage of services, and launched various public welfare projects with strong social influence, such as the Shen Jilan Charitable Trust and the University of Science and Technology of China (USTC) Education Charitable Trust. The number of charitable trusts launched by customers with our assistance increased by 46% as compared to the end of the previous year, benefiting a total of 250 thousand person-times accumulatively.

Treasury Operations

Treasury operations of the Bank include money market activities and investment portfolio management. We adhered to serving the high-quality development of the real economy and supporting the green and low-carbon development. We flexibly adjusted investment strategies on the basis of ensuring the security of bank-wide liquidity. Our investment return on assets remained at a relatively high level among peers.

Money Market Activities

- We strengthened research on monetary policies and forecasts of market liquidity, comprehensively used financing instruments such as interbank lending, repurchases, certificates of deposit and interbank deposits and continuously optimized the structure of short-term assets to improve the efficiency of fund utilization on the basis of ensuring the security of our liquidity.

- We effectively fulfilled the responsibilities as a primary dealer of open market operations and efficiently assisted in the transmission of monetary policies. We proactively carried out the bond repurchase transactions under Securities, Funds and Insurance companies Swap Facility (SFISF) to facilitate the stable development of the capital market. In 2025, the volume of our RMB-denominated financing transactions amounted to RMB208.39 trillion.

Investment Portfolio Management

As at 31 December 2025, our financial investments amounted to RMB16,321,315 million, representing an increase of RMB2,472,212 million or 17.9% as compared to the end of the previous year.

Trading Book Activities

- We continuously enhanced our competitiveness of the bond market-making business in the interbank market. We innovatively launched the first agriculture, rural areas and rural residents-themed credit bond basket in the market, actively carried out market-making quotations and trading for rural revitalization bonds, green and low-carbon bonds, sci-tech innovation bonds, small and micro enterprise bonds, among other bonds, to continuously strengthen support for the real economy. We contributed to the high-standard opening-up of the bond market, and our Bond Connect business maintained a leading position in the market.

- We continuously enhanced the management of bond trading portfolio. In 2025, domestic bond yields showed an overall upward trend amid fluctuations. We strengthened market analysis, intensified the flexible operation of trading portfolio, explored interest rate risk-neutral arbitrage strategies, and dynamically adjusted the risk exposure of the portfolio, in an effort to improve the income level of the trading business.

Banking Book Activities

- We strengthened bond market analysis and judgment to enhance the refinement of investment strategies. We rationalized the investment pace comprehensively considering both the trends in the bond market and the needs of portfolio management, and adaptively optimized the portfolio structure. We coordinated asset returns and risk prevention and control to enhance the quality and effectiveness of investment operations.

- We maintained efforts to invest in government bonds and optimized the investment structure of credit bonds. We enhanced efforts to invest in government bonds to support the implementation of major national strategies and security capacity building in key areas. The scale of investments in treasury bonds and local government bonds maintained a leading position among peers. Aiming to serve the high-quality development of the real economy, we actively invested in credit bonds and supported the financing needs of green industries and scientific and technological innovation industries.

Asset Management

Wealth Management

As at the end of 2025, the balance of the Group's wealth management products amounted to RMB2,151,298 million, all of which were net worth wealth management products managed by ABC Wealth Management. Among them, publicly offered wealth management products and privately offered wealth management products accounted for 94.7% and 5.3%, respectively.

The table below presents the issuance, maturity and existence of wealth management products of the Group

In 100 million RMB, except for tranches

Item	31 December 2024		Issuance		Maturity		31 December 2025	
	Tranche	Amount	Tranche	Amount	Tranche	Amount	Tranche	Amount
ABC Wealth Management	795	19,695.80	788	53,549.83	549	51,973.10	1,034	21,512.98
The Bank	8	158.21	–	63.80	8	225.74	–	–
Total	803	19,854.01	788	53,613.63	557	52,198.84	1,034	21,512.98

Note: *The amount of issuance refers to the actual raised amount of new products and the subscription amount of existing products during the reporting period. The amount of maturity refers to the payment amount of matured products and the redemption amount of existing products during the reporting period.*

The table below presents the balances of direct and indirect investment assets under the Group's wealth management business

In 100 million RMB, except for percentages

Item	31 December 2025	
	Amount	Percentage (%)
Cash, deposits and bonds held under resale agreements	8,130.66	36.3
Debt securities	12,414.17	55.5
Non-standard debt-based assets	403.38	1.8
Other assets	1,424.83	6.4
Total	22,373.04	100.0

Note: *Other assets include mutual funds, financial derivatives, customer-driven overseas wealth management investments (QDII), and equity assets.*

Custody Business

- We took the initiative to serve national strategies and plans, continuously optimized the product structure, focused on enhancing customer experience, and guaranteed the security of assets under custody to drive the high-quality development of the custody business.

- We newly achieved industrial funds with high market influence under custody, including the Zhejiang Provincial Social Security Sci-Tech Innovation Equity Investment Fund and the Chengtong Sci-Tech Innovation Investment Fund, supporting the development of new quality productive forces. We successfully provided custody services for the ChinaAMC CNNC Clean Energy REIT and CICC Yizhuang Industrial Park REIT, helping expand financing channels for the real economy. We newly won the bids for over 30 individual enterprise annuity plans under custody to support the building of a multi-tiered and multi-pillar pension insurance system.

- We were awarded the Outstanding Asset Custodian Institution from China Central Depository & Clearing Co., Ltd. for 13 consecutive years, and the Grade A Custodian Bank in the "Annual Participant Evaluation from China Securities Depository and Clearing Corporation Limited" for eight consecutive years.

- As at the end of 2025, our assets under custody amounted to RMB18.74 trillion, representing an increase of RMB1.19 trillion, or 6.8%, as compared to the end of the previous year. Among them, the scale of insurance assets under custody exceeded RMB8 trillion, and both of the scale of mutual funds and pension funds under custody exceeded RMB2 trillion.

Precious Metals

- In 2025, we traded 2,483.16 tons of gold and 7,897.80 tons of silver for our own account as well as on behalf of customers, and maintained a leading position in the industry in terms of transaction volume.

- We met the gold using demands of enterprises in the precious metals industrial chain through the precious metals leasing business. We prioritized support for high-quality green mine enterprises to facilitate the development of green mining industry.

Treasury Transactions on Behalf of Customers

- We continuously promoted the concept of exchange rate risk neutrality and provided enterprises with forwards, swaps, option products and other exchange rate hedging products to help improve the quality and stabilize the volume of foreign trade. In 2025, the transaction volume of foreign exchange sales and settlements as well as foreign exchange trading on behalf of customers amounted to USD537,730 million.

- We steadily developed the OTC bond (Zhaishibao) business. We enriched the product and service system and launched the OTC sci-tech innovation bonds. In 2025, the transaction volume of OTC bonds exceeded RMB150.0 billion, serving more than 2.90 million customers and providing individuals, enterprises and small and medium financial institutions with financial investment products that combined safety, liquidity and profitability.

Pension Business

- We adhered to putting people's livelihood first, supported the building of a multi-tiered and multi-pillar pension insurance system, and strove to enhance the comprehensiveness and accessibility of pension services, maintaining a leading position among peers in terms of the total number of pension customers. Pursuing progress while ensuring stability, we drove risk control and revenue growth, achieved steady appreciation of pension funds under entrusted management, and helped the consolidation of the pension wealth reserves of people.

- As at the end of 2025, our pension funds[1] under entrusted management amounted to RMB388,134 million, representing an increase of 22.6% as compared to the end of the previous year.

---

1 *Including occupational annuities, enterprise annuities and other pension assets under entrusted management.*

Inclusive Finance

We adhered to the general principle of pursuing progress while ensuring stability. In 2025, our inclusive loans to small and micro enterprises grew by 21.7%, which was 12.8 percentage points higher than the growth rate of loans of the Bank. The annualized interest rate of newly granted loans was 3.08%, representing a decrease of 36 BPs as compared to the previous year. Focusing on key areas such as the private sector, foreign trade, science and technology and consumption, we deepened and refined the coordination mechanism for supporting small and micro enterprises in obtaining financing, and granted credit lines of RMB5.77 trillion to 3.68 million small and micro enterprises and loans of RMB4.49 trillion to 3.63 million small and micro enterprises accumulatively, with the number of credit-approved customers, the amount of credit lines, the number of customers with outstanding loan balances, and the amount of loans all ranking first in the banking industry.

- We innovatively introduced featured financing products. We enriched the financing service scenarios, launched the Technology Quick Loan, an exclusive online product for technology-based small and micro enterprises, innovatively developed the "Micro Quick Loan • Industrial Chain Financing", a model of supply chain financing with reduced dependency on the core enterprises, launched the "Government Guaranteed E-loan • Employment Guarantee Loan" for enterprises that intend to stabilize and expand employment, and promoted the Veteran Entrepreneurship Loan. We optimized the credit service model, put in place a new AI-enabled smart loan handling model, upgraded and released Mortgage E-loan 4.0, Merchant E-loan 2.0 and Huinong E-loan, and steadily advanced village-wide outreach and filing of rural households in batch. In addition, we rolled out relief and support policies for small and micro enterprises, and leveraged a diverse range of products, including Quick E-loan Renewal, Merchant E-loan Renewal and the One-Click Loan Renewal tool to effectively alleviate the repayment pressure on inclusive customers.

- We improved comprehensive financial services. We worked to build an online enterprise-friendly ecosystem. The Inclusive E-station provided one-stop services covering both financial and non-financial scenarios, including the "Benefiting Enterprises Insights" with industry information, the "Benefiting Enterprises Express" with discounted logistics services and the "Benefiting Enterprises Card" with exclusive business credit card services. We worked to build an offline tiered operation system comprising sub-branches and branch outlets, and selected 500 demonstration sub-branches for inclusive finance of the year, so as to fully leverage their exemplary role and comprehensively enhance our inclusive finance service capabilities.

- We refined the long-term service mechanism. We maintained the continuity and stability of differentiated credit policies, issued the annual guidelines on inclusive finance credit policies, and formulated the management measures for inclusive retail credit business to drive the sustainable development of inclusive finance business. We strengthened internal resources guarantee, and maintained preferential support for inclusive finance business in terms of credit scale, performance appraisal, remuneration and expenses, internal funds transfer pricing, and economic capital. We implemented the policy of due diligence and liability exemption to sustain the enthusiasm of credit personnel who have performed their duties diligently.

- We consolidated the foundation of risk and compliance. We coordinated business development and risk prevention and control, and continuously enhanced our proactive risk control capabilities. Leveraging digital and intelligent means, we fully advanced the reform of "onsite+remote" centralized operations, implemented targeted portfolio risk management and strengthened tiered and classified post-loan management. We constantly enriched the compliance risk model pool, and conducted precision interception, real-time warning and efficient disposal, to effectively prevent fraud and operational risks. The quality of inclusive financial assets was consistently aligned within regulatory requirements.

Green Finance

The Board of Directors of the Bank is responsible for setting the green finance development strategy of the Bank and supervising its implementation. The Senior Management is responsible for setting objectives for green finance business, establishing mechanisms and procedures, and implementing the green finance development strategy. The Green Finance/Peak Carbon Emissions and Carbon Neutrality Working Committee set up under the Senior Management is responsible for coordinating the implementation of strategic decisions and overall deployment of the Board of Directors relating to green finance/peak carbon emissions and carbon neutrality, and reviewing major policies and measures for green finance/peak carbon emissions and carbon neutrality.

- We advanced the implementation of the green finance strategy. We comprehensively promoted the implementation of the *Green Finance Development Plan (2021-2025) of Agricultural Bank of China*, and the implementation plan for the high-quality development of green finance, etc., and integrated the concept and requirements of sustainable development into all fields and the entire process of operation and management. We issued the annual key points of green finance/peak carbon emissions and carbon neutrality, specifying the annual development goals and work measures, in a bid to promote the development of green finance business and our own energy conservation and carbon reduction in an orderly manner.

- We strengthened policy guidance. We included the requirements for green and low-carbon development in our annual credit policy guidelines, rural credit policy guidelines and inclusive finance credit policy guidelines, specifying key industries, regions and projects for support and expanding the coverage of green finance services, to support rural revitalization, inclusive small and micro businesses, and the green transition of the real economy in a coordinated manner. We actively developed transition finance to promote the green transition and upgrading of traditional industries.

- We increased the supply of green loans. We improved the mechanism for the major project pool of green finance, intensified the marketing for major projects and dynamic management of the project pool, and increased credit support for key areas, such as energy conservation and carbon reduction, environmental protection, resource recycling, and green and low-carbon transition of energy. As at the end of 2025, the balance of green loans was RMB5.93 trillion, representing an increase of 18.7% as compared to the end of the previous year.

- We promoted the integration and innovation of agriculture, rural areas and rural residents and green finance services. Focusing on fields such as the integrated protection and systematic governance of mountains, rivers, forests, farmlands, lakes, grasslands and deserts, agricultural and rural carbon emissions reduction and carbon sequestration, energy conservation and environmental protection, rural clean energy and ecological restoration of abandoned mines, we strengthened the innovation of products and service models. We optimized scenarios including smart animal husbandry and smart agricultural services, promoted the business model of "Reserved Forest Loan + Smart Forestry", to expand financing channels for the green development of agriculture, rural areas and rural residents.

- We developed diversified green investment and financing businesses. We issued RMB66.0 billion of green financial bonds in the national interbank bond market. We underwrote 90 tranches of green bonds, with an issuance scale of RMB274.0 billion in total. As at the end of 2025, the balance of green bonds invested for our own account reached RMB157.8 billion, representing an increase of 36.6% as compared to the end of the previous year. In 2025, we provided financing of over RMB430.0 billion to the customers in the green industries through investment banking products and services.

- We strengthened risk management and control. Based on the level of potential environmental, social and governance (ESG) risks faced by customers, we classified them by ESG risk and implemented differentiated management measures. We actively supported green, low-carbon and circular economy, and adopted a one-vote veto policy for non-eco-friendly customers and projects. We strengthened the support capability of the credit management system and further improved the digital and intelligent ESG risk management mechanism.

- We contributed to achieving the peak carbon emissions and carbon neutrality goals. We revised the *Work Plan of Agricultural Bank of China for Peak Carbon Emissions and Carbon Neutrality*, specified energy conservation and emissions reduction targets, clarified management functions, and advanced energy conservation and carbon reduction initiatives across the Bank in a proactive and prudent manner. We piloted carbon accounting for investment and financing activities, and carried out carbon emissions accounting for investment and financing activities in the eight major high-carbon industries as well as the livestock and poultry breeding industry.

- We improved our brand image as a green bank. We were awarded the "2025 Corporate ESG Practice Case" by Xinhuanet and the "2025 Best Practice Case for Sustainable Development of Listed Companies" by the China Association for Public Companies, among others. We also launched *Our True Color*, a green finance promotional video.

Online Finance

Upholding a people-centered value orientation and adhering to the standard of satisfaction of customers and employees, we deepened the integrated innovation of intelligent technologies and business scenarios, advanced the targeted matching of service supply with customer demands, and comprehensively upgraded the online financial service ecosystem to inject new impetus into economic and social development.

Smart Mobile Banking

Adapting to the trend of intelligent development in financial services, we launched the 11.0 version of mobile banking with a focus on the in-depth integration of AI and financial services. As at the end of 2025, we had more than 276 million of monthly active users (MAU) of mobile banking, representing an increase of 26.30 million MAU as compared to the end of the previous year, maintaining the leading position among comparable peers.

- We drove smart transformation and introduced innovative AI-native services. We incubated AI-native services represented by the intelligent agent, built a new interactive model of "Conversation-as-a Service", and comprehensively deepened the integrated application of intelligent technologies in scenarios such as search, marketing, fund transfer and inquiry, forging a new paradigm of intelligent and convenient financial services.

- We deeply practiced the principle of finance for the people and improved user service experience. We upgraded the large font version of mobile banking, streamlined operation processes, and launched features such as a voice assistant and video-based customer service to optimize our age-friendly services. We launched featured information columns and upgraded the Pension Zone, to improve user experience of diverse services including financial products, life scenarios and activity benefits, etc.

- We upgraded the "branch outlet service" feature and promoted synergy between online and offline channels. We optimized the online appointment services for branch outlets, expanded the application scenarios for pre-filled forms, and realized the whole process connectivity from appointment, handling, to receipt inquiry, strengthening the synergy between online and offline channels as well as the closed loop of services.

- We empowered rural revitalization and expanded service channels for rural households. We launched the rural version of the intelligent agent and built a new financial service model with embedded scenarios and intelligent response, focusing on rural households' production and living scenarios. We enriched local characteristic Huinong Loan services and expanded the coverage of financial services in County Areas. As at the end of 2025, we had over 52 million monthly active users (MAU) of the rural version of mobile banking.

Corporate Banking Service Platform

We launched the 9.0 version of NongYinRuiDa, building an online corporate banking service platform which was customer-centered, digitalization and intelligence-driven, and synergistic in operations. As at the end of 2025, we had 12.59 million contracted corporate customers of mobile banking, representing an increase of 1.14 million as compared to the end of the previous year; and 15.28 million contracted corporate customers of online financial service platforms, representing an increase of 1.60 million as compared to the end of the previous year.

- We expanded the product matrix of digital finance. We launched products including the Loans for Specialized and Sophisticated Little Giant Enterprises that Produce New and Unique Products and time deposit portfolio to meet customers' diversified financial service needs. We enabled online handling for high-frequency business such as adjustment of quota and re-issuance of expired certificates, eliminating the need for branch outlet visits to enhance the accessibility of financial services.

- We upgraded mobile financial service capabilities. Our corporate mobile banking supported a customized display based on an enterprise-specific service model. We optimized the fund transfer function, enabling OCR intelligent recognition and automatic filling of transfer information, which eliminated the need for manual input for customers and made corporate banking services more intelligent.

- We built Salary Manager, a digital management platform. The platform integrated agency payment of salaries, social security contribution and tax declaration, unified HR leave and attendance management, and streamlined expense control, reimbursement and payment, shortening the time of salary payment from one week to just minutes, changing HR management from cumbersome manual operation into one-click intelligent operation, and shifting expense control from post-event review to proactive planning.

Customer Manager Super Workbench

- We improved the operational features of the Super Workbench. We used information from multiple channels and integrated card issuance, contract signing and other related functions to build a one-stop account opening and contract signing service, greatly improving the efficiency of account opening. We innovated industrial financial services, supporting one-click generation of customer profiles and service solutions, etc., to enhance the targeted marketing capabilities for corporate industrial customers.

- We launched the 5.0 version of the Super Workbench. We iterated and optimized the version of the Super Workbench, comprehensively upgraded the homepage interface and established a unified work view. We completed the integration of mobile marketing applications to reduce operations at the foundational level. We promoted the "onsite + remote" centralized handling model to improve the loan handling efficiency through synergy between online and offline channels.

Smart Scene-based Finance

- We upgraded digital scenario-based services. In terms of campuses, we launched intelligent questionnaires, academic score analyses and other services, to empower the intelligent transformation of teaching at schools. In terms of canteens, we promoted Sunshine Canteens, providing whole-chain services from food tracing to kitchen monitoring. In terms of people's livelihood, we launched an intelligent payment service that supported the new model of voice interaction throughout the payment process to make the service more convenient. In terms of travel, we launched the driving test preparation feature and built a one-stop driver service system to extend boundaries of ecosystem services.

E-CNY Projects

- We completed adjustments to the e-CNY measurement framework. To better serve our customers and actively respond to the call of the PBOC, we incorporated e-CNY into on-balance-sheet management, and calculated and settled interest on the balances in customers' real-name digital wallets in accordance with the posted interest rates and interest calculation and settlement rules of demand deposits, enabling more flexible fund management and delivering higher-quality financial services for customers.

Cross-Border Financial Services

We actively serve the high-standard opening-up of China, step up efforts to promote the stable growth of foreign trade, and make our contributions to the Belt and Road cooperation, the Regional Comprehensive Economic Partnership (RCEP), the international use of RMB, and the development of pilot free trade zone and Hainan Free Trade Port. In 2025, the volume of international settlement (on an international balance of payment basis, the same below) by domestic branches reached USD1,640.4 billion, and the volume of international trade finance (including financing with domestic letters of credit) reached USD170,361 million. As at the end of 2025, the total assets of our overseas branches and subsidiary banks reached USD178.9 billion, with net profit for 2025 amounting to USD0.88 billion.

- We have been providing targeted and effective services for the real economy in foreign trade. We improved the customer services of trade facilitation and three branches were newly approved by the regulator to be pilot entities for trade facilitation of foreign exchange receipts and payments in 2025, with 0.67 million trade facilitation transactions handled across the Bank. We supported the development of new forms of trade business, dealing with a total of USD34.5 billion of international settlement business related to new forms of trade business, such as new offshore international trade, overseas warehouses, market procurement trade, integrated foreign trade services, bonded maintenance, and cross-border e-commerce in 2025. We strengthened financial support for high-quality foreign trade enterprises, dealing with a total of USD503.5 billion of international settlement business for 2,064 Authorized Economic Operators (AEOs). We increased financing support for small and micro foreign trade enterprises, advanced the launch of credit insurance loans on the single-window platform, and improved the risk-sharing mechanism among micro, small and medium enterprises, export credit insurance companies, local governments and ABC, with a year-on-year increase of 82.5% in export credit insurance financing business in 2025. We strengthened financial support for agricultural cooperation, optimized and improved the cross-border financial marketing mechanism for agro-related customers. In 2025, our domestic branches completed agro-related trade finance of USD9,822 million cumulatively. We continued to optimize online channel services, dealing with 0.51 million online international remittances for enterprises, with online business accounting for 59.6% of the total transaction volume, an increase of 3.8 percentage points as compared to the previous year.

- We have been enhancing the quality and efficiency of cross-border financial services in key regions. We supported high-quality Belt and Road cooperation and enterprises' financial demands of going global. Our domestic and overseas branches handled USD339,577 million of international business related to the Belt and Road cooperation in 2025, covering 153 countries participating in the Belt and Road cooperation. We served cross-border trade and investment in the RCEP region, with the volume of international settlement and international trade finance by domestic institutions for the RCEP region of USD244.8 billion and USD19,745 million, respectively, in 2025. We promoted the development of free trade (FT) accounting business with international settlement volume of USD92.3 billion under the FT account scheme in 2025.

- We have been strengthening international exchanges and cooperation. We hosted the China-Vietnam Financial Service Roundtable Forum themed "Integrating Financial Insights, Visioning a Shared Future". During the event, we released a service plan to support China-Vietnam economic and trade cooperation. This plan features 15 practical measures covering border trade settlement, infrastructure inter-connectivity, and industrial chain upgrading.

- We developed cross-border RMB business in an orderly manner. The volume of cross-border RMB settlement reached RMB3.82 trillion in 2025, representing an increase of 8.7% as compared to the previous year.

Overseas Subsidiary Banks

Agricultural Bank of China (Luxembourg) S.A.

Agricultural Bank of China (Luxembourg) S.A. is a wholly-owned subsidiary of the Bank incorporated in Luxembourg, with a registered capital of EUR20.00 million. Its scope of business includes wholesale banking business such as international settlement, corporate deposits, syndicated loans, bilateral loans, trade finance and foreign exchange trading. As at the end of 2025, its total assets and net assets amounted to USD109 million and USD28 million, respectively. It recorded a net profit of USD0.77 million for 2025.

Agricultural Bank of China (Moscow) Limited

Agricultural Bank of China (Moscow) Limited is a wholly-owned subsidiary of the Bank incorporated in Russia, with a registered capital of RUB7,556 million. Its scope of business includes wholesale banking business such as international settlement, corporate deposits, syndicated loans, bilateral loans, trade finance and foreign exchange trading. As at the end of 2025, its total assets and net assets amounted to USD382 million and USD161 million, respectively. It recorded a net profit of USD20.99 million for 2025.

In addition, Agricultural Bank of China (UK) Limited was officially dissolved in September 2025.

Consumer Interests Protection

We effectively assumed the primary responsibility of protecting the legitimate rights and interests of financial consumers and adhered to the operation philosophy of customer-centered and the service philosophy of Customers First and Always. We made further progress in building a pattern of "the bank-wide management of consumer interests protection, and the bank-wide responsibility for consumer interests protection". We continued to improve the whole-process management and control mechanism, innovated management methods, enhanced the refinement and management efficiency of consumer interests protection, to ensure fair, just and honest treatment to consumers in the whole process of business operation.

- **We improved consumer interests protection mechanisms and systems.** The Board of Directors and the Senior Management actively performed their duties, constantly strengthened the guidance and supervision of consumer interests protection work, and continuously advanced the incorporation of consumer interests protection into corporate governance, corporate culture and business development strategy. In 2025, the Board of Directors and the Senior Management held several meetings to study and consider consumer interests protection matters, to ensure that the strategies, policies and objectives of consumer interests protection were effectively implemented. In light of regulatory requirements and business development needs, we established a sound consumer interests protection policy system, fully protecting consumers' right to information and other legitimate rights throughout the whole lifecycle of products and the whole process of services. The Head Office and branches all set up specialized administrative teams for consumer interests protection, which take the lead in and are responsible for various consumer interests protection work such as consumer interests protection review, internal evaluation, complaints management, personal information protection and financial knowledge publicity and education. They also set up specialized positions for consumer interests protection, and took relevant measures, including strengthening the allocation of human resources and material resources, to consistently ensure the independence, authority and professionalism of consumer interests protection work.

- **We strengthened supervision and review of products and services.** We incorporated consumer interests protection review into our product and service management processes, forming a review system characterized by whole-process coverage and robust constraints. In 2025, we revised the administrative measures for consumer interests protection review to further optimize workflows. We also revised and updated key points of consumer interests protection review for nine business categories, in line with the changes in laws, regulations and regulatory requirements, as well as the complaint and public opinion conditions, to further standardize review standards and improve the professionalism of the review work. We incorporated consumer interests protection review into the evaluation of consumer interests protection work, the risk management and internal control system to strengthen the binding force and the authority of consumer interests protection review. We carried out special audits for consumer interests protection every year, and further enhanced audits for the key areas of regulatory concern.

- **We continued to improve the quality and efficiency of complaint handling.** We improved the mechanism of handling complaints immediately upon receipt and strengthened technological empowerment to improve the quality and efficiency of complaint handling. Focusing on resolving issues at the source, we further advanced complaint governance in key areas. In 2025, we led the industry in indicators including the answer success rate of calls transferred through the 12378 "one-click call transfer" service, telephone service satisfaction rate, and average waiting time. The total number of consumer complaints[1] of the Bank was 228 thousand in 2025. These complaints were mainly related to products or services such as credit cards, debit cards and retail loans, accounting for 58.2% of the total, and mainly distributed in provinces with a larger number of customers and outlets, such as Guangdong, Shandong, Hebei, Jiangsu and Zhejiang, accounting for 33.1% of the total. We made full use of the diversified dispute resolution mechanism. All complaints from various channels were properly addressed, with a completion rate of 100%.

- **We continued to protect personal information.** We carried out prior impact assessments on personal information protection, intensified efforts on risk examinations, and advanced governance of identified issues from the source. We optimized training methods with greater emphasis on case-based learning, and conducted specialized training on personal information protection through diversified and targeted methods, to enhance employees' awareness of personal information protection.

- **We deeply conducted financial knowledge popularization activities.** Following the philosophy that "consumer interests protection publicity goes wherever customers are", we carried out intensive publicity and education activities focusing on key businesses and target groups, such as the "3•15" financial consumer interests protection education and publicity, the Financial Literacy Publicity Tour and the Financial Education and Publicity Week. With a focus on innovation-driven initiatives, we launched the "ABC Considerate Consumer Interests Protection" 3D Digital Exhibition Gallery on mobile banking, and released our first consumer interests protection-themed animated music video, *A New Voice for Consumer Interests Protection.* We published financial knowledge and risk warnings on our official website, official WeChat accounts, and mobile banking, embedded concise risk reminders into business service scenarios, and continued to promote embedded publicity and education activities on a regular basis. In 2025, we carried out more than 175 thousand intensive publicity and education activities, reaching consumers of 1,906 million person-times.

- **We continued to strengthen consumer interests protection training for employees.** We formulated consumer interests protection training plans for employees, organized online training on the ABC E-Learning platform and offline thematic training programs, and conducted case-based lessons and emergency drills to further refine the tiered and comprehensive training system for consumer interests protection.

---

1 *The consumer complaints include complaints made to the regulators, via the customer service hotline, in the outlets, etc. To reflect the actual situation of consumer complaints, the repeated complaints, and complaints related to "Card Close Action" to combat and govern new types of telecommunication-network fraud crimes have been excluded from the reporting complaints in this annual report.*

Integrated Operations

We have established an integrated operation platform covering fund management, securities and investment banking, financial leasing, life insurance, debt-to-equity swaps and wealth management businesses. In 2025, our six subsidiaries of integrated operations (namely ABC-CA, ABC International, ABC Financial Leasing, ABC Life Insurance, ABC Investment and ABC Wealth Management) centered on the Group's overall development strategy and focused on their primary responsibilities and core businesses. They continued to improve corporate governance mechanisms, strengthened risk management, intensified business synergies, and promoted the "Five Priorities" of finance. As a result, our capabilities of providing integrated financial services and creating value have been further improved.

ABC-CA Fund Management Co., Ltd.

ABC-CA Fund Management Co., Ltd. was established in March 2008 with a registered capital of RMB1.75 billion, 51.67% of which was held by the Bank. Its principal business covers fund raising, fund sales, asset management and other business approved by the CSRC. It holds multiple business qualifications, including qualifications for mutual fund management, specific asset management (segregated accounts), qualified domestic institutional investor (QDII), insurance fund management, and fund investment advisor. As at the end of 2025, the total assets and net assets of ABC-CA amounted to RMB4,948 million and RMB4,695 million, respectively, achieving a net profit of RMB275 million for 2025.

ABC-CA actively promoted the "Five Priorities" of finance and increased investment in key areas to support the development of the real economy. It continued to enhance investment and research capabilities, optimized its product and business layout, enhanced the quality and efficiency of marketing and services, and strengthened risk and compliance management to solidify the foundation for high-quality development. As at the end of 2025, ABC-CA had offered 91 mutual funds, with assets under management amounting to RMB226,097 million, an increase of RMB35,871 million as compared to the end of the previous year.

ABC International Holdings Limited

ABC International Holdings Limited was established in Hong Kong SAR, China in November 2009 with a share capital of HKD4,760 million, 100% of which was held by the Bank. Its business scope covers comprehensive and integrated cross-border investment banking services, including sponsorship and underwriting for listing, underwriting of bond issuance, financial consultation, asset management, institutional sales, securities brokerage, securities consultation and direct investment. As at the end of 2025, its total assets and net assets amounted to HKD50,446 million and HKD12,179 million, respectively. It recorded a net profit of HKD203 million for 2025.

Focusing on its primary responsibilities and core businesses, ABC International actively played the role of a cross-border bridge connecting China's economy with international capital to serve China's major strategies and high-standard opening-up. Seizing the opportunity arising from the recovery of Hong Kong's capital market, it helped over 50 enterprises complete IPOs on the Main Board of the Hong Kong Stock Exchange in 2025, and assisted the MOF, the Airport Authority Hong Kong, a number of central state-owned enterprises (SOEs), leading private enterprises and high-quality local SOEs in issuing multi-currency bonds, with both the volume and scale of equity and bond underwriting experiencing a substantial year-on-year growth, maintaining a leading market position among its comparable peers. It supported technology enterprises in going global and expanded the coverage and scale of technology finance services. It consolidated its advantages in green finance services, with the underwriting scale of ESG bonds reaching a record high. Through close collaboration with the Group, it responded promptly to the investment and financing demands of customers involved in the Belt and Road Initiative and related to agriculture, rural areas and rural residents. ABC International was honored with the Best Green Bond – Free Trade Zone (China Offshore) and Best IPO (Hong Kong) by *The Asset*, the Best Bookrunner for Hong Kong IPO by Wind, and the Outstanding Financial Service Institution Award under China Securities Golden Bauhinia Awards.

ABC Financial Leasing Co., Ltd.

ABC Financial Leasing Co., Ltd. was established in September 2010 with a registered capital of RMB9.5 billion, 100% of which was held by the Bank. It mainly engages in financial leasing in key areas such as rural and inclusive fields, aviation and shipping, new energy, science and technology innovation and advanced manufacturing, and provides a range of financial leasing services such as the transfer and acquisition of leasing assets. As at the end of 2025, it recorded a total asset of RMB112,594 million and a net asset of RMB13,891 million, and recorded a net profit of RMB853 million for 2025.

ABC Financial Leasing adhered to serving national strategies and serving agriculture, rural areas and rural residents as well as the real economy. Based on the primary responsibility and core business of leasing, it upheld the operation philosophy of green leasing, and achieved specialized, distinctive and differentiated development. It accelerated the transformation of business related to agriculture, rural areas and rural residents, and actively advanced leasing services for inclusive agricultural machinery, distant-water fisheries and the seed industry revitalization. It consolidated its leading position in domestic aircraft leasing, with the scale of domestic aircraft fleet and the number of customers both ranking among the top in the industry. It vigorously promoted innovation in the green leasing business, with the balance of green leasing assets amounting to RMB65.8 billion at the end of the year, maintaining a leading position among peers. Focusing on frontier areas including the aviation industry chain, industrial robots, computing power and semiconductors, it made headway in the expansion of leasing business across science and technology innovation and manufacturing sectors, with the balance of leasing assets in strategic emerging industries reaching RMB34.4 billion at the end of the year. As at the end of 2025, the balance of direct leasing and operating leasing assets amounted to RMB56.4 billion, with the proportion in the total leasing assets increasing by 2.44 percentage points as compared to the end of the previous year.

ABC Life Insurance Co., Ltd.

ABC Life Insurance Co., Ltd. was established in December 2005 with a registered capital of RMB2.95 billion, 51% of which was held by the Bank. It operates various insurance business such as life insurance, health insurance and accident insurance, as well as reinsurance of the aforesaid businesses, businesses permitted by national laws and regulations to use insurance funds and other businesses approved by the regulatory authorities. As at the end of 2025, its total assets and net assets amounted to RMB238,635 million and RMB5,680 million, respectively. It recorded a net profit of RMB1,672 million for 2025.

ABC Life Insurance's new regular premiums amounted to RMB10,764 million, and the new business value has been continuously increasing. Leveraging the strengths of insurance funds, it empowered emerging technology and green industries, scaled up supply of rural insurance products, and expanded the pilot scope of the "at-home elderly care" projects. In 2025, it increased investment of RMB735 million and RMB665 million in technology and green fields, respectively, and launched 27 new products for sale, including multi-level commercial insurance annuity products covering ordinary annuity, pension annuity, exclusive personal pension annuity, dividend annuity, and endowment insurance.

ABC Financial Asset Investment Co., Ltd

ABC Financial Asset Investment Co., Ltd. was established in August 2017 with a registered capital of RMB20.0 billion, 100% of which was held by the Bank. It's among the first batch of institutions in China to implement market-based debt-to-equity swaps. It holds the franchise license of non-bank financial institution and is mainly engaged in debt-to-equity swaps and supporting businesses, and carries out pilot program for equity investment through its affiliates. As at the end of 2025, its total assets and net assets amounted to RMB132,277 million and RMB39,963 million, respectively. It recorded a net profit of RMB4,295 million for 2025.

ABC Investment promoted the development of market-based debt-to-equity swaps and pilot businesses of equity investment in a coordinated manner, enhanced the investment and research capabilities, strengthened full life-cycle risk management, and continuously increased investment in key areas such as rural revitalization, green and low-carbon development, and science and technology innovation, to further foster competitive business advantages and market brands. Since the establishment of the pilot program for equity investment, a total of 27 pilot funds were set up, covering all of the 18 pilot areas, with the subscribed capital scale of nearly RMB70.0 billion, successfully identifying and investing in a number of high-quality technology enterprises, actively leveraging long-term and patient capital.

ABC Wealth Management Co., Ltd.

ABC Wealth Management Co., Ltd. was established in July 2019 with a registered capital of RMB12.0 billion, 100% of which was held by the Bank. It mainly engages in the issuance of wealth management products, wealth management advisory and consulting services, and other businesses approved by the regulatory authorities. As at the end of 2025, its total assets and net assets amounted to RMB27,310 million and RMB25,943 million, respectively. It recorded a net profit of RMB3,754 million for 2025.

Upholding the concept of "Built on Stability, Driven by Expertise" and being customer-centered, ABC Wealth Management iteratively upgraded its investment and research system, actively and steadily carried out investment management, strengthened product innovation, enhanced risk management, and intensified technological empowerment to improve customer satisfaction. It launched a series of new wealth management products, including Piaoxi Youxuan and Low Volatility Youxiang, and vigorously developed Fixed Income+ products under the Dividend, Youxiang and Duoyuan Hengxiang strategies, with the existing scale of Fixed Income+ products reaching RMB578.5 billion at the end of the year. It continued to refine the wealth management products (rural revitalization and Huinong), with the existing scale of RMB78.7 billion at the end of the year. It made solid headway in the operation of pension wealth management and personal pension wealth management products, with the existing scale of over RMB13.5 billion at the end of the year, among which, the Shunxin series of pension wealth management products distributed dividends of RMB391 million to investors in 2025. It boosted the quality and efficiency of serving the real economy, and the balance of credit bond investment amounted to RMB549.6 billion as at the end of 2025. It facilitated the development of sci-tech innovation enterprises in a targeted manner, and the existing scale of sci-tech innovation bonds amounted to RMB31.2 billion as at the end of 2025, with an increase of RMB16.5 billion in 2025. It made great efforts to improve green finance services, and the balance of green bonds investment amounted to RMB5.4 billion as at the end of 2025. Its brand image has been effectively improved, receiving 36 important awards in the asset management industry, such as the Golden Wealth Management Award from *Shanghai Securities News*, the Golden Bull Award from *China Securities Journal*, the Gamma Award from *Securities Times*, and the Golden Hazelnut Prize from *Cailian Press*.

Besides, we own Agricultural Finance Co., Ltd. in Hong Kong SAR, China, with a share capital of HKD589 million, 100% of which is held by the Bank.

FinTech

During the reporting period, we continued to deepen the application of frontier technologies related to FinTech, advanced various tasks of informatization construction of our 14th Five-Year Plan in an orderly manner and completed them on schedule, and evaluated the effectiveness of the implementation of key tasks, to continuously improve the scientific and technological support and empowerment level. In 2025, the total investment in information technology of the Bank amounted to RMB25,647 million.

Focusing on FinTech Innovation

Actively responding to the accelerated evolution of technology transformation, we sped up the transformation into a new-generation technology system and deepened the application of FinTech to empower the high-quality development of business operations.

- Regarding the application of big data technology, we continued to advance the capability enhancement of our data lake product, such as storage-compute separation, and gradually launched pilots for application migration.

- Regarding the application of cloud computing, we formulated a special plan for improving cloud-native capabilities (2025-2026) and continued to advance the construction of cloud-native capabilities, with the proportion of PaaS-based applications reaching 97.9%.

- Regarding the application of distributed architecture, we completed the largest-scale mainframe migration and decommissioning project involving the largest number of customers in the banking industry.

- Regarding the application of network technology, we continuously advanced IPv6 deployment in both depth and breadth, completed the IPv6 deployment of user domains in 37 tier-1 branches accumulatively, and fully implemented IPv6 deployment and upgrade for applications with a disaster recovery level below Level 3. We comprehensively improved the standardization, automation, and continuous operation capabilities of network in branches, achieving zero incidents in branches.

- Regarding the application of AI, we continued to enhance AI computing power, refine models and improve scenario-based operation, built the "ABC Smart+" platform which was co-created, shared and commonly-used across the Bank, and promoted the large-scale application of "AI+", empowering business operations, risk management and customer services across the Bank through embedded, assistant-based, and agent-based AI.

- Regarding the basic data governance, focusing on the needs of smart banking construction, we established a number of cross-domain, full-channel and multi-dimensional datasets to support the in-depth advancement of data applications. We built systemic service support capabilities featuring "data + tools + models" to enhance the intelligence level of data services, and strengthened source data quality management and control to consolidate the foundation for digital transformation with higher-quality data.

Improving the Level of Guarantee of Our Business Continuity

Our information system always maintained stable operation under multiple challenges, such as the continued growth in trading volume, system under heavy load and switching of technology stacks, and the technological operation system related to the distributed architecture was further complete.

- We continuously conducted emergency drills. We completed the "local + remote" joint switching drill of important information systems, regularly carried out joint disaster recovery switching drills in branches, and expanded the coverage and increased the effectiveness of emergency drills, to ensure the guarantee capabilities for business continuity under extreme conditions.

- We further improved the operation and maintenance management mechanism. We strengthened management of production and operation incidents, and accelerated the building, promotion and application of the integrated production and operation platform, elevating change management and emergency response to a new level.

- Our information systems maintained stable operation under sustained high pressure. The average daily transaction volume processed by the core system on working days reached 1,736 million. The daily transaction peak volume reached 2,183 million. The availability rate of core system services reached 100%.

- New server room facilities at the three-site remote data centers were put into operation, effectively addressing the previous bottleneck in computer room capacity, further improving the layout and structure of financial infrastructure, and substantially enhancing our capabilities to support business operations.

Improving the Cybersecurity Protection System

We bolstered our technology defense system for cybersecurity on all fronts. Our management systems and mechanisms were gradually enhanced, organizational structure was continuously improved, and cybersecurity protection capabilities were significantly strengthened.

- We strengthened vulnerability governance and promoted security management and control throughout the project development lifecycle to reduce cybersecurity risk exposure.

- We promoted and deployed unified cybersecurity tools at overseas institutions and subsidiaries, established a unified security operation and management system across the Group, and developed a cybersecurity assessment model for overseas institutions and subsidiaries so as to continuously improve their cybersecurity protection capabilities and advance the integrated cybersecurity management of the Group.

Human Resources Management and Institution Management

Human Resources and Institution Reform

During the reporting period, we continued to advance institution reform in key areas, with the operational efficiency of our overall organizational structure continuously enhanced.

- In accordance with the *Company Law of the People's Republic of China* and other applicable laws and regulations, regulatory provisions and relevant documents requirements, we have dissolved the Board of Supervisors, and the Audit Committee of the Board of Directors has assumed the relevant functions and powers of the Board of Supervisors. Accordingly, the Office of the Board of Supervisors has been dissolved.

- We increased organizational support for the fields of "Five Priorities", optimized the organizational system for technology finance, enhanced our capabilities of risk prevention and control in inclusive finance, accelerated the establishment of a bank-wide digital and intensive operation system, and strengthened overseas institutions for cybersecurity protection.

- We strengthened the Group's management capabilities in strategic equity investment and integrated operation by upgrading the Equity Investment Management Department (secondary department level) to the Equity Management Department.

- We optimized the layout of our outlets in Pudong area to support Shanghai in accelerating its development into an international financial center.

Talent Cultivation and Development

During the reporting period, we took talent as the first resource to lead our reform and development. We thoroughly implemented the strategy of empowering the Bank with talent force. This included strengthening talent cultivation and development at all levels and continuously improving the structure and overall quality of our talent team.

- We coordinated and strengthened the building of professional talent teams in various fields. We implemented the talent development plan of the Bank in an orderly manner, continuously deepened major talent projects and specialized talent programs, and advanced the system and mechanism reform of talent development. Focusing on key areas including rural revitalization and the "Five Priorities", we promoted the construction of classified and hierarchical professional talent pools in an orderly manner, and provided targeted cultivation for talent in the pools in forms of specialized training programs, research projects, and thematic investigations. We consistently advanced the building of the customer manager team, reinforced staffing and deployment through multiple methods, and comprehensively enhanced their overall competence and quality. We further optimized the selection and recruitment management mechanism for professional positions at branch outlets, and organized selection and recruitment in an orderly manner, ensuring smooth pathways for talent promotion and development. We regularly carried out post title assessment to motivate and guide various types of talents to continuously deepen expertise in relevant professional fields.

- We deepened the implementation of the Youth Talent Development Project, and selected and cultivated over 2,200 young talents to join the talent pool. We built leadership teams at all levels of the Bank with diverse ages and complementary professional strengths. We carried out two-way exchanges between the Head Office and branches, among provincial branches, and between the Bank and its subsidiaries, and programs of secondment to local governments and selected outstanding young talents to practice in foundation-level institutions.

- We continued to advance the effective implementation of the education and training plan. Aligning with the needs of the organization, positions and employees, we actively built an integrated training framework featuring participation by multiple parties, tiered accountability, and collaboration and synergy, and vigorously carried out extensive and multi-level employee training. Focusing on our primary responsibilities, core businesses and strategic orientations, we made all-out efforts to conduct special training programs on the "Five Priorities" of finance, and innovatively launched practice-oriented training programs based on production-study-research collaboration and closed-loop certification-oriented on-the-job learning. We refined ABC E-Learning, an online learning, education and training management system, stepped up efforts to build a digital learning platform that allows every employee to learn anywhere and anytime, and promoted the accessibility of various high-quality training resources to the foundation level and all employees, to meet the personalized and differentiated learning needs of all employees of the Bank. We coordinated and hosted 87 lectures themed ABC Lecture series, giving full play to the Bank's role as a think tank. We organized over 373 thousand person-times of participation in position qualification certification exams, and 96.5% of employees held relevant professional certificates. We supported employees in taking various domestic and international exams for professional qualification certificates.

- We recruited more than 24 thousand staff in 2025 to actively implement the national policy of employment priority, 52.4% of which were female and 10.8% of which were ethnic minorities. The composition of the workforce of the Bank has satisfied gender diversity, and is expected to maintain a reasonable level of gender diversity.

Management of Remuneration

During the reporting period, we formulated and adjusted our remuneration policy in strict compliance with relevant laws, regulations, regulatory provisions and corporate governance requirements of the Bank. Our overall remuneration level was determined by factors including the efficiency of the Bank, and the total annual remuneration was reviewed and approved by the Board of Directors of the Bank, as required by relevant national regulations. We formulated the annual remuneration plan in strict compliance with regulatory provisions and corporate governance requirements, according to which we managed and allocated the total remuneration of institutions at all levels under the Bank and the remuneration of employees.

- The total remuneration allocated to institutions at all levels under the Bank was determined based on their operating efficiency, performance assessment results, completion status of key tasks and so on, according to our management system for total remuneration. Performance assessment indicators included but not limited to efficiency, risks, development transformation, and social responsibility, which comprehensively reflected their long-term performance and risk profiles.

- Our employee remuneration policy was applicable to all contracted employees. The employee remuneration primarily comprised basic salary, position salary and performance salary, which was linked to position value, employee performance assessment results, etc. We have established a system of deferred payment and clawback mechanism for performance salary.

- We continued to deepen the reform of the remuneration allocation mechanism, optimize resource allocation and improve internal allocation structure, taking into account both efficiency and fairness. We promoted targeted incentives, managed remuneration in compliance with laws and regulations, and ensured a sound and standardized income allocation order. Our remuneration allocation strengthened incentives for strategy implementation, reform in key sectors, development of major business and profit-generating institutions, and encouraged value creation and high-quality development. At the same time, we prioritized employee care, channeled more resources to the frontline staff at foundation-level branch outlets, consolidated our achievements in poverty alleviation, and supported rural revitalization. We continued to improve the long-term incentives and constraints and provided preferential incentives for key positions, core backbone personnel and professional talents to effectively promote the bank-wide talent development.

Please refer to "Corporate Governance Report — Operation of Corporate Governance — Board of Directors" for the composition and authority of the Nomination and Remuneration Committee of the Board of Directors. Please refer to "Note IV. 31 Other Liabilities (1) Staff costs payable and 6 Operating Expenses (1) Staff costs to the Consolidated Financial Statements" for the total annual remuneration and the remuneration distribution structure. Please refer to "Corporate Governance Report — Directors and Senior Management Members — Remuneration of Directors and Senior Management Members" for details of the remuneration of the Board of Directors, the senior management and employees on positions that have a significant impact on the risks of the Bank.

Information on Employees

As at the end of 2025, we had a total of 457,835 employees. Among them, 839 employees were employed by our overseas branches, subsidiary banks and representative offices, and 6,815 employees were employed by the subsidiaries with integrated operations and others.

Distribution of Employees by Region

	31 December 2025	
	Number of Employees	Percentage (%)
Head Office	15,658	3.4
Yangtze River Delta	65,381	14.3
Pearl River Delta	50,425	11.0
Bohai Rim	65,208	14.3
Central Region	91,722	20.0
Northeastern Region	42,698	9.3
Western Region	119,089	26.0
Overseas Branches, Subsidiary Banks and Representative Offices	839	0.2
Subsidiaries with Integrated Operations and others	6,815	1.5
Total	**457,835**	**100.0**

Distribution of Employees by Education Background

	31 December 2025	
	Number of Employees	Percentage (%)
Doctorate Degree	656	0.1
Master's Degree	53,163	11.6
Bachelor's Degree	307,443	67.2
Junior College and Vocational School	81,983	17.9
Below Junior College	14,590	3.2
Total	**457,835**	**100.0**

Distribution of Employees by Specialization

	31 December 2025	
	Number of Employees	Percentage (%)
Operational decision-making personnel	17,163	3.8
Customer service and marketing personnel	188,083	41.1
Financial market personnel	1,552	0.3
Risk and compliance personnel	30,147	6.6
Operation and finance and accounting personnel	39,595	8.6
Technology and digital operation management personnel	28,411	6.2
Strategy and support personnel	16,014	3.5
Comprehensive service personnel at outlets	109,343	23.9
Technicians	13,339	2.9
Others	14,188	3.1
Total	**457,835**	**100.0**

Distribution of Employees by Age

	31 December 2025	
	Number of Employees	Percentage (%)
30 or below	147,319	32.2
31-40	114,504	25.0
41-50	70,174	15.3
51 or above	125,838	27.5
Total	**457,835**	**100.0**

Distribution of Employees by Gender

	31 December 2025	
	Number of Employees	Percentage (%)
Male	244,011	53.3
Female	213,824	46.7
Total	**457,835**	**100.0**

Information on Institutions

As at the end of 2025, we had 23,128 domestic branch outlets, including the Head Office, Business Department of the Head Office, four specialized business institutions managed by the Head Office, four training institutes, 37 tier-1 branches, 410 tier-2 branches, 3,316 tier-1 sub-branches, 19,313 foundation-level branch outlets and 42 other establishments. We had a total of 13 overseas branches and four overseas representative offices, including branches in Hong Kong SAR, Singapore, Seoul, New York, Dubai International Financial Centre (DIFC), Dubai, Tokyo, Frankfurt, Sydney, Luxembourg, London, Macao SAR and Hanoi, and representative offices in Vancouver, Chinese Taipei, Sao Paulo and Dushanbe. Our subsidiaries mainly included subsidiaries with integrated operations and overseas subsidiary banks. For details, please refer to "Business Review — Integrated Operations" and "Business Review — Cross-Border Financial Services" under "Discussion and Analysis", respectively.

Number of Domestic Branch Outlets by Region

	31 December 2025 Number of Domestic Branch Outlets	Percentage (%)
Head office[1]	10	–
Yangtze River Delta	2,994	13.0
Pearl River Delta	2,369	10.2
Bohai Rim	3,318	14.4
Central Region	5,186	22.4
Northeastern Region	2,383	10.3
Western Region	6,868	29.7
Total	**23,128**	**100.0**

Note: 1. Organizations of the Head Office include the Head Office, Business Department of the Head Office, Capital Operation Center, Private Banking Department, Credit Card Center, Bills Business Department, Beijing Advanced-Level Training Institute, Tianjin Financial Training Institute, Changchun Financial Training Institute and Wuhan Financial Training Institute.

Service Channels

Offline Channels

- Optimizing the distribution of offline channels. We maintained the stability of the total number of branch outlets, and prioritized the relocation of branch outlets to townships, to continuously expand the coverage of financial services, achieving 100% coverage rate in County Areas.

- Strengthening the service capability of branch outlets. We strengthened the building of the "ABC Considerate Services" brand, fostered the culture of "ABC Considerate Services, Progress Every Day", and deeply advanced the intensive operation of branch outlets, to effectively enhance the operational efficiency of branch outlets. Our customer waiting time at branch outlets was shortened by 17% as compared to the previous year, with customer satisfaction further improved. We continued to carry out the public welfare activity themed "ABC Caring Service Zones+", continuously enriched the forms and substance of services, and actively served outdoor workers, new urban residents and other customer groups, to deliver the warmth of financial services.

- Improving age-friendly services at branch outlets. We promoted more convenient and age-friendly facilities at branch outlets, equipped them with wheelchair-accessible passages and other service facilities, and set up dedicated service areas (Golden Harbor and ABC Caring Service Zones) for elderly customers. We established 3,300 model branch outlets for age-friendly services. We rolled out a package of facilitation service policies to provide elderly customers with a more considerate and caring service experience. The Business Office of Nanzheng Sub-branch in Hanzhong, Shaanxi Province and other branch outlets were awarded the title of the 2025 national "Model Age-friendly Institution".

- Optimizing self-service banking services. We optimized the processes and user interface of STM to continuously enhance the customer experience. As at the end of 2025, we had a total of 53.7 thousand STMs and 52.0 thousand ATMs.

Online Channels

For details of our online channels, please refer to "Business Review — Online Finance" under "Discussion and Analysis".

Remote Channels

- In 2025, we reached customers of a total of 383 million person-times through all-media customer services (including voice, text, video, and new media), representing a year-on-year increase of 11.3%. Among these, 81.83 million person-times of voice call-ins were handled by customer service staff, representing a year-on-year increase of 15.1%, with a customer satisfaction rate of 99.9%.

- Enhancing services for special customer groups. We upgraded the "direct access to staff" service for elderly customers, and launched video guidance for mobile banking operations, with the customer satisfaction rate of exclusive services reaching 99.91%. We refined the sign-language customer service interface and introduced the message push notification feature. We expanded the range of business of the "one-person on-site + one-person remote video" service for special customer groups.

- Deepening financial services for agriculture, rural areas and rural residents. We launched "on-site + remote" face-to-face interviews for rural household loans in the Tibetan language, and added video services in Tibetan dialects, such as the Ngari dialect, Nyingchi dialect and Nagqu dialect. We piloted the "direct access to staff" service of the 95599 customer hotline at Huinong service stations to expand services to County Areas and rural areas.

- Enhancing customer experience. We launched the "remote pre-filling + offline handling" coordinated service for businesses such as debit card replacement with the same number and card application reservations, to enhance the convenience of financial services. We upgraded the official WeChat account of ABC Cloud Customer Service, introducing features such as branch outlet information inquiry to meet high-frequency usage needs, and promoting financial knowledge and our service policies focusing on customer demands.

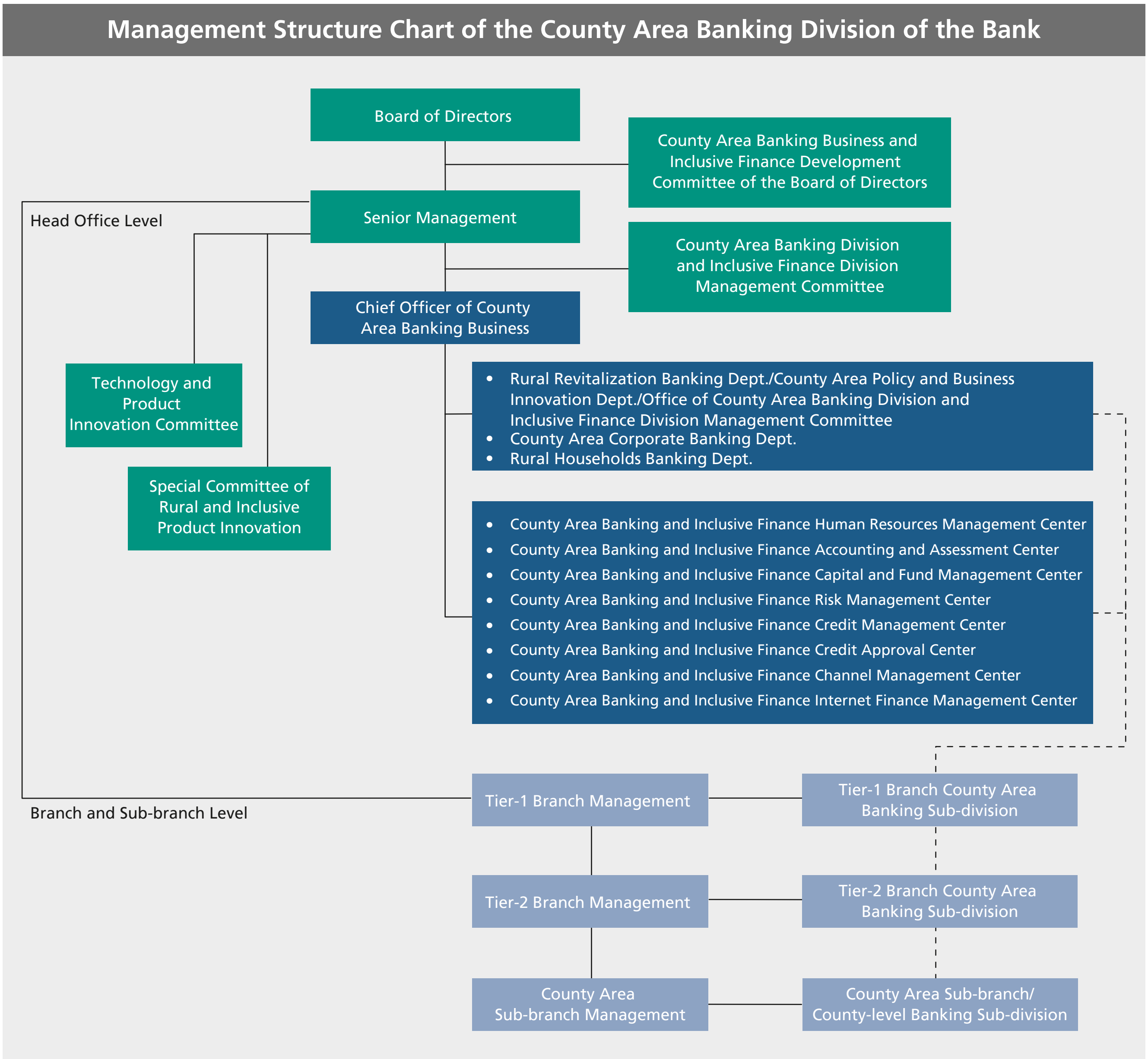
- Accelerating the development of digital and intelligent customer services. We established an enterprise-level knowledge base and developed intelligent Q&A capabilities, to provide knowledge support for smart banking AI applications. We applied large language models to assist in intent detection, enhancing the customer service robot's ability to analyze and understand complex customer queries. We promoted the intelligent voice routing strategy for the customer service hotline, enabling customers to receive the desired service through a single voice command instead of keypad input.

County Area Banking Business

Management Structure and Management Mechanism

We provide customers in County Areas and rural areas with comprehensive financial services through all our operating institutions of the County Area Banking Division. We refer to such business as the County Area Banking Business or Banking Business for Agriculture, Rural Areas and Rural Residents. During the reporting period, we upheld our primary responsibility and core business of serving agriculture, rural areas and rural residents, and thoroughly implemented the CPC Central Committee's decisions and plans for advancing all-around rural revitalization and accelerating the building of a strong agricultural sector. We closely focused on our strategic positioning as a leading bank serving rural revitalization, kept improving the operation system and mechanism of the County Area Banking Division, strengthened technological empowerment, and enhanced synergy and innovation to further consolidate and improve our differentiated competitiveness of our business in agriculture, rural areas and rural residents and County Area business.

Management Structure



Management Mechanism

- **We tilted policies and resources towards the County Area business.** We developed separate credit plans for loans in County Areas, agriculture-related loans, and loans to counties lifted out of poverty, allocating more credit resources and prioritizing the supply of credit for agriculture, rural areas and rural residents as well as County Areas. We allocated economic capital in County Areas separately, improved economic capital support policies, strengthened Fund Transfer Pricing (FTP) preferential treatment and pricing support for agriculture, rural areas and rural residents as well as County Areas, and encouraged branches to increase the granting of loans in key areas related to agriculture as well as County Areas. We prioritized resources input in agriculture, rural areas and rural residents and County Areas, and allocated more fixed assets and financial expenses, among other resources, to the front line institutions serving rural revitalization, fully supporting the high-quality development of business in agriculture, rural areas and rural residents as well as County Areas.

- **We continuously refined the rural credit management mechanism.** We issued the rural credit policy guidelines for 2025, which specified over 30 differentiated policies. We optimized the credit policies for key areas of rural revitalization and improved differentiated regional credit policies in light of local conditions. We aligned our work with the list of key projects and customers issued by national ministries and commissions and stepped up credit support for key areas of rural revitalization. We improved the priority processing and expedited completion mechanism for key businesses of rural revitalization, refined review criteria, and strengthened AI application, striving to enhance the efficiency of credit review and approval for agriculture, rural areas and rural residents as well as County Areas.

- **We actively synergized online and offline service channels.** We accelerated digital transformation, and improved the "six-in-one" comprehensive service channel system of "physical outlets + ATMs + mobile banking + Huinong service stations + mobile service vehicles + remote banking", integrating online and offline channels. We continued to optimize the layout of branch outlets in County Areas, focusing on the relocation of outlets to townships and extending financial services to grassroots level. We upgraded the rural version of mobile banking, and improved its distinctive features. As of the end of 2025, the number of monthly active users (MAU) of the rural version of mobile banking exceeded 52 million.

- **We continued to consolidate the talent foundation for rural finance.** We strengthened the building of leadership teams at County Areas sub-branches, further implemented the young talent development program in County Areas, strove to cultivate customer managers with Mr. Rao Caifu as the model, and carried out special training on rural revitalization in a coordinated manner, so as to build a multi-level, high-caliber talent team for rural finance on an ongoing basis. We stepped up the recruitment of employees dedicated to financial services for agriculture, rural areas and rural residents and County Areas, allocated more compensation resources to them, and strengthened assessment, incentive and restraint mechanisms, to encourage employees to continuously improve the quality and efficiency of their services for rural revitalization.

Financial Services for All-around Rural Revitalization

Serving for Consolidation and Expansion of Achievements in Poverty Alleviation

2025 marked the last year of the 5-year transition period in which we worked both to consolidate and expand achievements in poverty alleviation and to promote rural revitalization. With the focus on the areas lifted out of poverty and low-income groups, we continued to optimize the policies of providing pairing assistance through financial services, scaled up credit supply, and strengthened product innovation and technological empowerment, to help guard against any large-scale lapse or relapse into poverty.

- **We increased credit support for key areas.** We continued to scale up credit supply for the areas lifted out of poverty, the key counties receiving national assistance for rural revitalization, and the former "Three Areas and Three Prefectures", among other key areas receiving assistance. We allocated more resources to these areas, adopting differentiated policies such as preferential rural household loan rates and exemption or reduction of merchant acquiring service fees. As of the end of 2025, the balance of loans to 832 counties lifted out of poverty amounted to RMB2.53 trillion, representing an increase of 11.0% as compared to the end of the previous year, and the balance of loans to 160 key counties receiving assistance for rural revitalization amounted to RMB480.0 billion, representing an increase of 9.9% as compared to the end of the previous year.

- **We strengthened financial services for key groups.** We actively promoted featured products such as small loans to people lifted out of poverty and the Fumin Loan, providing financial support for a broad range of rural households, especially those lifted out of poverty and on the verge of poverty who are vulnerable to relapse to increase their income. We consolidated and deepened financial services for people with disabilities, with a credit line of RMB11.7 billion granted to 56 thousand families with disabled members on a cumulative basis. As of the end of 2025, the balance of targeted assistance loans was RMB580.8 billion, directly supporting 902 thousand people lifted out of poverty and helping over 3.70 million people lifted out of poverty secure jobs and increase income; the balance of the Fumin Loan reached RMB120.4 billion, representing an increase of 27.8% as compared to the end of the previous year.

- **We delivered remarkable results in comprehensive assistance work.** We actively aligned with local governments' arrangements for the industrial transfer between the eastern and western regions and project introduction. In 2025, we provided supporting financial services for 122 collaboration projects between eastern and western regions launched by local governments, and facilitated the introduction of 87 assistance projects with the funding of RMB400 million to the western regions. In 2025, we directly purchased and helped sell agricultural and sideline products in the areas lifted out of poverty worth RMB2.71 billion. We pressed ahead with the "Financial Talents in Counties to Help Towns and Villages and Enrich People Campaign", and over 2,000 cadres to assist in rural revitalization were dispatched to areas lifted out of poverty.

Serving All-around Rural Revitalization

We closely aligned with national strategies and plans for all-around rural revitalization. Focusing on the key fields of rural revitalization, such as food security, ensuring stable production and supply of major agricultural products, rural industries, rural construction and farmers' income increase, we accelerated the innovation of financial products and service models, further strengthened technological empowerment, continuously expanded the width and depth of financial services for rural areas, and provided high-quality financial services for all-around rural revitalization.

- **We continuously stepped up financial support for key fields of rural revitalization.** We strengthened financial services for the protection and quality improvement of cultivated land, stepped up financial services for leading enterprises in the seed industry, actively supported diversified food supply, and contributed to safeguarding the bottom line of food security. We consolidated and expanded the services for leading agricultural industrialization enterprises, supported the cultivation and development of distinctive rural industries, and assisted in the establishment of a modern rural industrial system. We issued RMB40.0 billion of rural financial bonds to support the construction of integrated urban-rural infrastructure and other agriculture-related areas. As of the end of 2025, the balance of loans in fields related to ensuring stable supply of grains and major agricultural products, loans to rural industries and loans to rural construction and related areas amounted to RMB1.21 trillion, RMB2.66 trillion and RMB2.46 trillion, representing an increase of 20.3%, 19.5% and 9.6%, respectively, as compared to the end of the previous year.

- **We comprehensively improved the quality and efficiency of financial services for rural households.** We accelerated the innovation of products and services, strengthened technological empowerment, and vigorously promoted a loan operation model featuring village-wide outreach, batch information filing, centralized approval and online processing. We developed a rural household loan product system dominated by Huinong E-loan and supported by specialized products, to improve the accessibility to loans for farmers and fully meet their credit needs arising from production and living. As of the end of 2025, the balance of the Huinong E-loan reached RMB1.84 trillion, representing an increase of RMB341.6 billion or 22.9% as compared to the end of the previous year.

- **We continuously enhanced the innovation of rural financial products.** We formulated the annual guiding opinions on the innovation of rural financial products, leveraged the synergistic effect of the model characterized by overall planning and demonstration by the Head Office, innovation by branches, and pilot trials at frontline institutions, and constantly intensified innovation of rural financial products, to ensure their coverage of all key fields of rural revitalization. We launched products, including the Huinong Internet Loan and Smart Animal Husbandry Loan, and further enhanced the online and digital capabilities in serving agriculture, rural areas and rural residents and Country Areas. As of the end of 2025, the total number of rural financial products of the Bank reached 236.

- **We further advanced the implementation of the digital village project construction.** We continued to press ahead with the iteration and optimization of the features of the ABC Huinong Cloud platform, and improved the quality and expanded the capacity of our one-stop supermarket for agriculture-related scenarios. Focusing on three major fields of agricultural industry, rural governance and people's livelihood services, we created 14 types of distinctive application scenarios, including smart grain barns, "Party building + credit villages", and county-level medical consortiums with settlement, credit and other financial services embedded, realizing "scenario + finance" synergistic empowerment. As of the end of 2025, the ABC Huinong Cloud platform had 367 thousand institutional members, covering 2,682 counties (districts) and serving over 6.80 million customers.

Financial Position

Major Items of Assets and Liabilities of the County Area Banking Business

In millions of RMB, except for percentages

Item	31 December 2025 Amount	31 December 2025 Percentage (%)	31 December 2024 Amount	31 December 2024 Percentage (%)
Total loans and advances to customers	**10,936,160**	**–**	9,854,954	–
Allowance for impairment losses on loans	**(393,725)**	**–**	(387,450)	–
Loans and advances to customers, net	**10,542,435**	**65.5**	9,467,504	64.2
Intra-bank balance[1]	**4,218,171**	**26.2**	4,077,192	27.6
Other assets	**1,325,480**	**8.3**	1,212,026	8.2
Total assets	**16,086,086**	**100.0**	14,756,722	100.0
Deposits from customers	**14,381,965**	**96.1**	13,153,343	95.8
Other liabilities	**581,567**	**3.9**	581,851	4.2
Total liabilities	**14,963,532**	**100.0**	13,735,194	100.0

Note: 1. Intra-bank balance refers to funds provided by the County Area Banking Business to other business segments within the Bank through internal funds transfers.

Major Income Statement Items of the County Area Banking Business

In millions of RMB, except for percentages

	2025	2024	Increase/ (decrease)	Growth rate (%)
External interest income	**314,338**	331,861	(17,523)	-5.3
Less: External interest expense	**185,143**	201,480	(16,337)	-8.1
Interest income from intra-bank balance[1]	**189,511**	181,944	7,567	4.2
Net interest income	**318,706**	312,325	6,381	2.0
Net fee and commission income	**31,724**	30,747	977	3.2
Other non-interest income	**9,547**	6,475	3,072	47.4
Operating income	**359,977**	349,547	10,430	3.0
Less: Operating expenses	**126,498**	120,273	6,225	5.2
Credit impairment losses	**45,200**	43,201	1,999	4.6
Impairment losses on other assets	**23**	134	(111)	-82.8
Total profit before tax	**188,256**	185,939	2,317	1.2

Note: 1. Interest income from intra-bank balance represents the interest income earned on funds provided by the County Area Banking Business to other business segments of the Bank through internal funds transfer pricing, the interest rate of which is determined based on the market interest rate.

Major Financial Indicators of the County Area Banking Business

Unit: %

Item	2025	2024
Average yield of loans	**3.00**	3.54
Average cost of deposits	**1.28**	1.54
Net fee and commission income to operating income	**8.81**	8.80
Cost-to-income ratio	**34.19**	33.54

Item	31 December 2025	31 December 2024
Loan-to-deposit ratio	**76.04**	74.92
Non-performing loan ratio	**1.13**	1.21
Allowance to non-performing loans	**336.21**	338.33
Allowance to loan ratio	**3.80**	4.10

Risk Management

Comprehensive Risk Management System

Comprehensive risk management refers to the timely identification, measurement, assessment, monitoring, reporting, controlling or mitigating of main material risks in business operation through the integration of elements including risk appetite, policies and rules, organizational system, tools and models, data systems, and risk culture in line with the principle of comprehensive coverage, whole-process management and overall participation, so as to ensure effective risk management in decision-making, implementation and supervision across the Bank.

In 2025, amid the complex and challenging internal and external situations, the Bank continued to improve the comprehensive risk management system, ensured both development and security, and firmly guarded the bottom line of risk and compliance. We reviewed and updated the Group's risk appetite and comprehensive risk management strategies, strengthened the transmission of risk appetite, and took a more proactive approach to risk management. We continuously optimized the credit structure and promoted the digital transformation of credit risk management to make credit risk management and control more forward-looking and effective. We refined the market risk management system, formulated risk management strategies for financial market business, and constantly improved the mechanism of market risk management and control. We improved operational risk management tools, strengthened operational risk management in key areas, and consolidated the foundation for whole-process management of operational risk.

For details of risk governance, please refer to "Corporate Governance Report — Risk Governance".

Risk Management Rules System

In 2025, we continued to refine our policies and rules system of risk management. We revised the Group's risk appetite statement and comprehensive risk management strategies to enhance the guidance on the Bank's business operation and risk management. We revised the management measures for corporate customers with potential risks, the duration of credit business, and the loan disbursement center, consolidating the foundation for credit risk management. We revised the basic policy for market risk management, as well as the management measures for the classification of the trading book and the banking book, improving the market risk management system. We revised the detailed management rules for operational risk assessment and the detailed implementation rules for the business continuity management of information systems, optimizing the management of operational and information technology risks. In line with new regulatory provisions and based on business needs, we revised the economic capital measurement management measures, the concentration risk management measures, the country risk management measures and operating procedures, as well as the risk management measures of overseas branches and subsidiary banks, etc.

Risk Analysis Report

In 2025, we further improved the bank-wide risk reporting system, enhanced risk reporting capabilities, strengthened the forward-looking analysis of and response to various risk trends, and timely identified, accurately reflected and effectively transmitted risk information, effectively supporting the decision-making in business operation and risk management across the Bank.

Credit Risk

Credit risk refers to the risk of loss to the Bank as a result of a debtor's (or counterparty's) default or a reduction in its credit rating or performance capability. The Bank's credit risk mainly lies in the loan portfolio, investment portfolio, guarantee business and various other on- and off-balance sheet credit risk exposures. The structure of our credit risk management mainly comprises the Board of Directors and its Risk Management and Consumers' Interests Protection Committee, the Senior Management and its Risk Management and Internal Control Committee, Credit Approval Committee, Asset Disposal Committee, as well as Credit Management Department, Credit Approval Department, Risk Asset Disposal Department and various front offices, with centralized and unified management and multi-level authorization.

We adhered to the prudent and sound operation philosophy. In line with the work guidelines of controlling new risks, reducing existing risks and consolidating the foundation, we continuously optimized the credit structure, improved the systems and mechanisms for credit risk management, prioritized risk prevention and defusion in key areas, and strove to strengthen the foresight and effectiveness of credit risk management. In 2025, our overall credit risk remained stable and controllable.

We adjusted and optimized the credit structure. We stayed committed to our primary responsibility and core business of serving agriculture, rural areas and rural residents, and made solid efforts in the "Five Priorities" of finance. Centering on national strategic orientations and the key drivers of high-quality development, we strengthened credit policy support and enhanced credit services in areas such as agriculture, rural areas and rural residents as well as County Areas, modernized industrial systems, modernized infrastructure system, green and low-carbon transition, inclusive finance, people's wellbeing and consumption, and foreign investment and trade.

We improved the inclusive and retail credit management system. In accordance with the principles of authenticity, appropriateness and controllability, we enforced strict customer access threshold, strengthened online-offline collaboration, ensured the separation and restraint between credit investigation and approval, improved unified credit management, and intensified responsibility constraints to drive the high-quality development of inclusive and retail business.

We advanced risk defusion in key areas. We increased credit support for areas such as the construction of the "Three Major Projects", the "white list" project under the urban real estate financing coordination mechanism and the "High-quality Housing" project, and equitably met the reasonable financing demands of real estate enterprises with different types of ownership. We strengthened risk control through developer-specific measures and project-specific plans for customers with large loan balance, enhanced refined management of real estate projects, and ensured the closed operation of funds. We comprehensively utilized policy tools such as the "16 financial measures" to mitigate risks. We continued to ensure the implementation of the policies of debt risk defusion through financial support. Adhering to market-based principles and the rule of law, we took solid steps to defuse existing debt risks, made orderly headway in the withdrawal of financing platforms, and conducted newly increased financing in compliance with regulations, firmly safeguarding the principle of not increasing local government hidden debts.

We advanced the digital transformation of credit risk management. We innovatively built a three-dimensional monitoring system comprising "models + rules + operations", improved the risk identification models and early warning indicators system for different types of customers, including groups, large and medium-sized corporate entities, and inclusive and retail customers, strengthened risk review and disposal management, and enhanced the foresight and precision of risk monitoring. We continued to carry out centralized operations such as post-loan follow-up visits, collection of overdue loans, disposal and write-off of non-performing loans, and fraud risk review, embedded artificial intelligence into the entire process of centralized operations, and promoted digital risk management and control to reduce burden, improve efficiency, control risk and enhance quality.

We stepped up the management and control of overdue loans and the disposal of non-performing loans. We managed maturing loans in a proactive manner, and carried out collection of overdue loans on a regular basis. We comprehensively used diverse disposal approaches to continuously improve the quality and efficiency of disposal.

Risk Classification of Financial Assets

We formulated the risk classification management systems in accordance with the requirements of *the Rules on Risk Classification of Financial Assets of Commercial Banks*. We specified the methods for the risk classification of different types of financial assets, based on such information as the financial asset type, the counterparty type, the features of product structure, and past defaults, taking into account the characteristics of their asset portfolios, with an overdue method for retail assets and a model method for non-retail assets. The classification process follows the principle of checks and balances horizontally and authority restriction vertically, and it operates based on process and authority. The basic procedures include preliminary classification, classification recognition, classification review and approval.

We adopted two classification management models for financial assets exposed to credit risk, being the 5-category classification system and the 12-category classification system. Non-retail credit assets were mainly managed with the 12-category classification system. We conducted comprehensive evaluations from the two dimensions of customer default risk and debt transaction risk to prudently reflect the degree of credit assets risk. Our retail credit assets were managed with the 5-category classification system, which carried out risk classification automatically by the system, mainly based on overdue days of principal and interest of the credit assets and the type of guarantee. Our non-credit assets were managed with the 5-category classification system, mainly taking into account factors such as the type of financial assets, type of counterparty, and overdue days, so as to truly reflect the risk profile.

Credit Risk Analysis

Distribution of Loans by Collaterals

In millions of RMB, except for percentages

Item	31 December 2025		31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Loans secured by mortgages	**8,859,668**	**32.7**	8,903,280	35.8
Loans secured by pledges	**2,462,618**	**9.1**	2,452,690	9.9
Guaranteed loans	**3,464,355**	**12.8**	3,003,634	12.1
Unsecured loans	**12,296,005**	**45.4**	10,496,647	42.2
Sub-Total	**27,082,646**	**100.0**	24,856,251	100.0
Accrued interest	**52,188**	**–**	49,936	–
Total	**27,134,834**	**–**	24,906,187	–

Distribution of Overdue Loans by Overdue Period

In millions of RMB, except for percentages

Item	31 December 2025 Amount	31 December 2025 Percentage of total loans (%)	31 December 2024 Amount	31 December 2024 Percentage of total loans (%)
Overdue for less than 90 days (including 90 days)	**92,435**	**0.34**	100,140	0.40
Overdue for 91 days to 360 days (including 360 days)	**124,041**	**0.46**	109,826	0.44
Overdue for 361 days to 3 years (including 3 years)	**101,498**	**0.37**	66,322	0.27
Overdue for over 3 years	**21,573**	**0.08**	16,809	0.07
Total	**339,547**	**1.25**	293,097	1.18

Loan Concentration

In millions of RMB, except for percentages

Top ten single borrowers	Industry	Amount	Percentage of total loans (%)
Borrower A	Transportation, storage and postal services	114,876	0.42
Borrower B	Finance	99,063	0.37
Borrower C	Production and supply of electricity, heating, gas and water	74,374	0.27
Borrower D	Transportation, storage and postal services	63,361	0.23
Borrower E	Transportation, storage and postal services	60,185	0.22
Borrower F	Transportation, storage and postal services	50,434	0.19
Borrower G	Finance	45,386	0.17
Borrower H	Transportation, storage and postal services	39,023	0.15
Borrower I	Transportation, storage and postal services	35,442	0.13
Borrower J	Production and supply of electricity, heating, gas and water	35,000	0.13
Total		**617,144**	**2.28**

As of 31 December 2025, we fulfilled the regulatory requirements as total loans to our largest single borrower represented 2.58% of our net capital and total loans to our ten largest borrowers represented 13.87% of our net capital.

Large Exposures

During the reporting period, pursuant to the *Administrative Measures for Large Exposures of Commercial Banks* and other relevant regulatory requirements, we continuously improved the organizational structure and system for large exposures management, consolidated the data basis, optimized the measurement process, upgraded system functions, carried out the measurement, monitoring and system optimization of large exposures in an orderly manner, strictly implemented each regulatory indicator, regularly reported the regulatory reports, strengthened limit management and control and constantly improved our capability to measure and manage large exposures.

Distribution of Loans by Five-category Classification

In millions of RMB, except for percentages

Item	31 December 2025 Amount	31 December 2025 Percentage (%)	31 December 2024 Amount	31 December 2024 Percentage (%)
Normal	26,361,575	97.34	24,186,399	97.30
Special mention	377,615	1.39	347,687	1.40
Non-performing loans	343,456	1.27	322,165	1.30
Substandard	111,791	0.42	124,568	0.50
Doubtful	90,208	0.33	141,757	0.58
Loss	141,457	0.52	55,840	0.22
Sub-Total	27,082,646	100.00	24,856,251	100.00
Accrued interest	52,188	–	49,936	–
Total	27,134,834	–	24,906,187	–

As of 31 December 2025, the balance of our non-performing loans was RMB343,456 million, representing an increase of RMB21,291 million as compared to the end of the previous year; and the non-performing loan ratio was 1.27%, representing a decrease of 0.03 percentage point as compared to the end of the previous year. The balance of special mention loans was RMB377,615 million, representing an increase of RMB29,928 million as compared to the end of the previous year; and special mention loans accounted for 1.39%, representing a decrease of 0.01 percentage point as compared to the end of the previous year.

Distribution of Non-Performing Loans by Business Type

In millions of RMB, except for percentages

Item	31 December 2025 Amount	31 December 2025 Percentage (%)	31 December 2025 Non-performing loan ratio (%)	31 December 2024 Amount	31 December 2024 Percentage (%)	31 December 2024 Non-performing loan ratio (%)
Corporate loans	211,471	61.6	1.37	222,774	69.1	1.58
Including: Short-term corporate loans	47,156	13.7	1.13	62,523	19.4	1.80
Medium- and long-term corporate loans	164,315	47.9	1.45	160,251	49.7	1.50
Discounted bills	–	–	–	–	–	–
Retail loans	124,287	36.2	1.34	91,211	28.4	1.03
Residential mortgage loans	44,235	12.9	0.92	36,598	11.4	0.73
Credit card balances	15,956	4.6	1.88	12,534	3.9	1.46
Personal consumption loans	8,842	2.6	1.46	7,380	2.3	1.55
Loans to private business	55,232	16.1	1.85	34,682	10.8	1.39
Others	22	–	8.00	17	–	10.97
Overseas and others	7,698	2.2	2.02	8,180	2.5	2.10
Total	343,456	100.0	1.27	322,165	100.0	1.30

Distribution of Corporate Non-Performing Loans by Industry

In millions of RMB, except for percentages

Item	31 December 2025 Amount	31 December 2025 Percentage (%)	31 December 2025 Non-performing loan ratio (%)	31 December 2024 Amount	31 December 2024 Percentage (%)	31 December 2024 Non-performing loan ratio (%)
Manufacturing	35,183	16.6	1.39	37,061	16.6	1.57
Production and supply of electricity, heating, gas and water	4,229	2.0	0.24	5,048	2.3	0.31
Real estate	47,197	22.3	5.40	46,339	20.8	5.40
Transportation, storage and postal services	5,135	2.4	0.16	19,524	8.8	0.66
Wholesale and retail	24,650	11.7	2.44	20,176	9.1	2.32
Water, environment and public utilities management	17,737	8.4	1.31	23,164	10.4	1.83
Construction	12,835	6.1	2.12	11,631	5.2	2.13
Mining	1,114	0.5	0.34	1,206	0.5	0.42
Leasing and commercial services	41,430	19.6	1.61	41,205	18.5	1.77
Finance	280	0.1	0.06	282	0.1	0.07
Information transmission, software and IT services	3,754	1.8	2.56	3,125	1.4	2.93
Others	17,927	8.5	2.77	14,013	6.3	2.53
Total	211,471	100.0	1.37	222,774	100.0	1.58

Distribution of Non-Performing Loans by Geographic Region

In millions of RMB, except for percentages

Item	31 December 2025 Amount	31 December 2025 Percentage (%)	31 December 2025 Non-performing loan ratio (%)	31 December 2024 Amount	31 December 2024 Percentage (%)	31 December 2024 Non-performing loan ratio (%)
Head Office	4,599	1.3	0.43	792	0.2	0.09
Yangtze River Delta	62,891	18.3	0.97	49,307	15.3	0.82
Pearl River Delta	66,742	19.5	1.59	58,909	18.3	1.51
Bohai Rim	47,068	13.7	1.30	49,328	15.3	1.47
Central Region	48,725	14.2	1.08	44,517	13.8	1.09
Northeastern Region	17,646	5.1	2.05	16,857	5.2	2.19
Western Region	88,087	25.7	1.49	94,275	29.4	1.74
Overseas and others	7,698	2.2	2.02	8,180	2.5	2.10
Total	343,456	100.0	1.27	322,165	100.0	1.30

Changes in the Allowance for Impairment Losses on Loans

In millions of RMB

Item	2025 Stage I 12 months expected credit loss	Stage II Lifetime expected credit loss	Stage III	Total
1 January 2025	**659,327**	**100,388**	**205,511**	**965,226**
Transfer[1]				
Stage I to Stage II	**(13,206)**	**13,206**	**–**	**–**
Stage II to Stage III	**–**	**(41,446)**	**41,446**	**–**
Stage II to Stage I	**20,105**	**(20,105)**	**–**	**–**
Stage III to Stage II	**–**	**14,658**	**(14,658)**	**–**
Originated or purchased financial assets	**205,307**	**–**	**–**	**205,307**
Remeasurement	**(78,512)**	**68,399**	**146,431**	**136,318**
Repayment and transfer-out of normal loans and special mention loans	**(151,488)**	**(23,360)**	**–**	**(174,848)**
Repayment and transfer-out of non-performing loans	**–**	**–**	**(34,454)**	**(34,454)**
Write-offs	**–**	**–**	**(92,769)**	**(92,769)**
31 December 2025	**641,533**	**111,740**	**251,507**	**1,004,780**

Notes: 1. For details of the three-stage impairment models, please refer to "Note IV.17 Loans and advances to customers to the Consolidated Financial Statements".

2. The table includes the allowance for impairment losses on loans measured at fair value through other comprehensive income.

Market Risk

Market risk refers to the risk of loss in the bank's on- and off-balance sheet business as a result of adverse changes in market prices (interest rates, exchange rates, stock prices and commodity prices). The market risks which the Bank is primarily exposed to include interest rate risk, exchange rate risk and commodity price risk. The Bank's organizational structure of market risk management comprises the Board of Directors and its Risk Management and Consumers' Interests Protection Committee, the Senior Management and its Risk Management and Internal Control Committee, the Risk Management Department, and other departments (institutions) bearing market risks.

In 2025, we fully implemented the new regulations on market risk management, revised the basic and supporting systems for market risk management, and further improved the market risk management system. We formulated the annual risk management strategy for financial market business, strengthened risk management for treasury transactions and investment business across the Bank, optimized and adjusted market risk exposure limits. The market risk intraday limit management function was launched, enabling a shift from post-event management and control to in-process management and control. We promoted the real-time price monitoring of bond transactions, improved the pre-assessment, management and control mechanism of transaction orders, to effectively identify, prevent and control risks associated with transaction behaviors.

The types of our market risk exposure limits are classified into quantity limits, stop-loss limits, risk limits, and sensitivity limits, etc., and categorized into directive limits and indicative limits by enforceability. We classified all of the on- and off-balance sheet assets and liabilities into either the trading book or the banking book. The trading book includes the financial instruments, foreign exchange and commodities positions held by the Bank for trading or hedging against the risk of other items in the trading book. Any other positions are classified into the banking book.

Market Risk Management in the Trading Book

We managed the market risk of the trading book through various approaches, including stress testing, Value at Risk (VaR), exposure limit management, sensitivity analysis, duration analysis and exposure analysis.

We regularly conducted stress testing to evaluate the maximum loss to the Bank's trading book under extreme market risk. Stress testing scenarios include the single-factor scenario, the multi-factor scenario, and the historical scenario. In the stress testing of market risk, by quantitative analysis of the impact of the changes in interest rates, foreign exchange rates and other market prices on the Bank's asset prices and profits/losses, we revealed the weak links in the Bank's investment and trading business in extreme scenarios, to improve the Bank's responsiveness to extreme risk events. Results of the stress testing indicated that during the reporting period, losses of the Bank under stress testing of market risk were generally controllable.

Please refer to "Note IV 44.3 Market Risk to the Consolidated Financial Statements" for details of VaR for the trading book.

Exchange Rate Risk Management

Exchange rate risk refers to the risk arising from currency mismatch of assets and liabilities of banks. Exchange rate risk mainly consists of the trading exchange rate risk that could be hedged, and the exchange rate risk caused by assets and liabilities (the "non-trading exchange rate risk"), which could hardly be avoided in operations.

In 2025, the Bank regularly performed exchange rate exposure monitoring, exchange rate sensitivity analysis and stress testing, and further refined the exchange rate risk measurement. We also flexibly adjusted the trading exchange rate risk exposure, and maintained the stable exposure of the non-trading exchange rate risk. Exchange rate risk exposure of the Bank was controlled within a reasonable range.

Exchange Rate Risk Analysis

The Bank's exchange rate risk is mainly the exposure risk arising from the exchange rate of USD against RMB. In 2025, the central parity of the RMB against USD appreciated accumulatively by 1,596 basis points or 2.27%. As at the end of 2025, the Bank had a long position of USD5,883 million for the foreign exchange exposure of on- and off-balance sheet financial assets/liabilities.

Foreign Exchange Exposure

In millions of RMB (USD)

	31 December 2025		31 December 2024	
	RMB	**USD equivalent**	RMB	USD equivalent
Net foreign exchange exposure of on-balance sheet financial assets/liabilities	**(94,465)**	**(13,440)**	106,506	14,816
Net foreign exchange exposure of off-balance sheet financial assets/liabilities	**135,814**	**19,323**	(65,762)	(9,148)

Note: Please refer to "Note IV. 44.3 Market Risk to the Consolidated Financial Statements" for more details.

Exchange Rate Sensitivity Analysis

In millions of RMB

Currency	Increase/decrease in exchange rate of foreign currency against RMB	Impact on profit before tax	
		31 December 2025	31 December 2024
USD	+5%	**129**	19
	-5%	**(129)**	(19)
HKD	+5%	**1,211**	1,773
	-5%	**(1,211)**	(1,773)

The non-RMB denominated assets and liabilities of the Bank were primarily denominated in USD and HKD. Based on the exchange rate exposure at the end of the reporting period, the profit before tax of the Bank will increase (or decrease) by RMB129 million if USD appreciates (or depreciates) by 5% against RMB.

Interest Rate Risk in the Banking Book

Interest rate risk in the banking book refers to the risk that adverse changes in interest rate levels and maturity structures will cause the economic value of the banking book and overall income to suffer losses. The interest rate risk in the banking book of the Bank mainly comes from the mismatch of maturity or repricing periods of assets and liabilities which are sensitive to interest rate in the banking book and the inconsistent changes in the benchmark interest rate on which assets and liabilities are based.

Interest Rate Risk Management in the Banking Book

We managed interest rate risk in the banking book through comprehensive use of technical measures such as exposure limit management, stress testing, scenario analysis and gap analysis.

We adhered to the prudential risk appetite for the interest rate risk in the banking book, continued to conduct risk identification, measurement, monitoring, control and mitigation, advanced funding and capital replenishment in an orderly manner, and dynamically optimized the interest rate exposure and duration structure of assets and liabilities. We improved the internal and external pricing mechanism, made efforts to improve the coordination of volume growth and price control, and intensified the transmission of the interest rate risk strategy. We promoted the scientific and technological empowerment of interest rate risk control to enhance the accuracy of risk measurement and analysis. During the reporting period, all the interest rate risk indicators of the Bank were within the scope of regulatory requirements and management objectives, and our interest rate risk in the banking book remained generally controllable, as shown by the result of stress testing.

Interest Rate Risk Analysis in the Banking Book

As at 31 December 2025, the accumulative negative gap with interest rate sensitivity within one year of the Bank amounted to RMB1,601,887 million, representing an increase of RMB1,218,158 million in absolute value as compared to the end of the previous year.

Interest Rate Risk Gap

In millions of RMB

	Within 1 month	1-3 months	3-12 months	Sub-total of 1 year and below	1-5 years	Over 5 years	Non-interest earning
31 December 2025	**(7,927,447)**	**1,555,245**	**4,770,315**	**(1,601,887)**	**(2,194,527)**	**6,662,485**	**127,850**
31 December 2024	(7,982,027)	905,459	6,692,839	(383,729)	(3,222,857)	6,506,172	85,730

Note: Please refer to "Note IV. 44.3 Market Risk to the Consolidated Financial Statements" for more details.

Interest Rate Sensitivity Analysis

In millions of RMB

	31 December 2025		31 December 2024	
	Movements in net interest income	**Movements in other comprehensive income**	Movements in net interest income	Movements in other comprehensive income
+ 100 basis points in interest rate	**(45,280)**	**(106,049)**	(43,851)	(95,502)
– 100 basis points in interest rate	**45,280**	**106,049**	43,851	95,502

The interest rate sensitivity analysis above indicates the movements within the next 12 months in net interest income and other comprehensive income under various interest rate conditions, assuming that there is a parallel shift in the yield curve and without taking into account any risk management measures that the management may adopt to reduce interest rate risk.

Based on the assets and liabilities as at 31 December 2025, if the interest rates instantaneously increase (or decrease) by 100 basis points, the net interest income and other comprehensive income of the Bank would decrease (or increase) by RMB45,280 million and RMB106,049 million, respectively.

Liquidity Risk

Liquidity risk refers to the risk of being unable to timely acquire sufficient funds at a reasonable cost by commercial banks to settle amounts due, fulfill other payment obligations and satisfy other funding needs in the ordinary course of business.

Liquidity Risk Management

Liquidity Risk Management Governance Structure

The liquidity risk management governance structure of the Bank consists of a decision-making system, an execution system and a supervision system, among which, the decision-making system comprises the Board of Directors and its Risk Management and Consumers' Interests Protection Committee and the Senior Management; the execution system comprises liquidity management department, asset and liability business management department and information and technology department, etc.; and the supervision system comprises the Audit Office, the Internal Control and Compliance Supervision Department and the Legal Affairs Department. The above systems perform their respective decision-making, execution and supervision functions based on the division of responsibility.

Liquidity Risk Management Strategy and Policy

We adhered to a prudent liquidity management strategy. We formulated our liquidity risk management policy pursuant to the regulatory requirements, external macroeconomic environment and our business development. We effectively maintained balance among liquidity, security and profitability, on condition of the guaranteed security of liquidity.

Liquidity Risk Management Objectives

The objectives of our liquidity risk management were to effectively identify, measure, monitor and report liquidity risk by establishing a scientific and refined liquidity risk management system, to promptly fulfill the liquidity needs of assets, liabilities and off-balance sheet businesses, perform the external payment obligations, achieve an effective balance between capital efficiency and security of liquidity, and prevent the overall liquidity risk of the Group under normal business environment or under operational pressure.

Liquidity Risk Management Method

We paid close attention to internal and external economic situation, continued to monitor our bank-wide liquidity condition, and strengthened the asset-liability matching management to mitigate risks related to mismatch of maturity. We improved the liquidity management mechanism by strengthening the monitoring, early warning, and overall allocation of liquidity position, and by enhancing the diversification and stability of sources of funding, to maintain a moderate reserve level and meet various payment demands. In addition, we continued to refine the functions of the liquidity management system and improved the level of our electronic management.

Stress Testing Situation

Based on the market condition and operation practice, we set liquidity risk stress testing scenarios fully considering various risk factors which may affect the liquidity. Stress testing was conducted on a quarterly basis. According to the testing results, under the prescribed stress scenarios, we could pass all the shortest survival period tests as required by regulatory authorities.

Main Factors Affecting Liquidity Risk

The major factors affecting liquidity risk include negative impacts of market liquidity, withdrawal of deposits by customers, drawing of loans by customers, mismatch between asset and liability structures, debtor's default, difficulty in asset realization, weakening financing ability, etc.

Liquidity Risk Analysis

During the reporting period, we managed cash flows brought by maturing funds properly, and the overall liquidity was sufficient, secured and under control. As at the end of 2025, we recorded liquidity ratios for RMB and foreign currency of 97.01% and 164.41%, respectively, both meeting regulatory requirements. The average liquidity coverage ratio over the fourth quarter in 2025 increased by 3.25 percentage points to 133.5% as compared to the previous quarter. As at the end of 2025, the net stable funding ratio was 132.28%, with available stable funding of RMB32,794,267 million as the numerator and the required stable funding of RMB24,791,558 million as the denominator.

Liquidity Gap Analysis

The table below presents the Bank's net position of liquidity as at the dates indicated.

In millions of RMB

	Past due	On demand	Within 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Undated	Total
31 December 2025	**70,711**	**(15,282,505)**	**372,770**	**(2,218,960)**	**(2,047,847)**	**2,330,373**	**17,117,573**	**2,651,806**	**2,993,921**
31 December 2024	63,632	(15,102,538)	937,829	(2,247,351)	(1,385,454)	1,105,585	17,469,784	2,143,829	2,985,316

Note: Please refer to "Note IV. 44.2 Liquidity risk to the Consolidated Financial Statements" for more details.

For details of liquidity coverage ratio and net stable funding ratio of the Bank, please refer to the *2025 Pillar 3 Report* published on the website of the Bank (www.abchina.com.cn, www.abchina.com).

Operational Risk

Operational Risk Management

Operational risk refers to the risk of loss resulting from problematic internal procedures, employees or information technology system-related factors, or from external events, including legal risk, but not including strategic risk or reputational risk.

In 2025, we re-examined our operational risk appetite and management strategies and adhered to a prudent risk appetite. We implemented the requirements of new regulations, revised relevant rules for operational risk management, explored and advanced the identification of key risk points, to consolidate the foundation for the full-process operational risk management. We organized special inspections to enhance the quality and efficiency of operational risk management at branches. We took solid steps to advance the building of the new standardized approach system, and external audits on operational risk loss data were carried out to continuously improve the quality of loss data. We upgraded the operational risk management system, optimized the operational risk management tools and reinforced the resource allocation for operational risk management to enhance our operational risk management capability.

We strengthened operational risk management in key areas. We continuously advanced the special governance of criminal cases, conducted in-depth investigation and analysis of cases, and strengthened the prevention and control of case risk in key areas. We steadily promoted the construction of the IT application innovation project, continuously enhanced disaster recovery capabilities, and strengthened cyber security and business continuity management. We strengthened outsourcing risk management, made regular risk and compliance reviews on outsourced projects, and organized annual assessments of outsourcing risk in key business lines. We enhanced internal control as an important means of operational risk control and mitigation, improved the internal control environment, and efficiently carried out control activities.

Legal Risk Management

Legal risk refers to any risk of banks suffering from adverse consequences, including legal liabilities, loss of rights and reputational damage due to the breach of laws, administrative regulations, regulatory provisions and terms of contracts of its business operations, legal failure to duly regulate and exercise rights, or external legal factors. Legal risk includes risk directly resulting from legal factors, as well as risk transferred from other forms of risks.

In 2025, we continued to deepen the construction of Agricultural Bank of China under the rule of law to further promote law-based governance. Focusing on our primary responsibilities and core business, we strengthened legal support for financial services for agriculture, rural areas and rural residents as well as rural revitalization, and for the "Five Priorities" of finance, to underpin the high-quality advancement of key businesses of the Bank. We dynamically improved the standardized contract template system and strengthened the whole-process management of contracts. We refined the management mechanism for intellectual property rights and further empowered business development with intellectual property rights. We actively supported non-performing assets collection and disposal and promoted the in-depth and solid implementation of the diversified dispute resolution mechanism. We strengthened the analysis, judgment and disposal of legal risks associated with group-wide integrated operations, and enhanced management of overseas legal risks. We deepened the digital transformation of legal affairs and enhanced our intelligence level of legal risk management. We actively participated in building the rule of law in finance, and strengthened the building and cultivation of a legal talent team, to raise the rule-of-law thinking and awareness of our employees.

Anti-money Laundering and Sanctions Risk Management

We implemented the new Anti-Money Laundering Law and improved the basic system for anti-money laundering (AML) work. We refined the customer due diligence management system, upgraded the customer due diligence basic infrastructure, and conducted effective customer due diligence and risk prevention and control in key sectors. We continued to track and analyze changes in international sanctions policies and developed and promoted an overseas sanctions risk control platform to enhance the capabilities of sanctions risk management and control. We continuously optimized the AML transaction monitoring system and improved the quality and efficiency of financial intelligence mining. We actively carried out AML training and publicity, organized bank-wide AML knowledge contests, and established AML education bases jointly with universities to enhance the AML awareness of all employees of the Bank and the public.

Reputational Risk

Reputational risk refers to the risk resulting from negative feedback from related stakeholders, the public and the media due to the operation of the Bank's institutions, behavior of employees or external events, thus damaging the brand value, causing adverse impact on normal operation, and even affecting market and social stability.

In 2025, adhering to the management philosophy of prioritizing prevention, we continuously improved the whole-process management of reputational risk, took solid steps to advance basic management work including pre-assessment, risk screening, risk signal collection and front-end resolution, constantly optimized the monitoring and warning of reputational risk, and improved the emergency response mechanism for sudden reputational incidents to enhance the emergency response capabilities across the Bank and proactively prevent and control reputational risk.

Country Risk

Country risk refers to the risk due to changes and incidents that occurred in the politics, economy and society of a specific country or region, which results in the debtors in that country or region incapable of or unwilling to pay their debts owed to the Bank or otherwise leads to business losses to the Bank in that country or region or other losses to the Bank.

Our country risk management system has been established and improved to effectively identify, measure, monitor and control country risk. In 2025, we implemented the regulatory requirements on country risk, revised the management measures and updated management strategies for country risk, taking into account changes in external situations. We conducted country risk evaluation and rating, reasonably set country or regional risk limits, and strengthened country risk monitoring and reporting.

Risk Consolidated

In 2025, we optimized the risk consolidation management mechanism of the Group, strengthened the integrated risk management of our subsidiaries, and improved integrated construction of risk management across the Group. Under the Group's overall risk appetite and risk management policy framework, and based on the characteristics of the industry in which our subsidiaries operate, and their primary business, we improved differentiated risk appetite and risk management policies on a subsidiary-specific basis, refined and adjusted business access criteria, and tailored business and individual risk management policies. We regularly carried out risk assessment and consolidated evaluation for subsidiaries, and rationally formulated risk plans. We improved the risk management systems of subsidiaries, and promoted the application of the financial market product control system among subsidiaries, to continuously enhance the intelligence of their risk management.

Capital Management

During the reporting period, in accordance with the *Rules on Capital Management of Commercial Banks*, we implemented our capital plan for 2025-2027, improved the working mechanism of capital management, deepened the transmission and application of the management principle of the new capital rules, and made solid progress in the intensive and refined management of capital. The effectiveness of our capital management continued to show, further enhancing the strategic support for the Bank's high-quality development, and the level of capital adequacy consistently met regulatory requirements.

During the reporting period, we continued to enhance the construction of Internal Capital Adequacy Assessment Process (ICAAP), optimized the risk assessment standards, improved the sensitivity of stress testing, refined the capital management reporting mechanism, completed the internal capital adequacy assessment for 2025, and carried out the special audit, effectively improving the level of capital and risk management across the Bank.

As one of Global Systemically Important Banks (G-SIBs) and Domestic Systemically Important Banks (D-SIBs), in accordance with regulatory requirements, we optimized the construction of the mechanism for the recovery and resolution plan, completed the formulation and update of the recovery and resolution plan of the Bank, improved capabilities of risk early warning and crisis management, and strengthened the foundation of financial stability. We continued to enhance effective management of G-SIB assessment, and steadily carried out capital and Total Loss-Absorbing Capacity (TLAC) replenishment with external resources. We consistently met TLAC regulatory requirements, consolidated the foundation for our sustainable development, and ensured the high-quality development of the Bank's business.

We implemented advanced approaches of capital measurement and adopted both advanced approaches of capital measurement and other approaches in parallel to calculate the capital adequacy ratio according to the requirements of the NFRA.

Management of Capital Financing

During the reporting period, we improved the capital replenishment mechanism. On the basis of capital replenishment with retained profits, we proactively expanded external resources for capital replenishment, continuously optimized the capital structure, reasonably controlled the financing costs and effectively consolidated the capital foundation.

In May and October 2025, we issued RMB50.0 billion and RMB40.0 billion of undated additional Tier 1 capital bonds in the National Interbank Bond Market, respectively, to replenish our additional Tier 1 capital.

In June, July, September and November 2025, we issued RMB60.0 billion, RMB60.0 billion, RMB60.0 billion and RMB35.0 billion of Tier 2 capital bonds in the National Interbank Bond Market, respectively, to replenish our Tier 2 capital.

In June, August and December 2025, we issued RMB30.0 billion, RMB50.0 billion and RMB20.0 billion of TLAC eligible non-capital bonds in the National Interbank Bond Market, respectively, to enhance the Bank's Total Loss-Absorbing Capacity.

In May and August 2025, we redeemed RMB85.0 billion and RMB35.0 billion of undated additional Tier 1 capital bonds, respectively.

In May 2025, we redeemed RMB40.0 billion of Tier 2 capital bonds.

Management of Economic Capital

During the reporting period, we improved the long-term mechanism for capital management, strengthened aggregate capital constraint, optimized asset structure, improved the level of refined management, and reasonably controlled the growth of risk-weighted assets. We gave full play to the guiding and leveraging role of capital in business development and structural adjustment, optimized the whole-process management and control mechanism for the allocation, monitoring and appraisal of economic capital, highlighted the transmission of operational strategic objectives, and increased support for key areas, such as the "Five Priorities", agriculture, rural areas and rural residents as well as County Areas to improve the support capability of capital management for the Bank's high-quality services for the real economy.

Capital Adequacy Ratio and Leverage Ratio

The table below presents the Group's capital adequacy ratio calculated in accordance with the *Rules on Capital Management of Commercial Banks*.

In millions of RMB, except for percentages

Item	31 December 2025
CET 1 capital, net	**2,748,493**
Tier 1 capital, net	**3,218,268**
Net capital	**4,448,690**
Risk-weighted assets	**24,812,801**
CET 1 capital adequacy ratio	**11.08%**
Tier 1 capital adequacy ratio	**12.97%**
Capital adequacy ratio	**17.93%**

The table below presents the Group's leverage ratio calculated in accordance with the *Rules on Capital Management of Commercial Banks*.

In millions of RMB, except for percentages

Item	31 December 2025
Tier 1 capital, net	**3,218,268**
Adjusted on-and off-balance sheet assets	**51,220,819**
Leverage ratio	**6.28%**

For details of our capital adequacy ratio and leverage ratio, please refer to the *2025 Pillar 3 Report* published on the website of the Bank (www.abchina.com.cn, www.abchina.com).

We actively practiced the Agenda for Sustainable Development and the Global Development Initiative, and implemented national strategies such as climate change tackling. By focusing on the work theme of "preventing risks and promoting high-quality development", we fully integrated sustainable development goals into our governance, strategy and business operations, and delivered sustainable outcomes to empower broad stakeholders.

We thoroughly practiced the financial governance model with Chinese characteristics. We upheld and strengthened the overall leadership of the Party, strictly implemented the "First Agenda Item" policy, solidly promoted the rectification of problems identified in the disciplinary inspections conducted by the CPC Central Committee, conducted in-depth education on the implementation of the central Party leadership's eight-point decision on improving conduct, further promoted the concurrent investigation and governance of corruption, and advanced the comprehensive and strict governance of the Party. We continuously strengthened the governance framework for sustainable development, and the Board fully played its strategic decision-making and oversight roles. We integrated sustainable development into the preparation of our 15th Five-Year Plan, to enhance top-level design for key topics. We expanded the scope of sustainability-related topics reviewed and reported, and strengthened the Board's decision-making and oversight of sustainability-related risks and opportunities. The cross-functional Sustainable Development Working Group (SDWG) was further empowered to support the Strategic Planning and Sustainable Development Committee of the Board in decision-making, driving deeper integration of sustainability philosophy and policy and improving management quality and effectiveness across the Bank. We aligned with sustainability disclosure regulations in advance, and issued our first sustainability report, setting a model for compliant sustainability disclosure in China. We have been awarded the "Best Practice Case for Sustainable Development" by China Association for Public Companies for four consecutive years, and have been included in the "China ESG Top 100 Pioneer Listed Companies" list by China Media Group and China Enterprise Reform and Development Society for three consecutive years.

We supported the achievement of next round of China's Nationally Determined Contributions. We deepened the implementation of our green finance strategy, continuously diversified the green investment and financing system, made steady progress in energy conservation and carbon reduction within our own operations, and actively channeled funds into key initiatives including cutting carbon emissions, reducing pollution, pursuing green development, and boosting economic growth. These efforts aimed to support the green and low-carbon transition of economy and society. As of the end of 2025, the balance of green loans stood at RMB5.93 trillion, representing an increase of 18.7%, equivalent to a carbon dioxide emission reduction of 0.17 billion tons. We issued two tranches of green financial bonds with a total amount of RMB66.0 billion in the domestic market. The balance of green bonds invested for our own account stood at RMB157.8 billion, representing an increase of 36.6%. We expanded the statistical categories of greenhouse gas (GHG) emissions progressively. In 2025, the Group's carbon emissions and per capita carbon emissions both decreased as compared to the previous year. We launched the "ABC e-Procurement Platform", saving 315 thousand sets of paper bidding documents in 2025. We carried out 1,650 green transportation initiatives, with 189 thousand person-times of participating employees. We established an environmental, social, and governance (ESG) evaluation metric system, and launched the ESG assessment function for corporate customers. We continued to carry out transition risk stress testing for carbon-intensive industries such as thermal power and steel, and further explored the inclusion of physical risk stress testing for agriculture-related loans, retail residential mortgage loans, and loans to wind power enterprises, as well as macro scenario stress testing for climate risk. Meanwhile, we progressively established financial connection to sustainability information such as climate change tackling. We have been awarded the "2025 Green Finance Practice Role Model Bank" by Hexun Finance and the "Pioneering Award for Climate Disclosure Contribution" by Hong Kong Quality Assurance Agency.

We effectively enhanced public wellbeing and common prosperity. Adhering to the standard of satisfaction of customers and employees, we strove to reward shareholders and contribute to society, and focused on improving the inclusiveness, appropriateness and coverage of financial services, taking the people's pursuit of a better life as our goal of endeavor. We continued to expand the accessibility of financial services, from physical outlets and self-service terminals to Huinong Service Stations and mobile services, and to online and digital and intelligent services, supporting integrated urban-rural development, ensuring that the benefits of modernization reach every individual. As of the end of 2025, the number of domestic outlets reached 22.8 thousand, maintaining full coverage across County Areas; and the number of monthly active users (MAU) of retail mobile banking exceeded 276 million. We strengthened resource allocation in key sectors of people's livelihood. We vigorously supported the endeavour to boost consumption. The balance of personal consumption loans (including credit card balances) reached RMB1.45 trillion, representing an increase of 9.0%, with both the increment and growth rate ranking first among comparable peers. We improved the service system that responded to the evolving customer needs in the new era. We promoted the new customer service system at outlets, cutting transaction processing time at counters by over 20%. Deepening the implementation of the ABC Considerate Service Project, we established a total of 3,300 age-friendly service demonstration outlets. We delivered 1.3 million person-times of outreach services to elderly customers and other groups. The remote banking care hotline enabled 8 million person-times of "one-touch direct access to staff" services for elderly customers during the year. Placing significant emphasis on grassroots and employee care, we established and improved the operational mechanisms of the Employee Care Committee, and constructed 6,116 new Homes of Employees facilities. We newly selected over 2,200 outstanding young talents, and a total of 47 thousand talents were included in our classified and tiered talent pool. We strengthened two-way interaction with the capital market, maintaining leading market capitalization growth among comparable peers for three consecutive years. Maintaining a high proportion of cash dividends, we created and delivered superior shareholder value. We vigorously advanced the "ABC Charity" brand. The Bank's 22 thousand trade union service stations of ABC Caring Service Zone organized over 9,900 public welfare activities during the year, and our employees have cumulatively contributed over 850 thousand volunteer hours in the past five years. This demonstrates our commitment as a warm and responsible bank with human touch. We have remained the first place in the ranking of Global Retail Banking Brands for four consecutive years, released by Brand Finance, an international authoritative brand valuation institution.

For details of the Bank's sustainable development, please refer to the *2025 Sustainability Report* published separately.

Corporate Governance Report

Shareholding Structure

Particulars of Ordinary Shares

Details of Changes in Share Capital

Unit: Share

	31 December 2024 Number of Shares	31 December 2024 Percentage[4] (%)	Increase/ decrease during the reporting period (+, –)	31 December 2025 Number of Shares	31 December 2025 Percentage[4] (%)
I. Shares subject to restrictions on sales[2]	**–**	**–**	**–**	**–**	**–**
II. Shares not subject to restrictions on sales	**349,983,033,873**	**100.00**	**–**	**349,983,033,873**	**100.00**
1. RMB-denominated ordinary shares	319,244,210,777	91.22	–	319,244,210,777	91.22
2. Foreign-invested shares listed overseas[3]	30,738,823,096	8.78	–	30,738,823,096	8.78
III. Total number of shares	**349,983,033,873**	**100.00**	**–**	**349,983,033,873**	**100.00**

Notes:

1. *Information in the table above was based on the share registration recorded in Shanghai Branch of China Securities Depository and Clearing Corporation Limited and Computershare Hong Kong Investor Services Limited.*
2. *"Shares subject to restrictions on sales" refers to the shares held by shareholders which are subject to restrictions on sales in accordance with laws, regulations, rules or commitments.*
3. *"Foreign-invested shares listed overseas" refer to the H shares as defined in the No. 5 Standards on the Content and Format of Information Disclosure of Companies with Public Offerings — Content and Format of the Report of Change in Shareholding (Revision 2022) of the CSRC.*
4. *Rounding errors may arise in the "Percentage" column of the table above as the figures are rounded to the nearest decimal number.*

Number of Holders of Ordinary Shares and Shareholdings

Total number of shareholders (31 December 2025)	**573,979**	(as set out in the registers of holders of A Shares and H Shares), including 555,177 holders of A Shares and 18,802 holders of H Shares.
Total number of shareholders (28 February 2026)	**671,954**	(as set out in the registers of holders of A Shares and H Shares), including 653,289 holders of A Shares and 18,665 holders of H Shares.

Particulars of shareholdings of the top 10 shareholders

(the information below is based on the registers of shareholders as of 31 December 2025) *Unit: Share*

Name of shareholders	Nature of shareholders	Type of shares	Increase/ decrease during the reporting period (+, –)	Shareholding percentage (%)	Total number of shares held	Number of shares held subject to restrictions on sales	Number of shares pledged, marked or locked up
Huijin	State-owned	A Shares	–	40.14	140,488,809,651	–	None
MOF	State-owned	A Shares	–	35.29	123,515,185,240	–	None
HKSCC Nominees Limited	Overseas legal entity	H Shares	+12,043,274	8.73	30,561,762,687	–	Unknown
SSF	State-owned	A Shares	–	6.72	23,520,968,297	–	None
Ping An Life Insurance Company of China, Ltd.	Domestic non-state-owned legal entity	A Shares	+5,789,857,685	1.67	5,859,217,770	–	None
China National Tobacco Corporation	State-owned legal entity	A Shares	–	0.72	2,518,891,687	–	None
China Securities Finance Corporation Limited	State-owned legal entity	A Shares	–	0.53	1,842,751,177	–	None
Hong Kong Securities Clearing Company Limited	Overseas legal entity	A Shares	-2,010,367,728	0.39	1,353,123,297	–	None
Shanghai Haiyan Investment Management Company Limited	State-owned legal entity	A Shares	–	0.36	1,259,445,843	–	None
Central Huijin Asset Management Ltd.	State-owned legal entity	A Shares	–	0.36	1,255,434,700	–	None

Notes:

1. *The shareholdings of holders of H Shares are based on the number of shares as set out in the register of members of the Bank maintained by its H Share registrar. The total number of shares held by HKSCC Nominees Limited represents the number of H Shares in aggregate held by it as a nominee on behalf of all institutional and individual investors registered with it as of 31 December 2025.*
2. *The number of shares held by Hong Kong Securities Clearing Company Limited represents the A Shares (northbound shares of Shanghai-Hong Kong Stock Connect) held by it as a nominee designated by and on behalf of investors from Hong Kong SAR and overseas.*
3. *Among the shareholders listed above, Huijin holds 100% equity of Central Huijin Asset Management Ltd. and 66.70% equity of China Securities Finance Corporation Limited; HKSCC Nominees Limited is a wholly-owned subsidiary of Hong Kong Securities Clearing Company Limited; and China National Tobacco Corporation is the de facto controller of Shanghai Haiyan Investment Management Company Limited. Save as mentioned above, the Bank is not aware of any related party relationship between the shareholders above, or whether they are parties acting in concert.*
4. *Among the above shareholders, save as the transfer of voting rights of 9,797,058,826 A Shares held by the SSF to the MOF according to the share subscription agreement dated 21 April 2010 and the Approval on the Proposed Transfer of State-owned Shares of the Agricultural Bank of China issued by the MOF on 5 May 2010, the Bank is not aware of the existence of the consigned, accepted consignment of, or waived voting rights by other shareholders.*
5. *None of the top 10 shareholders were engaged in the business of margin trading and securities lending or refinancing, among which HKSCC Nominees Limited held the H Shares as a nominee and it was not engaged in the business of margin trading and securities lending or refinancing.*
6. *None of the Bank's shares were subject to restrictions on sales.*

Particulars of Substantial Shareholders

During the reporting period, the Bank's substantial shareholders and controlling shareholders remained unchanged. In terms of shareholding ratio, composition of the Board of Directors and the recommending and nominating entities, and acting in concert agreements or arrangements among shareholders, there was no entity that could actually control the conduct of the Bank, and the Bank had no *de facto* controller.

Except for MOF, Huijin and SSF, there was no other legal entity shareholder (excluding HKSCC Nominees Limited) who held a shareholding of 5% or above in the Bank as of 31 December 2025.

MOF

Established in October 1949, the MOF, as a constituent department of the State Council, is the national administrative authority responsible for managing China's fiscal revenue and expenditure, tax policies and related matters.

As of 31 December 2025, the MOF held 123,515,185,240 shares of the Bank, representing 35.29% of the total share capital of the Bank.

Huijin

Huijin was established on 16 December 2003 as a wholly state-owned company through state investment in accordance with the Company Law of the PRC, with a registered capital of RMB828,209 million. The registered address of Huijin is New Poly Plaza, 1 Chaoyangmen Beidajie, Dongcheng District, Beijing. The unified social credit code of Huijin is 911000007109329615 and its legal representative is Mr. ZHANG Qingsong. The State Council has authorized Huijin to make equity investments in major state-owned financial institutions. Huijin can exercise rights and shall assume obligations on major state-owned financial institutions as an investor on behalf of the state to the extent of its capital contribution. Huijin does not engage in other commercial activities nor intervene in the normal operations of major state-owned financial institutions which are controlled by Huijin.

As of 31 December 2025, Huijin held 140,488,809,651 shares of the Bank, representing 40.14% of the total share capital of the Bank.

Huijin issued a non-competition commitment, please see "Significant Events — Commitments" for more details.

As of 31 December 2025, the direct shareholdings of Huijin in its investees were as follows:

No.	Name of Institutions	Shareholding of Huijin
1	China Development Bank	34.68%
2	Industrial and Commercial Bank of China Limited ★☆	34.79%
3	Agricultural Bank of China Limited ★☆	40.14%
4	Bank of China Limited ★☆	58.59%
5	China Construction Bank Corporation ★☆	54.61%
6	China Everbright Group Ltd.	63.16%
7	China Export & Credit Insurance Corporation	73.63%
8	China Reinsurance (Group) Corporation ☆	71.56%
9	China Jianyin Investment Limited	100.00%
10	China Galaxy Financial Holding Co., Ltd.	69.07%
11	Shenwan Hongyuan Group Co., Ltd. ★☆	20.05%
12	New China Life Insurance Company Ltd. ★☆	31.34%
13	China International Capital Corporation Limited ★☆	40.11%
14	Zhong Hui Life Insurance Co., Ltd.	80.00%
15	China Great Wall Asset Management Co., Ltd.	94.34%
16	China Orient Asset Management Co., Ltd.	71.55%
17	China Cinda Asset Management Co., Ltd.☆	58.00%
18	China Agricultural Reinsurance Co., Ltd.	55.90%
19	China Securities Finance Corporation Limited	66.70%
20	China Gold Coin Group Co., Ltd.	100.00%
21	Huida Asset Management Co., Ltd.	100.00%
22	Evergrowing Bank Co., Limited	40.46%
23	Bank of Hunan Corporation Limited	17.71%
24	China Securities Co., Ltd. ★☆	30.76%
25	China Galaxy Asset Management Co., Ltd.	12.66%
26	Guotai Junan Investment Management Co., Ltd.	14.54%

Notes: 1. ★ *represents A share listed company;* ☆ *represents H share listed company.*

2. *Apart from the above investees, Central Huijin Asset Management Ltd. is a wholly-owned subsidiary of Huijin.*

SSF

The SSF, a public institution managed by the MOF, was founded in August 2000. Its registered address is South Tower, Fortune Time Plaza, No. 11 Fenghui Garden, Xicheng District, Beijing and its legal representative is LIU Kun. With the approval of the State Council and in accordance with the requirements by the MOF and the Ministry of Human Resources and Social Security, the SSF is entrusted to manage the following funds: the national social security fund, the basic pension insurance fund, part of the transferred state-owned capital and income received in cash.

As of 31 December 2025, the SSF held 23,520,968,297 shares of the Bank, representing 6.72% of the total share capital of the Bank.

Interests and Short Positions Held by Substantial Shareholders and Other Persons[1] *Unit: Share*

Name	Capacity	Interests and short positions	Nature	Percentage of issued class shares (%)	Percentage of total issued shares (%)
Huijin	Beneficial owner	140,488,809,651 (A Shares)	Long position	44.01	40.14
	Interest of controlled entity	3,098,185,877 (A Shares)	Long position	0.97	0.89
MOF	Beneficial owner/nominee[2]	133,312,244,066 (A Shares)[3]	Long position	41.76	38.09
SSF	Beneficial owner	23,520,968,297 (A Shares)	Long position	7.37	6.72
Ping An Asset Management Co., Ltd.	Investment manager	8,027,820,000 (H Shares)[4]	Long position	26.11	2.29
Ping An Insurance (Group) Company of China, Ltd.	Interest of controlled entity	6,786,567,000 (H Shares)[5]	Long position	22.07	1.94
Qatar Investment Authority	Interest of controlled entity	2,448,859,255 (H Shares)[6]	Long position	7.97	0.70
Qatar Holding LLC	Beneficial owner	2,408,696,255 (H Shares)[6]	Long position	7.84	0.69
BlackRock, Inc.	Interest of controlled entity	1,852,619,165 (H Shares)[7]	Long position	6.03	0.53
		7,863,000 (H Shares)	Short position	0.03	0.00

Notes:

1. *As of 31 December 2025, the Bank received notifications from the above persons regarding their interests or short positions in the shares and underlying shares of the Bank. Such interests or short positions were recorded in the register required to be kept pursuant to Section 336 of the Securities and Futures Ordinance of Hong Kong.*
2. *9,797,058,826 A Shares are held by the SSF, but the voting rights of these shares were transferred to the MOF according to the share subscription agreement dated 21 April 2010 and the Approval on the Proposed Transfer of State-owned Shares of the Agricultural Bank of China issued by the MOF on 5 May 2010.*
3. *According to the register of members of the Bank as of 31 December 2025, the MOF held 123,515,185,240 A Shares of the Bank, representing 38.69% of the issued A Shares and 35.29% of the total issued shares of the Bank.*
4. *As confirmed by Ping An Asset Management Co., Ltd., the shares held by it include shares it held on behalf of certain customers (including but not limited to Ping An Life Insurance Company of China, Ltd., Ping An Property & Casualty Insurance Company of China, Ltd. and Ping An Health Insurance Company of China, Ltd.) as investment manager, and the interests in such shares were disclosed based on the latest disclosure of interests form filed by Ping An Asset Management Co., Ltd. as of 31 December 2025 (the date of relevant event being 30 December 2025).*
5. *According to the latest disclosure of interests form filed by Ping An Insurance (Group) Company of China, Ltd. as of 31 December 2025 (the date of relevant event being 29 December 2025), Ping An Insurance (Group) Company of China, Ltd. held 6,786,567,000 H Shares of the Bank through its subsidiaries Ping An Life Insurance Company of China, Ltd., Ping An Property & Casualty Insurance Company of China, Ltd. and Ping An Health Insurance Company of China, Ltd. Ping An Asset Management Co., Ltd. is also a subsidiary of Ping An Insurance (Group) Company of China, Ltd. However, as an investment manager, Ping An Asset Management Co., Ltd., may exercise voting rights over shares with full discretion on behalf of customers and independently exercise investment operation management rights, and is completely independent of Ping An Insurance (Group) Company of China, Ltd. Accordingly, pursuant to the Securities and Futures Ordinance of Hong Kong, Ping An Insurance (Group) Company of China, Ltd. adopted a non-aggregation approach and was exempted from aggregated disclosure of interests in shares held by Ping An Asset Management Co., Ltd. as its holding company.*
6. *Qatar Investment Authority is deemed to be interested in 2,448,859,255 H Shares in aggregate, held by Qatar Holding LLC and QSMA1 LLC, both of which are wholly-owned subsidiaries of Qatar Investment Authority.*
7. *BlackRock, Inc. is deemed to be interested in 1,852,619,165 H Shares in aggregate, directly or indirectly held by 20 entities including BlackRock Investment Management, LLC and BlackRock Financial Management, Inc., all of which are the wholly owned subsidiaries of BlackRock, Inc. For details, please refer to the disclosure of interests form filed by BlackRock, Inc. as of 31 December 2025.*

Formulation and Implementation of the Cash Dividend Policy

We make profit distribution with a focus on providing reasonable return on investments by the investors, and maintaining continuity and consistency of the profit distribution policy, as well as taking into account our long-term interests, interests of all shareholders as a whole and our sustainable development. We may make dividends distribution by way of cash, shares or a combination of cash and shares. We prefer profit distribution in cash.

The formulation and implementation of our cash dividend policy comply with the Articles of Association and the resolutions of the shareholders' meetings. The relevant decision-making procedure and mechanism are complete, and the distribution standards and proportion are clearly stated. Independent Directors have diligently fulfilled their duties, made their due efforts and expressed their opinions. The minority shareholders have opportunities to fully express their opinions and demands, and their legitimate rights and interests have been sufficiently protected.

Profits and Dividends Distribution

Our profit for the year ended 31 December 2025 is set out in "Discussion and Analysis — Financial Statement Analysis".

Upon approval at the 2024 Annual General Meeting, we distributed the 2024 final cash dividends of RMB1.255 (tax inclusive) per ten ordinary shares, with a total amount of RMB43,923 million (tax inclusive), to holders of ordinary shares on our registers of members after close of the market on 16 July 2025. Including the interim dividend already distributed, the annual cash dividends of RMB2.419 (tax inclusive) per ten shares with a total amount of RMB84,661 million (tax inclusive) were paid for the year of 2024.

As approved at the 2025 Second Extraordinary Shareholders' Meeting, we distributed 2025 interim cash dividend of RMB1.195 (tax inclusive) per ten ordinary shares, with a total amount of RMB41,823 million (tax inclusive), to holders of ordinary shares on our registers of members after close of the market on 12 December 2025.

The Board of Directors proposed distribution of final dividends of RMB1.300 (tax inclusive) for each ten shares of 349,983,033,873 ordinary shares for 2025 with a total amount of approximately RMB45,498 million (tax inclusive). The 2025 final cash dividends distribution of the Bank will provide holders of H Shares with RMB dividends currency option, the holders of H Shares will be given the option to elect to receive final dividends for H Shares entirely in RMB or HKD (partial election of currency option is only applicable to HKSCC Nominees Limited). The currency exchange rate between RMB and Hong Kong dollars will be the average of the reference exchange rates of RMB against Hong Kong dollars published by the China Foreign Exchange Trade System (CFETS) at 11:00 a.m. each day during the five working days preceding the date (excluding the date itself) on which the Bank dispatches the dividend currency election forms to holders of H Shares.

The distribution plan will be submitted for approval at the Shareholders' Meeting. Once approved, the above-mentioned dividends will be paid to the holders of A Shares and H Shares, whose names appear on our registers of members on 12 May 2026. The register of transfers of H Shares will be closed from 6 May 2026 to 12 May 2026 (both days inclusive). In order to qualify for the proposed distribution of cash dividends, holders of H Shares are required to deposit the transfer documents together with the relevant share certificates at our H Share registrar, Computershare Hong Kong Investor Services Limited located at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong at or before 4:30 p.m. on 5 May 2026. Dividends of A Shares are expected to be paid on 13 May 2026 and dividends of H Shares are expected to be paid on 16 June 2026. A separate announcement will be published if there is any change to the aforesaid dates.

The table below sets out our cash dividend payment for the preceding three years.

In millions of RMB, except for percentages

	2025	2024	2023
Cash dividend (tax inclusive)	87,321	84,661	80,811
Cash dividend payment ratio[1] (%)	30.0	30.0	30.0

Note: 1. Representing cash dividend (tax inclusive) divided by the net profit attributable to equity holders of the Bank for the reporting period.

Pursuant to the *Notice of the State Taxation Administration on Matters Concerning the Levy and Administration of Individual Income Tax after the Repeal of Guo Shui Fa [1993] No. 045* (Guo Shui Han [2011] No. 348), the resident individuals outside the mainland who hold shares issued in Hong Kong SAR by domestic non-foreign invested enterprises enjoy relevant preferential tax rate in accordance with the tax treaties between PRC and the country where the residents reside and the tax arrangements between the Chinese mainland and Hong Kong (Macao). Individual shareholders will be generally subject to a withholding individual income tax at the rate of 10% when domestic non-foreign invested enterprises which issue shares in Hong Kong distribute dividends to their shareholders, unless otherwise required by the regulations of relevant tax laws and tax treaties.

Pursuant to the *Notice on the Issues Concerning Withholding the Enterprises Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Share Holders Who Are Overseas Non-resident Enterprises* (Guo Shui Han [2008] No. 897) of the State Taxation Administration, the Bank is obliged to withhold and pay enterprise income tax at the rate of 10% from dividends paid or payable for H Shares when distributing dividends to overseas non-resident enterprise shareholders of H Shares.

No tax is payable in Hong Kong in respect of dividends paid by us according to the current practice of the Hong Kong Inland Revenue Department.

Shareholders are recommended to consult their tax advisers regarding the tax implication in Chinese mainland, Hong Kong SAR and other tax implications arising from their holding and disposal of H Shares of the Bank.

Particulars of Preference Shares

Issuance and Listing of Preference Shares

Code	Abbreviation	Issuance date	Issuance price (in RMB)	Coupon rate	Number of preference shares issued	Listing date	Number of preference shares approved to be listed	Transfer deadline	Proceeds raised (in RMB)	Use of proceeds
360001	農行優1	2014/10/31	100 per share	4.12%	400 million shares	2014/11/28	400 million shares	None	40.0 billion	Replenish the additional Tier 1 capital
360009	農行優2	2015/3/6	100 per share	3.77%	400 million shares	2015/3/27	400 million shares	None	40.0 billion	Replenish the additional Tier 1 capital

Notes: 1. *For the terms and relevant details of the issuance of the preference shares above, please refer to the announcements published by the Bank on the websites of the Shanghai Stock Exchange, the Hong Kong Stock Exchange and the Bank.*

2. *The coupon rate of "農行優1" in the third dividend period is 4.12% since 5 November 2024; the coupon rate of "農行優2" in the third dividend period is 3.77% since 11 March 2025.*

Number of Holders of Preference Shares of "農行優1" (360001) and Shareholdings

As of the end of the reporting period, the Bank had a total of 41 holders[1] of preference shares "農行優1".

As of 28 February 2026 (being the last day of the month preceding the month in which the Bank's A Share annual report is published), the Bank had a total of 41 holders of preference shares "農行優1".

[1] *The number of the holders of preference shares was calculated by the number of qualified investors that hold the preference shares. When calculating the number of qualified investors, an asset management institution that subscribes or purchases the preference shares through two or more products under its control will be counted as one.*

Particulars of shareholding of the top 10 holders of preference shares of "農行優1" (360001) *Unit: Share*

Name of shareholders[1]	Nature of shareholders[2]	Type of shares	Increase/ decrease during the reporting period[3] (+, –)	Number of shares held	Shareholding percentage[4] (%)	Number of shares pledged, marked or locked-up
Sun Life Everbright Asset Management Co., Ltd.	Others	Domestic preference shares	+8,087,000	50,000,000	12.50	None
China Merchants Fund Management Co., Ltd.	Others	Domestic preference shares	–	49,000,000	12.25	None
PICC Life Insurance Company Limited	Others	Domestic preference shares	–	30,000,000	7.50	None
Ping An Life Insurance Company of China, Ltd.	Others	Domestic preference shares	–	30,000,000	7.50	None
New China Life Insurance Company Ltd.	Others	Domestic preference shares	–	25,000,000	6.25	None
Shanghai Everbright Securities Asset Management Co., Ltd.	Others	Domestic preference shares	+1,000,000	23,100,000	5.78	None
CITIC-Prudential Life Insurance Company Limited	Others	Domestic preference shares	–	22,440,000	5.61	None
Hwabao Trust Co., Ltd.	Others	Domestic preference shares	+6,000,000	16,440,000	4.11	None
Bank of Communications Schroder Asset Management Co., Ltd.	Others	Domestic preference shares	-17,980,000	16,120,000	4.03	None
China Fortune Securities Company Limited	Others	Domestic preference shares	+14,480,000	14,480,000	3.62	None

Notes:

1. *Huijin is the controlling shareholder of New China Life Insurance Company Ltd. Save as mentioned above, the Bank is not aware of any other related party relationship between the above holders of preference shares, and between the above holders of preference shares and the top 10 holders of ordinary shares, or whether they are parties acting in concert.*
2. *According to the No. 2 Standards on the Content and Format of Information Disclosure of Companies with Public Offerings — Content and Format of the Annual Report (Revision 2025), "Particulars of holders of preference shares should indicate the entities which hold shares on behalf of the states and foreign holders". Except for the entities which hold shares on behalf of the states and foreign holders, the nature of other holders of preference shares is categorized as "others".*
3. *"Increase/decrease during the reporting period" refers to the change of shareholding due to secondary market transactions.*
4. *"Shareholding percentage" refers to the percentage of the number of "農行優1" held by the holders of preference shares to the total number of "農行優1" (i.e. 400 million shares).*
5. *The preference shares "農行優1" of the Bank are shares not subject to restrictions on sale, and the top 10 holders of preference shares "農行優1" who are not subject to restrictions on sales are the same as the top 10 holders of preference shares.*

Number of Holders of Preference Shares of "農行優2" (360009) and Shareholdings

As of the end of the reporting period, the Bank had a total of 36 holders of preference shares "農行優2".

As of 28 February 2026 (being the last day of the month preceding the month in which the Bank's A Share annual report is published), the Bank had a total of 36 holders of preference shares "農行優2".

Particulars of shareholding of the top 10 holders of preference shares of "農行優2" (360009) *Unit: Share*

Name of shareholders[1]	Nature of shareholders[2]	Type of shares	Increase/ decrease during the reporting period[3] (+, –)	Number of shares held	Shareholding percentage[4] (%)	Number of shares pledged, marked or locked-up
China National Tobacco Corporation	Others	Domestic preference shares	–	50,000,000	12.50	None
China Life Insurance Company Limited	Others	Domestic preference shares	–	50,000,000	12.50	None
New China Life Insurance Company Ltd.	Others	Domestic preference shares	–	29,000,000	7.25	None
Sun Life Everbright Asset Management Co., Ltd.	Others	Domestic preference shares	+5,155,000	25,000,000	6.25	None
China Mobile Communications Group Co., Ltd.	Others	Domestic preference shares	–	20,000,000	5.00	None
China National Tobacco Corporation Yunnan Province Company	Others	Domestic preference shares	–	20,000,000	5.00	None
China National Tobacco Corporation Jiangsu Province Company (Jiangsu Tobacco Company)	Others	Domestic preference shares	–	20,000,000	5.00	None
Shanghai Everbright Securities Asset Management Co., Ltd.	Others	Domestic preference shares	+6,550,000	16,520,000	4.13	None
Shanghai Tobacco Group Co., Ltd.	Others	Domestic preference shares	–	15,700,000	3.93	None
Ping An Property & Casualty Insurance Company of China, Ltd.	Others	Domestic preference shares	–	15,000,000	3.75	None

Notes:

1. *Huijin is the controlling shareholder of New China Life Insurance Company Ltd. China National Tobacco Corporation Yunnan Province Company, China National Tobacco Corporation Jiangsu Province Company (Jiangsu Tobacco Company) and Shanghai Tobacco Group Co., Ltd. are the wholly-owned subsidiaries of China National Tobacco Corporation. China National Tobacco Corporation is the de facto controller of Shanghai Haiyan Investment Management Company Limited. Ping An Property & Casualty Insurance Company of China, Ltd. and Ping An Life Insurance Company of China, Ltd. are both controlled by Ping An Insurance (Group) Company of China. Save as mentioned above, the Bank is not aware of any related party relationship between the above holders of preference shares, and between the above holders of preference shares and the top 10 shareholders of ordinary shares, or whether they are parties acting in concert.*
2. *According to the No. 2 Standards on the Content and Format of Information Disclosure of Companies with Public Offerings — Content and Format of the Annual Report (Revision 2025), "Particulars of holders of preference shares should indicate the entities which hold shares on behalf of the states and foreign holders". Except for the entities which hold shares on behalf of the states and foreign holders, the nature of other holders of preference shares is categorized as "others".*
3. *"Increase/decrease during the reporting period" refers to the change of shareholding due to secondary market transactions.*
4. *"Shareholding percentage" refers to the percentage of the number of "農行優2" held by the holders of preference shares to the total number of "農行優2" (i.e. 400 million shares).*
5. *The preference shares "農行優2" of the Bank are shares not subject to restrictions on sale, and the top 10 holders of preference shares "農行優2" who are not subject to restrictions on sales are the same as the top 10 holders of preference shares.*

Dividends Distribution of Preference Shares

Dividends of our preference shares are paid in cash annually. When we resolve to cancel part or all of the dividends to holders of preference shares, such undistributed dividends of current period shall not be accumulated to subsequent dividend periods. The holders of our preference shares, upon receiving dividends at the agreed rate, shall not participate in the distribution of the remaining profit with holders of ordinary shares.

Stock abbreviation	Distribution date	Registration date	Distribution method	Coupon rate	Dividend per share (tax inclusive)	Total dividend (tax inclusive)
農行優2 (360009)	11 March 2025	10 March 2025	Cash dividend	4.84%	RMB4.84	RMB1,936 million
農行優1 (360001)	5 November 2025	4 November 2025	Cash dividend	4.12%	RMB4.12	RMB1,648 million
農行優2 (360009)	11 March 2026	10 March 2026	Cash dividend	3.77%	RMB3.77	RMB1,508 million

For details of the distribution of dividends above, please refer to the announcements published by the Bank on the websites of the Shanghai Stock Exchange and the Bank.

Redemption or Conversion of Preference Shares

During the reporting period, there was no redemption or conversion of the preference shares issued by the Bank.

Restoration of Voting Rights of Preference Shares

During the reporting period, there was no restoration of voting rights of the preference shares issued by the Bank.

Accounting Policies of Preference Shares

In accordance with the *Accounting Standards for Enterprises No. 22 – Recognition and Measurement of Financial Instruments*, the *Accounting Standards for Enterprises No. 37 – Presentation of Financial Instruments* issued by the MOF, as well as the *International Financial Reporting Standard 9 – Financial Instruments* and the *International Accounting Standard 32 – Financial Instruments: Presentation* issued by the International Accounting Standards Board, we are of the view that the terms of preference shares "農行優1" and "農行優2" can be accounted for as equity instruments.

Details of Issuance and Listing of Securities

Issuance of Securities

For issuance of other securities of the Bank during the reporting period, please refer to "Note IV. 30 Debt securities issued to the Consolidated Financial Statements" for details.

Employee Shares

The Bank had no employee shares.

Shareholders' Rights

Convening of Extraordinary Shareholders' Meetings

We protect shareholders' rights strictly in compliance with the regulatory requirements and related corporate governance systems. Shareholders who individually or jointly hold more than 10% of the total voting shares of the Bank (the "Requesting Shareholders") have the right to propose to the Board of Directors to convene an extraordinary shareholders' meeting, and shall submit proposals to the Board of Directors in writing. If the Board of Directors refuses to convene an extraordinary shareholders' meeting or fails to give its responses within 10 days upon receipt of the proposal, the Requesting Shareholders may request the Audit Committee under the Board of Directors to convene an extraordinary shareholders' meeting and propose to the Audit Committee under the Board of Directors in writing. If the Audit Committee under the Board of Directors fails to give the notice of such extraordinary shareholders' meeting within the prescribed period, which shall be deemed to have failed to convene and preside over such meeting, shareholders who individually or jointly hold 10% or more of the total voting shares of the Bank for not less than 90 consecutive days shall be entitled to convene and preside over an extraordinary shareholders' meeting by themselves.

Enquiries

Shareholders have the right to inspect and copy the Articles of Association, the register of shareholders, minutes of the shareholders' meetings, resolutions of the Board meetings, and financial and accounting reports. Shareholders who meet the requirements may inspect the Bank's accounting books and accounting vouchers. Where the *Securities Law of the People's Republic of China* and other laws and administrative regulations provide otherwise regarding the rights of shareholders of listed companies to inspect and copy relevant materials, those provisions shall prevail. Shareholders may contact the Office of the Board of Directors for enquiries.

Proposals to the Shareholders' Meetings

Shareholders who individually or jointly hold 1% or more of the total voting shares of the Bank may submit provisional proposals to the Board of Directors in writing 10 days prior to the date of the shareholders' meeting when a shareholders' meeting is convened. The Office of the Board of Directors is responsible for organizing shareholders' meetings, preparing documents and taking minutes of the meetings.

Special Regulations of Holders of Preference Shares

The holders of preference shares are entitled to voting rights under the following circumstances: (1) any amendments to the provisions regarding preference shares in the Articles of Association; (2) any decrease or series of decreases representing in aggregate more than 10% of the registered capital of the Bank; (3) any merger, division, dissolution or change in corporate form of the Bank; (4) any issuance of preference shares by the Bank; (5) any other circumstances specified by laws, administrative regulations or the Articles of Association.

In the event of any of the foregoing circumstances, holders of preference shares shall have the right to attend shareholders' meetings and the Bank shall arrange online voting. The notice of such meetings shall be delivered to holders of preference shares following regulated notice procedures for holders of ordinary shares set forth in the Articles of Association.

When the Bank fails to pay dividends on preference shares for accumulated three financial years or for two consecutive financial years, holders of preference shares shall have the right to attend the shareholders' meetings and vote with holders of ordinary shares jointly, starting from the day following the date on which the shareholders' meeting resolves to not distribute dividends on preference shares as agreed in profit distribution plan in the current year and until the dividends that shall be paid by the Bank when voting rights are restored as determined at the issuance of such preference shares are paid in full.

Protection of Minority Shareholders' Interests

The Implementation of One-share-one-vote

The Bank strictly implemented the one-share-one-vote among shareholders. The shares of the Bank shall be issued following the principles of fairness and justice, and each share in the same class has the same rights. For the same class of shares issued at the same time, each share shall be issued on the same conditions and at the same price. Subscribers shall pay the same price for each share. A shareholder shall enjoy rights and assume obligations according to *Company Law of People's Republic of China* and other laws and regulations, regulatory requirements and the Articles of Association, as well as the class and number of shares held. Shareholders who hold shares of the same class shall have the same rights, including (1) to receive dividends and other forms of distribution of interests based on the number of shares held by them; (2) to attend or appoint a proxy to attend the shareholders' meetings, and to exercise voting rights based on the number of shares held by them and the right to speak, etc.

Communication Channel

Shareholders' meetings of the Bank are held in the form of on-site meetings. Minority shareholders have the right to attend or appoint a proxy to attend shareholders' meetings of the Bank. The Bank provides online voting and other means to facilitate the participation of minority shareholders in shareholders' meetings. Minority shareholders may exercise voting rights based on the number of shares held by them by way of on-site voting or online voting and exercise the right to speak.

The Articles of Association stipulates that, minority shareholders have the right to obtain relevant information of the Bank, including the right to inspect and copy the Articles of Association, the register of shareholders, minutes of the shareholders' meetings, resolutions of the Board meetings, and financial and accounting reports, etc. Where the *Securities Law of the People's Republic of China* and other laws and administrative regulations provide otherwise regarding the rights of shareholders of listed companies to inspect and copy relevant materials, those provisions shall prevail.

Pursuant to the Articles of Association, when the shareholders' meeting considers material issues affecting the interests of minority investors, votes of minority investors shall be counted separately. The results of the separate vote count shall be publicly disclosed in a timely manner.

During the reporting period, when the shareholders' meeting of the Bank considered material issues such as the election of Directors, the profit distribution plan for 2024, the engagement of external auditors for 2025, the interim profit distribution plan for 2025, the votes of A Share shareholders holding less than 5% of the Bank's voting shares were counted separately and the results of the count were publicly disclosed in a timely manner.

For the Bank's information disclosure and investor relations management, please refer to "Corporate Governance Report — Communication with Stakeholders — Communication with Shareholders".

Returns to Shareholders

For details of dividends distribution on ordinary shares, please refer to "Corporate Governance Report — Shareholding Structure — Particulars of Ordinary Shares". For details of dividends distribution on preference shares, please refer to "Corporate Governance Report — Shareholding Structure — Particulars of Preference Shares".

Role of Independent Directors

Article 148 of the Articles of Association stipulates that Independent Directors shall provide objective, fair and independent opinions on the matters discussed at shareholders' meetings or meetings of the Board of Directors, in particular, to provide opinions on, among others, the following matters: material related party transactions, nomination and appointment and removal of Directors, appointment and removal of senior management members, remuneration of Directors and senior management members, profit distribution plans and modification of profit distribution policy, and engagement or dismissal of accounting firm for conducting regular statutory audit work for the Bank's financial reports.

In 2025, Independent Directors of the Bank provided objective, fair and independent opinions on the proposals including the profit distribution plan for 2024, the interim profit distribution plan for 2025 and nomination of candidates for Directors. Independent Directors of the Bank were of the view that the content of these proposals and the consideration procedures were in compliance with the requirements of the relevant laws, regulations and the Articles of Association, and there was no circumstance that would damage the legitimate rights and interests of the Bank and its shareholders.

Directors and Senior Management Members

Basic Information

Name	Position	Gender	Year of Birth	Tenure
Incumbent Directors				
GU Shu	Chairman of the Board of Directors, Executive Director	Male	1967	2021.01-2027.01
WANG Zhiheng	Vice Chairman of the Board of Directors, Executive Director, President and Chief Compliance Officer	Male	1973	2024.09-2027.09
LIU Hong	Executive Director	Male	1968	2025.12-2028.12
LIN Li	Executive Director, Executive Vice President	Male	1968	2021.06-2027.09
ZHOU Ji	Non-executive Director	Female	1972	2021.03-2027.01
LI Wei	Non-executive Director	Male	1966	2019.05-2026.03
LIU Xiaopeng	Non-executive Director	Male	1975	2022.01-2027.11
ZHANG Qi (張奇)	Non-executive Director	Male	1972	2022.12-2028.11
ZHANG Hongwu	Non-executive Director	Male	1970	2026.01-2029.01
WU Liansheng	Independent Director	Male	1970	2021.11-2027.11
WANG Changyun	Independent Director	Male	1964	2022.12-2028.11
JU Jiandong	Independent Director	Male	1963	2024.09-2027.09
ZHUANG Yumin	Independent Director	Female	1962	2025.01-2028.01
ZHANG Qi (張琦)	Independent Director	Male	1963	2025.05-2028.05
WONG Pui Sze Priscilla	Independent Director	Female	1960	2025.10-2028.10
Incumbent Senior Management Members				
WANG Zhiheng	Vice Chairman of the Board of Directors, Executive Director, President and Chief Compliance Officer	Male	1973	2024.06-
LIN Li	Executive Director, Executive Vice President	Male	1968	2021.03-
WANG Wenjin	Executive Vice President	Male	1972	2025.01-
MENG Fanjun	Executive Vice President	Male	1973	2025.02-
WANG Dajun	Executive Vice President	Male	1975	2025.07-
LIU Qing	Secretary to the Board of Directors	Female	1970	2024.04-
Former Directors and Senior Management Members				
XIAO Xiang	Former Non-executive Director	Male	1966	2022.01-2025.07
LEUNG KO May Yee, Margaret	Former Independent Director	Female	1952	2019.07-2025.10
XU Han	Former Executive Vice President	Male	1965	2020.10-2025.01
WU Gang	Former Chief Risk Officer	Male	1965	2023.06-2025.09

Notes:

1. *Mr. GU Shu has served as the Chairman of the Board of Directors of the Bank since February 2021. His term of office as a Director is set out in the table above.*
2. *Mr. WANG Zhiheng has concurrently served as the Chief Compliance Officer of the Bank since February 2026. His term of office as the President is set out in the table above.*
3. *Mr. LIU Hong served as an Executive Vice President of the Bank from August 2023 to September 2025.*
4. *Please refer to "Changes in Directors and Senior Management Members" in this section for information relating to the changes in the Directors and Senior Management Members of the Bank.*

Biography of Directors and Senior Management Members

Biography of Directors

GU Shu Chairman of the Board of Directors, Executive Director

Mr. GU Shu holds a doctor's degree in Economics from Shanghai University of Finance and Economics and is a senior accountant. He was appointed as an Executive Director of the Bank in January 2021 and has served as the Chairman of the Board of Directors and an Executive Director of the Bank since February 2021. Mr. GU previously served as the general manager of the Finance and Accounting Department, the secretary to the board of directors and concurrently general manager of the Corporate Strategy and Investor Relations Department, and president of Shandong Branch of Industrial and Commercial Bank of China Limited. Mr. GU was appointed as the executive vice president and the president of Industrial and Commercial Bank of China Limited in October 2013 and October 2016, respectively. Mr. GU was appointed as the vice chairman of the board, an executive director and the president of Industrial and Commercial Bank of China Limited in December 2016. He concurrently serves as the president of China Banking Association, the president of the National Association of Financial Market Institutional Investors, the vice president of the 8th Council of China Society for Finance and Banking and the chairman of the Asian Financial Cooperation Association.

WANG Zhiheng Vice Chairman of the Board of Directors, Executive Director, President and Chief Compliance Officer

Mr. WANG Zhiheng holds a master's degree in Economics from Nankai University. He was appointed as the President of the Bank in June 2024 and has served as the Vice Chairman of the Board of Directors, Executive Director, President of the Bank since September 2024. He has concurrently served as the Chief Compliance Officer of the Bank since February 2026. He previously served as deputy general manager of the Human Resources Department, deputy president of Guangdong Branch, president of Qinghai Branch, general manager of the Human Resources Department of the Head Office and president of Beijing Branch of Bank of China Limited. He was appointed as the executive vice president of Bank of China Limited in August 2021 and was appointed as an executive director of China Everbright Group Ltd. in February 2023. He concurrently served as an executive director of China Everbright Group Ltd. and an executive director and the president of China Everbright Bank Company Limited since March 2023.

LIU Hong　Executive Director

Mr. LIU Hong holds a master's degree in public administration from Peking University and is a senior economist. He has served as an Executive Director of the Bank since December 2025. Mr. LIU previously served in several positions in the Bank, such as the deputy general manager of the Human Resources Department, a deputy general manager of the Executive Office as well as the president and the editor-in-chief of China Urban-Rural Financial News (secondary department level), the general manager of the Office of the Board of Supervisors, a supervisor, the president of Qinghai Branch, an executive vice secretary of the Party Committee of the Head Office, the secretary of the Disciplinary Committee of the Head Office, the general manager of the Human Resources Department/County Area Banking and Inclusive Finance Human Resources Management Centre and the chief officer of County Area Banking Business of the Bank. He was appointed as an Executive Vice President of the Bank in August 2023. He concurrently serves as the vice chairman of the China Foundation for Development of Financial Education.

LIN Li　Executive Director, Executive Vice President

Mr. LIN Li holds a doctor's degree in Economics and is a senior economist. He was appointed as an Executive Vice President of the Bank in March 2021 and concurrently served as the director of Shanghai Management Department of the Bank. He has served as an Executive Director and an Executive Vice President of the Bank since June 2021. He successively worked at China Raw Materials Investment Corporation under the State Planning Commission and China Development Bank. He previously served as a director and secretary to the board of directors, a deputy director and director of general office of China Everbright (Group) Corporation (concurrently serving as chief of the Reform and Development Steering Group Office of China Everbright (Group) Corporation, chief of the Office of Executive Directors of China Everbright Holdings Company Limited (in Hong Kong), chairman of the board of supervisors of China Everbright Investment Management Co., Ltd., chairman of the board of directors of Everbright Real Estate Co., Ltd., and director of Sun Life Everbright Life Insurance Co., Ltd.), and the executive vice president, senior executive vice president and chief audit officer of China Everbright Bank. He was appointed as the vice president of Agricultural Development Bank of China in January 2014, and was appointed as an executive director and the vice president of Agricultural Development Bank of China (concurrently serving as the vice president of Research Association of Ideological and Political Work of China Financial Institutions) in February 2018. He concurrently serves as chairman of the board of supervisors of the Payment & Clearing Association of China.

ZHOU Ji Non-executive Director

Ms. ZHOU Ji holds a master's degree in National Economic Planning & Management from Department of National Economic Management of Renmin University of China. Ms. ZHOU currently works with Central Huijin Investment Ltd. Ms. ZHOU has served as a Non-executive Director of the Bank since March 2021. She previously worked as a deputy director of Balance of Payments Division and a deputy director of Analysis and Forecast Division of Balance of Payments Department of the State Administration of Foreign Exchange (the "SAFE"); a director of Balance of Payments Statistics Division of Balance of Payments Department of the SAFE; a deputy director of Balance of Payments Department and a deputy director of Capital Account Management Department of the SAFE.

LI Wei Non-executive Director

Mr. LI Wei graduated from Zhejiang University of Finance & Economics with a bachelor's degree in finance and is a senior accountant. Mr. LI currently works with Central Huijin Investment Ltd., and has served as a Non-executive Director of the Bank since May 2019. Mr. LI previously served as a deputy director clerk, a director clerk and a deputy director of the Budget Office of Ningbo Finance and Taxation Bureau, as well as a deputy director, a director, an assistant commissioner and a deputy supervisor of the First Division of the Office of the Ministry of Finance in Ningbo.

LIU Xiaopeng Non-executive Director

Mr. LIU Xiaopeng holds a doctor's degree in world economics from Nankai University, and is a senior economist. He currently works with Central Huijin Investment Ltd., and has served as a Non-executive Director of the Bank since January 2022. He previously worked as a deputy director of Financial Asset Management Department of State Grid Corporation of China, the general manager of Investment Management Department, and concurrently served as an assistant to the general manager of the company and the general manager of Development Planning Department of State Grid Yingda International Holdings Co., Ltd., a vice general manager and the secretary to the board of directors of China Power Finance Co., Ltd., a deputy director-general of the Global Energy Interconnection Office of State Grid Corporation of China and the Global Energy Interconnection Development and Cooperation Organisation, an executive director and the chief executive officer of Gome Finance Technology Co., Ltd., the chief strategic operating officer of Gome Holding Group Co., Ltd. and a non-executive director of China Reinsurance (Group) Corporation.

ZHANG Qi (張奇)　Non-executive Director

Mr. ZHANG Qi (張奇) holds a doctor's degree in economics from Dongbei University of Finance & Economics. He currently works with Central Huijin Investment Ltd., and has served as a Non-executive Director of the Bank since December 2022. He served as a non-executive director of China Construction Bank from July 2017 to December 2022, and a non-executive director of Bank of China from July 2011 to June 2017. He was a director clerk of the Central Expenditure Division One and Comprehensive Division of the Budget Department, deputy director and director of the Minister's Office under the General Office of Ministry of Finance, the senior manager of the Office of China Investment Corporation, and the managing director of Equity Management Department I of Central Huijin Investment Ltd.

ZHANG Hongwu　Non-executive Director

Mr. ZHANG Hongwu holds a doctor's degree in economics from Dongbei University of Finance & Economics. He has served as a Non-executive Director of the Bank since January 2026. He previously served as a division deputy director, division director, and in deputy director-general level position of the Department of Treaty and Law, the Department of Science, Education and Culture and the General Office of the Ministry of Finance, a Party member and deputy director-general of the Department of Finance of the Xinjiang Uygur Autonomous Region, the deputy secretary of the Party Committee of Changji Hui Autonomous Prefecture (director-general level), an inspector of the General Office of the Ministry of Finance, a director-general of the Planning and Finance Bureau of the Office of the Central Cyberspace Affairs Commission (Cyberspace Administration of China), an inspector of the Department of Agriculture of the Ministry of Finance, the secretary of the Party Committee and chairman of the National Agricultural Credit Guarantee Alliance Co., Ltd., and a first-level inspector of the Cadre Education Center of the Ministry of Finance.

WU Liansheng　Independent Director

Mr. WU Liansheng holds a doctor's degree in management and currently serves as the director of the Office of Human Resources, the associate dean and a chair professor of the Business School of Southern University of Science and Technology. He served as a distinguished professor of the Chang Jiang Scholars Programme of the Ministry of Education, and was awarded as the winner of the National Outstanding Young Scholars. He was elected into the "Programme for New Century Excellent Talents in University" of the Ministry of Education and the "Accountant Specialist Training Project" of the Ministry of Finance. He has served as an Independent Director of the Bank since November 2021. He previously served as the associate dean and professor for the Guanghua School of Management of Peking University. He previously served as an independent director of Huaneng Power International, Inc., RiseSun Real Estate Development Co., Ltd., Western Mining Co., Ltd., Wanda Cinema Line Co., Ltd., China National Building Material Company Limited, Xinhuanet Co., Ltd., BOC International (China) Co., Ltd. and Rightway Holdings Co., Ltd. Mr. WU currently serves as an independent director of Pop Mart International Group Limited.

WANG Changyun　Independent Director

Mr. WANG Changyun holds a master's degree in Economics from Renmin University of China and a doctor's degree in financial economics from University of London. He currently serves as a professor in finance at the School of Finance, a supervisor for Ph.D. candidates, the director of the Institute of International M&A and Investment and a deputy director of ESG Research Center of Renmin University of China. He is a distinguished professor of the Chang Jiang Scholars Programme and entitled to Government Allowance granted by the State Council. He has served as an Independent Director of the Bank since December 2022. He previously served as the dean of Hanqing Advanced Institute of Economics and Finance in Renmin University of China, an independent director of Bank of China, Beijing Haohua Energy Resource Co., Ltd. and Sunway Co., Ltd. He concurrently serves as an independent director of China Cinda Asset Management Co., Ltd., Hexie Health Insurance Co., Ltd., Aerospace Science and Technology Finance Co., Ltd. and Shenwan Hongyuan Securities Co., Ltd., a vice president of China Investment Specialty Construction Association, an executive director of China Investment Association, a director of China Finance Association and special auditor of National Audit Office.

JU Jiandong　Independent Director

Mr. JU Jiandong holds a doctor's degree in Economics from Pennsylvania State University. He currently serves as a chair professor of the PBC School of Finance in Tsinghua University, the president of China Trade Research Group, the director of each of the Center for International Finance and Economics Research and Center for Green Finance Research of the National Institute of Financial Research in Tsinghua University. He has served as an Independent Director of the Bank since September 2024. He previously served as the dean, a distinguished professor and a professor of the School of International Business Administration of Shanghai University of Finance and Economics, a professor of the School of Economics and Management of Tsinghua University, a professor of Economics (tenured) at the University of Oklahoma, a consultant to the World Bank and a resident scholar in the Research Department of the International Monetary Fund, an external supervisor of Bank of Communications Co., Ltd. He concurrently serves as an Independent Director of COFCO Joycome Foods Limited.

ZHUANG Yumin　Independent Director

Ms. ZHUANG Yumin holds a doctor's degree in Economics from Renmin University of China. She currently serves as the dean and a professor of School of Finance of Renmin University of China, a deputy to the 14th National People's Congress and a member of the Financial and Economic Committee of the 14th National People's Congress. She has served as an Independent Director of the Bank since January 2025. She previously served as the deputy dean of School of Finance and the deputy dean of Graduate School of Renmin University of China, a member and secretary general of the first session of National Guidance Commission for Education of the Graduate Students in Finance, the assistant to the Mayor of the Suzhou Municipal People's Government (temporary), the deputy dean of Minjiang University in Fujian Province (person in-charge), an independent director of Soochow Securities Co., Ltd., an external supervisor of China CITIC Bank Corporation Limited and an independent director of Suzhou Trust Co., Ltd.

ZHANG Qi (張琦)   Independent Director

Mr. ZHANG Qi (張琦) (former name: ZHANG Haicang) holds a doctor's degree in Economics from the Chinese Academy of Social Sciences. Mr. ZHANG currently serves as the dean of the China Institute for Poverty Reduction, the director of the China Rural Revitalization and Development Research Center, and a second-level professor of Beijing Normal University. He has served as an Independent Director of the Bank since May 2025. He previously served as the secretary of the general Party branch committee of the Institute of Economics and Resource Management of Beijing Normal University, a deputy director of the Real Estate Market Research Institute of the China Real Estate Consultancy Center of the former State Land Administration, a deputy director of Research Institute and a deputy general manager of the branch of the former Southern Securities, and assistant to the president and concurrently the director of the Research and Development Center of Sealand Securities Co., Ltd. He concurrently serves as an expert in education for poverty alleviation and rural revitalization of the Ministry of Education, a member of the Professional Committee on Farming and Village Construction of the Ministry of Housing and Urban-Rural Development, and a consultant expert of the State Forestry and Grassland Administration. He concurrently served as a member of the Expert Advisory Committee of the former State Council Leading Group of Poverty Alleviation and Development.

WONG Pui Sze Priscilla   Independent Director

Ms. WONG Pui Sze Priscilla holds a master's degree in law from the London School of Economics and Political Science of the University of London in the United Kingdom. She was awarded Silver Bauhinia Star and Justice of the Peace by the HKSAR, and is qualified as a barrister in Hong Kong, and an advocate and solicitor in Singapore. She has served as an Independent Director of the Bank since October 2025. She served as the chairman of the Council of the University of Hong Kong. She concurrently serves as a member of the Shanghai Municipal Committee of the Chinese People's Political Consultative Conference, the chairman of the Minimum Wage Commission of Hong Kong, the chairman of the Hospital Governing Committee of the Prince of Wales Hospital of the Hospital Authority, the chairman of the Independent Police Complaints Council, a mediator of the Centre for Effective Dispute Resolution, an arbitrator of the China International Economic and Trade Arbitration Commission, and an independent director of Sinopec Kantons Holdings Limited.

Biography of Senior Management Members

Please see "Biography of Directors" for biographical details of Mr. WANG Zhiheng and Mr. LIN Li. The biographical details of other members of the Senior Management are as follows:

WANG Wenjin Executive Vice President

Mr. WANG Wenjin holds a master's degree in management from Hunan University. He has served as an Executive Vice President of the Bank since January 2025. He previously served as executive vice president and senior credit executive of Hunan branch, executive vice president and president of Fujian branch, general manager of the Corporate and Institutional Banking Department and vice president of the Management Headquarters for the Integrated Development of Yangtze River Delta, general manager of Aging Finance Department, and chief business officer (corporate and institutional business) and general manager of Corporate and Institutional Banking Department of the head office of Bank of Communications Co., Ltd. He concurrently serves as a director of the Association for Relations Across the Taiwan Straits.

MENG Fanjun Executive Vice President

Mr. MENG Fanjun holds a master's degree in business administration from Harbin Institute of Technology and is an accountant. He has served as an Executive Vice President of the Bank since February 2025. He previously served as secretary of the Party Disciplinary Committee of Shandong Branch, president of Chongqing Branch and president of Sichuan Branch of Agricultural Development Bank of China.

WANG Dajun Executive Vice President

Mr. WANG Dajun holds a doctor's degree in economics from Renmin University of China and is a senior accountant. He has served as an Executive Vice President of the Bank since July 2025. He previously served as deputy general manager of the Finance and Accounting Department, deputy general manager of the Finance and Accounting Department/Office of Assessment Center/County Area Accounting and Assessment Center, president of Xiamen Branch, president of Henan Branch, and president of Guangdong Branch of the Bank.

LIU Qing   Secretary to the Board of Directors

Ms. LIU Qing holds a master's degree in economics from Jilin University and is a senior economist. She has served as the Secretary to the Board of Directors of the Bank since April 2024. She previously served as deputy general manager of Seoul Branch, general manager of Frankfurt Branch and general manager of the International Banking Department of the Bank. She concurrently serves as the vice president of the China Association for Public Companies.

Changes in Directors and Senior Management Members

Changes in Directors

In September 2024, Ms. ZHUANG Yumin was elected as an Independent Director of the Bank at the 2024 Second Extraordinary General Meeting of the Bank and her qualification was ratified by the NFRA on 15 January 2025.

In February 2025, Mr. ZHANG Qi (張琦) was elected as an Independent Director of the Bank at the 2025 First Extraordinary General Meeting of the Bank and his qualification was ratified by the NFRA on 23 May 2025.

In June 2025, Ms. WONG Pui Sze Priscilla was elected as an Independent Director of the Bank at the 2024 Annual General Meeting and her qualification was ratified by the NFRA on 24 October 2025.

In July 2025, Mr. XIAO Xiang resigned as a Non-executive Director of the Bank due to reaching the age of retirement.

In October 2025, Ms. LEUNG KO May Yee, Margaret ceased to serve as an Independent Director of the Bank due to the expiry of her term of office.

In November 2025, Mr. LIU Hong was elected as an Executive Director of the Bank at the 2025 Second Extraordinary Shareholders' Meeting of the Bank and his qualification was ratified by the NFRA on 25 December 2025.

In November 2025, Mr. ZHANG Hongwu was elected as a Non-executive Director of the Bank at the 2025 Second Extraordinary Shareholders' Meeting of the Bank and his qualification was ratified by the NFRA on 26 January 2026.

In November 2025, Mr. ZHANG Qi (張奇) was re-elected as a Non-executive Director of the Bank at the 2025 Second Extraordinary Shareholders' Meeting of the Bank.

In November 2025, Mr. WANG Changyun was re-elected as an Independent Director of the Bank at the 2025 Second Extraordinary Shareholders' Meeting of the Bank.

Ms. ZHUANG Yumin, Mr. ZHANG Qi (張琦), Ms. WONG Pui Sze Priscilla, Mr. LIU Hong and Mr. ZHANG Hongwu confirmed that they have obtained the legal advice under Rule 3.09D of the Hong Kong Listing Rules and understood their obligations as Directors of the Bank on 5 September 2024, 21 February 2025, 27 June 2025, 28 November 2025 and 28 November 2025 (prior to their qualifications being ratified by the NFRA), respectively.

Changes in Senior Management Members

In December 2024, Mr. WANG Wenjin was appointed as an Executive Vice President of the Bank by the Board of Directors of the Bank. His qualification was ratified by the NFRA on 22 January 2025.

In January 2025, Mr. XU Han resigned as an Executive Vice President of the Bank due to age.

In February 2025, Mr. MENG Fanjun was appointed as an Executive Vice President of the Bank by the Board of Directors of the Bank. His qualification was ratified by the NFRA on 28 February 2025.

In June 2025, Mr. WANG Dajun was appointed as an Executive Vice President of the Bank by the Board of Directors of the Bank. His qualification was ratified by the NFRA on 17 July 2025.

In September 2025, Mr. Wu Gang resigned as the Chief Risk Officer of the Bank due to reaching the age of retirement.

In September 2025, Mr. LIU Hong resigned as an Executive Vice President of the Bank due to position change.

In February 2026, Mr. WANG Zhiheng was appointed to concurrently serve as the Chief Compliance Officer of the Bank by the Board of Directors of the Bank. His qualification took effect on the date of approval by the Board of Directors.

Shareholdings of Directors and Senior Management Members

During the reporting period, none of the Directors or senior management members of the Bank held or traded any share of the Bank, and none of the Directors or senior management members of the Bank held any share option of the Bank or was granted restricted shares of the Bank.

Remuneration of Directors and Senior Management Members

Since 1 January 2015, the remuneration of the Chairman of the Board of Directors, the President, and other deputy executives of the Bank shall be in line with the relevant state regulations, which the Bank has followed to pay their salaries. The final remuneration of the Directors and senior management members for 2025 is still subject to confirmation and will be disclosed in a further announcement published by the Bank.

The following table sets out the remuneration paid to the Directors and senior management members of the Bank in 2025.

Name	Position	Tenure	Remuneration paid in 2025 (Unit: RMB Ten Thousand) Salaries paid before tax (1)	Social insurance, enterprise annuity and housing fund payable by the Bank (2)	Director's fee (3)	Total (4)=(1)+(2)+(3)	Whether receiving remuneration from shareholders or other related parties (Y/N)
Incumbent Directors and Senior Management Members							
GU Shu	Chairman of the Board of Directors, Executive Director	2021.01-2027.01	68.60	24.14	–	92.74	N
WANG Zhiheng	Vice Chairman of the Board of Directors, Executive Director, President and Chief Compliance Officer	2024.09-2027.09	68.60	24.14	–	92.74	N
LIU Hong	Executive Director	2025.12-2028.12	61.74	23.42	–	85.16	N
LIN Li	Executive Director, Executive Vice President	2021.06-2027.09	61.74	23.42	–	85.16	N
ZHOU Ji	Non-executive Director	2021.03-2027.01	–	–	–	–	Y
LI Wei	Non-executive Director	2019.05-2026.03	–	–	–	–	Y
LIU Xiaopeng	Non-executive Director	2022.01-2027.11	–	–	–	–	Y
ZHANG Qi (張奇)	Non-executive Director	2022.12-2028.11	–	–	–	–	Y
ZHANG Hongwu	Non-executive Director	2026.01-2029.01	–	–	–	–	Y
WU Liansheng	Independent Director	2021.11-2027.11	–	–	41.00	41.00	N
WANG Changyun	Independent Director	2022.12-2028.11	–	–	41.00	41.00	N
JU Jiandong	Independent Director	2024.09-2027.09	–	–	38.00	38.00	N
ZHUANG Yumin	Independent Director	2025.01-2028.01	–	–	34.98	34.98	N
ZHANG Qi (張琦)	Independent Director	2025.05-2028.05	–	–	21.99	21.99	N
WONG Pui Sze Priscilla	Independent Director	2025.10-2028.10	–	–	6.41	6.41	N
WANG Wenjin	Executive Vice President	2025.01-	61.74	23.42	–	85.16	N
MENG Fanjun	Executive Vice President	2025.02-	56.60	21.48	–	78.08	N
WANG Dajun	Executive Vice President	2025.07-	36.02	13.75	–	49.77	N
LIU Qing	Secretary to the Board of Directors	2024.04-	61.20	28.05	–	89.25	N

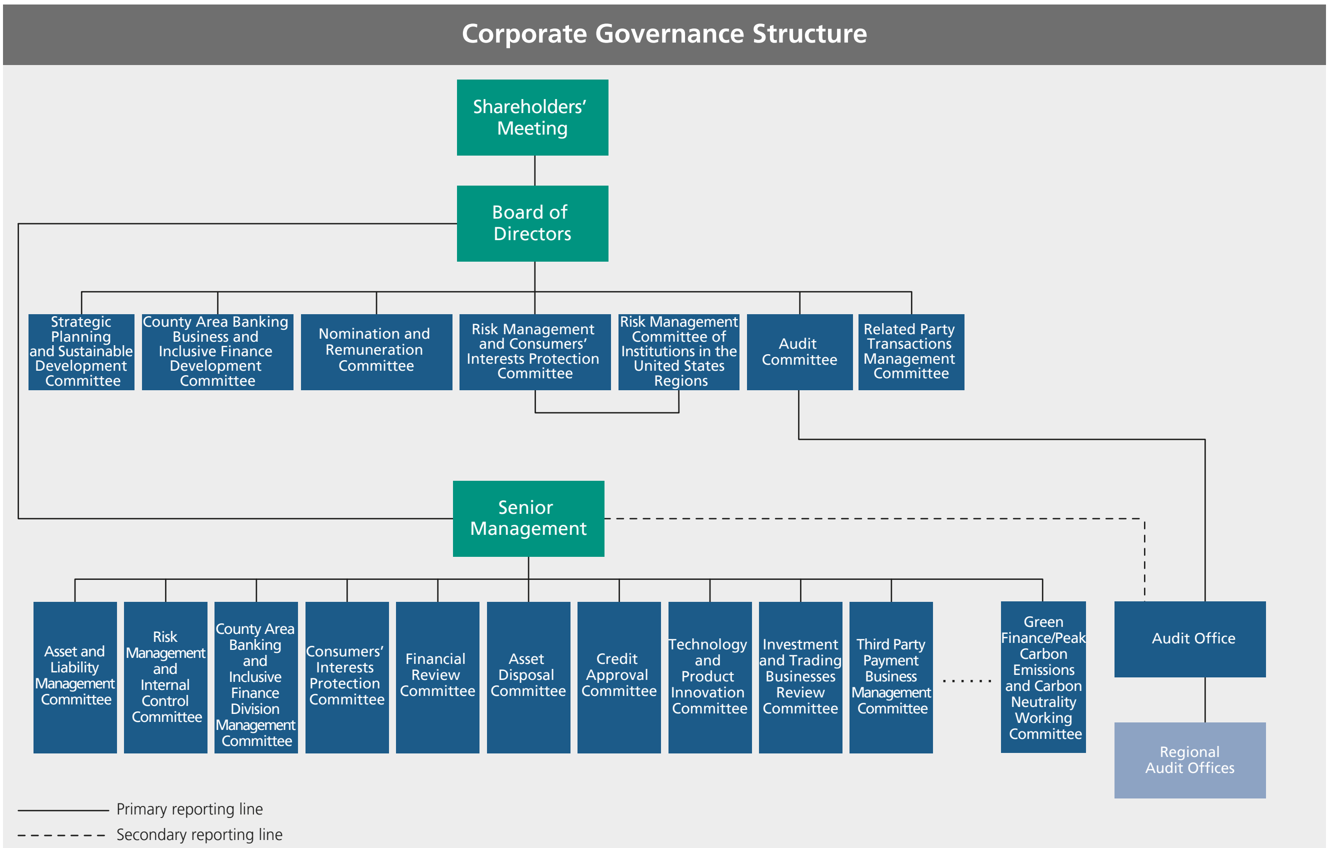
Name	Position	Tenure	Remuneration paid in 2025 (Unit: RMB Ten Thousand) Salaries paid before tax (1)	Social insurance, enterprise annuity and housing fund payable by the Bank (2)	Director's fee (3)	Total (4)=(1)+(2)+(3)	Whether receiving remuneration from shareholders or other related parties (Y/N)
Former Directors and Senior Management Members							
XIAO Xiang	Former Non-executive Director	2022.01-2025.07	–	–	–	–	Y
LEUNG KO May Yee, Margaret	Former Independent Director	2019.07-2025.10	–	–	31.23	31.23	N
XU Han	Former Executive Vice President	2020.10-2025.01	–	–	–	–	N
WU Gang	Former Chief Risk Officer	2023.06-2025.09	45.90	21.90	–	67.80	N

Notes:

1. *The Directors and senior management members of the Bank who are also our employees are entitled to receive remuneration from the Bank. The remuneration package includes salary, bonus and contributions to all kinds of social insurance and housing fund payable by the Bank. The Independent Directors of the Bank are entitled to receive Director's fee. The Chairman of the Board of Directors, Executive Directors and senior management members of the Bank do not receive any remuneration from any subsidiary of the Bank.*
2. *Mr. LIU Hong has served as the Executive Director of the Bank since December 2025. His remuneration set out in the table above is the remuneration received from the Bank as the person in-charge in state-controlled financial enterprise in 2025.*
3. *The total remuneration (before tax) paid to the Directors and senior management members, including former Directors and senior management members, by the Bank in 2025 was RMB9,404.7 thousand.*

Operation of Corporate Governance

Corporate Governance Structure



Note: *Responsibilities of the Risk Management Committee of Institutions in the United States Regions are concurrently assumed by the Risk Management and Consumers' Interests Protection Committee.*

During the reporting period, we attached great importance to enhancing the communication and interaction among the Board of Directors and the Senior Management. By cross-presenting meetings of the Board of Directors and relevant special committees as well as meetings of the Senior Management, the Directors and senior management members conducted in-depth discussions and exchanges. By jointly participating in duty performance trainings for the Directors and other activities, the communication efficiency and synergy of duty performance were continuously improved.

Shareholders' Meetings

As our authority of power, our shareholders' meeting is formed by all shareholders. Our shareholders' meeting is responsible for, among other things, electing, replacing and dismissing relevant Directors and deciding on matters concerning the remuneration of the relevant Directors; considering and approving the report of the Board of Directors; considering and approving our annual financial budgets, final financial accounts and profit distribution plans; adopting resolutions concerning the increase or decrease of our registered capital, the issue and listing of corporate bonds and other negotiable securities, and the purchase of shares of the Bank; adopting resolutions on matters such as the merger, division, dissolution, liquidation or change of the corporate form of the Bank and the engagement or dismissal of an accounting firm for conducting regular statutory audit work for the Bank's financial reports; and amending the Articles of Association as well as considering and approving the rules of procedures of the shareholders' meeting and the rules of procedures of the Board of Directors, etc.

Shareholders' Meetings

During the reporting period, the Bank convened three shareholders' meetings, at which 21 proposals were considered, including amendments to the Articles of Association, election of Directors, profit distribution, and engagement of accounting firms, and four reports were listened, including work report of independent Directors and the report on the related party transactions management.

The Bank published announcements of resolutions and legal opinions on the above shareholders' meetings in a timely manner in accordance with regulatory requirements. For details, please refer to the relevant announcements published by the Bank on the website of the Shanghai Stock Exchange (www.sse.com.cn) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk).

Board of Directors

Details of the Board of Directors

The Board of Directors of the Bank shall be accountable to the shareholders' meetings. The Board of Directors is responsible for, among other things, convening the shareholders' meeting and reporting to the shareholders' meeting; implementing the resolutions of the shareholders' meetings; deciding on our development strategies (including the rural and inclusive finance strategy, green finance strategy and digitalization strategy), the business plans and investment plans; making and deciding the Bank's capital plan and assuming ultimate responsibility for capital or solvency management; formulating our annual financial budgets and final financial accounts, proposals on profit distribution plans and the loss appropriation plans, proposals on the increase or decrease of registered capital and financial restructuring; formulating the capital replenishment plans of the Bank including the issue and listing of corporate bonds and other negotiable securities; formulating proposal on major acquisitions and purchase of the Bank's shares; formulating proposal on the merger, division, dissolution or change of the corporate form of the Bank; making and deciding our basic management system and policies and supervising the implementation of the basic management system and policies; considering and approving the general risk management report and the plan on allocation of risk-based capital of the Bank, making and deciding the Bank's risk tolerance and evaluating the effectiveness of our risk management; formulating the Articles of Association, the rules of procedures for the shareholders' meeting and the rules of procedures for the Board of Directors, considering and approving the rules of procedures of the special committees of the Board of Directors, making and deciding the relevant corporate governance system; appointing or dismissing the President and the Secretary to the Board of Directors of the Bank; appointing and dismissing the Vice President and other senior management members (excluding the Secretary to the Board of Directors) according to the nomination of the President; and the affairs related to the information disclosure of the Bank, etc.

The Bank has established relevant mechanisms to ensure independent views and opinions are available to the Board of Directors. Pursuant to the relevant requirements of the Articles of Association, the Board of Directors shall carefully consider the opinions of external auditors in performing its duties and may seek advice from intermediary institutions or professionals at the cost of the Bank. After review, the Bank believes that the relevant mechanism was implemented effectively during the reporting period.

Composition of the Board of Directors

At the end of the reporting period, the Board of Directors of the Bank consisted of 14 Directors, including four Executive Directors, namely Mr. GU Shu, Mr. WANG Zhiheng, Mr. LIU Hong and Mr. LIN Li; four Non-executive Directors, namely Ms. ZHOU Ji, Mr. LI Wei, Mr. LIU Xiaopeng and Mr. ZHANG Qi (張奇); and six Independent Directors, namely Mr. WU Liansheng, Mr. WANG Changyun, Mr. JU Jiandong, Ms. ZHUANG Yumin, Mr. ZHANG Qi (張琦) and Ms. WONG Pui Sze Priscilla.

Term of Directors

A Director shall serve a term of three years and may serve consecutive terms if being re-elected. The term of an Independent Director shall not exceed six years on an aggregated basis.

Chairman of the Board of Directors and President of the Bank

Pursuant to code provision C.2.1 of the Corporate Governance Code in Appendix C1 to the Hong Kong Listing Rules and the Articles of Association, the roles of the Chairman and the President of the Bank are separate. The Chairman shall not be served concurrently by the legal representative or the person-in-charge of any controlling shareholder of the Bank. The roles of the Chairman and the President of the Bank are separate and independent, with clear division of responsibilities.

Mr. GU Shu serves as the Chairman of the Board of Directors and the legal representative of the Bank, and is responsible for organizing the Board of Directors to make decisions on material issues such as our development strategies.

Mr. WANG Zhiheng serves as the President of the Bank, who is in charge of our management of business operation. The President of the Bank is appointed by, and accountable to, the Board of Directors, and shall perform duties in accordance with the Articles of Association and the authorization of the Board of Directors.

Training of Our Directors

Training Methods: Training by conference, online training, site visits, etc.

Training Contents: Development of corporate governance capability, amendments of the *Anti-Money Laundering Law of the PRC*, market value management, etc.

Training of Secretary to the Board of Directors and Company Secretaries

Training Methods: Online training and training by written materials, etc.

During the reporting period, Ms. LIU Qing, the Company Secretary of the Bank, and Ms. Ng Sau Mei, the joint Company Secretary of the Bank, whose contact person of the Bank is Ms. LIU Qing, the Secretary to the Board of Directors, have both participated in not less than 15 hours of relevant professional training in accordance with the requirements of the Hong Kong Listing Rules.

Diversity of the Board of Directors

Number of Directors	% of Independent Directors	% of female Directors	% of Directors with professional background in law	% of Directors with professional background in finance and audit	% of Directors under 55 (inclusive) years old
14	42.9%	21.4%	14.3%	28.6%	35.7%

We have formulated a policy on diversity of the composition of the Board of Directors, which specifies our opinions of upholding the diversity of the composition of the Board of Directors, and the approaches to be taken on an ongoing basis in the process of achieving it. We acknowledged and appreciated its importance and benefits and regarded it as a critical factor in achieving our strategic objectives, maintaining our competitive strengths and achieving our sustainable development. We considered the diversity from various aspects, including talent, skills, industry experience, cultural and educational background, gender, age and other factors, in setting the composition of the Board of Directors.

The Board of Directors of the Bank is composed of professionals in the fields of accounting, law, economics, etc., while achieving diversity in various dimensions such as gender, age and length of service, which effectively improves the decision-making ability and strategic management of the Board of Directors.

The composition of the Board of Directors of the Bank complies with the requirements of the Hong Kong Listing Rules on gender diversity of the composition of the Board of Directors and complies with the Bank's policy on diversity of the composition of the Board of Directors. The Bank's current nomination policy and policy on diversity of the composition of the Board of Directors can ensure that the Board of Directors will have alternate potential successors to continue the existing gender diversity of the Board of Directors.

Independence of Independent Directors

At the end of the reporting period, the qualifications, number and proportion of the Independent Directors of the Bank were in full compliance with the applicable regulatory requirements. The Independent Directors were not involved in any business or financial interests of the Bank or its subsidiaries, nor did they hold any managerial position in the Bank. We have received annual independence confirmation letters from each of the Independent Directors and confirmed their independence.

Performance of Duties by Independent Directors

The Independent Directors work at the Bank for no less than 15 working days each year. The Directors who served as the chairmen of the Audit Committee, the Risk Management and Consumers' Interests Protection Committee and the Related Party Transactions Management Committee work at the Bank for no less than 20 working days each year.

During the reporting period, the Independent Directors of the Bank did not raise any objection to the resolutions of the Board of Directors or its special committees.

Details were separately disclosed in the *Due Performance Report of Independent Directors of Agricultural Bank of China Limited for 2025*, which was published on the website of the Shanghai Stock Exchange.

Issues that the Independent Directors Paid Close Attention to

The Independent Directors focused on key issues such as management of related party transactions, nomination of the senior management members, information disclosure, internal control, operation of the Board of Directors and its special committees. They made clear judgments on relevant matters in accordance with the laws and regulations, expressed their opinions and made recommendations independently and objectively.

Communications Between Independent Directors and External Auditors

The Independent Directors listened to a number of reports from the external auditors with respect to the audit results, annual audit plan, management letter, etc. In the course of preparation of the 2024 Annual Report, the Independent Directors individually communicated with the external auditors regarding issues identified in the audits.

The Role of Independent Directors in Terms of Internal Control

The Independent Directors considered the proposals, including the work plan of internal control evaluation for 2025, the internal control assessment report for 2024, and listened to the reports, including the audit work report for 2024, and the report on related party transactions management for 2024.

Independent Opinions

For details, please see "Corporate Governance Report — Shareholding Structure — Protection of Minority Shareholders' Interests".

Means for Non-executive Directors to Access Information	
Daily information support	We regularly provide the Non-executive Directors with important operational information such as financial operation, asset and liability operation and risk management reports, and other important documents and information updates such as newly formulated or newly revised rules and regulations, meeting materials, internal audit reports. The Non-executive Directors have permission to access our comprehensive office platform, integrated financial and accounting management platform, operating management information platform, as well as internal control and compliance management system, etc.
Communication with the Senior Management	The mechanism for the Directors to sit in on the president's office meetings and on the meetings held by the special committees of the Senior Management was established. During the reporting period, the Non-executive Directors sat in on 13 president's office meetings and three meetings held by the special committees of the Senior Management. The Non-executive Directors participated in seven communication meetings for proposals before the meetings of the Board of Directors and had in-depth and thorough discussions on the content of the proposals. The Non-executive Directors participated in the meetings for monthly business briefings, so as to gain a timely and comprehensive understanding of our operation and management.
Communication with independent third parties such as external auditors	The Non-executive Directors and the external auditors held five symposiums, having in-depth communication on the audit work and the issues identified during the audit and review.
Investigations and research	The Non-executive Directors visited 12 branches to conduct investigation and research. They prepared written investigation and research reports and put forward policy advice focusing on topics such as differentiated operation, AIC equity investment pilot business, and sustainability information disclosure, respectively.

Meetings of the Board of Directors

During the reporting period, the Board of Directors convened a total of 11 meetings, considering 92 proposals such as periodic reports, the profit distribution, the nomination of the candidates of Director, and the appointment of the senior management members, and listening to 18 reports such as the implementation of the "14th Five-Year Plan" and evaluation report on strategic risk for 2024, and the report on the related party transactions management in 2024.

Attendance of Directors at Meetings

Number of attendance in person[1]/number of meetings requiring attendance

			Meetings of Special Committees of the Board of Directors							
Directors	Shareholders' Meetings	Meetings of the Board of Directors	Strategic Planning and Sustainable Development Committee	County Area Banking Business and Inclusive Finance Development Committee	Nomination and Remuneration Committee	Audit Committee	Risk Management and Consumers' Interests Protection Committee	Related Party Transactions Management Committee	Risk Management Committee of Institutions in the United States Regions
Executive Directors									
GU Shu	3/3	10/11	6/7						
WANG Zhiheng	3/3	11/11	7/7	1/1	7/7				
LIU Hong									
LIN Li	3/3	10/11	7/7				4/6		1/3
Non-executive Directors									
ZHOU Ji	3/3	10/11	6/7	1/1	7/7				
LI Wei	3/3	11/11		1/1	7/7	6/6			
LIU Xiaopeng	3/3	11/11	7/7				6/6		3/3
ZHANG Qi (張奇)	3/3	11/11		1/1		6/6	6/6		3/3
Independent Directors									
WU Liansheng	3/3	10/11		1/1	7/7	6/6	5/6		3/3
WANG Changyun	3/3	11/11			7/7	6/6	6/6	2/2	3/3
JU Jiandong	3/3	9/11	5/7	1/1	7/7				
ZHUANG Yumin	3/3	9/10	7/7		7/7			2/2	
ZHANG Qi (張琦)	2/2	7/7			5/5			1/1	
WONG Pui Sze Priscilla	1/1	3/3				1/1		1/1	1/1
Former Directors									
XIAO Xiang	2/2	6/6	4/4				4/4		1/1
LEUNG KO May Yee, Margaret	2/2	7/8				5/5	5/6	1/1	1/2

Note: 1. Attendance in person includes attendance on site and attendance by way of electronic communication such as telephone and video conference. During the reporting period, Directors who did not attend the meetings of the Board of Directors or special committees in person thereof had designated other Directors as proxies to attend and to vote on their behalves at the meetings.

Implementation of Resolutions of the Shareholders' Meetings by the Board of Directors

During the reporting period, the Board of Directors strictly implemented the resolutions of the shareholders' meetings and the authorization to the Board of Directors by the shareholders' meeting, and seriously implemented the proposals considered and approved by the shareholders' meetings, including the fixed assets investment budget.

Responsibilities of Directors on Financial Statements

The Directors acknowledge their responsibility for preparing the financial reports of each accounting period, and they are of the view that such financial reports give a true and fair view of the financial position, operating results and cash flows of the Group.

During the reporting period, we complied with relevant laws, regulations and the requirements of the listing rules of places where our shares are listed and published the 2024 annual report and the first quarterly report of 2025, the 2025 interim report and the third quarterly report of 2025.

Risk Management and Internal Control

The Board of Directors is responsible for establishing sound and effective risk management and internal control, and supervising and assessing the construction of our internal control and risk management systems as well as the risk level (including reviewing the effectiveness of such systems). Such systems are in place to provide reasonable (though not absolute) assurance against material misstatement or loss, and to manage (rather than eliminate) the risk of failure to achieve business objectives. During the reporting period, the Board of Directors reviewed the adequacy and effectiveness of our risk management and internal control through the Audit Committee, Risk Management and Consumers' Interests Protection Committee, Risk Management Committee of Institutions in the United States Regions and Related Party Transactions Management Committee under it. The Board of Directors reviews the effectiveness of the risk management and internal control of the Bank at least once a year. The Board of Directors was of the view that our risk management and internal control were adequate and effective.

For details of our risk management and internal control, please refer to "Discussion and Analysis — Risk Management", "Corporate Governance Report — Risk Governance" and "Corporate Governance Report — Internal Control".

Details of the Special Committees under the Board of Directors

The Special Committees under the Board of Directors of the Bank and the Compositions of their Members at the end of the Reporting Period

	Strategic Planning and Sustainable Development Committee	County Area Banking Business and Inclusive Finance Development Committee	Nomination and Remuneration Committee	Audit Committee	Risk Management and Consumers' Interests Protection Committee	Related Party Transactions Management Committee	Risk Management Committee of Institutions in the United States Regions
Executive Directors							
GU Shu	C						
WANG Zhiheng	M	C	M				
LIU Hong	M	M					
LIN Li	M				M		M
Non-executive Directors							
ZHOU Ji	M	M	M				
LI Wei		M	M	M			
LIU Xiaopeng	M				M		M
ZHANG Qi (張奇)		M		M	M		M
Independent Directors							
WU Liansheng		M	M	C	M		M
WANG Changyun			M	M	C	M	C
JU Jiandong	M	M	C				
ZHUANG Yumin	M		M			C	
ZHANG Qi (張琦)		M	M			M	
WONG Pui Sze Priscilla				M	M	M	M
% of Independent Directors	25%	37.5%	62.5%	60%	50%	100%	50%

Notes:
1. *C refers to the Chairman of the relevant Committees and M refers to the Member of the relevant Committees.*
2. *In January 2025, Ms. ZHUANG Yumin was appointed as a member of each of the Strategic Planning and Sustainable Development Committee, the Nomination and Remuneration Committee, and the Related Party Transactions Management Committee. In October 2025, Ms. ZHUANG Yumin was appointed as the chairman of the Related Party Transactions Management Committee. In February 2026, Ms. ZHUANG Yumin was appointed as a member of the Audit Committee and ceased to be a member of the Strategic Planning and Sustainable Development Committee.*
3. *In May 2025, Mr. ZHANG Qi (張琦) was appointed as a member of each of the County Area Banking Business and Inclusive Finance Development Committee, the Nomination and Remuneration Committee, and the Related Party Transactions Management Committee.*
4. *In July 2025, Mr. XIAO Xiang resigned as a member of each of the Strategic Planning and Sustainable Development Committee, the Risk Management and Consumers' Interests Protection Committee and the Risk Management Committee of Institutions in the United States Regions.*
5. *In October 2025, Ms. WONG Pui Sze Priscilla was appointed as a member of each of the Audit Committee, the Risk Management and Consumers' Interests Protection Committee and the Risk Management Committee of Institutions in the United States Regions and the Related Party Transactions Management Committee.*
6. *In October 2025, Ms. LEUNG KO May Yee, Margaret ceased to be a member of each of the Audit Committee, the Risk Management and Consumers' Interests Protection Committee and the Risk Management Committee of Institutions in the United States Regions and the chairman and a member of the Related Party Transactions Management Committee.*
7. *In December 2025, Mr. LIU Hong was appointed as a member of each of the Strategic Planning and Sustainable Development Committee and the County Area Banking Business and Inclusive Finance Development Committee.*
8. *In February 2026, Mr. ZHANG Hongwu was appointed as a member of each of the Strategic Planning and Sustainable Development Committee, County Area Banking Business and Inclusive Finance Development Committee, Risk Management and Consumers' Interests Protection Committee and the Risk Management Committee of Institutions in the United States Regions.*
9. *In March 2026, Mr. LIU Xiaopeng was appointed as the vice chairman and a member of the Audit Committee.*

Duty Performance of the Special Committees of the Board of Directors

Special Committees	Main Duties	Number of Meetings (Dates)	Duty Performance
Strategic Planning and Sustainable Development Committee	Considering our overall and specific plans for strategic development, the operation, investment and financing plans of the Bank, etc; considering matters regarding material mergers and acquisitions, major external investments, material asset acquisitions, and the establishment and adjustment of institutions, etc; considering the sustainable development strategies and objectives of the Bank and regularly evaluating the implementation of the sustainable development strategies; considering the report related to sustainable development, evaluating the development of green finance of the Bank; considering the development plans and objectives of the Bank's technology finance and digital finance business, etc. and making suggestions to the Board of Directors on the foregoing matters.	7 (14 February, 28 March, 29 April, 23 June, 29 August, 22 September, 30 October 2025)	Considered 32 proposals including the operation plan for 2025, the final financial accounts for 2024, the 2024 Sustainability Report, and work report on the Green Finance/peak carbon emissions and carbon neutrality for 2024; listened to six reports such as the implementation of the 14th Five-Year Plan and evaluation report on strategic risk for 2024, etc.; and provided relevant opinions and suggestions on the issuance of capital instruments, Green Finance development and so on.
County Area Banking Business and Inclusive Finance Development Committee	Considering the strategic development plan of County Area Banking Business, the policy and basic management systems of County Area Banking Business, the risk and strategy plan for County Area Banking Business, the operation plan for County Area Banking Business, the development plans and objectives of the Bank's pension finance business, as well as monitoring the implementation of strategic development plan, policy and basic management systems of County Area Banking Business, etc., and making suggestions to the Board of Directors on the foregoing matters; making and deciding the business development plan of Inclusive Finance and considering the policy, basic management systems, annual operation plan and risk and strategy plan of Inclusive Finance of the Bank, etc.	1 (12 February 2025)	Considered the proposal on the specific evaluation plan of inclusive finance business for 2025; and listened to the report on the forecast of the County Area Banking Division's financial target for 2025.

Special Committees	Main Duties	Number of Meetings (Dates)	Duty Performance
Nomination and Remuneration Committee[1]	Formulating the standards and considering procedures for the election of relevant Directors, chairman and members of relevant committees of the Board of Directors and senior management members, and submitting the same to the Board of Directors for approval; preliminarily reviewing and approving the eligibility of the candidates for relevant Directors, President, Secretary to the Board of Directors, and Vice Presidents and other senior management members nominated by the President, and providing advice to the Board of Directors; providing advice on candidates for relevant Directors and President to the Board of Directors; providing advice on the removal of relevant Directors and the dismissal of senior management to the Board of Directors; based on the performance assessment of directors and senior management members, providing suggestions on the remuneration allocation plans, and submitting to the Board of Directors for consideration, etc.	7 (12 February, 27 March, 29 May, 20 June, 19 September, 29 October, 25 December 2025)	Considered 13 proposals including the nomination of candidates for Directors, the remuneration of the Directors, the remuneration of the senior management members, etc.
Risk Management and Consumers' Interests Protection Committee	Considering our risk management strategic plan, risk appetite and major risk management policies, basic compliance management systems, and strategies, policies and objectives of consumers' rights and interests protection, etc., and making suggestions to the Board of Directors; considering overall risk management reports and proposals on the allocation plan of risk-based capital and submit the same to the Board of Directors for approval; promoting the building of a case risk prevention and control management system and institutional mechanisms, considering relevant reports such as the annual assessment of case risk prevention and control, and making suggestions to the Board of Directors; urging the implementation of case risk prevention and control work; holding meetings regularly on consumers' rights and interests protection to review the work reports of senior management and consumers' rights and interests protection department, etc.	6 (12 February, 25 March, 24 April, 19 June, 28 August, 27 October 2025)	Considered 19 proposals including the 2024 comprehensive risk management report and the interest rate risk report of banking book in 2024 and listened to seven reports including the risk analysis report, and made relevant advice and suggestions on the management and control of risks including credit risk, market risk and operational risk, etc.

Special Committees	Main Duties	Number of Meetings (Dates)	Duty Performance
Related Party Transactions Management Committee	Considering basic management systems for related party transactions, as well as overseeing their implementation and providing advice to the Board of Directors; conducting preliminary review on related party transactions to be approved by the Board of Directors or shareholders' meeting, and proposing to the Board of Directors or shareholders' meeting via the Board of Directors for approval; considering and approving related party transactions and other matters thereof to the extent of authorisation by the Board of Directors, and maintaining records of related party transaction, etc.	2 (25 March, 29 October 2025)	Considered the proposal on the related party transactions between the Bank and Directors, supervisors, senior management and their related parties, and listened to the report on related party transactions management in 2024.
Risk Management Committee of Institutions in the United States Regions	Considering and approving the risk management policies for businesses in the United States and supervising its implementation, and considering the report of the institutions in the United States on internal and external inspection results and their rectifications, and performing other duties as authorized by the Board of Directors. Responsibilities of the Risk Management Committee of Institutions in the United States Regions are concurrently assumed by the Risk Management and Consumers' Interests Protection Committee.	3 (24 April, 28 August, 24 December 2025)	Considered five proposals including the basic risk management policies of the New York Branch; and listened to two reports including the 2024 risk and compliance work of the New York Branch. Conducted anti-money laundering and sanctions risk management training, regularly reviewed the risks in relation to the businesses in the United States regions and made relevant advice and suggestions.
Audit Committee	Inspecting the Bank's finances, considering significant financial and accounting policies of the Bank and their implementation, and supervising the financial operation of the Bank; supervising the conduct of Directors and senior management in performing their duties; considering our internal control management system and overseeing effective implementation and self-assessment of the Bank's internal control; considering our audit management basic systems and regulations, the medium- and long-term audit plans, annual work plan, etc., and making suggestions to the Board of Directors, etc.	6 (12 February, 26 March, 28 April, 26 August, 27 October, 24 December 2025)	Considered 15 proposals, including the *2024 Annual Report and its Abstract,* the *Engagement of the Accounting Firm for the Year 2025*, and the *Work Plan for the 2025 Evaluation of Duty Performance of the Board, Senior Management and Their Members*; listened to 10 reports, including the *2024 Anti-Money Laundering and Sanctions Risk Management Work Report* and the *Report on the Results of the 2024 Audit by the External Auditor*. Committee made a number of important advice and suggestions in relation to, among other matters, the truthfulness and accuracy of the Bank's financial reports, the independence of internal and external audits, and the effectiveness of internal controls, thereby effectively fulfilling its role in providing decision support and professional oversight. The convening procedures, voting methods and proposals passed at each meeting complied with applicable laws and regulations, the Articles of Association and the rules of procedure of the Committee.

Special Committees	Main Duties	Number of Meetings (Dates)	Duty Performance
			The Audit Committee regularly reviewed the Bank's financial reports and conducted careful and thorough examinations of the annual, interim and quarterly reports, with particular emphasis on the truthfulness, accuracy and completeness of the financial reports, and reported its review opinions to the Board. In accordance with applicable regulatory requirements, the Committee organised the Group's annual internal control evaluation and engaged external auditors to audit the effectiveness of internal control over financial reporting, thereby enhancing the Group's compliance standards in its operations. The Committee maintained close and effective communication with the external auditors through in-depth discussions on audit plans, audit results and management suggestions, strengthened oversight of their work, and ensured the independence and professionalism of the external audit process. It also guided the enhancement and implementation of internal audit systems, reviewed the annual internal audit work plan, monitored the execution of the internal audit plan and the remediation of audit findings, and promoted effective coordination and synergy between internal and external audit efforts. From the perspectives of implementing the decisions and plans of the CPC Central Committee, strengthening strategic decision-making and execution, complying with regulatory requirements, and improving corporate governance and professional ethics, the Audit Committee evaluated the performance of duties of the Board and Senior Management. It assessed the performance of Directors and senior management members based on criteria including integrity, diligence, professionalism, compliance and professional ethics, prepared a performance evaluation report and determined individual performance ratings. All 19 Directors and senior management members included in the evaluation were assessed as competent. The Audit Committee raised no objections to the matters under its supervision during the reporting period.

Special Committees	Main Duties	Number of Meetings (Dates)	Duty Performance
			During the preparation and audit of the financial statements for the year 2025, the independent Directors maintained independent and full communication with the accounting firms to ensure that the audit work was conducted independently, objectively and impartially. The Audit Committee listened to the external audit plan for 2025, in detail, including the objectives and scope of the audit of the 2025 annual report, audit methodologies, key areas of focus, timetable and audit team, and provided requirements for the annual audit. The Audit Committee also reviewed the *Audit Results Report of KPMG Huazhen LLP and KPMG* and considered that the financial statements of the Bank for the year 2025 truthfully and completely reflected the financial position of the Bank.

Note: 1. The Articles of Association specifies the methods and procedures of the nomination of Directors and has specific requirements for the election of Independent Directors. Please refer to the Articles of Association including Articles 133 and 144 therein for details. The Articles of Association is published on the websites of the Shanghai Stock Exchange, the Hong Kong Stock Exchange and the Bank. During the reporting period, the Bank elected its Directors in strict compliance with the Articles of Association. When nominating the candidates for Directors, the Nomination and Remuneration Committee of the Board of Directors mainly takes into account their qualifications, compliance with laws, administrative regulations, departmental rules and the Articles of Association, capability of faithful and diligent obligation, understanding of our business operation and management and willingness to accept supervision of their duty performance by the Audit Committee of the Board of Directors and moderately takes into account the requirement of the diversity of the composition of the Board of Directors. Please refer to "Diversity of the Board of Directors" for the details of our policy on diversity of the composition of the Board of Directors. The quorum of the attendees of meeting of the Nomination and Remuneration Committee shall be more than two-thirds of all its members and any resolution at such meeting shall be passed by favorable votes from more than half of its members.

Senior Management

Senior Management should be accountable to the Board of Directors and subject to the supervision of the Board of Directors. The main functions and powers of the President include, among other things, taking charge of our operation and management, and implementing resolutions of the shareholders' meetings and the Board of Directors; to the extent of authorised by the Board of Directors, carrying out, or authorising other senior management members, or the officer-in-charge of the internal functional departments or branches of the Bank to carry out the day-to-day operation and management activities; formulating our basic management systems and policies, making and deciding the specific rules and regulations of the Bank (other than internal audit rules and regulations); formulating the operation plans and investment plans of the Bank, and making arrangements for their implementation after they are approved by the Board of Directors; formulating our annual financial budget and final financial accounts, risk-based capital allocation plans, profit distribution plans, loss appropriation plans, plans for increase or decrease of registered capital, plans for issuance of corporate bonds or other negotiable securities, listing plans and shares repurchase plans of the Bank, and making proposals to the Board of Directors; proposing appointment or dismissal of Vice Presidents or other senior management members (other than Secretary to the Board of Directors) to the Board of Directors, etc. Vice Presidents and other senior management members shall assist the President in his work.

Composition of the Senior Management

At the end of the reporting period, the Bank's Senior Management comprised six members, namely, Mr. WANG Zhiheng, Mr. LIN Li, Mr. WANG Wenjin, Mr. MENG Fanjun, Mr. WANG Dajun and Ms. LIU Qing.

Work of the Senior Management

Authorized by the Board of Directors, the Senior Management effectively promoted the bank-wide operation and management in compliance with the Articles of Association and other governance documents of the Bank. During the reporting period, the senior management members held more than 470 president's office meetings and thematic conferences to study on how to implement the resolutions and plans of the Board of Directors and formulate the operation plans, operation strategies and management measures which were subject to well-timed adjustments in response to the market changes. The Senior Management proactively invited the Directors to attend key meetings and events, solicited their opinions and advice, and maintained close communication with the Board of Directors, thereby constantly improving the quality and efficiency of our operation and management.

Related Party Transactions and Intra-group Transactions

Management System of Related Party Transactions and Intra-group Transactions

The Bank has formulated the *Measures for Related Party Transactions Management of Agricultural Bank of China* and *Implementation Measures for Related Party Transactions Management of Agricultural Bank of China*, as well as the *Measures for Intra-group Transactions Management of Agricultural Bank of China* and *Operating Procedures for Intra-group Transactions Limit Management of Agricultural Bank of China (Provisional)*, which standardized the related party transactions and intra-group transactions management.

Procedures and Entities in Charge to Consider Related Party Transactions and Intra-Group Transactions

The Board of Directors assumes the ultimate responsibility for related party transactions management. The Related Party Transactions Management Committee under the Board of Directors is responsible for affairs such as management, review and risk control of related party transactions within the scope of its duties and authorities. The Bank has set up a cross-department related party transactions management office under the Senior Management, which is responsible for daily affairs such as related party identification and maintenance, related party transactions management, and related party transactions data governance.

The related party transactions of the Bank shall be approved in accordance with its business authorization, while the material related party transactions, unified transaction agreements, and the related party transactions with a transaction volume amounting to more than RMB30.00 million (inclusive) and representing more than 1% (inclusive) of the Bank's latest audited net assets are subject to the approval of the Board of Directors, and the related party transactions considered by the Board of Directors must be approved by more than two-thirds of the non-related Directors. If the number of the non-related Directors attending the meeting of the Board is less than three, such transactions shall be submitted to the shareholders' meeting for consideration.

The related party transactions between the Bank and related parties with a transaction volume amounting to more than RMB30.00 million (inclusive) and representing more than 5% (inclusive) of the Bank's latest audited net assets, and the guarantees transactions within the scope of non-banking business provided to the related parties shall be submitted to the shareholders' meeting for consideration after being considered and approved by the Board of Directors.

The Bank implements annual cap management over its intra-group transactions and approves the intra-group transactions in accordance with its business authorization. The general intra-group transactions exceeding the limit and the material intra-group transactions are subject to the approval of the President and the Board of Directors, respectively.

Details of the Related Party Transactions

In 2025, we implemented standardized management of the related party transactions strictly in compliance with the regulatory requirements of the NFRA and the securities regulations of the PRC and the listing rules of Shanghai and Hong Kong. During the reporting period, our related party transactions were conducted on normal commercial terms and in accordance with the laws and regulations. Our pricing for interest rates followed fair business principles, and no impairment of the interests of the Bank or the minority shareholders was identified.

In 2025, we conducted connected transactions with connected persons (as defined in the Hong Kong Listing Rules) of the Bank in the ordinary course of business. Such transactions satisfied the applicable exemption conditions set out in Rule 14A.73 under the Hong Kong Listing Rules, and therefore were fully exempted from compliance with the requirements of shareholders' approval, annual review and all requirements in relation to disclosures.

For the related party transactions defined in accordance with the domestic laws and regulations, as well as the accounting standards, please refer to "Note IV. 40 Related party transactions to the Consolidated Financial Statements" for details.

Incentive & Constraint Mechanism

We have established a system of deferred payment, and clawback mechanism for performance salary. Where the senior management members and personnel in key positions violate laws, regulations and disciplines or are responsible for significant risk exposures, we will deduct, recall and cease the payment of their performance salary and deferred payment remuneration for the corresponding period based on the severity. The establishment of incentive and constraint mechanism of remuneration allocation enables us to balance the relationship between current and long term as well as between revenue and risk, ensuring the remuneration incentive matches the risk-adjusted performance.

Risk Governance

Risk Appetite

Risk appetite is a term that refers to the levels and types of risks acceptable to and tolerable for the Bank as determined by the Board of Directors of the Bank in order to achieve the strategic targets of the Bank, which depends on the expectations and constraints of our major stakeholders, external operating environment and actual conditions of the Bank.

We generally adopt a moderate risk appetite, with a consistent focus on risk prevention and control as the eternal theme of financial work. We ensure both development and security, adhere to the principle of law-compliant and stable operations, proactively give play to our functional role, seek to maintain consistency in security, profitability, and liquidity, as well as a balance among capital, risks, and returns. We are neither aggressive nor conservative in the level of risk bearing. Through undertaking an appropriate level of risk and adopting effective management, we seek to achieve reasonable returns, maintain sufficient risk provisions and capital adequacy to cover risk losses, uphold bottom-line thinking, and firmly hold the bottom line of preventing systemic financial risks. We continuously improve the risk management system, strengthen the implementation of risk management measures, and enhance the foresight, comprehensiveness, and proactivity of risk prevention and control. We maintain good regulatory ratings and external ratings, providing assurance for realizing our strategic objectives and business plans.

Risk Management Structure

The Board of Directors assumes the ultimate responsibility for risk management. The Risk Management and Consumers' Interests Protection Committee, the Audit Committee and the Risk Management Committee of Institutions in the United States Regions under the Board of Directors of the Bank perform the relevant risk management functions, consider the key risk management issues and supervise and evaluate the establishment of the risk management system and the risk condition of the Bank.

The Senior Management is the organizer and executor of risk management of the Bank. Under the Senior Management, we have various risk management committees with different functions, including the Risk Management and Internal Control Committee, Credit Approval Committee, Asset and Liability Management Committee and Asset Disposal Committee. Among them, the Risk Management and Internal Control Committee is primarily responsible for organizing and coordinating risk and compliance management across the Bank, researching and considering material risk management and compliance management issues.

Based on the principle of "overall coverage", we established the "matrix" risk management organizational system and the "Three Lines of Defense" for risk management comprising the risk bearing departments, risk management departments and internal audit departments. In 2025, we comprehensively implemented the regulatory requirements and actively advanced the internalization and implementation of new regulatory requirements to further improve the comprehensive risk management as well as the individual risk management system.

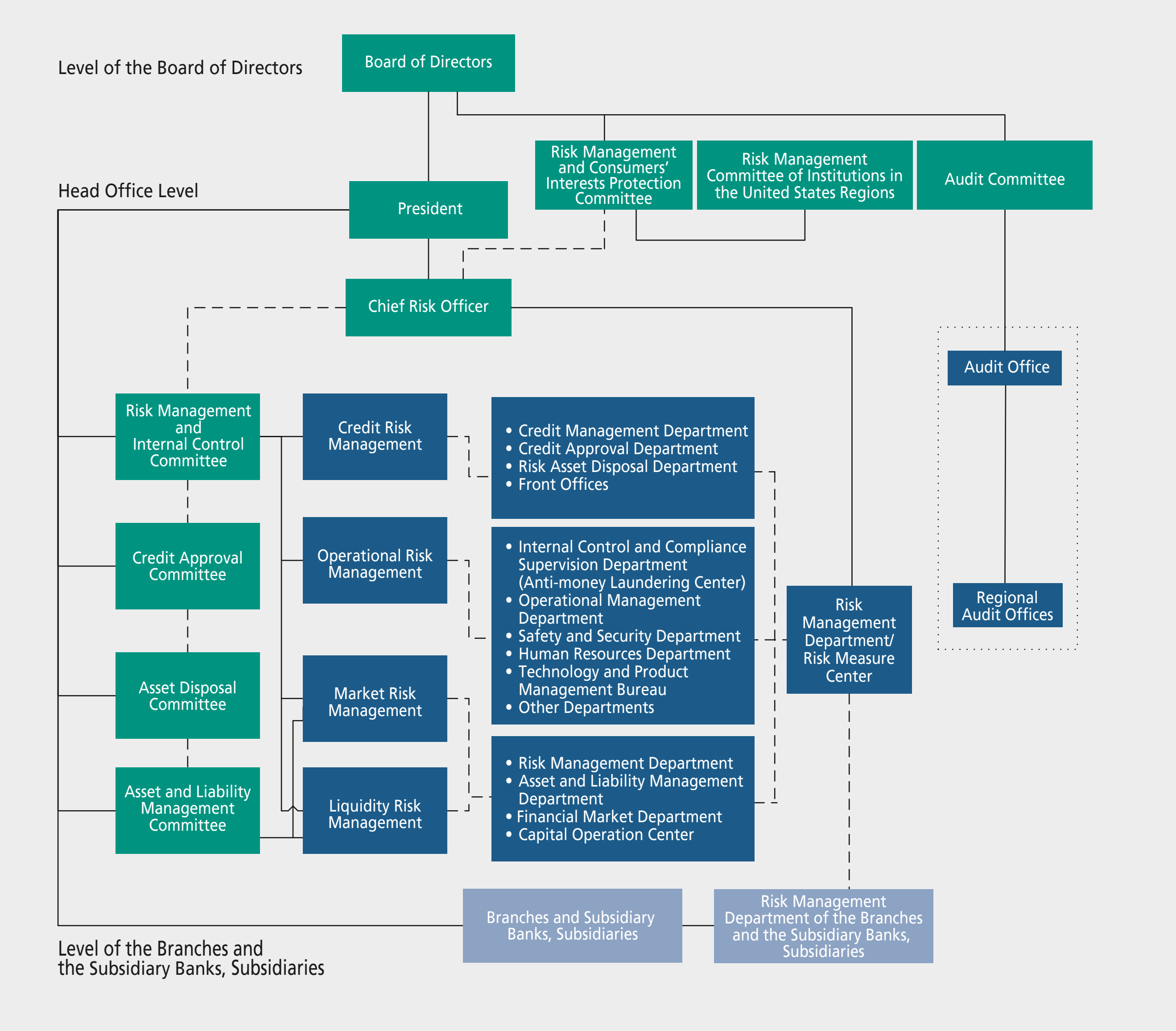
Role and Responsibilities of the Chief Risk Officer

The Chief Risk Officer of the Bank shall lead the construction of a comprehensive risk management system and the implementation of the Basel Capital Accord, coordinate the establishment of the Bank's organizational structure for risk management, review the implementation of risk management strategies and risk appetite, review major risk management policies and rules, promote the establishment and improvement of risk management information system and data quality control mechanism, and lead the reporting of the Bank's overall risk management to the Board of Directors and its special committees.

Management and Status of Various Risks

Please refer to "Discussion and Analysis — Risk Management" for details.

The Chart of Major Risk Management Structure



Internal Control

Internal Control Environment

The Board of Directors of the Bank is responsible for establishing a sound internal control system, effectively implementing the internal control, evaluating its effectiveness, and disclosing the internal control assessment report. The Audit Committee, the Risk Management and Consumers' Interests Protection Committee, the Risk Management Committee of Institutions in the United States Regions, and the Related Party Transactions Management Committee established under the Board of Directors are responsible for performing the corresponding duties related to internal control management. The Senior Management is responsible for organizing and leading the daily operation of internal control.

Objectives of Internal Control Management

The objectives of our internal control are to reasonably ensure the legality and compliance of operation and management, the truthfulness and completeness of financial reports and related information, the effectiveness of risk management and the security of assets, improve the efficiency and effectiveness of our operations, and facilitate the fulfillment of our business objectives and development strategies.

Internal Control Evaluation

The Board of Directors has considered and approved the *2025 Internal Control Assessment Report of Agricultural Bank of China Limited*, details of which are published on the website of the Shanghai Stock Exchange.

KPMG Huazhen LLP issued an unqualified *Internal Control Audit Report* based on its audit of the effectiveness of the Group's internal control over financial reporting as of 31 December 2025, in accordance with the relevant regulations, details of which are published on the website of the Shanghai Stock Exchange.

Implementation of Internal Control

We improved the internal control environment. We released the *Standards for Internal Control Building*, fully implementing the *Measures for Compliance Management of Financial Institutions*. We revised the *Basic Rules on Compliance Management*, further advanced the compliance quality improvement and excellence activities, and continuously intensified the cultivation of compliance awareness. We strengthened the staffing of compliance personnel and supporting measures, and cultivated an integrated echelon talent team comprising leading, core and backbone professionals in compliance.

We strengthened risk identification and evaluation. We explored and advanced key risk point identification and sorting, proactively strengthened risk governance, and deepened forward-looking management and prevention. Focusing on emerging areas of regulatory concerns and new forms of non-compliant practices, we adopted innovative approaches for compliance risk monitoring, and iteratively optimized monitoring models for key areas, to fully enhance the quality and efficiency of risk monitoring.

We implemented control actions efficiently. We took solid steps to ensure the internalization of external regulations, and launched the intelligent Q&A function for internal and external regulations and the quick search function for regulations on the Tianshu mobile office platform, consolidating the foundation for regulatory compliance. We upgraded the related transaction and mandatory leave management systems to improve the quality and efficiency of risk control. We highlighted the collaboration between domestic and overseas institutions and the synergy between the Bank and subsidiaries, revised the *Measures for Compliance Management of Overseas Branches and Subsidiary Banks*, deepened the standardization of key compliance risk points at subsidiaries, to continuously improve the group-wide compliance management system. We revised the *Basic Norms for Anti-Money Laundering*, and consistently strengthened the management of anti-money laundering and sanctions risks, to uphold the bottom line of safety.

We maintained unimpeded information communications. We improved the digital compliance platform, enhanced the integration of internal control and compliance management, and enabled centralized, integrated and coordinated operation across multiple systems, providing a powerful tool for performing duties in compliance with regulations across the Bank. We continued to advance data governance and optimized the data security management mechanism, continuously enhancing our capabilities in ensuring technology security.

We optimized the internal supervision evaluation. We optimized the internal control evaluation system, strengthened specific evaluation in business areas, and improved the effectiveness of evaluations. We revised the *Measures for Inspection Management*, established a collaborative inspection governance model, and strove to improve the quality of rectification work. We released new rules on the handling of employees' non-compliant conduct, enhanced process management, and conducted strict and targeted accountability.

Internal Control on Financial Statements

We follow the principles of all-sidedness, importance, balancing, adaptability and cost-effectiveness to establish and implement internal control on financial statements in accordance with the requirements of the *Basic Standards for Enterprise Internal Control*.

The financial statements of the Bank are prepared by the management, signed by the legal representative, the person in charge of accounting and the head of the accounting department, and approved by the Board of Directors for external submission or disclosure.

The Audit Committee of the Board of Directors of the Bank is responsible for inspecting the Bank's finances, reviewing significant financial and accounting policies of the Bank and their implementation, and supervising the financial operation of the Bank; supervising and assessing the Bank's internal audit and the Bank's internal audit system and its implementation; supervising and evaluating the annual audit plan, scope of work and important audit standards proposed by the accounting firm for conducting regular statutory audit work for the Bank's financial reports; making evaluative reports on the truthfulness, completeness and accuracy of the information in the audited financial accounting statements of the Bank, and submitting them to the Board of Directors for consideration.

Internal Audit

Structure of Internal Audit

We have established an audit institution that is accountable to and shall report to the Board of Directors and its Audit Committee. The audit institution is under the guidance of and shall report the audit results to the Senior Management. It conducts the audits and evaluations of operation and management, business practices, and business performance across the Bank based on the risk-oriented principles. It consists of the Audit Office at the Head Office and ten regional offices. The Audit Office at the Head Office is responsible for the organization, management and reporting of audit work across the Bank. The regional offices are responsible for the internal audit of their respective branches, and shall be accountable to and report to the Audit Office at the Head Office. Besides, independent internal audit functions are established in the overseas operation institutions and the subsidiaries of integrated operations.

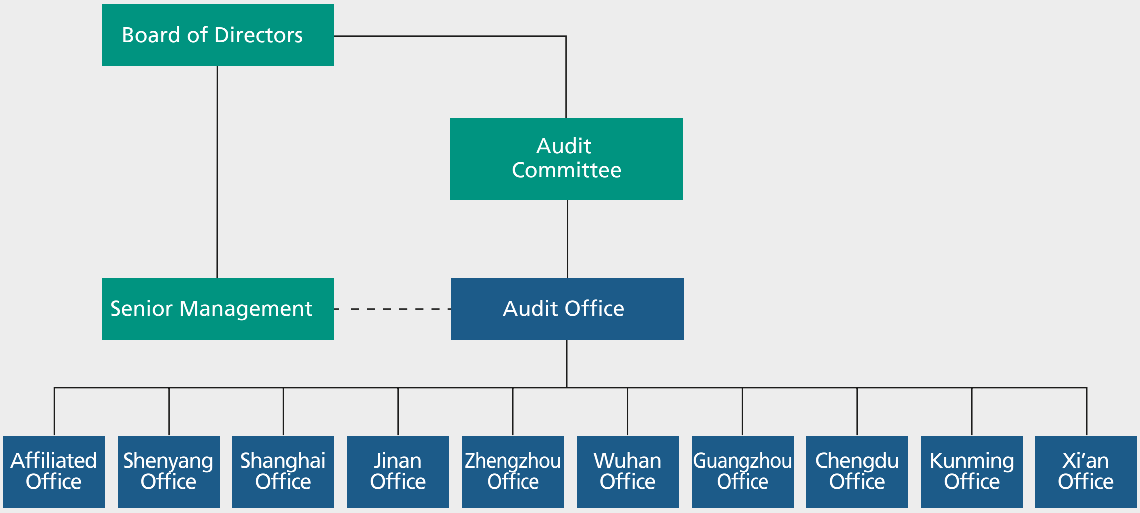
Operation of Internal Audit

During the reporting period, in accordance with the strategic decisions of the Board of Directors and the external regulatory requirements, based on the risk-oriented principles, we carried out the risk management audit with a focus on key areas such as serving rural revitalization, "Five Priorities" of financial services, credit business, internal control and prevention of cases of violations, financial compliance, as well as subsidiaries and consolidated management. We conducted special audits on various aspects, including business continuity, real estate loans, foreign exchange business, data governance, anti-money laundering, financial market and investment banking business, consumers' interests protection and credit reporting management, and cross-border RMB business. We steadily advanced the audit on overseas institutions, standardized the implementation of audit on the economic responsibilities of the Senior Management, and took solid steps to rectify the problems identified in audits. We continuously advanced the reform of the jurisdiction-based responsibility system of regional audit offices, and comprehensively promoted the specialization development of audit. We efficiently advanced the digital transformation of audit and intensified audit monitoring efforts to effectively facilitate the implementation of strategic decisions, the improvement of management basics and the steady growth of business across the Bank.

Audit Recommendations

During the reporting period, our audit institution put forward the audit recommendations in the areas such as credit, finance and accounting, internal control and prevention of cases of violations, information technology management, and cyber security. Attaching great importance to various audit findings and audit recommendations, we formulated the rectification measures in a timely manner and implemented the rectification requirements and audit recommendations to ensure the problems identified in the audit were effectively rectified.

Chart of the organizational structure of the internal audit of the Bank



External Audit

Information on External Auditors

The consolidated financial statements of the Group for 2025, prepared in accordance with CASs and IFRS Accounting Standards, have been audited by KPMG Huazhen LLP[1] and KPMG[2] (collectively, the "KPMG"), respectively, in accordance with the China Standards on Auditing and International Standards on Auditing, on both of which the unqualified audit reports were issued. KPMG Huazhen LLP also implemented audit procedures and issued audit opinions on the effectiveness of the Group's internal control of financial reporting.

The external auditors regularly attended the meetings of the Audit Committee of the Board of Directors to communicate the audit plans, major audit findings, etc. The external auditors put forward findings related to our internal control and management recommendations on optimization of our operations, issued the management recommendation letters, and reported to the Audit Committee of the Board of Directors. The external auditors evaluated the implementations of the findings related to internal control and the management recommendations.

1 *KPMG Huazhen LLP is Recognized Public Interest Entity Auditor under Financial Reporting Council Ordinance in the Hong Kong SAR.*

2 *KPMG is Registered Public Interest Entity Auditor under Financial Reporting Council Ordinance in the Hong Kong SAR.*

Independence of External Auditors

The external auditors reported to the Audit Committee of the Board of Directors on compliance with the code of professional ethics related to independence in accordance with the requirements of "Communication with Those Charged with Governance" in the International Standards on Auditing and Chinese Certified Public Accountants Auditing Standards. In providing audit and non-audit services, the external auditors of the Bank followed the International Code of Ethics for Professional Accountants (including International Independence Standards), the Chinese Code of Professional Ethics for Certified Public Accountants, relevant regulatory requirements and KPMG's own strict independence policy to ensure their independence in both form and substance.

External Auditors' Engagement and Remuneration

As approved by the 2024 Annual General Meeting of the Bank, we engaged KPMG as our 2025 accounting firm. Wherein, KPMG Huazhen LLP is responsible for providing audit services for the financial statements of the Bank prepared in accordance with CASs and for internal control, while KPMG is responsible for providing audit services for the consolidated financial statements of the Bank prepared in accordance with IFRS Accounting Standards. The partner of the external audit project of the Bank is SHI Jian, and the undersigned certified accountants are SHI Jian and HUANG Aizhou (PRC Standards), and WONG Yuen Shan (International Standards). The accounting firm, the partner of the audit project and the undersigned certified accountants all began providing audit services for the Bank in 2021 and have served the Bank for five years.

In 2025, a total fee of RMB91,064.6 thousand was paid to KPMG by us for the Group's financial statement audit services, including RMB7,285.2 thousand for the internal control audit service. In 2025, a total fee of RMB25,260.0 thousand was paid to KPMG and its network member firms by us for providing the financial statement audit services to our subsidiaries and overseas branches. In 2025, a total fee of RMB7,294.4 thousand was paid to KPMG and its network member firms by us for providing non-audit professional services, including bond issuance and tax compliance services.

Communication with Stakeholders

Communication with Shareholders

Information Disclosure

The Chairman of the Board of Directors of the Bank shall assume primary responsibility for the management of information disclosure affairs. The Secretary to the Board of Directors is responsible for organizing and coordinating information disclosure affairs. We have established an information disclosure institutional system covering the basic system, administrative measures and operating procedures, in compliance with the regulatory requirements for listed companies. We actively implemented the latest regulatory disclosure requirements, improved the alignment between periodical reports and national strategies, highlighted the disclosure of the strategy implementation and operational highlights of the Bank, actively responded to investors' concerns, continuously enriched the forms of disclosure, and steadily improved the breadth and depth of information disclosure. In 2025, the Bank disclosed 347 documents on the Shanghai Stock Exchange and the Hong Kong Stock Exchange in aggregate, and the assessment of our information disclosure by the Shanghai Stock Exchange was "A".

During the reporting period, we had no rectification for any material accounting errors, no omission of material information and no amendment required for any preliminary results announcement or other matters.

We continued to strengthen the management of inside information and enhance the compliance awareness of insiders. We also carried out annual self-examination on inside trading and registration for insiders.

Investor Relations

Results announcement conferences: We convened four results announcement conferences for the 2024 annual results, 2025 first quarterly results, 2025 interim results and 2025 third quarterly results, respectively.

Investor and analyst meetings: We organized over one hundred investor and analyst meetings in various forms including on-site meetings and teleconferences, covering leading investment and research institutions in the market, at which hot topics in the market were discussed in-depth.

Online Q&A: We replied to investors' enquiries on the Shanghai Stock Exchange E-interaction regularly.

Capital market summits: We participated in more than 40 capital market summits.

Communication at the shareholders' meetings: We communicated with the shareholders at the 2024 annual general meeting, 2025 first extraordinary general meeting and 2025 second extraordinary shareholders' meeting. In order to protect the legitimate rights and interests of shareholders participating in the shareholders' meeting, we took the initiative to contact registered shareholders before the shareholders' meeting, verified the information of the participants and informed them of the time and venue of the meeting and other related matters, solicited investor questions before the meeting, and then responded to the questions by the team of investor relationship management through the investors' hotline and the Shanghai Stock Exchange E-interaction after the meeting.

Other communication with investors: We continued to answer calls on the investors' hotline and reply to the IR email to answer investors' enquiries.

Contact details: If investors have any enquiries, or if shareholders have any suggestions, enquiries or proposals, please contact:
The Team of Investor Relationship Management under the Office of the Board of Directors of Agricultural Bank of China Limited
Address: No. 69, Jianguomen Nei Avenue, Dongcheng District, Beijing, China
Tel: 86-10-85109619
Fax: 86-10-85126571
E-mail: ir@abchina.com

The Bank has reviewed the shareholders' communication policies and their implementation during the year, and believes that such policies were adequate and effective in investors' protection.

Communication with Customers

For details, please see "Discussion and Analysis — Business Review".

Communication with Employees, Communities, Suppliers and Other Stakeholders

For details, please see the *2025 Sustainability Report* of the Bank published separately.

Communication with Lawyers

We applied the lawyer witness system for the shareholders' meetings, for which lawyers have issued their legal opinions. The lawyers put forward compliance opinions on our information disclosure documents and important issues in relation to corporate governance.

Communication with External Auditors

For details, please see "Corporate Governance Report — External Audit".

Other Information on Corporate Governance

Corporate Governance Code

Save as disclosed in this annual report, we fully complied with all the principles and code provisions, and almost all the recommended best practices of the *Corporate Governance Code* set out in Appendix C1 to the Hong Kong Listing Rules during the reporting period.

The Board of Directors actively performed its corporate governance duties, continuously refined the relevant systems for corporate governance, and continuously assessed and improved our corporate governance. The special committees under the Board of Directors performed their duties strictly in accordance with the applicable requirements of corporate governance.

Assessment of Corporate Governance

During the reporting period, in accordance with the requirements of the NFRA for the regulatory assessment of corporate governance, the Bank carried out the self-assessment covering Party leadership, control rights relationships, governance of shareholders, the Shareholders' Meeting, the Board of Directors and the Senior Management, internal governance, related party transactions as well as market constraints, etc., and accepted the regulatory assessment.

Significant Changes to the Articles of Association

On 23 September 2025, the NFRA approved the amended Articles of Association. Please refer to the full texts of the amended Articles of Association on the websites of the Shanghai Stock Exchange (www.sse.com.cn) and the Hong Kong Stock Exchange (www.hkexnews.hk).

From the date of the approval of the amended Articles of Association, the Bank has dissolved the board of supervisors of the Bank (the "Board of Supervisors"), and the Audit Committee of the Board of Directors has assumed the functions and powers of the Board of Supervisors in accordance with the Company Law of the PRC and the provisions of the relevant state departments. Ms. DENG Lijuan, Mr. HUANG Tao, Mr. WANG Xuejun, Ms. LIU Hongxia, Mr. XU Xianglin, and Mr. WANG Xixin have no longer served as supervisors of the Bank. During their tenure of office in 2025, the former supervisors of the Bank did not have any interests in material transactions, arrangements, or contracts, rights to acquire shares or debentures, or interests in shares, underlying shares, or debentures of the Bank or any of its associated corporations (as defined in Part XV of the Securities and Futures Ordinance of Hong Kong), nor any penalties imposed on them as set out in the "Report of the Board of Directors" and "Significant Events" sections, and they complied with the relevant requirements regarding securities transactions as set out in the "Corporate Governance Report" section. For details, please refer to the announcements published on the websites of the Shanghai Stock Exchange (www.sse.com.cn) and the Hong Kong Stock Exchange (www.hkexnews.hk).

Securities Transactions by Directors

The Bank has adopted a code of conduct for securities transactions by Directors with terms no less strictly than those set out in the *Model Code for Securities Transactions by Directors of Listed Issuers* in Appendix C3 to the Hong Kong Listing Rules. The Directors of the Bank have confirmed that they have complied with such code of conduct throughout the year ended 31 December 2025.

Corporate Culture

The Bank deeply implemented Xi Jinping Thought on Culture, upheld the guidance of the core socialist values, and actively cultivated and practiced the financial culture with Chinese characteristics. We continued to advance the four major projects, namely "Culture to Mold the Soul", "Culture to Be the Guide", "Culture to Warm the Heart", and "Culture to Shape Behavior", and deepened the integration of "Five Dos and Five Don'ts" requirements into our business operations, so they can be embedded in behaviors and lead development, thereby providing strong moral and favorable cultural support for building a great country and advancing national rejuvenation on all fronts through Chinese modernization.

System of Core Philosophies of Our Corporate Culture

Mission: Providing County Area Banking services, serving both urban and rural areas, maximizing shareholders' returns, and assisting employee development.

Vision: Forging a first-class international commercial bank group.

Core Values: Integrity, Stability and Sound Operation.

Relevant Philosophies under the Guidance of Core Values:

Operation Philosophy: Market-oriented, customer-centered and value-oriented.

Management Philosophy: Details determine success or failure, compliance creates value and responsibility delivers achievements.

Service Philosophy: Customers first and always.

Risk Philosophy: Non-compliance poses risks and safety brings benefits.

Human Resources Philosophy: Besides ability, employees' integrity should be highly valued and their performance should be fairly assessed.

Integrity Philosophy: Be honest, upright, and disciplined, with moral fortitude and principle, selflessness, considerate, devoted and loyal.

Progress of the "Corporate Value and Return Enhancement" Action

In line with the requirements of the *Several Opinions on Strengthening Regulation, Preventing Risks and Promoting High-Quality Development of the Capital Market* by the State Council and the *Guidelines No. 10 for the Regulation of Listed Companies — Market Value Management* by the CSRC and in response to the initiative on "Corporate Value and Return Enhancement" of the Shanghai Stock Exchange, we formulated *Market Value Management System* and *Valuation Enhancement Plan and Corporate Value and Return Enhancement Action Plan*.

In 2025, we strove to advance the implementation of the *Market Value Management System* and the related work of the action plan, thoroughly practiced the investor-centered principle, adhered to our responsibilities and mission of serving agriculture, rural areas and rural residents as well as the real economy, and made all-out efforts to promote the "Five Priorities" of the finance. We closely adhered to the work theme of preventing risk and promoting development, continuously improved work quality and efficiency, promoted high-quality development, and strove to create greater value for investors (for details, please refer to "Discussion and Analysis"). We insisted on a stable cash dividend policy to deliver tangible returns to investors, with the dividend ratio kept above 30% since listing. We also implemented the distribution of interim dividends and provided holders of H shares with RMB dividends currency option to enhance the sense of gain and convenience for shareholders. We actively practiced the concept of sustainable development, deepened the development of our information disclosure system, proactively engaged in multi-level and multi-channel investor communication to convey our corporate values, and addressed capital market concerns in a targeted manner to enhance investors' value recognition. We continuously improved orderly-working corporate governance system with effective counterbalance, and focused on protecting the rights and interests of investors, particularly small and medium-sized investors. We will continue to follow up regulatory policies and evaluate and implement other legal and compliant market value management measures as appropriate based on actual conditions.

Report of the Board of Directors

Principal Business and Business Review

Our principal business is to provide banking and related financial services. Details of our business operations and business review as required by Schedule 5 to the *Companies Ordinance* of Hong Kong are set out in relevant sections, including "Discussion and Analysis", "Sustainability Information", "Corporate Governance Report", "Significant Events", "Notes to the Consolidated Financial Statements" and this "Report of the Board of Directors".

In particular, please refer to "Business Review" and "Risk Management" under "Discussion and Analysis" and "Risk Governance" under "Corporate Governance Report" for our business review, discussion and analysis of the performance for the reporting year, principal risks and uncertainties faced by us and our future business development. Please refer to "Financial Statement Analysis" under "Discussion and Analysis" for the analysis of the key financial performance indicators. Please refer to "Sustainability Information" for the environmental and social performance and policies of the Bank. Please refer to "Risk Management" under "Discussion and Analysis" and "Internal Control" under "Corporate Governance Report" for the compliance with the relevant laws and regulations that would have a significant impact on the Bank. Please refer to "Business Review — Human Resources Management and Institution Management" under "Discussion and Analysis", "Sustainability Information", and "Communication with Stakeholders" under "Corporate Governance Report" for the Bank's relationships with its employees, customers and shareholders.

Major Customers

For the year ended 31 December 2025, the interest income and other operating income from the five largest customers of the Bank accounted for no more than 30% of the interest income and other operating income of the Bank.

Share Capital and Public Float

As at 31 December 2025, our total share capital of ordinary shares amounted to 349,983,033,873 shares, including 319,244,210,777 A Shares and 30,738,823,096 H Shares. As at the date of the publication of this annual report, we maintained sufficient public float in compliance with the minimum requirement of the Hong Kong Listing Rules and the waiver granted by the Hong Kong Stock Exchange upon our listing.

Purchase, Sale or Redemption of the Bank's Shares

For the year ended 31 December 2025, neither the Bank nor its subsidiaries purchased, sold or redeemed any of its listed shares (including sale of treasury shares). As at the end of the reporting period, neither the Bank nor its subsidiaries held treasury shares.

Pre-emptive Rights

There is no mandatory provision in relation to pre-emptive rights in the Articles of Association. According to the Articles of Association, the Bank may increase its registered capital by means of offering of shares to unspecified offerees, offering of shares to specified offerees, allotment of bonus shares to existing shareholders (excluding holders of preference shares), capitalisation of capital reserves and any other means required by the laws and administrative regulations, and approved by the competent authorities concerned.

Equity-linked Agreement

We issued preference shares "農行優1" (stock code: 360001) and "農行優2" (stock code: 360009) on 31 October 2014 and 6 March 2015, respectively.

We set the events triggering mandatory conversion of the preference shares "農行優1" and "農行優2" into ordinary A Shares, respectively, in accordance with relevant regulations, including:

(i) If our Common Equity Tier 1 ("CET1") capital adequacy ratio decreases to 5.125% (or below), the preference shares will be fully or partially converted into ordinary A Shares, in order to restore our CET1 capital adequacy ratio to above 5.125%.

(ii) All preference shares issued will be converted into ordinary A Shares upon the earlier occurrence of the following two situations:

   (a) the NFRA is of the view that we can no longer subsist if the preference shares are not converted;

   (b) relevant authorities consider that we could not subsist without capital injection from public sector or any support to the same effect.

If any of the triggering events above occurs and all of the preference shares "農行優1" and "農行優2" are mandatorily converted into ordinary A Shares at the conversion price, the number of ordinary A Shares upon conversion will not exceed 32,520,325,204 shares. No events have occurred so far which would trigger the mandatory conversion of the preference shares "農行優1" or "農行優2" into ordinary A Shares.

During the reporting period, except for the above disclosure, we did not enter into, nor did there subsist, any other equity-linked agreement.

Profits and Dividends Distribution

The Board of Directors proposed a distribution of final dividends of RMB1.300 (tax inclusive) for each ten shares of 349,983,033,873 ordinary shares for 2025 with a total amount of approximately RMB45,498 million (tax inclusive). The distribution plan will be submitted to the shareholders' meeting for approval. Please refer to "Corporate Governance Report — Shareholding Structure — Particulars of Ordinary Shares" for details.

Dividends Distribution Policy and Implementation of the Cash Dividend Policy

Please refer to "Corporate Governance Report — Shareholding Structure — Particulars of Ordinary Shares" for details.

Reserves

Details of the changes of reserves for the year ended 31 December 2025 are set out in "Consolidated Statement of Changes in Equity" in the Consolidated Financial Statements.

Financial Summary

Summary of operating results, assets and liabilities for the five years ended 31 December 2025 is set out in "Basic Corporate Information and Major Financial Indicators".

Donations

During the year ended 31 December 2025, our external donations amounted to RMB122.68 million.

Property and Equipment

Details of the changes of property and equipment for the year ended 31 December 2025 are set out in "Note IV. 21 Property and equipment to the Consolidated Financial Statements".

Employee Benefit Plans

For details of employee benefit plans, please refer to "Note IV. 31 Other Liabilities (1) Staff costs payable to the Consolidated Financial Statements". Same as previous years, there was no forfeited contribution available to reduce the contribution payable by the Bank under the defined contribution schemes for 2025.

Management Contracts

Except for the service contracts with our management personnel, the Bank has not entered into any contract with any person, company or legal entity to manage or handle the whole or any material part of its business.

Directors' Interests in Material Transactions, Arrangements or Contracts

For the year ended 31 December 2025, none of our Directors or parties related to such Directors had any material interests, either directly or indirectly, in any material transaction, arrangement or contract regarding our business to which the Bank or any of its subsidiaries, the controlling shareholders of the Bank or any of their subsidiaries was a party. None of our Directors has entered into any service contract with the Bank or any of its subsidiaries, pursuant to which the Bank needs to pay compensation (other than statutory compensation) for terminating the contract within one year.

Directors' Interests in Competing Businesses

None of our Directors held any interests in any business that competes or is likely to compete, either directly or indirectly, with the business of the Bank.

Rights of Directors to Acquire Shares or Debentures

For the year ended 31 December 2025, the Bank did not grant any rights to acquire shares or debentures to any Directors, nor was any of such rights exercised by any Directors. Neither the Bank nor its subsidiaries entered into any agreements or arrangements enabling the Directors to obtain benefits by acquiring shares or debentures of the Bank or any other corporations.

Interests in Shares, Underlying Shares and Debentures Held by Directors

None of the Directors of the Bank had any interests or short positions in the shares, underlying shares or debentures of the Bank or any of its associated corporations (as defined in Part XV of the *Securities and Futures Ordinance* of Hong Kong) which were required to be notified to the Bank and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the *Securities and Futures Ordinance* of Hong Kong (including interests and short positions deemed to be owned by them under such provisions of the *Securities and Futures Ordinance* of Hong Kong), or any interests or short positions which were required to be recorded in the register referred to in Section 352 of the *Securities and Futures Ordinance* of Hong Kong, or any interests or short positions which were required to be notified to the Bank and the Hong Kong Stock Exchange pursuant to the *Model Code for Securities Transactions by Directors of Listed Issuers* as set out in Appendix C3 to the Hong Kong Listing Rules. For the interests and short positions of substantial shareholders of the Bank and other persons, please refer to "Corporate Governance Report — Shareholding Structure — Particulars of Ordinary Shares".

Remuneration of Directors and Senior Management Members

We have made specific rules on the remuneration of Directors and senior management members, and continuously improve the performance assessment system and incentive & constraint mechanism of the Directors and senior management members. The shareholders' meeting of the Bank shall exercise the authority to decide on matters relating to the remuneration of Directors in accordance with the law, consider and approve the remuneration of Directors, and shareholders have the decision-making authority on the remuneration of Directors. The Board of Directors shall consider and approve the remuneration levels of senior management members. In the performance appraisal of the senior management members by the Board of Directors, requirements such as supporting the real economy, making headway in the "Five Priorities", preventing and controlling financial risks, deepening financial system reform, and performing social responsibility are included in the review assessment. The appraisal results will be the important basis for determining the annual performance-based salary of the senior management members. The remuneration of Chairman of the Board of Directors, President and other persons in charge shall be implemented in line with the relevant policy of the state on the remuneration reform of persons in charge of central enterprises, which consists of the annual basic salary, the annual performance-based salary and the tenure incentive income linked to the tenure assessment. For details of the remuneration standards, please refer to "Corporate Governance Report — Directors and Senior Management Members — Remuneration of Directors and Senior Management Members". We did not formulate any share incentive plan for the Directors and senior management members.

Permitted Indemnity Provisions

According to the Articles of Association, we will undertake the civil liability arising from the discharge of the duties of our Directors and senior management members to the largest extent permitted by, or unless prohibited by, the applicable laws and administrative regulations, except that such Directors and senior management members are proven to have failed to perform their duties honestly or in good faith. We have maintained liability insurance for potential liabilities that may arise from the indemnification claims against the misconduct of the Directors and senior management members.

During the reporting period, we have renewed the liability insurance for Directors and senior management members.

Financial, Business and Family Relationship among Directors

Directors had no relationships, including financial, business, family or other material relationships, with each other.

Use of Proceeds

All the proceeds raised were used to strengthen our capital base to support the future development of our business as disclosed in the prospectus, offering documents and other documents.

Significant Projects Invested by Non-raised Capital

For the year ended 31 December 2025, we had no significant projects invested by non-raised capital.

Issued Debentures

For details of issued debentures during the reporting period, please refer to "Note IV. 30 Debt Securities Issued to the Consolidated Financial Statements".

Subsidiaries

Particulars of our principal subsidiaries at 31 December 2025 are set out in "Discussion and Analysis — Business Review".

Related Party Transactions

Please refer to "Corporate Governance Report — Related Party Transactions and Intra-group Transactions".

Auditors

Please refer to "Corporate Governance Report — External Audit".

Members of the Board of Directors

As at the date of this Report of the Board of Directors, the Board of Directors of the Bank includes:

Executive Directors, namely Mr. GU Shu, Mr. WANG Zhiheng, Mr. LIU Hong and Mr. LIN Li;

Non-executive Directors, namely Ms. ZHOU Ji, Mr. LI Wei, Mr. LIU Xiaopeng, Mr. ZHANG Qi (張奇) and Mr. ZHANG Hongwu;

Independent Directors, namely Mr. WU Liansheng, Mr. WANG Changyun, Mr. JU Jiandong, Ms. ZHUANG Yumin, Mr. ZHANG Qi (張琦) and Ms. WONG Pui Sze Priscilla.

By Order of the Board of Directors
GU Shu
Chairman of the Board of Directors
30 March 2026

Commitments

Subject of Commitment	Commitments	Details of commitment	Date of commitment	Due date of commitment	Performance up to date
Huijin	Non-competition commitment	(1) So long as Huijin continues to hold any of our shares or is deemed to be a controlling shareholder or a connected person of a controlling shareholder or de facto controller of the Bank in accordance with the laws or listing rules of China or of the place where our shares are listed, it will not engage or participate in any competing commercial banking activities in China or abroad. If Huijin engages or participates in any competing commercial banking activities or activities which evolve into competing commercial banking activities in China or abroad, it will immediately cease to participate in, manage or engage in such competing commercial banking activities. (2) If Huijin obtains any governmental approval, authorization or license to operate commercial banking activities directly, or obtains any other opportunities to operate commercial banking activities, Huijin will immediately relinquish such approval, authorization or license, and will not operate any commercial banking activities. (3) Notwithstanding the above provisions (1) and (2), Huijin, as a state-owned investment vehicle established by the PRC government to invest in financial/banking industry, may through its investments in other companies and in any form (including but not limited to its wholly-owned entities, joint ventures, contractual joint ventures, or through its direct or indirect ownership of shares or other interests in such companies), operate or participate in any competing commercial banking activities in China or abroad. (4) Huijin, as a state-owned investment vehicle established by the PRC government to invest in financial/banking industry, will treat its investments in commercial banks on an equal footing, and will not confer upon any commercial banks any governmental approval, authorization or license to operate commercial banking activities or any business opportunities it obtains or may obtain, nor will it take advantage of its status as a holder of our shares or the information obtained by virtue of such status to make decisions or judgments against us or in favor of other commercial banks in which it invests, and will prevent such circumstances from occurring. It will exercise its shareholder's rights in our maximum or best interests as if we were its sole investment in a commercial bank, and will exercise its commercial judgment as our shareholder to maximize our best interests, and such judgment shall not be affected by its investments in other commercial banks.	15 July 2010	Valid in the long term	Continuous commitment and due performance

Material Litigations and Arbitrations

During the reporting period, there was no litigation or arbitration with material impact on our operations.

As at 31 December 2025, the value of the claims of the pending litigation or arbitration in which the Bank was involved as a defendant, a respondent or a third party amounted to approximately RMB2,073 million. The management believes that the Bank has made full provision for potential losses arising from the aforesaid litigation or arbitration, and they will not have material adverse effect on financial position or operating results.

Material Equity Investments Obtained and Material Non-equity Investments in Progress

In 2020, the Bank signed the *Promoters' Agreement of the National Green Development Fund Co., Ltd.*, and proposed to invest RMB8.0 billion into the National Green Development Fund Co., Ltd. In May 2021, we paid for the first instalment in the amount of RMB0.8 billion. In November 2022, we paid for the second instalment in the amount of RMB1.0 billion for the first time. In July 2024, we paid for the second instalment in the amount of RMB1.0 billion for the second time. In June 2025, we paid for the third instalment in the amount of RMB2.0 billion.

In 2024, the Bank signed the *Promoters' Agreement of China Integrated Circuit Industry Investment Fund Phase III Co., Ltd.*, and proposed to invest RMB21.5 billion into the China Integrated Circuit Industry Investment Fund Phase III Co., Ltd. In July 2024, we paid for the first instalment in the amount of RMB1,075 million. In July 2025, we paid for the second instalment in the amount of RMB1,182.5 million. In December 2025, we paid for the third instalment in the amount of RMB1,397.5 million.

Please refer to our relevant announcements published on the websites of the Shanghai Stock Exchange (www.sse.com.cn) and the Hong Kong Stock Exchange (www.hkexnews.hk) for details.

During the reporting period, saved as disclosed above, we did not have any other material equity and non-equity investment required to be disclosed.

Miscellaneous

Major Asset Acquisition, Disposal and Merger by Absorption

During the reporting period, we did not carry out any major asset acquisition, disposal or merger by absorption.

Implementation of Share Incentive Plan

During the reporting period, we did not implement any share incentive schemes such as share appreciation rights scheme for the management or employee share ownership scheme.

Material Related Party Transactions

During the reporting period, we did not enter into any material related party transaction.

Material Contracts and Their Performance

Material custody, contract and lease

During the reporting period, we did not enter into any material custody, contracting or leasing arrangements on the assets of other companies, which were subject to disclosure, nor did any other companies enter into any custody, contracting or leasing arrangements on our assets, which were subject to disclosure.

Material Guarantees

Provision of guarantees is one of our off-balance sheet businesses in our ordinary course of business. During the reporting period, we did not have any material guarantees required to be disclosed, except for the financial guarantee services within the business scope as approved by the PBOC and the NFRA.

External Guarantee

During the reporting period, the Bank did not enter into any guarantee contracts in violation of laws, administrative regulations or the external guarantee resolution procedures stipulated by the CSRC.

Major Centralized Procurement

During the reporting period, there was no centralized procurement which had material impact on our costs and expenses.

Misappropriation of the Bank's Funds by Controlling Shareholders and Other Related Parties for Non-operating Purposes

None of our controlling shareholders or other related parties misappropriated any of the Bank's funds for non-operating purposes. KPMG Huazhen LLP issued the *Special Statement on the Fund Occupation without Operating Purpose and other Fund Transfer between Related Parties of Agricultural Bank of China Limited for the Year of 2025*.

Penalties Imposed on the Bank and its Directors, Senior Management Members and Controlling Shareholders

During the reporting period, we were not under investigation in accordance with the law for suspected crimes, and the controlling shareholders, Directors and senior management members of the Bank were not subject to compulsory measures in accordance with the law for suspected crimes; the Bank or its controlling shareholders, Directors and senior management members have not been subject to any criminal punishment, nor have they been subject to any investigation by the CSRC or administrative punishment by the CSRC for suspected violation of laws or regulations, and have not been subject to any material administrative punishment by other competent authorities; none of the controlling shareholders, Directors and senior management members of the Bank has been subject to detention by the disciplinary inspection and supervision authorities for suspected serious violations of disciplines or laws, or duty-related crimes, which may affect their performance of duties; the Directors and senior management members of the Bank have not been subject to compulsory measures by other competent authorities due to suspected violation of laws and regulations, which may affect their performance of duties.

Integrity of the Bank and Controlling Shareholders

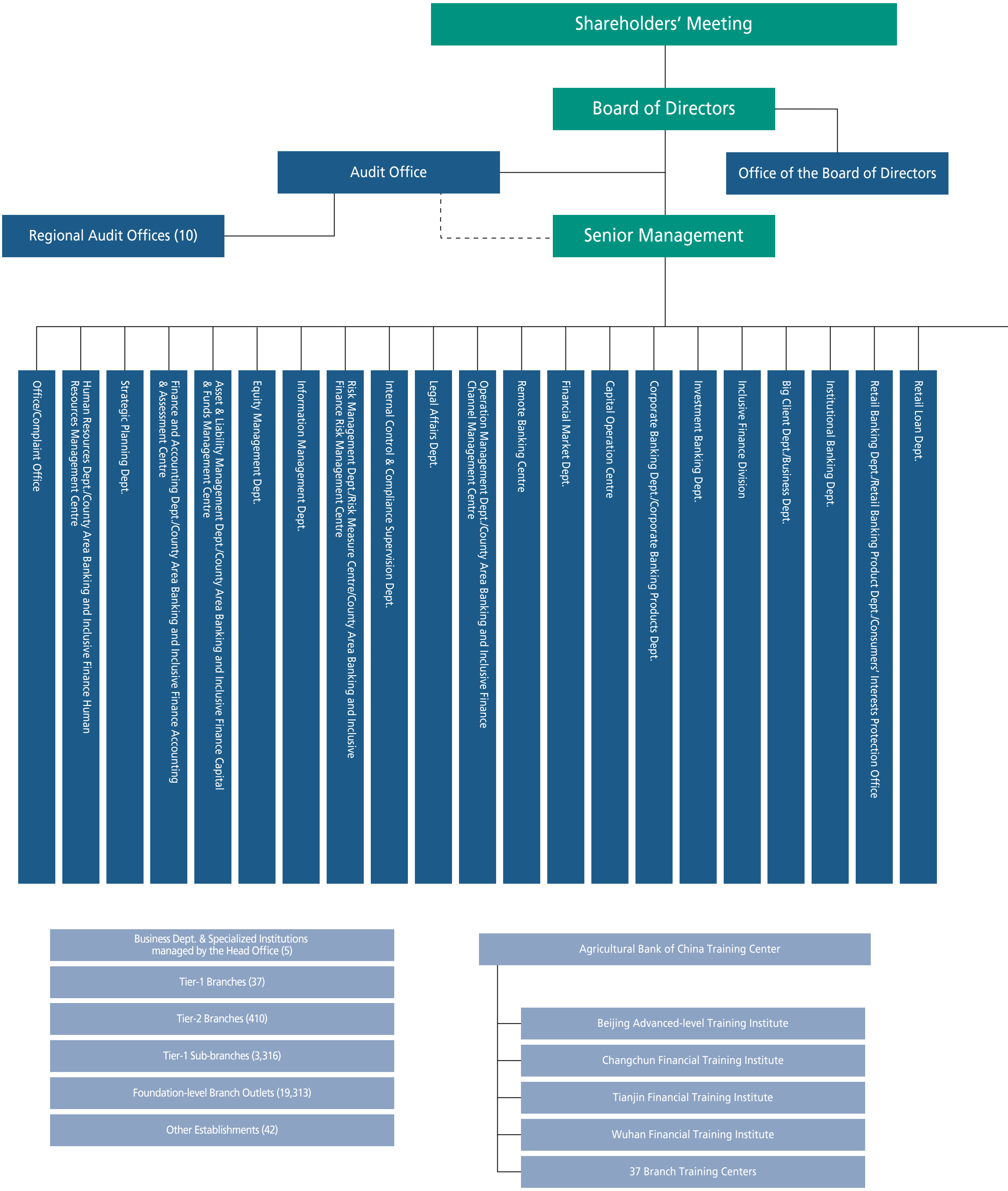
There was no circumstance where we or our controlling shareholders have failed to fulfill an effective court judgment or repay any outstanding debt of a significant amount that matured.

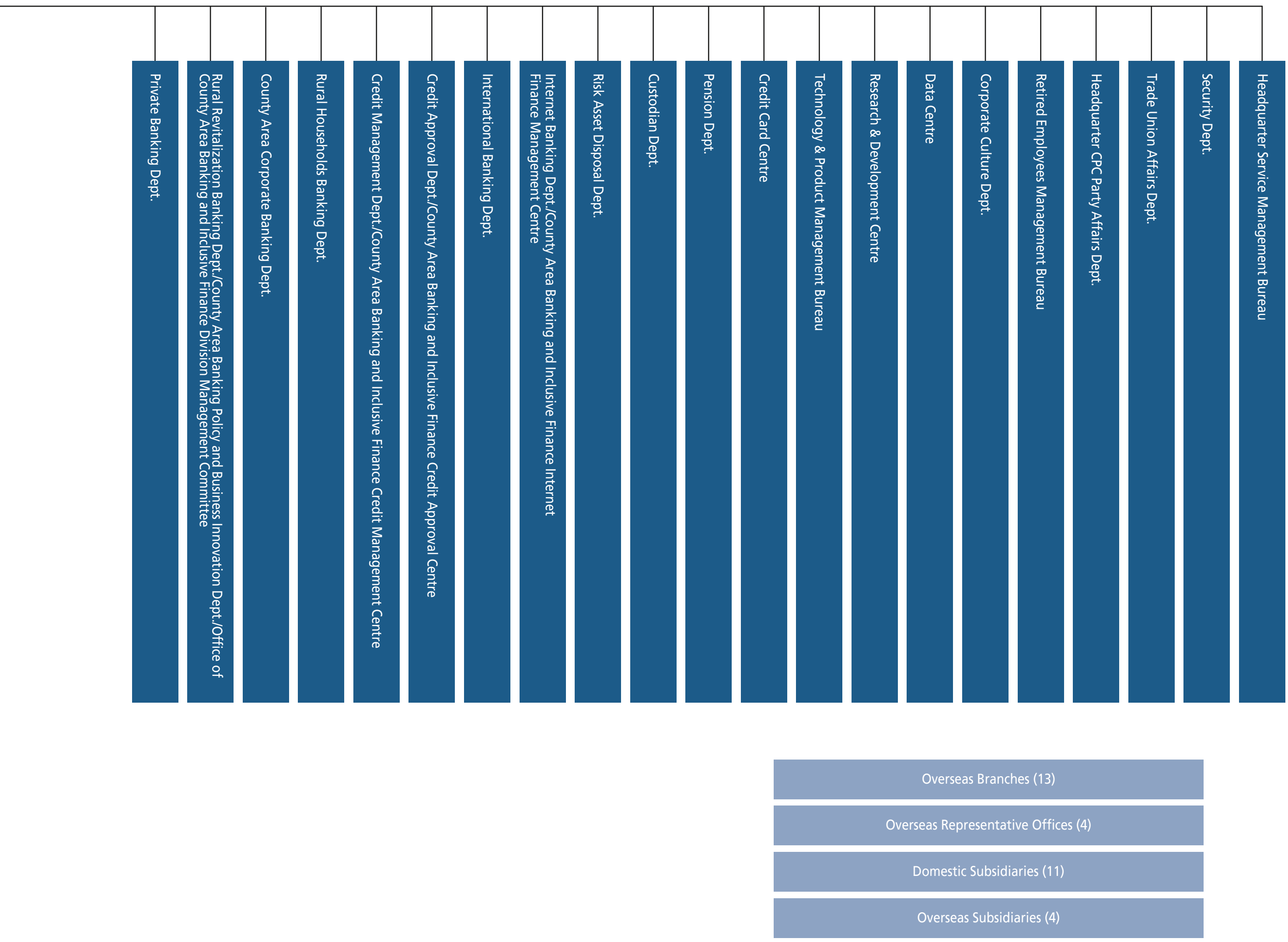
Honors and Awards

Organizations	Awards (Rankings)
China Association for Public Companies	2025 Best Practice Case for the Board of Directors of Listed Companies
Brand Finance	Ranked the 1st among the Global Retail Banking Brands Ranked 16th among the Brand Finance Global 500 2025
The Asset	Triple A Digital Awards — Best Digital Wealth Management Experience Triple A Digital Awards — Best Retail Mobile Banking Experience
Global Finance	Stars of China 2025 — Best Bank for Business Transformation
China Media Group	2025 CCTV Finance Channel Financial Powerhouse Annual Gala — Technology Finance Case of the Year
People's Daily Online	2025 Case of Innovation Practices in Building a Financial Powerhouse
Xinhuanet	2025 Corporate ESG Practice Case
Financial News	2025 Golden Dragon · Finance Power "Five Priorities" Case
CFMC	2025 Typical ESG Practice Case in the Banking Industry — Risk Prevention and Control Practice Case 2025 Jinnuo Award — Practice Case of Financial Culture with Chinese Characteristics 2025 "Golden Stone Award" — Excellent Institution for Financial Consumer Rights Protection
Securities Times	2025 Gamma Award for Outstanding Bond Underwriter Excellent Case of National Financial Innovation in the 14th Five-Year Plan
China Securities Journal	6th Golden Bull Award in the Banking Industry — Golden Bull Private Banking
The Economic Observer	2024-2025 Annual Conference of Respected Companies — The Most Respected Company
China Business Journal	17th Selected Case of Financial Institutions of Competitive Excellence — 2025 State-Owned Commercial Bank of Competitive Excellence
National Business Daily	9th Brand Value List of Chinese Listed Companies — 2025 Chinese Listed Companies Classic Brand Case of the Year
The Paper	2025 TOP Finance List — Outstanding ESG Financial Enterprise of the Year

Organizations	Awards (Rankings)
Yicai	China Financial Value Annual Conference 2025 — Bank of the Year
JIEMIAN	2025 Excellent Finance Award — State-Owned Bank of the Year
Cailian Press	2025 Topology Award for Asset Custodian Bank 2025 Topology Award for Inclusive Financial Institution
Caijing	Outstanding Commercial Bank of the Year
Southern Weekly	Annual Model Responsible Enterprise
China Times	China Times Public Welfare · Impact Creator
China Investment Network	8th Jinxi Award — 2025 Excellent Information Disclosure Company
Sina Finance	2025 Gold Stone — Excellent Case of Innovative Fintech Services
JRJ.com	2025 “GoldenWis” Award — Model Award for High-Quality Development
Organizing Committee of the Global Brands Think Tank Forum	2025 Outstanding Case of New-Quality Brand Capability Building

Organizational Chart




Private Banking Dept.
Rural Revitalization Banking Dept./County Area Banking Policy and Business Innovation Dept./Office of County Area Banking and Inclusive Finance Division Management Committee
County Area Corporate Banking Dept.
Rural Households Banking Dept.
Credit Management Dept./County Area Banking and Inclusive Finance Credit Management Centre
Credit Approval Dept./County Area Banking and Inclusive Finance Credit Approval Centre
International Banking Dept.
Internet Banking Dept./County Area Banking and Inclusive Finance Internet Finance Management Centre
Risk Asset Disposal Dept.
Custodian Dept.
Pension Dept.
Credit Card Centre
Technology & Product Management Bureau
Research & Development Centre
Data Centre
Corporate Culture Dept.
Retired Employees Management Bureau
Headquarter CPC Party Affairs Dept.
Trade Union Affairs Dept.
Security Dept.
Headquarter Service Management Bureau
Overseas Branches (13)
Overseas Representative Offices (4)
Domestic Subsidiaries (11)
Overseas Subsidiaries (4)

List of Branches and Institutions

Domestic Branches and Institutions

- **BEIJING BRANCH**
ADD: 13 Chaoyangmen North Avenue,
Dongcheng District,
Beijing, 100010,
PRC
TEL: 010-68358266
FAX: 010-68353687

- **TIANJIN BRANCH**
ADD: Zeng 6, No. 3 Zijinshan Road,
Hexi District,
Tianjin, 300074,
PRC
TEL: 022-23338734
FAX: 022-23338733

- **HEBEI BRANCH**
ADD: 39 Ziqiang Road,
Qiaoxi District,
Shijiazhuang,
Hebei Province, 050000,
PRC
TEL: 0311-83026132
FAX: 0311-87019961

- **SHANXI BRANCH**
ADD: 33 Southern Inner Ring Road West, Taiyuan,
Shanxi Province, 030024,
PRC
TEL: 0351-6240307
FAX: 0351-4956830

- **INNER MONGOLIA BRANCH**
ADD: 83 Zhelimu Road,
Hohhot,
Inner Mongolia Autonomous Region, 010010,
PRC
TEL: 0471-6904750
FAX: 0471-6904750

- **LIAONING BRANCH**
ADD: 27 Qingnian North Avenue,
Shenyang,
Liaoning Province, 110013,
PRC
TEL: 024-22550004
FAX: 024-22550007

- **JILIN BRANCH**
ADD: 926 Renmin Avenue,
Changchun,
Jilin Province, 130051,
PRC
TEL: 0431-80777235
FAX: 0431-82737377

- **HEILONGJIANG BRANCH**
ADD: 131 Xidazhi Street,
Nangang District,
Harbin,
Heilongjiang Province, 150006,
PRC
TEL: 0451-86209357
FAX: 0451-86216843

- **SHANGHAI BRANCH**
ADD: 9 Yincheng Road,
Pudong New District,
Shanghai, 200120,
PRC
TEL: 021-20688888
FAX: 021-68300301

- **JIANGSU BRANCH**
ADD: 357 Hongwu Road,
Nanjing,
Jiangsu Province, 210002,
PRC
TEL: 025-84577005
FAX: 025-84573199

- **ZHEJIANG BRANCH**
ADD: 100 Jiangjin Road,
Shangcheng District,
Hangzhou,
Zhejiang Province, 310003,
PRC
TEL: 0571-87226000
FAX: 0571-87226177

- **ANHUI BRANCH**
ADD: 1888 Chengdu Road,
Hefei,
Anhui Province, 230091,
PRC
TEL: 0551-62843475
FAX: 0551-62843573

- **FUJIAN BRANCH**

ADD: 177 Hualin Road,
Fuzhou,
Fujian Province, 350003,
PRC
TEL: 0591-88718876
FAX: 0591-87909886

- **JIANGXI BRANCH**

ADD: 339 Zhongshan Road,
Nanchang,
Jiangxi Province, 330008,
PRC
TEL: 0791-86693775
FAX: 0791-86693010

- **SHANDONG BRANCH**

ADD: 168 Jingqi Road,
Ji'nan,
Shandong Province, 250001,
PRC
TEL: 0531-85858888
FAX: 0531-82056558

- **HENAN BRANCH**

ADD: 16 Outer Ring Road CBD,
Zhengdong New District,
Zhengzhou,
Henan Province, 450016,
PRC
TEL: 0371-81836850
FAX: 0371-69196724

- **HUBEI BRANCH**

ADD: Block A,
66 Zhongbei Road,
Wuchang District,
Wuhan,
Hubei Province, 430071,
PRC
TEL: 027-87326666
FAX: 027-87326693

- **HUNAN BRANCH**

ADD: 540 Furongzhong Road Section 1,
Changsha,
Hunan Province, 410005,
PRC
TEL: 0731-84300265
FAX: 0731-84300261

- **GUANGDONG BRANCH**

ADD: 425 East Zhujiang Road,
Zhujiang New Town,
Tianhe District,
Guangzhou,
Guangdong Province, 510623,
PRC
TEL: 020-38008888
FAX: 020-38008019

- **GUANGXI BRANCH**

ADD: 56 Jinhu Road,
Nanning,
Guangxi Zhuang Autonomous Region,
530028,
PRC
TEL: 0771-2106111
FAX: 0771-2106035

- **HAINAN BRANCH**

ADD: 11 Guoxing Avenue,
Haikou,
Hainan Province, 570203,
PRC
TEL: 0898-66772999
FAX: 0898-66791452

- **SICHUAN BRANCH**

ADD: 666 Tianfu Third Street,
Chengdu,
Sichuan Province, 610000,
PRC
TEL: 028-63935039
FAX: 028-85121647

- **CHONGQING BRANCH**

ADD: 1 Jiangbeichengnan Avenue,
Jiangbei District,
Chongqing, 400020,
PRC
TEL: 023-63551188
FAX: 023-63844275

- **GUIZHOU BRANCH**

ADD: West Fourth Tower,
Convention and Exhibition Business District,
North Changling Road,
Guiyang,
Guizhou Province, 550081,
PRC
TEL: 0851-87119657
FAX: 0851-85221009

- **YUNNAN BRANCH**

ADD: 36 Chuanjin Road,
Kunming,
Yunnan Province, 650051,
PRC
TEL: 0871-68382856
FAX: 0871-63203408

- **XIZANG BRANCH**

ADD: 44 West Jinzhu Road,
Lhasa,
Xizang Autonomous Region, 850000,
PRC
TEL: 0891-6959822
FAX: 0891-6959822

- **SHAANXI BRANCH**

ADD: 31 Tangyan Road,
Gaoxin District,
Xi'an,
Shaanxi Province, 710065,
PRC
TEL: 029-88990821
FAX: 029-88990819

- **GANSU BRANCH**

ADD: 108 North Jinchang Road,
Lanzhou,
Gansu Province, 730030,
PRC
TEL: 0931-8895082
FAX: 0931-8895040

- **QINGHAI BRANCH**

ADD: 96 Huanghe Road,
Xining,
Qinghai Province, 810001,
PRC
TEL: 0971-6145160
FAX: 0971-6141245

- **NINGXIA BRANCH**

ADD: 95 West Jiefang Street,
Xingqing District,
Yinchuan,
Ningxia Hui Autonomous Region, 750001,
PRC
TEL: 0951-2969773
FAX: 0951-6027430

- **XINJIANG BRANCH**

ADD: 66 South Jiefang Road,
Urumqi,
Xinjiang Uygur Autonomous Region,
830002,
PRC
TEL: 0991-2814785
FAX: 0991-2814785

- **XINJIANG PRODUCTION AND CONSTRUCTION CORPS BRANCH**

ADD: 173 South Jiefang Road,
Urumqi,
Xinjiang Uygur Autonomous Region,
830002,
PRC
TEL: 0991-2217109
FAX: 0991-2217300

- **DALIAN BRANCH**

ADD: 10 Zhongshan Road,
Zhongshan District,
Dalian,
Liaoning Province, 116001,
PRC
TEL: 0411-85980060
FAX: 0411-82510654

- **QINGDAO BRANCH**

ADD: 19 Shandong Road,
Qingdao,
Shandong Province, 266071,
PRC
TEL: 0532-85802215
FAX: 0532-85814102

- **NINGBO BRANCH**

ADD: 518 East Zhongshan Road,
Yinzhou District,
Ningbo,
Zhejiang Province, 315040,
PRC
TEL: 0574-83077971
FAX: 0574-87363537

- **XIAMEN BRANCH**

ADD: 98-100 Jiahe Road,
Siming District,
Xiamen,
Fujian Province, 361009,
PRC
TEL: 0592-5578784
FAX: 0592-5578899

- **SHENZHEN BRANCH**

ADD: 5008 East Shennan Road,
Shenzhen,
Guangdong Province, 518001,
PRC
TEL: 0755-36681133
FAX: 0755-25560161

- **BEIJING ADVANCED-LEVEL TRAINING INSTITUTE**

ADD: 5 East Hongluo Road,
Huairou District,
Beijing, 101400,
PRC
TEL: 010-60682727
FAX: 010-60682727

- **TIANJIN FINANCIAL TRAINING INSTITUTE**

ADD: 88 South Weijin Road,
Nankai District,
Tianjin, 300381,
PRC
TEL: 022-23929135
FAX: 022-23389307

- **CHANGCHUN FINANCIAL TRAINING INSTITUTE**

ADD: 1408 Qianjin Avenue,
Chaoyang District,
Changchun,
Jilin Province, 130012,
PRC
TEL: 0431-86820201
FAX: 0431-85112800

- **WUHAN FINANCIAL TRAINING INSTITUTE**

ADD: 186 Zhongbei Road,
Wuchang District,
Wuhan,
Hubei Province, 430077,
PRC
TEL: 027-86783669
FAX: 027-86795502

- **SUZHOU BRANCH**

ADD: 118 Wangdun Road,
Suzhou Industrial Park,
Suzhou,
Jiangsu Province, 215028,
PRC
TEL: 0512-68355014
FAX: 0512-68240501

- **XIONGAN BRANCH**

ADD: Floor 4-9, Block B, Building 4,
Xiongan Business Service Center,
11 Baita Road,
Rongcheng County,
Baoding,
Hebei Province, 071700,
PRC
TEL: 0312-6587088
FAX: 0312-6587088

- **ABC-CA FUND MANAGEMENT CO., LTD.**

ADD: 50/F,
No. 9 Yincheng Road,
China (Shanghai) Pilot Free Trade Zone,
Shanghai, 200120,
PRC
TEL: 021-61095588
FAX: 021-61095556

- **ABC FINANCIAL LEASING CO., LTD.**

ADD: 5-6/F, 518 East Yan'an Road,
Huangpu District,
Shanghai, 200001,
PRC
TEL: 021-20686888
FAX: 021-58958611

- **ABC LIFE INSURANCE CO., LTD.**

ADD: 7, 9, 11, 12, 22/F, Building 2,
No. 18 B Jianguomen Nei Avenue,
Dongcheng District,
Beijing, 100005,
PRC
TEL: 010-82828899
FAX: 010-82827966

- **ABC FINANCIAL ASSET INVESTMENT CO., LTD.**

ADD: 7F (Rooms 701, 702, 703), 8-9/F,
10F (North Side), Building 1-118 and
23F, Building 1-141,
No. 23, Fuxing Road Jia,
Haidian District,
Beijing, 100036,
PRC
TEL: 010-85101290
FAX: 010-68298155

- **ABC WEALTH MANAGEMENT CO., LTD.**

ADD: 26-33/F, Building 3, No. 9
Dongzhimenwai Xiejie,
Dongcheng District,
Beijing, 100027,
PRC
TEL: 010-85101611
FAX: 010-65212368

Overseas Branches and Institutions

- **HONG KONG BRANCH**

ADD: 25/F, Agricultural Bank of China Tower, 50 Connaught Road Central, Hong Kong, China
TEL: 00852-28618000
FAX: 00852-28660133

- **SINGAPORE BRANCH**

ADD: 7 Temasek Boulevard #30-01/02/03, Suntec Tower 1, 038987, Singapore
TEL: 0065-65355255
FAX: 0065-65387960

- **SEOUL BRANCH**

ADD: 14F Seoul Finance Center, 136, Sejong-daero, Jung-gu, Seoul, 04520, Korea
TEL: 0082-2-37883900
FAX: 0082-2-37883901

- **NEW YORK BRANCH**

ADD: 277 Park Ave, 30th Floor, New York, NY, 10172, USA
TEL: 001-212-8888998
FAX: 001-646-7385291

- **DUBAI INTERNATIONAL FINANCIAL CENTRE (DIFC) BRANCH**

ADD: Office 2901, Level 29, Al Fattan Currency House Tower 2, DIFC, Dubai, 124803, UAE
TEL: 00971-45676900
FAX: 00971-45676910

- **DUBAI BRANCH**

ADD: Office No. 201, Emaar Business Park Building No. 1, Dubai, 336760, UAE
TEL: 00971-45676901
FAX: 00971-45676909

- **TOKYO BRANCH**

ADD: Yusen Building, 2-3-2 Marunouchi, Tokyo, 100-0005, Japan
TEL: 0081-3-62506911
FAX: 0081-3-62506924

- **FRANKFURT BRANCH**

ADD: Ulmenstrasse 37-39, Frankfurt am Main, 60325, Germany
TEL: 0049-69-401255-0
FAX: 0049-69-401255-139

- **SYDNEY BRANCH**

ADD: Level 18, Chifley Tower, 2 Chifley Square, Sydney NSW, 2000, Australia
TEL: 0061-2-82278888
FAX: 0061-2-82278800

- **LUXEMBOURG BRANCH**

ADD: 65, Boulevard Grande-Duchesse Charlotte, 1331, Luxembourg
TEL: 00352-279559900
FAX: 00352-279550005

- **LONDON BRANCH**

ADD: 7/F, 1 Bartholomew Lane, London, EC2N 2AX, UK
TEL: 0044-20-71548300
FAX: 0044-20-73746425

- **MACAO BRANCH**

ADD: Avenida Doutor Mário Soares,
No. 300-322, Edifício Finance and
IT Center of Macau,
21 andar, em Macau, China
TEL: 00853-8599-5599
FAX: 00853-8599-5509

- **HANOI BRANCH**

ADD: Unit 901-907, 9th Floor, TNR Building,
54A Nguyen Chi Thanh, Lang Ward,
Hanoi, Vietnam
TEL: 0084-24-39460599

- **ABC INTERNATIONAL HOLDINGS LIMITED**

ADD: 16/F, Agricultural Bank of China Tower,
50 Connaught Road Central,
Hong Kong, China
TEL: 00852-36660000
FAX: 00852-36660009

- **CHINA AGRICULTURAL FINANCE CO., LTD.**

ADD: 26/F, Agricultural Bank of China Tower,
50 Connaught Road Central,
Hong Kong, China
TEL: 00852-28631916
FAX: 00852-28661936

- **AGRICULTURAL BANK OF CHINA (LUXEMBOURG) S.A.**

ADD: 65, Boulevard Grande-Duchesse Charlotte,
1331, Luxembourg
TEL: 00352-279559900
FAX: 00352-279550005

- **AGRICULTURAL BANK OF CHINA (MOSCOW) LIMITED**

ADD: Floor 4, Lesnaya Street 5B, Moscow,
125047, Russia
TEL: 007-499-9295599
FAX: 007-499-9290180

- **VANCOUVER REPRESENTATIVE OFFICE**

ADD: Suite 2220, 510 W. Georgia Street,
Vancouver, BC, V6B 0M3, Canada
TEL: 001-604-6828468

- **TAIPEI REPRESENTATIVE OFFICE**

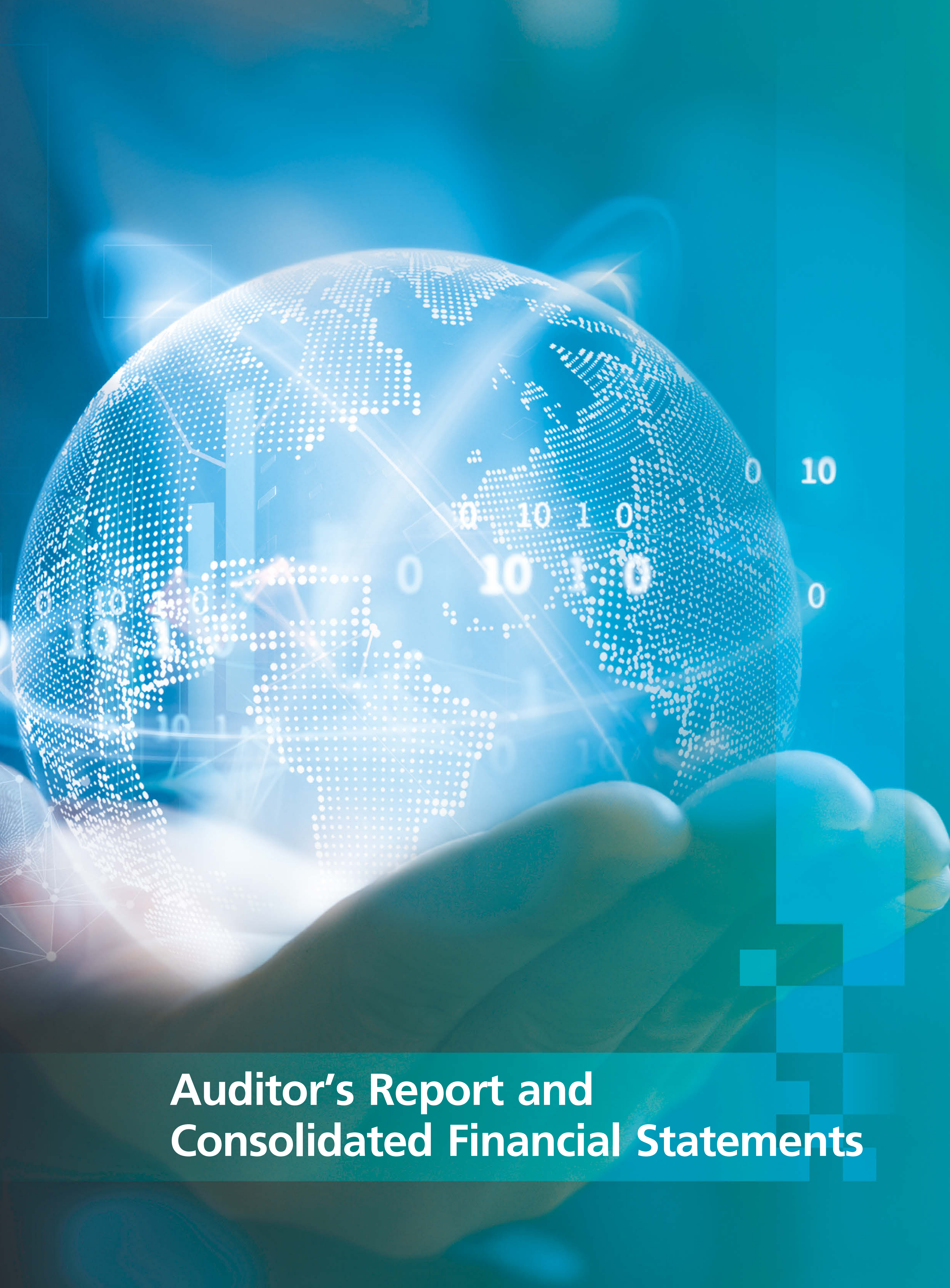
ADD: 3203, No. 333, Keelung Road, Sec.1,
Xinyi District, Taipei City, 11012
Taiwan, China
TEL: 00886-2-27293636
FAX: 00886-2-23452020

- **SAO PAULO REPRESENTATIVE OFFICE**

ADD: 4/F, No. 86 Sao Tome Road
(Corporate Plaza), Vila Olimpia,
Sao Paulo, 04551-080, Brazil
TEL: 0055-11-31818526-3102

- **DUSHANBE REPRESENTATIVE OFFICE**

ADD: Huvaydulloev str. 1/2, District Sino,
Dushanbe, 734049, Tajikistan
TEL: 00992-446030108



Auditor’s Report and Consolidated Financial Statements

Independent Auditor's Report

To the shareholders of Agricultural Bank of China Limited

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

Opinion

We have audited the consolidated financial statements of Agricultural Bank of China Limited (the "Bank") and its subsidiaries (the "Group") set out on pages 180 to 374, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of material accounting policies.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code"), as applicable to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Measurement of expected credit losses for loans and advances to customers	
Refer to the accounting policy in "Note II 8.5 Impairment of financial instruments, Note III 2 Measurement of the expected credit loss allowance", and "Note IV 8 Credit impairment losses, Note IV 17 Loans and advances to customers, Note IV 44.1 Credit risk" to the consolidated financial statements.	
The key audit matter	**How the matter was addressed in our audit**
The Group uses an expected credit loss ("ECL") model to measure the loss allowance for loans and advances to customers in accordance with IFRS 9, Financial Instruments. The determination of loss allowance for loans and advances to customers using the expected credit loss model is subject to the application of a number of key parameters and assumptions, including the credit risk staging, probability of default, loss given default, exposure at default and discount rate, adjustments for forward-looking information and other adjustment factors. Extensive management judgement is involved in the selection of those parameters and the application of the assumptions. In particular, the determination of the loss allowance is heavily dependent on the external macro environment and the Group's internal credit risk management strategy. The ECL for corporate loans and advances are derived from estimates including the historical losses, internal and external credit grading and other adjustment factors. The ECL for personal loans are derived from estimates whereby management takes into consideration historical overdue data, the historical loss experience for personal loans and other adjustment factors.	Our audit procedures to assess ECL for loans and advances to customers included the following: • with the assistance of KPMG's IT specialists, understanding and assessing the design, implementation and operating effectiveness of key internal controls of financial reporting over the approval, recording and monitoring of loans and advances to customers, the credit risk staging process and the measurement of ECL for loans and advances to customers. • with the assistance of KPMG's financial risk specialists, assessing the appropriateness of the ECL model in determining loss allowances and the appropriateness of the key parameters and assumptions in the model, which included credit risk staging, probability of default, loss given default, exposure at default, adjustments for forward-looking information and other adjustments, and assessing the appropriateness of related key management judgement. • for key parameters involving judgement, critically assessing input parameters by seeking evidence from external sources and comparing to the Group's internal records including historical loss experience and type of collateral. As part of these procedures, we assessed management's revisions to estimates and input parameters by comparing with prior period and considered the consistency of judgement. • comparing the macroeconomic forward-looking information used in the model with market information to assess whether they were aligned with market and economic development.

Measurement of expected credit losses for loans and advances to customers (Continued)	
Refer to the accounting policy in "Note II 8.5 Impairment of financial instruments, Note III 2 Measurement of the expected credit loss allowance", and "Note IV 8 Credit impairment losses, Note IV 17 Loans and advances to customers, Note IV 44.1 Credit risk" to the consolidated financial statements.	
The key audit matter	**How the matter was addressed in our audit**
Management also exercises judgement in determining the quantum of loss given default based on a range of factors. These include the financial situation of the borrower, the security type, the seniority of the claim, the recoverable amount of collateral, and other repayment sources of the borrower. Management refers to valuation reports of collateral issued by qualified third party valuers and considers the influence of various factors including the market price, status and use when assessing the value of collaterals. The enforceability, timing and means of realisation of collateral can also have an impact on the recoverable amount of collateral.	• assessing the completeness and accuracy of data used in the ECL model. For key internal data, we compared the total balance of the loans and advances' list used by management to assess the ECL with the general ledger to check the completeness of the data. We also selected samples to compare individual loan and advance information with the underlying agreements and other related documentation, to check the accuracy of data. For key external data, we selected samples to check the accuracy of data by comparing them with public resources. • for key parameters used in the ECL model which were derived from system-generated internal data, assessing the accuracy of input data by comparing the input data with original documents on a sample basis. In addition, we involved KPMG's IT specialists to assess the logics and compilation of the loans and advances' overdue information on a sample basis. • evaluating the reasonableness of management's assessment on whether the credit risk of the loan and advance has, or has not, increased significantly since initial recognition and whether the loan and advance is credit-impaired by selecting risk-based samples. We analyzed the portfolio by industry sector to select samples in industries more vulnerable to the current economic situation and selected samples from borrowers with potential credit risk. For selected samples, we checked loan overdue information, making enquiries of the credit managers about the borrowers' business operations, checking borrowers' financial information and researching market information about borrowers' businesses, to check the credit risk status of the borrowers, and the reasonableness of the loans' credit risk stage.

Measurement of expected credit losses for loans and advances to customers (Continued)	
Refer to the accounting policy in "Note II 8.5 Impairment of financial instruments, Note III 2 Measurement of the expected credit loss allowance", and "Note IV 8 Credit impairment losses, Note IV 17 Loans and advances to customers, Note IV 44.1 Credit risk" to the consolidated financial statements.	
The key audit matter	**How the matter was addressed in our audit**
We identified the measurement of ECL of loans and advances to customers as a key audit matter because of the inherent uncertainty and management judgement involved and because of its significance to the financial results and capital of the Group.	• evaluating the reasonableness of loss given default for selected samples of corporate loans and advances to customers that are credit-impaired, by checking the financial situation of the borrower, the security type, the seniority of the claim, the recoverable amount of collateral, and other repayment sources of the borrower. Evaluating management's assessment of the value of any collateral, by comparison with evaluation result based on the category, status, use of the collateral and market prices. For valuation reports of collateral issued by qualified third party, we evaluated the competence, professional quality and objectivity of the external appraiser. We also evaluated the timing and means of realisation of collateral, evaluated the forecast cash flows, assessed the viability of the Group's recovery plans; based on the above work, we selected samples and assessed the accuracy of calculation for loans and advances' credit losses by using the ECL model. • performing retrospective review of expected credit loss model components and significant assumptions, to back-test past estimates element against actual outcomes, and assess whether the results indicate possible management bias on loss estimation. • assessing the reasonableness of the disclosures in the financial statements in relation to expected credit losses for loans and advances against prevailing accounting standards.

Measurement of interests in and consolidation of structured entities	
Refer to the accounting policy in "Note II 2 Consolidation, Note III 5 Consolidation of structured entities", and "Note IV 41 Structured entities" to the consolidated financial statements.	
The key audit matter	**How the matter was addressed in our audit**
Structured entities are generally created to achieve a narrow and well defined objective with restrictions around their ongoing activities. The Group may acquire an ownership interest in a structured entity, through initiating, investing or retaining shares in Wealth Management Products ("WMPs"), securitization products, funds, trust investment plans, debt investment plans and asset management plans. The Group may also retain partial interests in derecognized assets due to guarantees or securitization structures. In determining whether the Group retains any partial interests in a structured entity or should consolidate a structured entity, management is required to consider the power it possesses, its exposure to variable returns, and its ability to use its power to affect returns. These factors are not purely quantitative and need to be considered collectively in the overall substance of the transactions. We identified the recognition of interests in and consolidation of structured entities as a key audit matter because of the complex nature of certain of these structured entities and because of the judgement exercised by management in the qualitative assessment of the terms and the nature of each entity.	Our audit procedures to assess the measurement of interests in and consolidation of structured entities included the following: • assessing the design, implementation and operating effectiveness of key internal controls of financial reporting over measurement of interests in and consolidation of structured entities. • selecting significant structured entities of each key product type and performing the following procedures: — inspecting the related contracts, internal establishment documents and information disclosed to the investors to understand the purpose of the establishment of the structured entity and the involvement the Group has with the structured entity and to assess management's judgement over whether the Group has the ability to exercise power over the structured entity; — inspecting the risk and reward structure of the structured entity, including any capital or return guarantee, provision of liquidity support, commission paid and distribution of the returns, to assess management's judgement as to the exposure, or rights, to variable returns from the Group's involvement in such an entity; — inspecting management's analysis of the structured entity, including qualitative analysis and the calculation of the magnitude and variability associated with the Group's economic interests in the structured entity, to assess management's judgement over the Group's ability to affect its own returns from the structured entity; — assessing management's judgement over whether the structured entity should be consolidated or not. • assessing the reasonableness of the disclosures in the financial statements in relation to the measurement of interests in and consolidation of structured entities against prevailing accounting standards.

Measurement of financial instruments' fair value	
Refer to the accounting policy in "Note II 8.3 Determination of fair value, Note III 3 Fair value of financial instruments", and "Note IV 46 Fair value of financial instruments" to the consolidated financial statements.	
The key audit matter	**How the matter was addressed in our audit**
Financial instruments carried at fair value account for a significant part of the Group's assets and liabilities. The fair value adjustments of financial instruments may impact either the profit or loss or other comprehensive income. The valuation of the Group's financial instruments, held at fair value, is based on a combination of market data and valuation models which often require a considerable number of inputs. Many of these inputs are obtained from readily available data, in particular for level 1 and level 2 financial instruments in the fair value hierarchy, the valuation models for which use quoted market prices and observable inputs, respectively. Where one or more significant unobservable inputs, such as credit risk, liquidity and discount rate, are involved in the valuation techniques, as in the case of level 3 financial instruments, then estimates need to be developed which can involve extensive management judgements. We identified measurement of financial instruments' fair value as a key audit matter because of the assets and liabilities measured at fair value are material to the Group and the degree of complexity involved in the valuation techniques and the degree of judgement exercised by management in determining the inputs used in the valuation models.	Our audit procedures to assess measurement of financial instruments' fair value included the following: • assessing the design, implementation and operating effectiveness of key internal controls of financial reporting over the model building, model validation, independent valuation and front office and back office reconciliations for financial instruments. • assessing the level 1 fair value of financial instruments, on a sample basis, by comparing the fair value applied by the Group with publicly available market data. • for level 2 and level 3 financial instruments, on a sample basis, involving KPMG's valuation specialists to assess whether the valuation method selected is appropriate with reference to the prevailing accounting standards. Our procedures included: developing parallel models, obtaining inputs independently and verifying the inputs; assessing the appropriate application of fair value adjustment that form an integral part of fair value, by inquiring of management about any changes in the fair value adjustment methodologies and assessing the appropriateness of the inputs applied; and comparing our valuation results with that of the Group. • assessing the reasonableness of the disclosures in the financial statements in relation to fair value of financial instruments against prevailing accounting standards.

Information other than the consolidated financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises all the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional 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 group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Wong Yuen Shan.

KPMG
Certified Public Accountants

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

30 March 2026

Consolidated Statement of Profit or Loss

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

		Year ended 31 December	
	Note IV	**2025**	2024
Interest income	1	**1,201,338**	1,275,680
Interest expense	1	**(631,744)**	(694,988)
Net interest income	1	**569,594**	580,692
Fee and commission income	2	**101,954**	89,965
Fee and commission expense	2	**(13,869)**	(14,398)
Net fee and commission income	2	**88,085**	75,567
Net trading gain	3	**16,905**	25,505
Net gain on financial investments	4	**15,892**	20,615
Net gain on derecognition of financial assets measured at amortized cost		**22,908**	7,167
Other operating income	5	**11,747**	1,870
Operating income		**725,131**	711,416
Operating expenses	6	**(275,371)**	(261,180)
Credit impairment losses	8	**(127,189)**	(130,840)
Impairment losses on other assets		**(18)**	(267)
Operating profit		**322,553**	319,129
Share of results of associates and joint ventures		**1,136**	72
Profit before tax		**323,689**	319,201
Income tax expense	9	**(31,686)**	(36,530)
Profit for the year		**292,003**	282,671
Attributable to:			
Equity holders of the Bank		**291,041**	282,083
Non-controlling interests		**962**	588
		292,003	282,671
Earnings per share attributable to the ordinary equity holders of the Bank (expressed in RMB yuan per share) — Basic and diluted	11	**0.78**	0.75

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

Consolidated Statement of Comprehensive Income

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

	Year ended 31 December	
	2025	2024
Profit for the year	**292,003**	282,671
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Fair value changes on debt instruments at fair value through other comprehensive income	**(33,159)**	55,863
Loss allowance on debt instruments at fair value through other comprehensive income	**11,348**	6,332
Income tax impact for fair value changes and loss allowance on debt instruments at fair value through other comprehensive income	**5,545**	(15,326)
Foreign currency translation differences	**(1,101)**	468
Others	**1,555**	(9,427)
Subtotal	**(15,812)**	37,910
Items that will not be reclassified subsequently to profit or loss:		
Fair value changes on other equity investments designated at fair value through other comprehensive income	**4,258**	1,001
Income tax impact for fair value changes on other equity investments designated at fair value through other comprehensive income	**(1,056)**	(248)
Others	**22**	50
Subtotal	**3,224**	803
Other comprehensive income, net of tax	**(12,588)**	38,713
Total comprehensive income for the year	**279,415**	321,384
Total comprehensive income attributable to:		
Equity holders of the Bank	**279,198**	322,398
Non-controlling interests	**217**	(1,014)
	279,415	321,384

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

Consolidated Statement of Financial Position

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

		As at 31 December	
	Note IV	**2025**	2024
Assets			
Cash and balances with central banks	12	**2,801,985**	2,134,452
Deposits with banks and other financial institutions	13	**456,883**	571,956
Precious metals		**204,662**	115,253
Placements with and loans to banks and other financial institutions	14	**548,381**	529,767
Derivative financial assets	15	**33,515**	65,920
Financial assets held under resale agreements	16	**1,564,991**	1,371,571
Loans and advances to customers	17	**26,178,354**	23,977,013
Financial investments	18		
Financial assets at fair value through profit or loss		**556,994**	513,306
Debt instrument investments at amortized cost		**11,799,270**	9,905,633
Other debt instrument and other equity investments at fair value through other comprehensive income		**3,965,051**	3,430,164
Investment in associates and joint ventures	20	**19,820**	10,332
Property and equipment	21	**156,514**	154,484
Goodwill		**10,921**	1,381
Deferred tax assets	22	**150,040**	148,009
Other assets	23	**337,293**	308,894
Total assets		**48,784,674**	43,238,135
Liabilities			
Borrowings from central banks	24	**1,127,471**	847,324
Deposits from banks and other financial institutions	25	**6,037,759**	4,667,561
Placements from banks and other financial institutions	26	**351,561**	364,022
Financial liabilities at fair value through profit or loss	27	**33,509**	15,841
Derivative financial liabilities	15	**45,044**	58,146
Financial assets sold under repurchase agreements	28	**1,453,842**	615,725
Due to customers	29	**32,649,947**	30,305,357
Dividends payable	10	**18,433**	40,738
Debt securities issued	30	**3,263,887**	2,678,509
Deferred tax liabilities	22	**1,458**	309
Other liabilities	31	**558,392**	547,330
Total liabilities		**45,541,303**	40,140,862

Consolidated Statement of Financial Position (Continued)

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

		As at 31 December	
	Note IV	**2025**	2024
Equity			
Ordinary shares	32	**349,983**	349,983
Other equity instruments	33	**470,000**	500,000
Preference shares		**80,000**	80,000
Perpetual bonds		**390,000**	420,000
Capital reserve	34	**173,426**	173,419
Other comprehensive income	35	**69,956**	81,816
Surplus reserve	36	**330,932**	301,841
General reserve	37	**570,282**	532,991
Retained earnings		**1,272,603**	1,150,758
Equity attributable to equity holders of the Bank		**3,237,182**	3,090,808
Non-controlling interests		**6,189**	6,465
Total equity		**3,243,371**	3,097,273
Total equity and liabilities		**48,784,674**	43,238,135

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

Gu Shu	**Wang Zhiheng**
Chairman	*Vice Chairman*

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

Consolidated Statement of Changes in Equity

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

		Total equity attributable to equity holders of the Bank									
	Note IV	Ordinary shares	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	General reserve	Retained earnings	Subtotal	Non-controlling interests	Total
As at 31 December 2024		**349,983**	**500,000**	**173,419**	**81,816**	**301,841**	**532,991**	**1,150,758**	**3,090,808**	**6,465**	**3,097,273**
Profit for the year		**–**	**–**	**–**	**–**	**–**	**–**	**291,041**	**291,041**	**962**	**292,003**
Other comprehensive income		**–**	**–**	**–**	**(11,843)**	**–**	**–**	**–**	**(11,843)**	**(745)**	**(12,588)**
Total comprehensive income for the year		**–**	**–**	**–**	**(11,843)**	**–**	**–**	**291,041**	**279,198**	**217**	**279,415**
Capital contribution and reduction from equity holders	**33**	**–**	**(30,000)**	**7**	**–**	**–**	**–**	**–**	**(29,993)**	**(330)**	**(30,323)**
Appropriation to surplus reserve	**36**	**–**	**–**	**–**	**–**	**29,091**	**–**	**(29,091)**	**–**	**–**	**–**
Appropriation to general reserve	**37**	**–**	**–**	**–**	**–**	**–**	**37,291**	**(37,291)**	**–**	**–**	**–**
Dividends paid to ordinary equity holders	**10**	**–**	**–**	**–**	**–**	**–**	**–**	**(85,746)**	**(85,746)**	**–**	**(85,746)**
Dividends paid to other equity instruments holders	**10**	**–**	**–**	**–**	**–**	**–**	**–**	**(17,085)**	**(17,085)**	**–**	**(17,085)**
Dividends paid to other equity instruments holders of subsidiaries		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(69)**	**(69)**
Dividends paid to non-controlling equity holders		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(94)**	**(94)**
Other comprehensive income transferred to retained earnings		**–**	**–**	**–**	**(17)**	**–**	**–**	**17**	**–**	**–**	**–**
As at 31 December 2025		**349,983**	**470,000**	**173,426**	**69,956**	**330,932**	**570,282**	**1,272,603**	**3,237,182**	**6,189**	**3,243,371**
As at 31 December 2023		349,983	480,000	173,425	41,506	273,558	456,200	1,114,576	2,889,248	7,619	2,896,867
Profit for the year		–	–	–	–	–	–	282,083	282,083	588	282,671
Other comprehensive income		–	–	–	40,315	–	–	–	40,315	(1,602)	38,713
Total comprehensive income for the year		–	–	–	40,315	–	–	282,083	322,398	(1,014)	321,384
Capital contribution and reduction from equity holders	33	–	20,000	(6)	–	–	–	–	19,994	(6)	19,988
Appropriation to surplus reserve	36	–	–	–	–	28,283	–	(28,283)	–	–	–
Appropriation to general reserve	37	–	–	–	–	–	76,791	(76,791)	–	–	–
Dividends paid to ordinary equity holders	10	–	–	–	–	–	–	(121,549)	(121,549)	–	(121,549)
Dividends paid to other equity instruments holders	10	–	–	–	–	–	–	(19,283)	(19,283)	–	(19,283)
Dividends paid to other equity instruments holders of subsidiaries		–	–	–	–	–	–	–	–	(69)	(69)
Dividends paid to non-controlling equity holders		–	–	–	–	–	–	–	–	(65)	(65)
Other comprehensive income transferred to retained earnings		–	–	–	(5)	–	–	5	–	–	–
As at 31 December 2024		349,983	500,000	173,419	81,816	301,841	532,991	1,150,758	3,090,808	6,465	3,097,273

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

Consolidated Statement of Cash Flows

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

	Note IV	Year ended 31 December 2025	2024
Cash flows from operating activities			
Profit before tax		**323,689**	319,201
Adjustments for:			
Amortization of intangible assets and other assets		**4,597**	4,048
Depreciation of property, equipment and right-of-use assets, and others		**19,912**	19,662
Credit impairment losses		**127,189**	130,840
Impairment losses on other assets		**18**	267
Interest income arising from investment securities		**(370,798)**	(360,219)
Interest expense on debt securities issued		**72,160**	71,243
Revaluation gain on financial instruments at fair value through profit or loss		**(9,837)**	(7,992)
Net gain on investment securities		**(29,473)**	(3,939)
Share of results of associates and joint ventures		**(1,136)**	(72)
Net gain on disposal and stocktake of property, equipment and other assets		**(670)**	(694)
Net foreign exchange loss/(gain)		**4,913**	(4,734)
		140,564	167,611
Net changes in operating assets and operating liabilities:			
Net (increase)/decrease in balances with central banks, deposits with banks and other financial institutions		**(337,560)**	1,031,292
Net decrease in placements with and loans to banks and other financial institutions		**3,199**	31,502
Net increase in financial assets held under resale agreements		**(36,175)**	(10,515)
Net increase in loans and advances to customers		**(2,217,117)**	(2,287,948)
Net increase/(decrease) in borrowings from central banks		**281,366**	(278,100)
Net decrease in placements from banks and other financial institutions		**(40,120)**	(18,415)
Net increase in due to customers and deposits from banks and other financial institutions		**3,593,373**	2,350,959
Net increase in financial assets sold under repurchase agreements		**834,538**	514,732
Increase in other operating assets		**(224,616)**	(277,078)
Increase in other operating liabilities		**165,222**	198,068
Cash from operations		**2,162,674**	1,422,108
Income tax paid		**(49,767)**	(69,066)
Net cash from operating activities		**2,112,907**	1,353,042

Consolidated Statement of Cash Flows (Continued)

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

		Year ended 31 December	
	Note IV	**2025**	2024
Cash flows from investing activities			
Cash received from disposal of investment securities		**3,862,991**	4,157,585
Cash received from investment income		**383,836**	357,544
Cash received from disposal of investment in associates and joint ventures		**1**	—
Cash received from disposal of property, equipment and other assets		**8,962**	7,060
Cash paid for purchase of investment securities		**(6,319,176)**	(6,739,428)
Increase in investment in associates and joint ventures		**(8,480)**	(2,075)
Cash paid for purchase of property, equipment and other assets		**(27,348)**	(24,223)
Cash received from other investing activities		**28,051**	—
Net cash used in investing activities		**(2,071,163)**	(2,243,537)
Cash flows from financing activities			
Contribution from issues of other equity instruments		**90,000**	140,000
Cash payment for redemption of other equity instruments		**(120,000)**	(120,000)
Cash payments for transaction cost of other equity instruments issued and redempted		**(6)**	(3)
Cash received from debt securities issued		**4,495,513**	3,603,148
Cash payments for transaction cost of debt securities issued		**(38)**	(16)
Repayments of debt securities issued		**(3,873,894)**	(3,182,196)
Cash payments for interest on debt securities issued		**(107,562)**	(110,246)
Cash payments for principal portion and interest portion of lease liability		**(5,442)**	(4,831)
Dividends paid		**(125,299)**	(100,228)
Cash paid for acquisition of minority interests in subsidiaries		**(317)**	—
Net cash from financing activities		**352,955**	225,628
Net increase/(decrease) in cash and cash equivalents		**394,699**	(664,867)
Cash and cash equivalents as at 1 January		**1,846,612**	2,512,725
Effect of exchange rate changes on cash and cash equivalents		**(1,969)**	(1,246)
Cash and cash equivalents as at 31 December	38	**2,239,342**	1,846,612
Net cash flows from operating activities include:			
Interest received		**743,570**	837,704
Interest paid		**(564,799)**	(554,747)

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

I GENERAL INFORMATION

Agricultural Bank of China Limited (the "Bank") is the successor entity to the Agricultural Bank of China (the "Predecessor Entity") which was a wholly state-owned commercial bank approved for setup by the People's Bank of China (the "PBOC") and founded on 23 February 1979 in the People's Republic of China (the "PRC"). On 15 January 2009, the Bank was established after the completion of the financial restructuring of the Predecessor Entity. The Bank's establishment was authorized by the PBOC. The Bank was listed on the Shanghai Stock Exchange and the Stock Exchange of Hong Kong Limited on 15 July 2010 and 16 July 2010, respectively.

The Bank operates under financial services certificate No. B0002H111000001 issued by the National Financial Regulatory Administration (the former "China Banking and Insurance Regulatory Commission", the "NFRA"), and business license No. 911100001000054748 issued by Beijing Administration of Industry and Commerce. The registered office of the Bank is located at No. 69 Jianguomen Nei Avenue, Dongcheng District, Beijing, the PRC.

The principal activities of the Bank and its subsidiaries (collectively, the "Group") include Renminbi ("RMB") and foreign currency deposits, loans, clearing and settlement services, assets custodian services, fund management, financial leasing services, insurance services and other services as approved by relevant regulators, and the provision of related services by its overseas establishments as approved by the respective local regulators.

The head office and domestic branches of the Bank and its subsidiaries operating in Chinese mainland are referred to as the "Domestic Operations". Branches and subsidiaries registered and operating outside Chinese mainland are referred to as the "Overseas Operations".

II SUMMARY OF MATERIAL ACCOUNTING POLICIES

1 Basis of preparation

Statement of compliance

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

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of consideration given in exchange for assets and that is received (or in some circumstances the amount expected to be paid) with respect to liabilities.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note III.

(Amounts in millions of Renminbi, unless otherwise stated)

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

1 Basis of preparation (Continued)

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

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

			Effective for annual periods beginning on or after	Note
(1)	Amendments to IAS 21	Lack of Exchangeability	1 January 2025	(i)

(i) Amendments to IAS 21: Lack of Exchangeability

The amendments specify when a currency is exchangeable into another currency and when it is not, and how an entity determines a spot rate when a currency lacks exchangeability. Under the amendments, entities are required to provide additional disclosures to help users evaluate how a currency's lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows. The adoption of the amendments does not have a significant impact on the Group's consolidated financial statements.

1.2 Standards and amendments relevant to the Group that are not yet effective and have not been adopted before their effective dates in 2025

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

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

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

1 Basis of preparation (Continued)

1.2 *Standards and amendments relevant to the Group that are not yet effective and have not been adopted before their effective dates in 2025 (Continued)*

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

On 30 May 2024, the IASB issued amendments to IFRS 9 and IFRS 7, which include requirements on clarifying the classification of financial assets with environmental, social or governance ("ESG") targets and similar features, the settlement of liabilities through electronic payment systems, and disclosures regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The Group anticipates that the adoption of the amendments will not have a significant impact on the Group's consolidated financial statements.

(ii) *Annual Improvements to IFRS Accounting Standards — Volume 11*

On 18 July 2024, the IASB published the Annual Improvements to IFRS Accounting Standards — Volume 11, which contain narrow amendments to IFRS Accounting Standards and accompanying guidance as part of its regular maintenance of the Standards. The Group anticipates that the adoption of the amendments will not have a significant impact on the Group's consolidated financial statements.

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

On 18 December 2024, the IASB issued targeted amendments — Contracts referencing nature-dependent electricity (Amendments to IFRS 9 and IFRS 7), which include guidance on clarifying the application of the "own-use" requirements; permitting hedge accounting if these contracts are used as hedging instruments; and adding new disclosure requirements. The Group anticipates that the adoption of the amendments will not have a significant impact on the Group's consolidated financial statements.

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

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

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

1 Basis of preparation (Continued)

1.2 Standards and amendments relevant to the Group that are not yet effective and have not been adopted before their effective dates in 2025 (Continued)

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

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

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

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

(vii) Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address an inconsistency between IFRS 10 and IAS 28 in the sale and contribution of assets between an investor and its associate or joint venture.

A full gain or loss is recognized when a transaction involves a business. A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if those assets are in a subsidiary.

The Group anticipates that the adoption of the amendments will not have a significant impact on the Group's consolidated financial statements.

2 Consolidation

Basis of consolidation

The consolidated financial statements include the financial statements of the Bank and its subsidiaries as well as structured entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Income and expense of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date of acquisition or up to the date on which control ceases, respectively.

Adjustments are made to the financial statements of subsidiaries, where appropriate, to consistently reflect the accounting policies of the Group.

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2 Consolidation (Continued)

Basis of consolidation (Continued)

When merging, all intra-group transactions, balances and unrealized gains on transactions are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Non-controlling interests of consolidated subsidiaries are presented separately from the controlling party's equity therein.

The carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Further, total comprehensive income of a subsidiary is attributed, based on the proportion of their respective holdings, to the equity holders of the Bank and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

In the Bank's statement of financial position, its investments in subsidiaries are stated at cost, less impairment losses, if any.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair value of the assets transferred by the Group, liabilities incurred or assumed by the Group, and any equity interests issued by the Group. Acquisition related costs are recognized in the consolidated statement of profit or loss as incurred.

At the acquisition date, irrespective of non-controlling interests, the identifiable assets acquired and liabilities and contingent liabilities assumed are recognized at their fair values; except that deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 — Income Taxes and IAS 19 — Employee Benefits, respectively.

Non-controlling interests that represent ownership interests in the acquiree, and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are accounted for at either fair value or the non-controlling interests' proportionate share in the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

Goodwill

Goodwill represents the excess of the cost of a business combination under non-controlling interest over the the fair value of the Group's share of the net identifiable assets of the acquiree obtained in the combination. Goodwill arising from a business combination is presented in the statement of financial position.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGU") or groups of CGUs that is expected to benefit from the synergies of the business combination.

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2 Consolidation (Continued)

Goodwill *(Continued)*

A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

A CGU to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the CGU, which is the higher of fair value less costs to sell and value in use, is less than its carrying amount, the deficit, reflecting an impairment loss, is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on a pro-rata basis, based on the carrying amount of each asset in the CGU.

Once recognized, impairment losses on the above assets shall not be reversed in subsequent accounting periods.

Investment in associate and joint venture

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. A joint venture is an arrangement whereby the Group and other parties contractually agree to share control of the arrangement through a separate entity, and have rights to the net assets of the arrangement based on legal form, contract terms, and other facts and circumstances. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not constitute control or joint control over those policy decisions. Joint control is the contractually agreed sharing of control over an activity, and exists only when the decisions relating to the activity require the unanimous consent of the Group and other parties sharing the control.

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

At the end of each reporting period, the Group considers whether there are circumstances that indicate the possibility of impairment of the Group's investment in an associate or a joint venture; when that is the case, the entire carrying amount of the investment is tested for impairment in accordance with IAS 36 — Impairment of Assets, as a single asset by comparing its recoverable amount (the higher of fair value less costs to sell and value in use) with its carrying amount, any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of an impairment loss is recognized in accordance with IAS 36, to the extent that the recoverable amount of the investment subsequently increases.

When an entity in the Group transacts with the Group's associate or joint venture, profits and losses resulting from the transaction are recognized in the Group's consolidated financial statements only to the extent of the interest in the associate or joint venture that are not related to the Group. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

3 Interest income and expenses

Interest income and expenses of financial instruments are calculated using the effective interest method and included in the current profit and loss.

The Group uses the effective interest method to calculate the interest income and expense of financial assets and liabilities measured at amortized cost or at fair value through other comprehensive income, presented as "interest income" and "interest expense" respectively. For specific accounting policies, please refer to the Note II 8.4 subsequent measurement of financial instruments.

4 Fee and commission income

The Group charges fees and commissions by providing various services to customers. Fee and commission income is recognized when the Group fulfills its performance obligation, either over time or at a point in time when a customer obtains control of the service.

The Group satisfies a performance obligation over time if one of the following criteria is met; otherwise, the performance obligation is satisfied at a point in time:

— the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

— the customer can control the provided service during the Group's performance; or

— the Group's performance does not create an asset with an alternative use to it and the Group has an enforceable right to payment for performance completed to date.

5 Foreign currency translation

The functional currency of the Group's Domestic Operations is RMB. The presentation currency of the Group and the Bank is RMB.

In preparing the financial statements of each individual Group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchange prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

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

(i) exchange differences arising on a monetary item that forms part of the Bank's net investment in the Overseas Operations;

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

5 Foreign currency translation (Continued)

(ii) changes in the fair value of monetary assets denominated in foreign currency classified as financial investments at fair value through other comprehensive income are analyzed between translation differences resulting from changes in the amortized cost of the monetary assets and other changes in the carrying amount. Translation differences related to changes in the amortized cost are recognized in the consolidated statement of profit or loss, and other changes in the carrying amount are recognized in other comprehensive income.

Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the consolidated statement of profit or loss for the period except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which cases, the exchange differences are also recognized directly in other comprehensive income.

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

6 Taxation

Income tax comprises current and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

The Group has determined that the global minimum top-up tax — which it is required to pay under Pillar Two legislation — is an income tax in the scope of IAS 12. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

6 Taxation (Continued)

Deferred tax (Continued)

If a single transaction is not a business combination, neither accounting profit nor taxable income (or deductible loss) is affected at the time of the transaction, and the assets and liabilities initially recognized do not result in an equal amount of taxable temporary differences and deductible temporary differences, then the temporary differences arising from the transaction will not generate deferred tax. The temporary differences resulting from the initial recognition of goodwill also do not generate the associated deferred tax.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that the temporary difference will not reverse in the foreseeable future or it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to a business combination or items recognized directly in equity (including other comprehensive income).

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Value-added Taxes ("VAT")

The Group mainly provides financial services such as loan services, direct-charge financial services, insurance services and transfer of financial commodities, which are subject to the VAT rate of 6%. For other services, VAT is calculated and paid in accordance with the tax rates stipulated in the tax law.

Pursuant to the "Circular of the Ministry of Finance and the State Administration of Taxation on Further Clarification of Relevant Policies Applicable to the Financial Sector in the Comprehensive Implementation of the VAT Pilot Programs" (Cai Shui [2016] No. 46), the Bank elected to adopt a simplified methodology to calculate VAT at 3% on interest income derived from loans granted to farming households, rural enterprises and other rural institutions by county-level sub-branches included in the Bank's pilot programs of the County Area Banking Division, including those under the Bank's provincial branches in provinces, autonomous regions, municipalities directly under the central government and municipalities with independent budgetary status as well as those under the Xinjiang Production and Construction Corps Branch.

In accordance with the Ministry of Finance (the "MOF") and the State Administration of Taxation's "Circular regarding the Value-added Taxes Policies for Financial, Real Estate Development and Education Ancillary and Other Services" (Cai Shui [2016] No. 140), the "Supplementary Circular regarding Issues concerning Value-added Taxes Policies for Asset Management Products" (Cai Shui [2017] No. 2) and the "Circular on the Relevant Issues concerning Value-added Tax Levied on Asset Management Products" (Cai Shui [2017] No. 56), the Group shall pay VAT at 3% for taxable asset management activities undertaken after 1 January 2018.

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

7 Employee benefits

Employee benefits are all forms of consideration given and other relevant expenditure incurred by the Group in exchange for services rendered by employees or for termination of the employment contracts. These benefits include short-term employee benefits, post-employment benefits and early retirement benefits.

Short-term employee benefits

Short-term employee benefits include salaries, bonuses, allowances and subsidies, staff welfare, medical insurance, employment injury insurance, maternity insurance, housing funds as well as labor union fees and staff education expenses. In the reporting period in which an employee has rendered services, the Group recognizes the short-term employee benefits payable for those services as a liability with a corresponding increase in the expenses in the consolidated statement of profit or loss or capitalization as cost of related assets.

Post-employment benefits

The Group's post-employment benefits are primarily the payments for basic pensions and unemployment insurance related to government mandated social welfare programs, as well as the annuity scheme established. All these post-employment benefits are defined contribution plans, under which, the Group makes fixed contributions into a separate fund and will have no legal or constructive obligation to make further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee services in the current and prior periods.

Contributions to the basic pensions and unemployment insurance plan are recognized in the consolidated statement of profit or loss for the period or capitalization as cost of related assets in which the related payment obligation is incurred.

The employees of the Bank's head office and domestic branches ("Domestic Institutions") participate in an annuity scheme established by the Bank (the "Annuity Scheme"). The Bank pays annuity contributions with reference to employees' salaries, and such contributions are expensed in the consolidated statement of profit or loss or capitalized as cost of related assets when incurred. Except for the fixed contribution into the Annuity Scheme, the Bank has no further obligation if the Annuity Scheme does not have sufficient assets for the payment of any retirement benefits to employees funded by the Annuity Scheme.

Early retirement benefits

Early retirement benefits have been paid to those employees who accept voluntary retirement before the normal retirement date, as approved by management. The related benefit payments are made from the date of early retirement to the normal retirement date.

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

7 Employee benefits (Continued)

Early retirement benefits *(Continued)*

The accounting treatment of the Group's early retirement benefits is in accordance with termination benefits as determined in IAS 19. The liability is recognized for the early retirement benefit payments from the date of early retirement to the normal retirement date when the criteria for recognition as termination benefit is met with a corresponding charge in the consolidated statement of profit or loss. Differences arising from changes in assumptions and adjustments of the standards of benefits are recognized in the consolidated statement of profit or loss when incurred.

8 Financial instruments

8.1 Initial recognition, classification and measurement of financial instruments

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

For purchases or sales of financial assets in a regular way, the related assets and liabilities are recognized or sold assets are derecognized at the trade date, along with the recognition of gains or losses on disposal and the receivables due from the buyer. The trade date is the date on which the Group commits to purchase or sell the financial asset.

At initial recognition, the Group measures a financial asset or financial liability at its fair value. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. For other classes of financial assets or financial liabilities, the relevant transaction costs are included in the initial recognized value.

(1) Financial assets

Financial assets are classified in the following measurement categories based on the Group's business model for managing the assets and the cash flow characteristics of the assets:

(i) Amortized cost ("AC");

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

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

The business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of "other" business model and measured at FVPL. Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the group of asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

8 Financial instruments (Continued)

8.1 Initial recognition, classification and measurement of financial instruments (Continued)

(1) Financial assets (Continued)

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest ("SPPI"). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes consideration for the time value of money, credit risk associated with the principal amount outstanding during a particular period of time, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. The Group also assesses whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI.

The classification requirements for debt instruments and equity instruments in the Group are described as below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds. Classification and measurement of debt instruments depend on the Group's business models for managing the asset and the cash flow characteristics of the asset.

Based on these factors, the debt instruments of the Group are classified into three categories below:

(i) AC: Debt instruments that are held within a business model whose objective is to hold assets to collect contractual cash flows; and contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and that are not designated as at FVPL, are measured at amortized cost.

(ii) FVOCI: Debt instruments that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and that are not designated as at FVPL, are measured at FVOCI.

(iii) FVPL: All financial assets not classified as measured at AC or FVOCI as described above are measured at FVPL.

The Group may also irrevocably designate financial assets as at FVPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases.

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

8 Financial instruments (Continued)

8.1 Initial recognition, classification and measurement of financial instruments (Continued)

(1) Financial assets (Continued)

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective referring to Note II 8.9, and examples of equity instruments include basic ordinary shares. The Group subsequently measures all equity investments at FVPL, except for the equity investment not held for trading where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment as at FVOCI.

(2) Financial liabilities

The Group's financial liabilities are classified into financial liabilities at FVPL and other financial liabilities carried at amortized cost on initial recognition. Financial liabilities at FVPL is applied to derivatives, financial liabilities held for trading and financial liabilities designated as such at initial recognition.

The Group may, at initial recognition, irrevocably designate a financial liability as measured at fair value through profit or loss when doing so results in more relevant information, because either:

(i) it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

(ii) a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Group is provided internally on that basis to the entity's key management personnel.

Once the designation is made, it shall not be revoked.

Financial liabilities arising from the transfer of financial assets which do not qualify for derecognition, if the enterprise retains substantially all the risks and rewards of the ownership of the transferred financial asset and does not qualified for derecognition, the Group shall continue to recognize the transferred financial asset in its entirety and recognize a financial liability for the consideration received. In applying the continued involvement approach of accounting, please refer to the Note II 8.7 Derecognition of financial assets for the measurement of the transferred liability.

8.2 Reclassification of financial assets

When the Group changes the business model for managing its financial assets, it shall reclassify all affected financial assets, and apply the reclassification prospectively from the reclassification date. The Group does not restate any previously recognized gains, losses (including impairment gains or losses) or interest. Reclassification date is the first day of the first reporting period following the change in business model that results in the Group reclassifying financial assets.

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

8 Financial instruments (Continued)

8.3 Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices. Active market is a place in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. In an active market, the quoted prices of relevant assets or liabilities should be readily and regularly available from exchanges, dealers, brokers, industry groups, pricing institutions or regulatory institutions by the enterprise. The current market may not be active when there is a significant decline in the volume of transaction or level of activity, price quotations vary substantially either over time or among market-makers and current prices are not available. For financial instruments not traded in active markets, fair value is determined using appropriate valuation techniques. Valuation techniques include the use of recent transaction prices, fair value of other financial instruments that are substantially the same, discounted cash flow analysis, option pricing models and other techniques commonly used by market participants. When measuring the asset or liability at fair value, the Group shall use valuation techniques that are appropriate in the circumstances and for which sufficient data and other information are available to measure fair value, select inputs that are consistent with the characteristics of the asset or liability that market participants would take into account in a transaction for the asset or liability. These valuation techniques include the use of observable and/or unobservable inputs, and observable inputs are preferred.

8.4 Subsequent measurement of financial instruments

Subsequent measurement of financial instruments depends on the categories:

(1) Financial assets and liabilities measured at amortized cost

The amortized cost is the amount at which the financial asset or financial liability is measured at initial recognition: (i) minus the principal repayments; (ii) plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount; (iii) for financial assets, adjusted for any loss allowance. Interest income and interest expenses from these financial assets and liabilities are included in "interest income" and "interest expense" 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 amortized cost before any impairment allowance) or to the amortized cost of a financial liability. The calculation does not consider expected credit losses ("ECL") but includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate. For purchased or originated credit-impaired ("POCI") financial assets, the Group calculates the credit-adjusted effective interest rate, which is calculated based on the amortized cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

8 Financial instruments (Continued)

8.4 Subsequent measurement of financial instruments (Continued)

(1) Financial assets and liabilities measured at amortized cost (Continued)

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets and is included in "interest income", except for:

(i) POCI financial assets, whose interest income is calculated, since initial recognition, by applying the credit-adjusted effective interest rate to their amortized cost; and

(ii) financial assets that are not POCI but have subsequently become credit-impaired, whose interest income is calculated by applying the effective interest rate to their amortized cost (i.e.net of the expected credit loss allowance). If, in a subsequent period, the financial assets improve their qualities so that they are no longer credit-impaired and the improvement in credit quality is related objectively to a certain event occurring after the application of the above-mentioned rules, then the interest income is calculated by applying the effective interest rate to their gross carrying amount.

(2) Financial assets at fair value through other comprehensive income

Debt instruments

Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue calculated by using the effective interest method and foreign exchange gains and losses on the instrument's amortized cost which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in "interest income" using the effective interest method.

Equity instruments

The equity instrument investments that are not held for trading are designated as FVOCI. Dividends, when representing a return on such investments, continue to be recognized in profit or loss as investment income when the Group's right to receive payments is established. Other net gains or losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to retained earnings.

(3) Financial assets at fair value through profit or loss

The financial asset is measured at fair value and net gains or losses are recognized in profit or loss of the current period.

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

8 Financial instruments (Continued)

8.4 Subsequent measurement of financial instruments (Continued)

(4) Financial liabilities at fair value through profit or loss

Financial liabilities at FVPL are measured at fair value with all gains or losses recognized in profit or loss of the current period, except for financial liabilities designated as at fair value through profit or loss, where gains or losses on the financial liabilities are treated as follows:

(i) changes in fair value of such financial liabilities due to changes in the Group's own credit risk are recognized in other comprehensive income; and

(ii) other changes in fair value of such financial liabilities are recognized in profit or loss of the current period. If the accounting of changes in the credit risk of the financial liabilities in accordance with (i) will create or enlarge accounting mismatches in profit or loss, the Group recognizes all gains or losses on such financial liabilities (including amounts arising from changes in its own credit risk) in the profit or loss of the current period.

When the liabilities designated as at fair value through profit or loss is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to retained earnings.

8.5 Impairment of financial instruments

The Group assesses on a forward-looking basis the ECL associated with its debt instrument assets carried at amortized cost and FVOCI and exposures arising from some loan commitments and financial guarantee contracts.

ECL is the weighted average of credit losses with the respective risks of a default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, which are all cash shortfalls, discounted at the original effective interest rate (or credit-adjusted effective interest rate for POCI financial assets).

The Group measures ECL of a financial instrument reflecting:

(i) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

(ii) the time value of money; and

(iii) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

8 Financial instruments (Continued)

8.5 Impairment of financial instruments (Continued)

For financial instruments whose impairment losses are measured using the ECL models, the Group applies a three-stage impairment model to calculate their impairment allowance and recognize their ECL, as follows:

— Stage I: If the credit risk has not increased significantly since its initial recognition, the financial asset is included in Stage I.

— Stage II: If the credit risk has increased significantly since its initial recognition but is not yet deemed to be credit-impaired, the financial instrument is moved to Stage II. The description of how the Group determines when a significant increase in credit risk has occurred is disclosed in Note IV 44.1.

— Stage III: If the financial instrument is credit-impaired, the financial instrument is then moved to Stage III. The definition of credit-impaired financial assets is disclosed in Note IV 44.1.

Financial instruments in Stage I have their ECL measured at an amount equivalent to the ECL of the financial asset for the next 12 months ("12 months ECL"). Financial instruments in Stage II or Stage III have their ECL measured at an amount equivalent to the ECL over the lifetime of the financial instruments ("Lifetime ECL"). The description of inputs, assumptions and estimation techniques used in measuring the ECL is disclosed in Note IV 44.1.

For accounts receivable, lease receivables and contract assets, the Group always recognizes lifetime expected credit losses. The Group uses provision matrix based on its historical credit loss experience for above-mentioned financial assets to estimate ECLs. The historical credit experience is appropriately adjusted to reflect the specific factors of borrowers, current events and forecast future conditions as at reporting date.

The Group applies the impairment requirements for the recognition and measurement of a loss allowance for debt instruments that are measured at FVOCI. The loss allowance is recognized in other comprehensive income and the impairment loss is recognized in profit or loss, and it should not reduce the carrying amount of the financial asset in the statement of financial position.

If the Group has measured the loss allowance for a financial instrument other than POCI at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the financial instrument is no longer regarded as experiencing a significant increase in credit risk since initial recognition, the Group measures the loss allowance at an amount equal to 12-month expected credit losses at the current reporting date and the amount of expected credit losses reversal is recognized in profit or loss. For POCI financial assets, at the reporting date, the Group only recognizes the cumulative changes in lifetime expected credit losses since initial recognition.

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

8 Financial instruments (Continued)

8.6 Modification of contracts

The Group sometimes renegotiates or otherwise modifies contracts, resulting in a change to the contractual cash flows. When this happens, the Group assesses whether the new terms are substantially different to the original terms.

If the terms are substantially different, the Group derecognizes the original financial asset and recognizes a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Group also assesses whether the new financial asset recognized is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognized in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognizes a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for POCI financial assets).

8.7 Derecognition of financial assets

Financial asset is derecognized when one of the following conditions is met: (i) the Group's contractual rights to the cash flows from the financial asset expire; (ii) the financial asset has been transferred and the Group transfers substantially all of the risks and rewards of ownership of the financial asset; or (iii) the financial asset has been transferred, although the Group neither transfers nor retains substantially all of the risks and rewards of ownership of the financial asset, it does not retain control over the transferred asset.

The financial asset has been transferred, if the Group neither transfers nor retains substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset, whereby the related liability is recognized accordingly.

On derecognition of a financial asset in its entirety, the difference between the sum of the consideration received for the part derecognized any cumulative amount of fair value recognized in other comprehensive income (if the transfer involves any other debt instrument investments measured at fair value through other comprehensive income) and the carrying amount allocated to the part derecognized on the date of derecognition shall be included in profit and loss for the current period.

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

8 Financial instruments (Continued)

8.8 Derecognition of financial liabilities

A financial liability is removed when the obligation specified in the contract is discharged or cancelled or expires in whole or in part. An exchange between the Group and lender of debt instruments with substantially different terms shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognized in profit or loss.

8.9 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. A financial instrument is an equity instrument if, and only if, both conditions (i) and (ii) below are met: (i) The financial instrument includes no contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; and (ii) If the financial instrument will or may be settled in the Group's own equity instruments, it is a non-derivative instrument that includes no contractual obligations for the Group to deliver a variable number of its own equity instruments; or a derivative that will be settled only by the Group exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

Equity instruments issued by the Group are included in equity at the actual issue price, and the relevant transaction costs shall be deducted from equity (capital reserve). If the capital reserve is insufficient to cover the deduction, the remaining amount shall be sequentially offset against the surplus reserve and retained earnings.

8.10 Derivative financial instruments and hedge accounting

Derivatives are initially recognized at fair value at the date a derivative contract is entered into and are subsequently remeasured at their fair value at the end of the reporting period. The changes in fair value are recognized in profit or loss.

The Group accounts for hedge businesses that are eligible and choose to use hedge accounting in accordance with applicable accounting standards. The Group documents, at the inception of the hedge, the relationship between hedged items and hedging instruments, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

8 Financial instruments (Continued)

8.10 Derivative financial instruments and hedge accounting (Continued)

(a) Fair value hedge

Fair value hedge is a hedge of the exposure to changes in fair value of a recognized asset or liability or an unrecognized firm commitment, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect profit or loss or other comprehensive income.

The changes in fair value of hedging instruments that are designated and qualify as fair value hedges are recorded in profit or loss or other comprehensive income, together with the changes in fair value of the hedged item attributable to the hedged risk.

Any adjustment of the carrying amount arising from the recognition of hedging gains or losses of the hedged item shall be amortized to profit or loss if the hedged item is a financial instrument measured at amortized cost.

The Group discontinues fair value hedge accounting when the hedging relationship ceases to meet the qualifying criteria after taking into account any rebalancing of the hedging relationship, including the hedging instrument has expired or has been sold, terminated or exercised. If the hedged items are derecognized, the unamortized adjustment of the carrying amount is recognized in profit or loss.

(b) Cash flow hedge

Cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction that could ultimately affect the profit or loss.

The effective portion of the net gains and losses of hedging instruments that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated in equity in the "other comprehensive income". The ineffective portion is recognized immediately in the profit or loss.

Amounts accumulated in other comprehensive income are reclassified to the profit or loss in the same periods when the hedged item affects the profit or loss.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized in the periods when the hedged item affects profit or loss. When the hedged future cash flows are no longer expected to occur (for example, the recognized hedged asset is disposed of), the cumulative gain or loss previously recognized in other comprehensive income is immediately reclassified to profit or loss.

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

8 Financial instruments (Continued)

8.11 Embedded derivative financial instruments

Certain derivatives are embedded in hybrid contracts, such as the conversion option in a convertible bond. If the hybrid contract contains a host that is a financial asset, then the Group assesses the entire contract for classification and measurement purposes. Otherwise, the embedded derivatives are treated as separate derivatives when:

(i) Their economic characteristics and risks are not closely related to those of the host contract;

(ii) A separate instrument with the same terms would meet the definition of a derivative; and

(iii) The hybrid contract is not measured at fair value through profit or loss.

Where an embedded derivative is separated from a hybrid contract, the Group accounts for the host contract of the hybrid contract in accordance with the applicable accounting standards. Where the fair value of the embedded derivative is unable to be reliably measured on the basis of the terms and conditions, the fair value of the embedded derivative is determined as the difference between the fair value of the hybrid contract and the fair value of the host contract. If, after using the above method, the fair value of the embedded derivative at the acquisition date or at the end of a subsequent financial reporting period is still unable to separately measured, the Group designates the entire hybrid contract as a fair value through profit or loss.

8.12 Offsetting financial assets and financial liabilities

When the Group has a legal right to set off the recognized amounts and the legal right is currently enforceable, and the Group intends either to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously, financial assets and liabilities are offset and the net amount is presented in the consolidated statement of financial position. Otherwise, financial assets and liabilities shall be settled respectively but not offset each other. The legally enforceable right of set-off must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

8.13 Financial assets held under resale agreements and financial assets sold under repurchase agreements

Financial assets transferred as collateral in connection with repurchase agreements, involving fixed repurchase dates and prices, are not derecognized. They continue to be recorded as investments classified as financial assets before sale or loan. The corresponding liability is included in financial assets sold under repurchase agreements. The items which are not derecognized are disclosed in Note IV 42 Contingent liabilities and commitments — Collateral.

Consideration paid for financial assets held under agreements to resell are recorded as financial assets held under resale agreements, the related financial assets accepted is not recognized in the consolidated statement of financial position (Note IV 42 Contingent liabilities and commitments — Collateral).

The difference between the purchase and sale price is recognized as gain or loss in profit or loss of the current period using the effective interest method.

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

9 Insurance contracts

Level of aggregation

Insurance contracts and investment contracts with DPF are aggregated into groups for measuring purposes. Groups of contracts are determined by first identifying portfolios of contracts, each comprising contracts subject to similar risks and managed together. Each portfolio is divided into annual cohorts (i.e. by year of issue) and contracts in different product lines are expected to be in different groups. Each annual cohorts are divided into three groups:

- Any contracts that onerous on initial recognition;
- Any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
- Any remaining contracts in the annual cohort.

When a contract is recognized, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group in which future contracts may be added.

Contract boundaries

The measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the Group.

For insurance contracts, cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay premiums or has a substantive obligation to provide services (including insurance coverage and investment services).

For investment contracts with DPF, the cash flows are within the contract boundary if they result from a substantive obligation of the Group to deliver cash at a present or future date.

Measurement — Insurance contracts and investment contracts with DPF

On initial recognition, the Group measures a group of contracts as the total of (a) fulfilment cash flows, which comprise estimates of future cash flows, adjusted to reflect the time value of money and the associated financial risks, and a risk adjustment for non-financial risk; and (b) the CSM. The fulfilment cash flows of a group of contracts do not reflect the Group's non-performance risk.

Subsequently, the carrying amount of a group of contracts at each reporting date is the sum of the liability of remaining coverage and the liability for incurred claims. The liability for remaining coverage comprises (a) the fulfilment cash flows that relate to services that will be provided under the contracts in future periods and (b) any remaining CSM at that date. The liability for incurred claims includes the fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

Insurance acquisition cash flows

Insurance acquisition cash flows arise from the activities of selling, underwriting and starting a group of contracts that are directly attributable to the portfolio of contracts to which the Group belongs. Insurance acquisition cash flows are allocated to groups of contracts using systematic and rational methods based on the total premiums of each group.

Insurance acquisition cash flows that arise before the recognition of the related contracts are recognized as separate assets and tested for recoverability, whereas other insurance acquisition cash flows are included in the estimate of the present value of future cash flows as part of the measurement of the related contracts.

(Amounts in millions of Renminbi, unless otherwise stated)

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

10 Precious metals

Precious metals comprise gold, silver and other precious metals.

Precious metals that are not related to the Group's trading activities are initially measured at acquisition cost and subsequently measured at the lower of cost and net realizable value. Precious metals that are related to the Group's trading activities are initially recognized at fair value and subsequent changes in fair value are recognized in profit or loss.

11 Property and equipment

Property and equipment including buildings held for use in the supply of services, or for administrative purpose (other than construction in progress) are presented in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any. When the costs attributable to the land use rights cannot be reliably measured and separated from that of the building at inception, the costs are included in the cost of buildings and recorded in property and equipment.

Subsequent expenditure incurred for the property and equipment (other than construction in progress) is included in the cost of the property and equipment (other than construction in progress) if it is probable that economic benefits associated with the asset will flow to the Group and the subsequent expenditure can be reliably measured, and the carrying amount of the replaced part is derecognized. Other subsequent expenditure is recognized in profit or loss in the period in which it is incurred.

Depreciation is recognized as a component of operating expenses in the consolidated statement of profit or loss so as to recognize the consumption of the economic value of property and equipment (other than construction in progress), less their estimated residual values, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation rates are reviewed at the end of each reporting period.

The useful lives, estimated residual value rates and annual depreciation rates of each class of property and equipment are as follows:

Classes	Useful lives	Estimated residual value rates	Annual depreciation rates
Buildings	5–50 years	3%	1.94%–19.40%
Machinery and equipment	3–11 years	3%	8.82%–32.33%
Motor vehicles	5–8 years	3%	12.13%–19.40%

Properties in the course of construction for supply of services or administrative purposes are carried at cost, as construction in progress, less any impairment loss. Buildings, machinery and equipment under construction in progress are reclassified to the appropriate category of property and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property and equipment, commences when the assets are ready for their intended use.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from its continued use. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in other operating income or operating expenses in the consolidated statement of profit or loss. The accounting policies of impairment of property and equipment are included in Note II 17 Impairment of non-financial assets other than goodwill.

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

12 Land use rights

Land use rights are classified in other assets and amortized over a straight-line basis over their authorized useful lives.

13 Foreclosed assets

The Group initially recognizes at fair value the foreclosed financial assets. Non-financial foreclosed assets are initially recognized at the fair value of the rights given up by creditors and other costs such as taxes directly attributable to the asset.

When the debtor pays off the debts with multiple assets or in form of restructuring arrangement, the Group firstly recognizes and measures the foreclosed financial assets and restructured rights according to provision illustrated in Note II 8.1 Initial recognition, classification and measurement of financial instruments. The net amount, of the fair value of the rights given up by creditor deducted the initial amount recognized for the transferred financial assets and restructured rights, should be distributed in accordance with the proportion of the fair value of each non-financial asset. The distributed amount should be recognized as the initial book value of each non-financial foreclosed assets.

The difference between the fair value and book value of the rights given up by creditor is recorded in profit and loss.

14 Investment property

Investment property is property held to earn rental income or for capital appreciation, or both.

Investment properties are measured using the cost model. Depreciation and amortization is recognized the same way as property and equipment and land use rights. Subsequent expenditure incurred for the investment property is included in the cost of the investment property if it is probable that economic benefits associated with the asset will flow to the Group and the subsequent expenditure can be measured reliably. Other subsequent expenditure is recognized in profit or loss in the period in which it is incurred.

The accounting policies of impairment of investment property are included in Note II 17 Impairment of non-financial assets other than goodwill.

Where an impairment loss subsequently reverses, the carrying amount of the investment property is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined, had no impairment loss been recognized. A reversal of an impairment loss is recognized in profit or loss.

When an investment property is sold, transferred, retired or damaged, the Group recognizes the amount of any proceeds on disposal, net of the carrying amount and related taxes, in profit or loss.

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

15 Leasing

Lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration.

The Group as lessee

The Group recognized the right-of-use assets at the commencement date, and recognized the lease liabilities at the present value of the outstanding lease payments. Lease payments include fixed payments, the amounts expected to be payable by the Group if the Group is reasonably certain to exercise a purchase option or an option to terminate the lease. Variable lease payments not included in the measurement of the lease liability are recognized as an expense in profit or loss when incurred.

The right-of-use assets of the Group are measured at costs, which include the amount of the initial measurement of lease liabilities, any lease payments made at or before the commencement date, any initial direct costs and less any lease incentives received. If the Group could reasonably determine the ownership of the leased asset when the lease term expires, the right-of-use assets are depreciated over the asset's remaining useful life. Otherwise, the right-of-use assets are depreciated over the shorter period of the asset's useful life and the lease term on a straight-line basis. When the recoverable costs of right-of-use assets are lower than the carrying amount, the value of right-of-use assets will be decreased down to the recoverable costs.

The Group chooses not to recognize the right-of-use assets and lease liabilities for short-term leases and leases of low-value assets, and the rental expenses are recognized as expense in profit or loss on a straight-line basis over each period of the lease term. Short-term leases are leases with a lease term of 12 months or less. Leases of low value assets are the underlying assets are of low value when new.

The Group as lessor

When the Group is the lessor in a finance lease, a finance lease receivable as an amount equal to the net lease investment is recognized and the finance lease asset is derecognized at the commencement date. The finance lease receivables are recorded in the consolidated statement of financial position as loans and advances to customers.

When the Group is the lessor in an operating lease, rental income from operating leases is recognized as other operating income in the consolidated statement of profit or loss on a straight-line basis over the term of the related lease. The initial direct costs are included in the carrying amount of the underlying assets and is recognized as expenses over the lease term on the same basis as the lease income.

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

16 Intangible assets

Intangible assets acquired separately and with finite useful lives are carried at cost less accumulated amortization and any accumulated impairment loss. Amortization for intangible assets with finite useful lives is recognized on a straight-line basis over their estimated useful lives which generally range from 5 to 20 years.

Intangible assets with indefinite useful lives are not amortized, but are subject to annual impairment assessment.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of profit or loss.

Expenditure incurred for an internal research and development project is recorded as expenditure on the research phase and development phase by the Group, respectively. The classification criterion is the submission of Project Plan (Definition of project objectives). Projects with incomplete submissions are in the research phase and those with completed submissions are in the development phase. Expenditure on the research phase is recognized in profit or loss for the period in which it occurs. Expenditure on the development phase is capitalized only when the following conditions are satisfied:

(1) It is technically feasible to complete the intangible asset so that it will be available for use or sale;

(2) The Group intends to complete the intangible asset and use or sell it;

(3) The Group can demonstrate the ways in which the intangible asset will generate economic benefits, including the evidence of the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;

(4) There are adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset;

(5) The expenditure attributable to the intangible asset during its development phase can be reliably measured.

Expenditure on the development phase which does not satisfy all of the above conditions is recognized in profit or loss in the period in which it is incurred.

The Group capitalizes eligible projects in accordance with relevant regulations. The scope of capitalized research and development expenditure includes capitalized staff costs and outsourcing service fees generated during the development phase of research and development projects that satisfy capitalization conditions. Among which, capitalized staff costs refer to the salary and employee benefits of own staff generated during the development phase of research and development projects that satisfy capitalization conditions. The salary and employee benefits mainly include salaries, employee benefits, labor insurance, housing funds, and annuity scheme, etc.

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

17 Impairment of non-financial assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined, had no impairment loss been recognized. A reversal of an impairment loss is recognized in the consolidated statement of profit or loss.

18 Cash and cash equivalents

Cash and cash equivalents are short-term and highly liquid assets, which are readily convertible into known amounts of cash and subject to an insignificant risk of changes in value. Cash and cash equivalents include cash and assets with original maturity of three months or less under cash and balances with central banks, deposits with banks and other financial institutions, placements with and loans to banks and other financial institutions and financial assets held under resale agreements.

19 Dividend distribution

Dividend distribution to the Bank's ordinary equity holders is recognized as a liability in the Group's and the Bank's financial statements in the period in which the dividends are approved by the annual general meeting of the Bank.

As authorized by the annual general meeting, the Board of Directors has the sole discretion to declare and distribute dividends on preference shares. Preference share dividend distribution is recognized as a liability in the Group's and the Bank's financial statements in the period in which the dividends are approved by the Board of Directors of the Bank.

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

20 Contingent liabilities and provisions

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognized because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

21 Fiduciary activities

The Group acts as a custodian, trustee and in other fiduciary capacities to safeguard assets for customers in accordance with custody agreements between the Group and securities investment funds, social security funds, insurance companies, trust companies, qualified foreign institutional investors, annuity schemes and other institutions and individuals. The Group receives fees in return for its services provided under the custody agreements and does not have any interest in the economic risks and rewards related to assets under custody. Assets under custody are not recognized in the Group's consolidated statement of financial position.

The Group conducts entrusted lending arrangements for its customers. Under the terms of entrusted loan arrangements, the Group grants loans to borrowers, as an intermediary, according to the loan object, purpose, amount, interest rate and repayment plan determined by the principal. The Group is responsible for the arrangement and collection of the entrusted loans and receives a commission for the services rendered and does not assume the economic risks and rewards of the entrusted loans. The entrusted loans and funding for entrusted funds are not recognized in the Group's consolidated statement of financial position.

II SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

22 Financial guarantee contracts and loan commitments

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss incurred because a specified debtor fails to make payment when due, in accordance with the original or revised terms of a debt instrument.

Financial guarantees are initially recognized at fair value on the date the guarantee was given. Subsequent to initial recognition, the Group's liabilities under such guarantees are measured at the higher of the initial amount, less amortization of guarantee fees, and the expected credit loss provision required to settle the guarantee. Any increase in the liability relating to guarantees is recognized in profit or loss.

The impairment allowance of loan commitments provided by the Group is measured using ECL models. The Group has not provided any commitment to provide loans at a below-market interest rate, or that can be settled net in cash or by delivering or issuing another financial instrument.

For loan commitments and financial guarantee contracts, the loss allowance is recognized as a provision. However, for contracts that include both a loan and an undrawn commitment and the Group cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognized together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognized as a provision.

23 Related parties

The Group determines the Group's related parties in accordance with IFRS Accounting Standards and other relevant provisions.

III CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Group's accounting policies, which are described in Note II, management is required to make judgements, estimates and assumptions that affect the carrying amounts of assets and liabilities. The judgements, estimates and related assumptions are based on historical experience and other relevant factors including reasonable expectations for future events.

The judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in future periods as appropriate.

The following are the critical judgements and key estimates management has made in the process of applying the Group's accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve months.

III CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

1 Classification of financial assets

The critical judgements the Group has made in determining the classification of financial assets include analysis of business models and characteristics of contractual cash flows.

The Group determines the business model for managing financial assets at the level of financial asset portfolio. The factors considered include how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

When assessing whether the contractual cash flow of financial assets is consistent with the basic lending arrangement, the Group has the following main judgements: whether the principal may be subject to change in the duration or amount of money due to prepayments during the duration; whether interests only included time value of money, credit risk, other basic borrowing risks, and considerations for costs and profits. For example, whether the amount paid in advance reflect only the outstanding principal and interest on the outstanding principal, as well as reasonable compensation for early termination of the contract.

2 Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortized cost and FVOCI and for exposures arising from some loan commitments and financial guarantee contracts, is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in Note IV 44.1 Credit risk.

3 Fair value of financial instruments

The Group uses valuation techniques to estimate the fair value of financial instruments which are not quoted in an active market. These valuation techniques include the use of recent transaction prices of the same or similar instruments, discounted cash flow analysis and generally accepted pricing models. To the extent practical, market observable inputs and data, such as interest rate yield curves, foreign currency rates and implied option volatilities, are used when estimating fair value through a valuation technique. Where market observable inputs are not available, they are estimated using assumptions that are calibrated as closely as possible to market observable data. However, areas such as the credit risk of the Group and the counterparty, liquidity, volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the estimated fair value of financial instruments.

With respect to PRC government obligations related to large-scale policy directed financing transactions, fair value is determined using the stated terms of the related instrument and with reference to terms determined by the PRC government in similar transactions engaged in or directed by the PRC government. In this regard, there are no other relevant market prices or yields reflecting arm's length transactions of a comparable size and tenor.

III CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4 Deferred taxes

There are certain transactions and activities in the ordinary course of the Group's business for which the ultimate tax effect is uncertain. The Group made certain estimation and judgement for items of uncertainty in the application of tax legislations, taking into account existing tax legislation and past practice of tax authorities. Where the final tax outcome of these matters is different from the amounts that were initially estimated, such differences will affect the current income tax, deferred income tax and VAT during the period in which such a determination is made.

5 Consolidation of structured entities

Where the Group acts as asset manager of or investor in structured entities, the Group makes significant judgement on whether the Group controls and should consolidate these structured entities. When performing this assessment, the Group assesses the Group's contractual rights and obligations in light of the transaction structures, and evaluates the Group's power over the structured entities, performs analysis and tests on the variable returns from the structured entities, including but not limited to commission income and asset management fees earned as the asset manager, the retention of residual income, and, if any, the liquidity and other support provided to the structured entities. The Group also assesses whether it acts as a principal or an agent through analysis of the scope of its decision-making authority over the structured entities, the remuneration to which it is entitled for asset management services, the Group's exposure to variability of returns from its other interests in the structured entities, and the rights held by other parties in the structured entities.

6 Derecognition of financial assets transferred

In its normal course of business, the Group transfers its financial assets through various types of transactions including regular way sales and transfers, securitization, financial assets sold under repurchase agreements, securities lending. The Group applies significant judgement in assessing whether it has transferred these financial assets which qualify for a full or partial derecognition.

Where the Group enters into structured transactions by which it transfers financial assets to structured entities, the Group analyzes whether the substance of the relationship between the Group and these structured entities indicates that it controls these structured entities to determine whether the Group needs to consolidate these structured entities. This will determine whether the following derecognition analysis should be conducted at the consolidated level or at the entity level from which the financial assets are transferred.

The Group analyzes the contractual rights and obligations in connection with such transfers to determine whether the derecognition criteria are met based on the following considerations:

- whether it has transferred the rights to receive contractual cash flows from the financial assets or the transfer qualifies for the "pass through" of those cash flows to independent third parties.

- the extent to which the associated risks and rewards of ownership of the financial assets are transferred. Significant judgement is applied in the Group's estimation with regard to the cash flows before and after the transfers and other factors that affect the outcomes of Group's assessment on the extent that risks and rewards are transferred.

- where the Group has neither retained nor transferred substantially all of the risks and rewards associated with their ownership, the Group analyzes whether it has relinquished its controls over these financial assets by assessing whether the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer, and if the Group has continuing involvement in these transferred financial assets. Where the Group has not retained control, it derecognizes these financial assets and recognizes separately as assets or liabilities any rights and obligations created or retained in the transfer. Otherwise, the Group continues to recognize these financial assets to the extent of its continuing involvement in the financial assets.

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Net interest income

	Year ended 31 December	
	2025	2024
Interest income		
Loans and advances to customers	**752,296**	816,608
Including: Corporate loans and advances	**464,022**	497,363
Personal loans	**288,274**	319,245
Financial investments		
Debt instrument investments at amortized cost	**292,309**	279,037
Other debt instrument investments at fair value through other comprehensive income	**78,489**	81,182
Balances with central banks	**39,816**	39,345
Placements with and loans to banks and other financial institutions	**15,519**	19,691
Financial assets held under resale agreements	**16,035**	21,856
Deposits with banks and other financial institutions	**6,874**	17,961
Subtotal	**1,201,338**	1,275,680
Interest expense		
Due to customers	**(412,528)**	(469,120)
Deposits from banks and other financial institutions	**(96,622)**	(104,667)
Borrowings from central banks	**(17,967)**	(26,222)
Placements from banks and other financial institutions	**(13,601)**	(17,328)
Financial assets sold under repurchase agreements	**(18,866)**	(6,408)
Debt securities issued and others	**(72,160)**	(71,243)
Subtotal	**(631,744)**	(694,988)
Net interest income	**569,594**	580,692

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2 Net fee and commission income

	Year ended 31 December	
	2025	2024
Fee and commission income		
Agency services	**30,464**	16,221
Electronic banking services	**25,648**	27,605
Bank cards	**16,600**	16,741
Consultancy and advisory services	**12,927**	14,231
Settlement and clearing services	**10,661**	9,618
Custodian and other fiduciary services	**4,283**	4,021
Credit commitment	**1,010**	1,111
Others	**361**	417
Subtotal	**101,954**	89,965
Fee and commission expense		
Bank cards	**(8,563)**	(9,082)
Electronic banking services	**(3,135)**	(3,299)
Settlement and clearing services	**(1,363)**	(1,301)
Others	**(808)**	(716)
Subtotal	**(13,869)**	(14,398)
Net fee and commission income	**88,085**	75,567

3 Net trading gain

		Year ended 31 December	
	Note	**2025**	2024
Net gain on debt instruments held for trading		**2,666**	4,103
Net gain on precious metals	(i)	**6,271**	4,886
Net gain on foreign exchange rate derivatives		**4,115**	14,228
Net gain on interest rate derivatives		**327**	848
Others		**3,526**	1,440
Total		**16,905**	25,505

(i) Net gain on precious metals consists of net gain on precious metals and precious metal related derivative products.

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4 Net gain on financial investments

	Note	Year ended 31 December	
		2025	2024
Net loss on debt instruments designated as at FVPL		**(31)**	(35)
Net gain on other debt instruments and equity investments measured at FVPL		**10,208**	17,759
Net loss on financial liabilities designated as at FVPL	(i)	**(778)**	(368)
Net gain on other debt instrument and other equity investments measured at FVOCI		**6,564**	3,938
Others		**(71)**	(679)
Total		**15,892**	20,615

(i) Net loss on financial liabilities designated as at FVPL consists of the payable amount upon the maturity of structured deposits designated at FVPL.

5 Other operating income

	Year ended 31 December	
	2025	2024
Insurance premium	**5,518**	3,763
Net gains/(losses) on foreign exchange	**724**	(7,007)
Rental income	**1,797**	1,413
Gain on disposal of property and equipment	**730**	800
Government grant	**1,103**	1,271
Others	**1,875**	1,630
Total	**11,747**	1,870

6 Operating expenses

	Notes	Year ended 31 December	
		2025	2024
Staff costs	(1)	**169,377**	160,469
General operating and administrative expenses	(2)	**62,259**	61,082
Insurance benefits and claims		**7,907**	6,276
Depreciation and amortization		**23,495**	22,869
Tax and surcharges	(3)	**7,840**	7,548
Others		**4,493**	2,936
Total		**275,371**	261,180

In 2025, the Group's research and development expenses amounted to RMB5,904 million (2024: RMB4,245 million).

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

6 Operating expenses (Continued)

(1) Staff costs

	Year ended 31 December	
	2025	2024
Short-term employee benefits		
Salaries, bonuses, allowances and subsidies	**110,991**	106,095
Housing funds	**11,654**	10,915
Social insurance	**7,100**	6,724
Including: Medical insurance	**6,712**	6,355
Maternity insurance	**178**	179
Employment injury insurance	**210**	190
Labor union fees and staff education expenses	**3,924**	3,739
Others	**12,785**	11,296
Subtotal	**146,454**	138,769
Defined contribution benefits	**22,921**	21,687
Early retirement benefits	**2**	13
Total	**169,377**	160,469

(2) Included in general operating and administrative expenses is auditor's remuneration of RMB123 million for the year, consisting of RMB116 million for financial statements audit service and RMB7 million for non-audit professional service (2024: RMB121 million for the year, consisting of RMB115 million for financial statements audit service and RMB6 million for non-audit professional service).

(3) City construction and maintenance tax is calculated at 1%, 5% or 7% of VAT and sales taxes for the Group's Domestic Operations.

Education surcharge is calculated at 3%, while local education surcharge is calculated at 2% of VAT and sales taxes for the Group's Domestic Operations.

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7 Benefits and interests of directors, supervisors and senior management

(1) *Details of the Directors', Supervisors' and Senior Management's emoluments are as follows (in thousands of RMB):*

		Year ended 31 December 2025				
Item	Notes	Fees	Basic salaries and allowances	Contribution to retirement benefit schemes	Other benefits in kind (xv)	Total
Executive Directors						
Gu Shu		–	686	142	99	927
Wang Zhiheng	(i)	–	686	142	99	927
Liu Hong	(ii)	–	617	136	99	852
Lin Li		–	617	136	99	852
Independent Non-Executive Directors						
Wu Liansheng		410	–	–	–	410
Wang Changyun		410	–	–	–	410
Ju Jiandong		380	–	–	–	380
Zhuang Yumin	(iii)	350	–	–	–	350
Zhang Qi (張琦)	(iv)	220	–	–	–	220
WONG Pui Sze Priscilla	(v)	64	–	–	–	64
Non-Executive Directors						
Zhou Ji		–	–	–	–	–
Li Wei		–	–	–	–	–
Liu Xiaopeng		–	–	–	–	–
Zhang Qi (張奇)		–	–	–	–	–
Zhang Hongwu	(vi)	–	–	–	–	–
Senior Management						
Wang Wenjin	(vii)	–	617	136	99	852
Meng Fanjun	(viii)	–	566	124	91	781
Wang Dajun	(ix)	–	360	79	59	498
Liu Qing		–	612	181	99	892
Non-Executive Directors resigned						
Xiao Xiang	(x)	–	–	–	–	–
LEUNG KO May Yee, Margaret	(xi)	312	–	–	–	312
Supervisors resigned						
Deng Lijuan	(xii)	–	–	–	–	–
Huang Tao	(xii)	38	–	–	–	38
Wang Xuejun	(xii)	38	–	–	–	38
Liu Hongxia	(xii)	218	–	–	–	218
Xu Xianglin	(xii)	240	–	–	–	240
Wang Xixin	(xii)	203	–	–	–	203
Senior Management resigned						
Xu Han	(xiii)	–	–	–	–	–
Wu Gang	(xiv)	–	459	148	71	678
Total		**2,883**	**5,220**	**1,224**	**815**	**10,142**

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7 Benefits and interests of directors, supervisors and senior management (Continued)

(1) *Details of the Directors', Supervisors' and Senior Management's emoluments are as follows (in thousands of RMB): (Continued)*

(i) *Wang Zhiheng was elected Chief Compliance Officer effective 13 February 2026.*

(ii) *Liu Hong ceased to be Executive Vice President effective 22 September 2025, and was elected Executive Director effective 25 December 2025. His remuneration set out in the table above is the remuneration received from the Bank as the person in charge in state-controlled financial enterprise in 2025.*

(iii) *Zhuang Yumin was elected Independent Non-Executive Director effective 15 January 2025.*

(iv) *Zhang Qi was elected Independent Non-Executive Director effective 23 May 2025.*

(v) *Wong Pui Sze Priscilla was elected Independent Non-Executive Director effective 24 October 2025.*

(vi) *Zhang Hongwu was elected Non-Executive Director effective 26 January 2026.*

(vii) *Wang Wenjin was elected Executive Vice President effective 22 January 2025*

(viii) *Meng Fanjun was elected Executive Vice President effective 28 February 2025.*

(ix) *Wang Dajun was elected Executive Vice President effective 17 July 2025.*

(x) *Xiao Xiang ceased to be Non-Executive Director effective 23 July 2025.*

(xi) *LEUNG KO May Yee, Margaret ceased to be Independent Non-Executive Director effective 28 October 2025.*

(xii) *From 23 September 2025, the Bank has dissolved the Board of Supervisors. Deng Lijuan, Huang Tao, Wang Xuejun, Liu Hongxia, Xu Xianglin and Wang Xixin ceased to be Supervisors effective 23 September 2025.*

(xiii) *Xu Han ceased to be Executive Vice President effective 8 January 2025.*

(xiv) *Wu Gang ceased to be Chief Risk Officer effective 8 September 2025.*

(xv) *Other benefits in kind include the Bank's contributions to medical fund, housing fund and other social insurances, which are payable to labour and security authorities based on the lower of certain percentage of the salaries and allowances or the prescribed upper limits as required by the relevant regulations issued by the government authorities.*

The total compensation packages for the above Directors, Supervisors and Senior Management for the year ended 31 December 2025 have not yet been finalized in accordance with regulations of the relevant authorities in the PRC at the date of this consolidated financial statements. The final compensation will be disclosed in a separate announcement when determined.

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7 Benefits and interests of directors, supervisors and senior management (Continued)

(1) *Details of the Directors', Supervisors' and Senior Management's emoluments are as follows (in thousands of RMB): (Continued)*

		Year ended 31 December 2024 (Restated)				
Item	Notes	Fees	Basic salaries and allowances	Contribution to retirement benefit schemes	Other benefits in kind (xii)	Total
Executive Directors						
Gu Shu		–	917	140	124	1,181
Wang Zhiheng	(i)	–	535	82	57	674
Lin Li		–	825	132	123	1,080
Independent Non-Executive Directors						
LEUNG KO May Yee, Margaret		380	–	–	–	380
Wu Liansheng		389	–	–	–	389
Wang Changyun		376	–	–	–	376
Ju Jiandong	(ii)	117	–	–	–	117
Zhuang Yumin	(iii)	–	–	–	–	–
Non-Executive Directors						
Zhou Ji		–	–	–	–	–
Li Wei		–	–	–	–	–
Liu Xiaopeng		–	–	–	–	–
Xiao Xiang		–	–	–	–	–
Zhang Qi (張奇)		–	–	–	–	–
Supervisors						
Deng Lijuan		–	–	–	–	–
Huang Tao		50	–	–	–	50
Wang Xuejun		50	–	–	–	50
Liu Hongxia		300	–	–	–	300
Xu Xianglin		330	–	–	–	330
Wang Xixin		280	–	–	–	280
Senior Management						
Liu Hong		–	825	132	101	1,058
Wang Wenjin	(iv)	–	69	11	8	88
Meng Fanjun	(v)	–	–	–	–	–
Wu Gang		–	1,130	227	96	1,453
Liu Qing	(vi)	–	753	134	65	952
Executive Director resigned						
Zhang Xuguang	(vii)	–	688	110	97	895
Non-Executive Directors resigned						
Huang Zhenzhong	(viii)	263	–	–	–	263
Liu Shouying	(ix)	251	–	–	–	251
Senior Management resigned						
Xu Han	(x)	–	825	137	122	1,084
Liu Jiawang	(xi)	–	481	77	57	615
Total		2,786	7,048	1,182	850	11,866

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7 Benefits and interests of directors, supervisors and senior management (Continued)

(1) *Details of the Directors', Supervisors' and Senior Management's emoluments are as follows (in thousands of RMB): (Continued)*

(i) Wang Zhiheng was elected the President effective 28 June 2024, and was elected Vice Chairman of the Board of Directors and Executive Director effective 27 September 2024.

(ii) Ju Jiandong was elected Independent Non-Executive Director effective 10 September 2024.

(iii) Zhuang Yumin was elected Independent Non-Executive Director effective 15 January 2025.

(iv) Wang Wenjin was elected Executive Vice President effective 22 January 2025. His remuneration set out in the table above is the remuneration received from the Bank as the person in charge in state-controlled financial enterprise in 2024.

(v) Meng Fanjun was elected Executive Vice President effective 28 February 2025.

(vi) Liu Qing was elected Secretary of the Board of Directors effective 28 April 2024.

(vii) Zhang Xuguang ceased to be Executive Director and Executive Vice President effective 31 October 2024.

(viii) Huang Zhenzhong ceased to be Independent Non-Executive Director effective 10 September 2024.

(ix) Liu Shouying ceased to be Independent Non-Executive Director effective 30 August 2024.

(x) Xu Han ceased to be Executive Vice President effective 8 January 2025.

(xi) Liu Jiawang ceased to be Executive Vice President effective 19 July 2024.

(xii) Other benefits in kind include the Bank's contributions to medical fund, housing fund and other social insurances, which are payable to labour and security authorities based on the lower of certain percentage of the salaries and allowances or the prescribed upper limits as required by the relevant regulations issued by the government authorities.

(2) Five individuals with the highest emoluments in the Group

(i) Of the five individuals with the highest emoluments in the Group, none of them are Directors, Supervisors or Senior Management whose emoluments are disclosed above. The emoluments of the five individuals whose emoluments were the highest in the Group for the years ended 31 December 2025 and 31 December 2024 were as follows:

	Year ended 31 December	
	2025	2024
Basic salaries and allowances	**23**	21
Discretionary bonuses	**4**	9
Contribution to retirement benefit schemes and others	**2**	2
Total	**29**	32

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7 Benefits and interests of directors, supervisors and senior management (Continued)

(2) Five individuals with the highest emoluments in the Group (Continued)

(ii) The number of these five individuals whose emoluments fell within the following bands are as follows:

	Year ended 31 December	
	2025	2024
RMB4,000,001 to RMB4,500,000 yuan	**1**	–
RMB4,500,001 to RMB5,000,000 yuan	**3**	3
RMB5,000,001 to RMB5,500,000 yuan	**–**	–
RMB5,500,001 to RMB6,000,000 yuan	**–**	–
RMB6,000,001 to RMB6,500,000 yuan	**–**	–
RMB6,500,001 to RMB7,000,000 yuan	**–**	1
RMB7,000,001 to RMB7,500,000 yuan	**–**	–
RMB7,500,001 to RMB8,000,000 yuan	**–**	–
RMB8,000,001 to RMB8,500,000 yuan	**–**	–
RMB8,500,001 to RMB9,000,000 yuan	**–**	–
RMB9,000,001 to RMB9,500,000 yuan	**–**	–
RMB9,500,001 to RMB10,000,000 yuan	**–**	–
RMB10,000,001 to RMB10,500,000 yuan	**–**	–
RMB10,500,001 to RMB11,000,000 yuan	**1**	1

For the years ended 31 December 2025 and 31 December 2024, no emolument was paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as a compensation for loss of office. For the years ended 31 December 2025 and 31 December 2024, none of the five highest paid individuals waived any emolument.

(3) Other benefits and interests of Directors and Supervisors pursuant to the Hong Kong Companies Ordinance (Cap.622).

For the years ended 31 December 2025 and 31 December 2024, no emolument was paid by the Group to any of the Directors and Supervisors as an inducement to join or upon joining the Group or as a compensation for loss of office. Except for the Annuity Scheme and Pension Scheme (Note II 7 Employee benefits), there were no other retirement benefits for Directors or Supervisors, or consideration provided to third parties for making available Directors' or Supervisors' services; and none of the Directors or Supervisors waived any emolument, or had material interests, whether directly or indirectly, in any material transactions, arrangements or contracts in relation to the Group's business for the years ended 31 December 2025 and 31 December 2024.

The Group enters into credit transactions with the Directors, Supervisors or certain controlled body corporates and connected entities of the Directors or Supervisors at arm's length in the ordinary course of business. For the years ended 31 December 2025 and 31 December 2024 and as at 31 December 2025 and 31 December 2024, the respective balances of loans and advances from the Group to Directors, Supervisors or certain controlled body corporates and connected entities of the Directors or Supervisors were not significant. The Group did not provide any guarantee or security to the Directors, Supervisors or certain controlled body corporates and connected entities of the Directors or Supervisors in respect of their loans, quasi-loans or credit transactions.

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8 Credit impairment losses

	Year ended 31 December	
	2025	2024
Loans and advances to customers	**140,835**	129,709
Financial investments		
Debt instrument investments at amortized cost	**(3,306)**	9,050
Other debt instrument investments at fair value through other comprehensive income	**(778)**	1,560
Provision for guarantees and commitments	**(2,027)**	(5,318)
Placements with and loans to banks and other financial institutions	**(104)**	(1,255)
Deposits with banks and other financial institutions	**(235)**	74
Financial assets held under resale agreements	**(1,101)**	(1,374)
Others	**(6,095)**	(1,606)
Total	**127,189**	130,840

9 Income tax expense

	Year ended 31 December	
	2025	2024
Current income tax		
– PRC Enterprise Income Tax	**24,222**	34,868
– Hong Kong SAR Income Tax	**919**	649
– Other jurisdictions Income Tax	**603**	407
Subtotal	**25,744**	35,924
Deferred tax (Note IV 22)	**5,942**	606
Total	**31,686**	36,530

Domestic and Overseas Branches Income Tax is calculated at 25% of the estimated taxable profit for both years, and also includes supplementary PRC tax on Overseas Branches as determined in accordance with the relevant PRC income tax rules and regulations. Pre-tax deduction items of enterprise income tax are governed by the relevant tax regulations in Chinese mainland. Taxation arising in other jurisdictions (including Hong Kong SAR) is calculated at the rates prevailing in the relevant jurisdictions.

As at 31 December 2025, Pillar Two legislation has come into effect in countries where some of the Group's subsidiaries are located. The Group is subject to the global minimum top-up tax under Pillar Two legislation in those jurisdictions. The Group has applied the temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current income tax when it occurs. For the year ended 31 December 2025, the impact of the top-up tax on the Group's current income tax expense is not material.

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9 Income tax expense (Continued)

The tax charges for the years ended 31 December 2025 and 31 December 2024 can be reconciled to the profit per the consolidated statement of profit or loss as follows:

	Note	Year ended 31 December 2025	2024
Profit before tax		**323,689**	319,201
Tax calculated at applicable PRC statutory tax rate of 25%		**80,922**	79,800
Tax effect of income not taxable for tax purpose	(1)	**(69,598)**	(60,683)
Tax effect of costs, expenses and losses and others not deductible for tax purpose		**23,746**	21,228
Tax effect of perpetual bonds interest expense		**(3,375)**	(3,805)
Effect of different tax rates in other jurisdictions		**(9)**	(10)
Income tax expense		**31,686**	36,530

(1) Non-taxable income primarily includes interest income from PRC treasury bonds and municipal government bonds.

10 Dividends

	Notes	Year ended 31 December 2025	2024
Dividends on ordinary shares declared and unpaid			
Interim cash dividend related to 2025	(1)	**18,433**	–
Interim cash dividend related to 2024	(2)	**–**	40,738
Dividends on ordinary shares declared and paid			
Interim cash dividend related to 2025	(1)	**23,390**	–
Final cash dividend related to 2024	(2)	**43,923**	–
Cash dividend related to 2023	(3)	**–**	80,811
		85,746	121,549
Dividends on preference shares declared and paid	(4)	**3,584**	4,064
Interest on perpetual bonds declared and paid	(5)	**13,501**	15,219

(1) Distribution of dividend on ordinary shares for 2025

A final dividend of RMB0.1300 (tax inclusive) per ordinary share related to the year ended 31 December 2025 totalling RMB45,498 million (tax inclusive) has been proposed by the Board of Directors on 30 March 2026 and is subject to approval by the ordinary equity holders in the annual general meeting.

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

10 Dividends (Continued)

(1) Distribution of dividend on ordinary shares for 2025 (Continued)

The above dividend will be recognized as distribution after being approved in the annual general meeting.

A cash dividend of RMB0.1195 (tax inclusive) per ordinary share related to mid 2025, amounting to RMB41,823 million (tax inclusive) in total which accounts for 30% of the net profit attributable to equity holders of the bank in the half year of 2025 was approved as determined in accordance with the relevant accounting rules and financial regulations applicable to PRC enterprises (the "PRC GAAP"), at the 2025 second extraordinary general meeting held on 28 November 2025.

The above dividend was recognized during the year ended 31 December 2025, RMB23,390 million (tax inclusive) has been distributed in December 2025 and the remaining portion will be distributed subsequently.

(2) Distribution of dividend on ordinary shares for 2024

A cash dividend of RMB0.1164 (tax inclusive) per ordinary share related to mid 2024, amounting to RMB40,738 million (tax inclusive) in total was approved at the 2024 third extraordinary general meeting held on 29 November 2024.

The above dividend was recognized as distribution during the year ended 31 December 2024. The above dividend was distributed during the year ended 31 December 2025.

A final cash dividend of RMB0.1255 (tax inclusive) per ordinary share related to 2024, amounting to RMB43,923 million (tax inclusive) in total was approved at the 2024 general meeting held on 27 June 2025.

The above dividend was recognized as distribution and distributed during the year ended 31 December 2025.

(3) Distribution of dividend on ordinary shares for 2023

A cash dividend of RMB0.2309 (tax inclusive) per ordinary share related to 2023, amounting to RMB80,811 million (tax inclusive) in total was approved at the annual general meeting held on 21 May 2024.

The above dividend was recognized as distribution and distributed during the year ended 31 December 2024.

(4) Distribution of dividend on preference shares

Distribution of dividend on preference shares for 2025

A cash dividend at the dividend rate of 4.84% per annum related to the second tranche of preference shares of 2024 to 2025 amounting to RMB1,936 million (tax inclusive) in total was approved at the Board of Directors' Meeting held on 14 February 2025 and distributed on 11 March 2025.

A cash dividend at the dividend rate of 4.12% per annum related to the first tranche of preference shares of 2024 to 2025 amounting to RMB1,648 million (tax inclusive) in total was approved at the Board of Directors' Meeting held on 29 August 2025 and distributed on 5 November 2025.

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

10 Dividends (Continued)

(4) Distribution of dividend on preference shares (Continued)

Distribution of dividend on preference shares for 2024

A cash dividend at the dividend rate of 4.84% per annum related to the second tranche of preference shares of 2023 to 2024 amounting to RMB1,936 million (tax inclusive) in total was approved at the Board of Directors' Meeting held on 31 January 2024 and distributed on 11 March 2024.

A cash dividend at the dividend rate of 5.32% per annum related to the first tranche of preference shares of 2023 to 2024 amounting to RMB2,128 million (tax inclusive) in total was approved at the Board of Directors' Meeting held on 30 August 2024 and distributed on 5 November 2024.

(5) Distribution of interest on perpetual bonds

Distribution of interest on perpetual bonds for 2025

An interest at the interest rate of 3.49% per annum related to 2022 undated additional tier 1 capital bonds (first tranche) of RMB50 billion amounting to RMB1,745 million in total was declared on 20 February 2025 and distributed on 22 February 2025.

An interest at the interest rate of 2.73% per annum related to 2024 undated additional tier 1 capital bonds (first tranche) of RMB40 billion amounting to RMB1,092 million in total was declared on 4 March 2025 and distributed on 15 March 2025.

An interest at the interest rate of 3.48% per annum related to 2020 undated additional tier 1 capital bonds (first tranche) of RMB85 billion amounting to RMB2,958 million in total was declared on 2 April 2025 and distributed on 12 May 2025.

An interest at the interest rate of 2.46% per annum related to 2024 undated additional tier 1 capital bonds (second tranche) of RMB60 billion amounting to RMB1,476 million in total was declared on 20 May 2025 and distributed on 5 June 2025.

An interest at the interest rate of 4.50% per annum related to 2020 undated additional tier 1 capital bonds (second tranche) of RMB35 billion amounting to RMB1,575 million in total was declared on 23 July 2025 and distributed on 24 August 2025.

An interest at the interest rate of 3.21% per annum related to 2023 undated additional tier 1 capital bonds (first tranche) of RMB40 billion amounting to RMB1,284 million in total was declared on 19 August 2025 and distributed on 28 August 2025.

An interest at the interest rate of 3.17% per annum related to 2022 undated additional tier 1 capital bonds (second tranche) of RMB30 billion amounting to RMB951 million in total was declared on 25 August 2025 and distributed on 5 September 2025.

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

10 Dividends (Continued)

(5) ***Distribution of interest on perpetual bonds*** *(Continued)*

An interest at the interest rate of 3.76% per annum related to 2021 undated additional tier 1 capital bonds (first tranche) of RMB40 billion amounting to RMB1,504 million in total was declared on 7 November 2025 and distributed on 16 November 2025.

An interest at the interest rate of 2.29% per annum related to 2024 undated additional tier 1 capital bonds (third tranche) of RMB40 billion amounting to RMB916 million in total was declared on 20 November 2025 and distributed on 28 November 2025.

Distribution of interest on perpetual bonds for 2024

An interest at the interest rate of 3.49% per annum related to 2022 undated additional tier 1 capital bonds (first tranche) of RMB50 billion amounting to RMB1,745 million in total was declared on 20 February 2024 and distributed on 22 February 2024.

An interest at the interest rate of 3.48% per annum related to 2020 undated additional tier 1 capital bonds (first tranche) of RMB85 billion amounting to RMB2,958 million in total was declared on 10 May 2024 and distributed on 13 May 2024.

An interest at the interest rate of 4.39% per annum related to 2019 undated additional tier 1 capital bonds (first tranche) of RMB85 billion amounting to RMB3,732 million in total was declared on 8 August 2024 and distributed on 20 August 2024.

An interest at the interest rate of 4.50% per annum related to 2020 undated additional tier 1 capital bonds (second tranche) of RMB35 billion amounting to RMB1,575 million in total was declared on 14 August 2024 and distributed on 26 August 2024.

An interest at the interest rate of 3.21% per annum related to 2023 undated additional tier 1 capital bonds (first tranche) of RMB40 billion amounting to RMB1,284 million in total was declared on 14 August 2024 and distributed on 28 August 2024.

An interest at the interest rate of 3.17% per annum related to 2022 undated additional tier 1 capital bonds (second tranche) of RMB30 billion amounting to RMB951 million in total was declared on 20 August 2024 and distributed on 5 September 2024.

An interest at the interest rate of 4.20% per annum related to 2019 undated additional tier 1 capital bonds (second tranche) of RMB35 billion amounting to RMB1,470 million in total was declared on 27 August 2024 and distributed on 5 September 2024.

An interest at the interest rate of 3.76% per annum related to 2021 undated additional tier 1 capital bonds (first tranche) of RMB40 billion amounting to RMB1,504 million in total was declared on 14 November 2024 and distributed on 16 November 2024.

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

11 Earnings per share

The calculation of basic and diluted earnings per share is as follows:

	Year ended 31 December	
	2025	2024
Earnings:		
Profit for the year attributable to equity holders of the Bank	**291,041**	282,083
Less: profit for the year attributable to other equity instruments holders of the Bank	**(17,085)**	(19,283)
Profit for the year attributable to ordinary equity holders of the Bank	**273,956**	262,800
Number of shares:		
Weighted average number of ordinary shares in issue (in millions)	**349,983**	349,983
Basic and diluted earnings per share (RMB yuan)	**0.78**	0.75

For the years ended 31 December 2015 and 31 December 2014, the Bank issued two non-cumulative preference shares, respectively, and the specific terms are included in Note IV 33 Other equity instruments.

As of 31 December, 2025 and 31 December, 2024, the specific terms of the non-cumulative undated tier 1 capital bonds issued by the Bank are disclosed in Note IV 33 Other equity instruments.

For the purpose of calculating basic earnings per share, cash dividends of RMB3,584 million(tax inclusive) of non-cumulative preference shares declared in respect of the year of 2025 and interests of RMB13,501 million of non-cumulative undated tier 1 capital bonds in respect of 2025 were deducted from the profit for the year attributable to ordinary equity holders of the Bank (2024: cash dividends of RMB4,064 million (tax inclusive) of non-cumulative preference shares and interests of RMB15,219 million of non-cumulative undated tier 1 capital bonds).

The conversion feature of preference shares is considered to fall within contingently issuable ordinary shares. The triggering events of conversion did not occur for the years ended 31 December 2025 and 31 December 2024, and therefore the conversion feature of preference shares has no dilutive effect on earnings per share calculation.

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

12 Cash and balances with central banks

		As at 31 December	
	Notes	2025	2024
Cash		64,176	67,208
Mandatory reserve deposits with central banks	(1)	2,358,957	1,887,408
Surplus reserve deposits with central banks	(2)	254,309	46,885
Other deposits with central banks	(3)	123,335	131,855
Subtotal		2,800,777	2,133,356
Accrued interest		1,208	1,096
Total		2,801,985	2,134,452

(1) The Group places mandatory reserve deposits with the PBOC and overseas regulatory bodies. These include RMB reserve deposits and foreign currency reserve deposits that are not available for use in the Group's daily operations.

As at 31 December 2025, the mandatory deposit reserve ratios of the domestic branches of the Bank in respect of customer deposits denominated in RMB and foreign currencies were consistent with the requirement of the PBOC. The mandatory reserve funds placed with the central bank of domestic subsidiaries of the Group are determined by the PBOC. The amounts of mandatory reserve deposits placed with the central banks of those countries or regions outside Chinese mainland are determined by local jurisdictions.

(2) Surplus reserve deposits with central banks include funds for the purpose of cash settlement and other kinds of unrestricted deposits.

(3) Other deposits with central banks primarily represent fiscal deposits and foreign exchange risk reserve placed with the PBOC that are not available for use in the Group's daily operations.

13 Deposits with banks and other financial institutions

	As at 31 December	
	2025	2024
Deposits with:		
Domestic banks	383,117	518,355
Other domestic financial institutions	14,252	11,635
Overseas banks	58,238	40,621
Subtotal	455,607	570,611
Accrued interest	2,497	2,799
Allowance for impairment losses	(1,221)	(1,454)
Carrying amount	456,883	571,956

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

14 Placements with and loans to banks and other financial institutions

	As at 31 December	
	2025	2024
Placements with and loans to:		
Domestic banks	**96,965**	161,157
Other domestic financial institutions	**172,893**	119,800
Overseas banks and other financial institutions	**276,853**	247,172
Subtotal	**546,711**	528,129
Accrued interest	**3,340**	3,491
Allowance for impairment losses	**(1,670)**	(1,853)
Carrying amount	**548,381**	529,767

15 Derivative financial instruments and hedge accounting

The Group primarily enters into foreign exchange rate, interest rate and precious metal derivative contracts related to trading, asset and liability management, and customer initiated transactions.

The contractual/notional amounts and fair values of the derivative financial instruments entered into by the Group are set out in the following tables. The contractual/notional amounts of derivative financial instruments provide a basis for comparison with fair values of instruments recognized in the consolidated statement of financial position but do not necessarily indicate the amounts of future cash flows involved or the current fair values of the instruments and, therefore, do not indicate the Group's exposure to credit or market risks. The fair value of derivative instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest rates, foreign exchange rates or precious metal prices relative to their terms. The aggregated fair values of derivative financial assets and liabilities can fluctuate significantly in different periods.

Certain financial assets and financial liabilities of the Group are subject to enforceable master net arrangements or similar agreements. The agreement between the Group and the counterparty generally allows for net settlement of the relevant financial assets and financial liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and financial liabilities will be settled on a gross basis. However, each party to the master netting arrangements or similar agreements will have the option to settle all such amounts on a net basis in the event of default of the other party. The Group did not offset these financial assets and financial liabilities on a net basis. As at 31 December 2025 and 31 December 2024, the Group did not hold any other financial assets or liabilities, other than derivatives, that are subject to master netting arrangements or similar agreements.

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

15 Derivative financial instruments and hedge accounting (Continued)

	31 December 2025		
	Contractual/ notional amount	**Fair value**	
		Assets	**Liabilities**
Exchange rate derivatives			
Currency forwards and swaps, and cross-currency interest rate swaps	**5,131,369**	**29,478**	**(22,155)**
Currency options	**327,453**	**1,779**	**(923)**
Subtotal		**31,257**	**(23,078)**
Interest rate derivatives			
Interest rate swaps	**737,852**	**2,014**	**(1,585)**
Precious metal derivatives and others	**221,154**	**244**	**(20,381)**
Total		**33,515**	**(45,044)**

	31 December 2024		
	Contractual/ notional amount	Fair value	
		Assets	Liabilities
Exchange rate derivatives			
Currency forwards and swaps, and cross-currency interest rate swaps	3,858,877	59,145	(43,670)
Currency options	283,541	1,687	(2,428)
Subtotal		60,832	(46,098)
Interest rate derivatives			
Interest rate swaps	540,534	3,500	(2,551)
Precious metal derivatives and others	188,098	1,588	(9,497)
Total		65,920	(58,146)

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

15 Derivative financial instruments and hedge accounting (Continued)

Credit risk-weighted assets for derivative transaction counterparties represent the counterparty credit risk associated with derivative transactions and are calculated in accordance with the "Rules on Capital Management of Commercial Banks" issued by the NFRA which was effective from 1 January 2024, and are dependent on, among other factors, creditworthiness of customers and maturity characteristics of each type of contracts.

	As at 31 December	
	2025	2024
Counterparty credit default risk-weighted assets	**30,416**	31,440
Credit value adjustment risk-weighted assets	**8,218**	9,485
Central counterparties credit risk-weighted assets	**3,340**	2,346
Total	**41,974**	43,271

Fair value hedges

The following designated fair value hedging instruments are included in the derivative financial instruments disclosed above.

	31 December 2025		
	Contractual/ notional amount	**Fair value**	
		Assets	**Liabilities**
Interest rate swaps	**63,367**	**764**	**(392)**

	31 December 2024		
	Contractual/ notional amount	Fair value	
		Assets	Liabilities
Interest rate swaps	49,738	1,183	(199)

The Group uses interest rate swaps to hedge against changes arising from changes in interest rates in fair value of loans and advances to customers, debt instrument investments at amortized cost and other debt instrument investments at fair value through other comprehensive income.

The Group's net (losses)/gains on fair value hedges are as follow:

	Year ended 31 December	
	2025	2024
Net (losses)/gains on		
– hedging instruments	**(549)**	(24)
– hedged items	**508**	(3)
Ineffective portion recognized in net trading gains	**(41)**	(27)

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

15 Derivative financial instruments and hedge accounting (Continued)

Fair value hedges *(Continued)*

The following table shows maturity details with notional amount of hedging instruments disclosed above:

	Fair value hedges					
	Less than 1 month	1–3 months	3–12 months	1–5 years	Over 5 years	Total
31 December 2025	**266**	**2,300**	**12,207**	**41,668**	**6,926**	**63,367**
31 December 2024	129	144	2,586	41,536	5,343	49,738

The following table sets out the details of the hedged items covered by the Group's fair value hedging strategies:

	31 December 2025				
	Carrying amount of hedged items		Accumulated amount of fair value adjustments on the hedged items		Line items in the statement of financial position
	Assets	Liabilities	Assets	Liabilities	
Bonds	**60,908**	**–**	**(42)**	**–**	**Debt instrument investments at amortized cost and other debt instrument investments at fair value through other comprehensive income**
Loans	**2,466**	**–**	**(6)**	**–**	**Loans and advances to customers**
Total	**63,374**	**–**	**(48)**	**–**	

	31 December 2024				
	Carrying amount of hedged items		Accumulated amount of fair value adjustments on the hedged items		Line items in the statement of financial position
	Assets	Liabilities	Assets	Liabilities	
Bonds	46,821	–	–	–	Other debt instrument investments at fair value through other comprehensive income
Loans	2,528	–	(45)	–	Loans and advances to customers
Total	49,349	–	(45)	–	

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16 Financial assets held under resale agreements

	As at 31 December	
	2025	2024
Analyzed by collateral type:		
Debt securities	**1,471,558**	1,302,198
Bills	**94,119**	71,150
Subtotal	**1,565,677**	1,373,348
Accrued interest	**414**	424
Allowance for impairment losses	**(1,100)**	(2,201)
Carrying amount	**1,564,991**	1,371,571

The collateral received in connection with financial assets held under resale agreements is disclosed in Note IV 42 Contingent liabilities and commitments — Collateral.

17 Loans and advances to customers

17.1 Analyzed by measurement basis

		As at 31 December	
	Notes	**2025**	2024
Measured at amortized cost	(1)	**23,687,532**	22,159,675
Measured at fair value through other comprehensive income	(2)	**2,490,822**	1,817,338
Total		**26,178,354**	23,977,013

(1) Measured at amortized cost:

	As at 31 December	
	2025	*2024*
Corporate loans and advances		
Loans and advances	***15,318,002***	*14,208,469*
Personal loans	***9,273,822***	*8,830,444*
Subtotal	***24,591,824***	*23,038,913*
Accrued interest	***52,188***	*49,936*
Allowance for impairment losses	***(956,480)***	*(929,174)*
Carrying amount of loans and advances to customers measured at amortized cost	***23,687,532***	*22,159,675*

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17 Loans and advances to customers (Continued)

17.1 Analyzed by measurement basis (Continued)

(2) Measured at fair value through other comprehensive income:

	As at 31 December	
	2025	2024
Corporate loans and advances		
Loans and advances	***538,162***	*309,417*
Discounted bills	***1,952,660***	*1,507,921*
Carrying amount of loans and advances to customers measured at fair value through other comprehensive income	***2,490,822***	*1,817,338*

17.2 Analyzed by ECL assessment method

	31 December 2025			
	Stage I	**Stage II**	**Stage III**	
	12 months ECL	**Lifetime ECL**		**Total**
Gross loans and advances to customers measured at amortized cost	**23,827,107**	**473,621**	**343,284**	**24,644,012**
Allowance for impairment losses	**(593,495)**	**(111,650)**	**(251,335)**	**(956,480)**
Loans and advances to customers measured at amortized cost, net	**23,233,612**	**361,971**	**91,949**	**23,687,532**
Loans and advances to customers measured at fair value through other comprehensive income	**2,490,200**	**450**	**172**	**2,490,822**
Allowance for impairment losses of loans and advances to customers measured at fair value through other comprehensive income	**(48,038)**	**(90)**	**(172)**	**(48,300)**

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17 Loans and advances to customers (Continued)

17.2 Analyzed by ECL assessment method (Continued)

	31 December 2024			
	Stage I	Stage II	Stage III	
	12 months ECL	Lifetime ECL		Total
Gross loans and advances to customers measured at amortized cost	22,349,632	417,224	321,993	23,088,849
Allowance for impairment losses	(625,897)	(97,859)	(205,418)	(929,174)
Loans and advances to customers measured at amortized cost, net	21,723,735	319,365	116,575	22,159,675
Loans and advances to customers measured at fair value through other comprehensive income	1,803,322	13,844	172	1,817,338
Allowance for impairment losses of loans and advances to customers measured at fair value through other comprehensive income	(33,430)	(2,529)	(93)	(36,052)

The ECL for corporate loans and advances in Stage I and Stage II, as well as all personal loans, were measured in accordance with the risk parameters modelling method. The ECL for corporate loans and advances in Stage III were calculated using the discounted cash flow method. For details, see Note IV 44.1 Credit risk.

17.3 Analyzed by movements in loss allowance

The movements of loss allowance are mainly affected by:

— Transfers between stages due to loans and advances to customers experiencing significant increases (or decreases) in credit risk or becoming credit-impaired, and the corresponding transfer of the measurement basis of the loss allowance between 12 months and the entire lifetime ECL;

— Allowance for new loans and advances to customers recognized;

— Remeasurement includes the impact of changes in model assumptions, updates of model parameters, changes in probability of default and loss given default; changes in ECL due to transfer of loans and advances to customers between stages; changes in ECL due to unwinding of discount over time; changes in foreign exchange translations for assets denominated in foreign currencies and other movements;

— The reversal of allowances caused by repayment, transfer out and write-offs of loans and advances to customers.

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17 Loans and advances to customers (Continued)

17.3 Analyzed by movements in loss allowance (Continued)

The following table shows the impact of above factors on the allowance for impairment losses:

	Year ended 31 December 2025			
	Stage I	Stage II	Stage III	
Corporate loans and advances	12 months ECL (i)	Lifetime ECL (ii)		Total
1 January 2025	476,083	69,824	148,891	694,798
Transfer:				
Stage I to Stage II	(6,589)	6,589	–	–
Stage II to Stage III	–	(19,515)	19,515	–
Stage II to Stage I	11,317	(11,317)	–	–
Stage III to Stage II	–	12,273	(12,273)	–
Originated or purchased financial assets	139,614	–	–	139,614
Remeasurement	(39,347)	25,509	60,816	46,978
Repayment or transfer out	(83,289)	(13,210)	(24,106)	(120,605)
Write-offs	–	–	(37,468)	(37,468)
31 December 2025	497,789	70,153	155,375	723,317

	Year ended 31 December 2025			
	Stage I	Stage II	Stage III	
Personal loans	12 months ECL (iii)	Lifetime ECL (iv)		Total
1 January 2025	183,244	30,564	56,620	270,428
Transfer:				
Stage I to Stage II	(6,617)	6,617	–	–
Stage II to Stage III	–	(21,931)	21,931	–
Stage II to Stage I	8,788	(8,788)	–	–
Stage III to Stage II	–	2,385	(2,385)	–
Originated or purchased financial assets	65,693	–	–	65,693
Remeasurement	(39,165)	42,890	85,615	89,340
Repayment or transfer out	(68,199)	(10,150)	(10,348)	(88,697)
Write-offs	–	–	(55,301)	(55,301)
31 December 2025	143,744	41,587	96,132	281,463

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17 Loans and advances to customers (Continued)

17.3 Analyzed by movements in loss allowance (Continued)

The following table shows the impact of above factors on the allowance for impairment losses: (Continued)

	Year ended 31 December 2024			
	Stage I	Stage II	Stage III	
Corporate loans and advances	12 months ECL (v)	Lifetime ECL (vi)		Total
1 January 2024	461,708	68,916	148,403	679,027
Transfer:				
Stage I to Stage II	(8,078)	8,078	–	–
Stage II to Stage III	–	(20,447)	20,447	–
Stage II to Stage I	9,878	(9,878)	–	–
Stage III to Stage II	–	16,138	(16,138)	–
Originated or purchased financial assets	127,386	–	–	127,386
Remeasurement	(27,500)	19,693	54,848	47,041
Repayment or transfer out	(87,311)	(12,676)	(18,873)	(118,860)
Write-offs	–	–	(39,796)	(39,796)
31 December 2024	476,083	69,824	148,891	694,798

	Year ended 31 December 2024			
	Stage I	Stage II	Stage III	
Personal loans	12 months ECL (vii)	Lifetime ECL (viii)		Total
1 January 2024	171,622	25,807	37,462	234,891
Transfer:				
Stage I to Stage II	(5,519)	5,519	–	–
Stage II to Stage III	–	(19,073)	19,073	–
Stage II to Stage I	8,847	(8,847)	–	–
Stage III to Stage II	–	2,767	(2,767)	–
Originated or purchased financial assets	89,118	–	–	89,118
Remeasurement	(18,934)	33,114	65,904	80,084
Repayment or transfer out	(61,890)	(8,723)	(27,070)	(97,683)
Write-offs	–	–	(35,982)	(35,982)
31 December 2024	183,244	30,564	56,620	270,428

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17 Loans and advances to customers (Continued)

17.3 Analyzed by movements in loss allowance (Continued)

(i) In 2025, the changes of the Group's loss allowance of corporate loans and advances in Stage I were mainly driven by the net increase of about 11% in the book balance of the corporate loans and advances compared with 1 January 2025.

(ii) In 2025, the changes of the Group's loss allowance of corporate loans and advances in Stage II were mainly driven by an increase of about 5% in the book balance of the corporate loans and advances compared with 1 January 2025.

In 2025, the changes of Group's loss allowance of corporate loans and advances in Stage III were mainly driven by the increase of provision ratio of the Group's corporate loans and advances in Stage III. This impact was partially offset by the repayment, transfer out and write-offs of corporate loans and advances.

(iii) In 2025, the changes of the Group's loss allowance of personal loans in Stage I were mainly driven by the decrease of provision ratio of the Group's personal loans in Stage I.

(iv) In 2025, the changes in loss allowance of the Group's personal loans in Stage II were both driven by a net increase of nearly 19% in the corresponding gross amount and the increase of provision ratio in Stage II.

In 2025, the changes in loss allowance of the Group's personal loans in Stage III were mainly driven by both the net transfer between stages which led to a net increase of nearly 36% in the corresponding gross amount and increase in the provision ratio resulting from transfer of relevant loans and advances from Stage II to Stage III. This impact was partially offset by the repayment, transfer out and write-offs of relevant loans and advances.

(v) In 2024, the changes of the Group's loss allowance of corporate loans and advances in Stage I were mainly driven by the net increase of about 11% in the book balance of the corporate loans and advances compared with 1 January 2024.

(vi) In 2024, the changes of the Group's loss allowance of corporate loans and advances in Stage II were mainly driven by a small increase of the provision rate of the Group's corporate loans and advances in Stage II. There was no significant change in the gross amount of Stage II corporate loans and advances as of 31 December 2024 compared to 1 January 2024.

In 2024, the changes of Group's loss allowance of corporate loans and advances in Stage III were mainly driven by both the net transfer between stages which led to a net decrease of nearly 3% in the corresponding gross amount compared with 1 January 2024, and the increase of provision ratio caused by the transfer of relevant loans and advances from Stage II to Stage III. This impact was partially offset by the repayment, transfer out and write-offs of corporate loans and advances.

(vii) In 2024, the changes of the Group's loss allowance of personal loans in Stage I were mainly driven by the net increase of about 9% in the book balance of the personal loans compared with 1 January 2024.

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17 Loans and advances to customers (Continued)

17.3 Analyzed by movements in loss allowance (Continued)

(viii) In 2024, the changes in loss allowance of the Group's personal loans in Stage II were mainly driven by the net transfer between stages which led to a net increase of nearly 37% in the corresponding gross amount. This impact was partially offset by the decrease of provision ratio in Stage II.

In 2024, the changes in loss allowance of the Group's personal loans in Stage III were mainly driven by both the net transfer between stages which led to a net increase of nearly 54% in the corresponding gross amount and increase in the provision ratio resulting from transfer of relevant loans and advances from Stage II to Stage III. This impact was partially offset by the repayment, transfer out and write-offs of relevant loans and advances.

18 Financial investments

	Notes	As at 31 December	
		2025	2024
Financial assets at fair value through profit or loss	18.1	**556,994**	513,306
Debt instrument investments at amortized cost	18.2	**11,799,270**	9,905,633
Other debt instrument and other equity investments at fair value through other comprehensive income	18.3	**3,965,051**	3,430,164
Total		**16,321,315**	13,849,103

18.1 Financial assets at fair value through profit or loss

	Notes	As at 31 December	
		2025	2024
Financial assets held for trading	(1)	**208,170**	176,349
Financial assets designated at fair value through profit or loss	(2)	**–**	631
Other financial assets at fair value through profit or loss	(3)	**348,824**	336,326
Total		**556,994**	513,306
Analyzed as:			
Listed in Hong Kong		**7,550**	13,760
Listed outside Hong Kong	(i)	**381,650**	339,305
Unlisted		**167,794**	160,241
Total		**556,994**	513,306

(i) Debt securities traded on the China Domestic Inter-bank Bond Market are included in "Listed outside Hong Kong".

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

18 Financial investments (Continued)

18.1 Financial assets at fair value through profit or loss (Continued)

(1) Financial assets held for trading

	As at 31 December	
	2025	2024
Debt securities issued by:		
Governments	**16,543**	9,975
Public sector and quasi-governments	**65,844**	37,473
Financial institutions	**69,296**	48,523
Corporates	**6,054**	35,468
Subtotal	**157,737**	131,439
Precious metal contracts	**16,701**	20,967
Equity	**8,800**	7,174
Fund and others	**24,932**	16,769
Total	**208,170**	176,349

(2) Financial assets designated at fair value through profit or loss (ii)

	As at 31 December	
	2025	2024
Debt securities issued by:		
Financial institutions	**–**	469
Corporates	**–**	162
Total	**–**	631

(ii) In order to eliminate or significantly reduce accounting mismatches, the Group designates certain debt securities as financial assets at fair value through profit or loss.

(3) Other financial assets at fair value through profit or loss (iii)

	As at 31 December	
	2025	2024
Debt securities issued by:		
Public sector and quasi-governments	**11,903**	18,202
Financial institutions	**170,696**	163,561
Corporates	**938**	1,733
Subtotal	**183,537**	183,496
Equity	**121,263**	108,844
Fund and others	**44,024**	43,986
Total	**348,824**	336,326

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

18 Financial investments (Continued)

18.1 Financial assets at fair value through profit or loss (Continued)

(3) Other financial assets at fair value through profit or loss (iii) (Continued)

(iii) Other financial assets at fair value through profit or loss refer to financial assets that do not qualify for measurement at AC or FVOCI and are not held for trading, including bond investments, equity interests, funds, trust plans and asset management products of the Group.

18.2 Debt instrument investments at amortized cost

	Notes	As at 31 December 2025	2024
Debt securities issued by:			
Governments		**9,542,461**	7,325,911
Public sector and quasi-governments		**1,319,824**	1,552,603
Financial institutions		**219,265**	407,880
Corporates		**163,892**	79,527
Subtotal of debt securities		**11,245,442**	9,365,921
Receivable from the MOF	(i)	**290,891**	290,891
Special government bond	(ii)	**93,307**	93,315
Others	(iii)	**19,034**	21,888
Subtotal		**11,648,674**	9,772,015
Accrued interest		**170,555**	157,187
Allowance for impairment losses		**(19,959)**	(23,569)
Debt instrument investments at amortized cost, net		**11,799,270**	9,905,633
Analyzed as:			
Listed in Hong Kong		**17,386**	29,607
Listed outside Hong Kong	(iv)	**11,332,226**	9,448,580
Unlisted		**449,658**	427,446
Total		**11,799,270**	9,905,633

(i) The Group received a notice from the MOF in January 2020, clarifying that from 1 January 2020, the interest rate of the unpaid payments will be verified year by year based on the rate of return of the five-year treasury bond of the previous year.

(ii) Special government bond refers to the non-transferable bond issued by the MOF in 1998 in the aggregated principal amount of RMB93.3 billion to the Predecessor Entity for capital replenishment. The bond will mature in 2028 and bears interest at a fixed rate of 2.25% per annum, starting from 1 December 2008.

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

18 Financial investments (Continued)

18.2 Debt instrument investments at amortized cost (Continued)

(iii) Other debt instrument investments at amortized cost are primarily related to investment in unconsolidated structured entities held by the Group (Note IV 41(2)).

(iv) Debt securities traded on the China Domestic Inter-bank Bond Market are included in "Listed outside Hong Kong".

(1) Analyzed by ECL assessment method

	31 December 2025			
	Stage I	Stage II	Stage III	
	12 months ECL	Lifetime ECL		Total
Gross debt instrument investments at amortized cost	**11,817,243**	**306**	**1,680**	**11,819,229**
Allowance for impairment losses	**(18,823)**	**(9)**	**(1,127)**	**(19,959)**
Debt instrument investments at amortized cost, net	**11,798,420**	**297**	**553**	**11,799,270**

	31 December 2024			
	Stage I	Stage II	Stage III	
	12 months ECL	Lifetime ECL		Total
Gross debt instrument investments at amortized cost	9,927,191	599	1,412	9,929,202
Allowance for impairment losses	(22,546)	(16)	(1,007)	(23,569)
Debt instrument investments at amortized cost, net	9,904,645	583	405	9,905,633

Debt instrument investments at amortized cost in Stage II and Stage III mainly included corporates bonds and other debt instrument investments.

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

18 Financial investments (Continued)

18.2 Debt instrument investments at amortized cost (Continued)

(2) Analyzed by movements in loss allowance (v)

	Year ended 31 December 2025			
	Stage I	Stage II	Stage III	
	12 months ECL	Lifetime ECL		Total
1 January 2025	**22,546**	**16**	**1,007**	**23,569**
Transfer:				
Stage II to Stage III	**–**	**(14)**	**14**	**–**
Originated or purchased financial assets	**3,576**	**–**	**108**	**3,684**
Remeasurement	**(5,019)**	**7**	**222**	**(4,790)**
Maturities or transfer out	**(2,280)**	**–**	**–**	**(2,280)**
Write-offs	**–**	**–**	**(224)**	**(224)**
31 December 2025	**18,823**	**9**	**1,127**	**19,959**

	Year ended 31 December 2024			
	Stage I	Stage II	Stage III	
	12 months ECL	Lifetime ECL		Total
1 January 2024	13,253	–	1,289	14,542
Transfer:				
Stage I to Stage II	(4)	4	–	–
Originated or purchased financial assets	3,876	–	–	3,876
Remeasurement	6,335	12	5	6,352
Maturities or transfer out	(914)	–	(287)	(1,201)
31 December 2024	22,546	16	1,007	23,569

(v) As at 31 December 2025, the decreases of the Group's loss allowance of debt instrument investments at amortized cost were mainly due to the remeasurement and maturities or transfer out of remained debt instrument investments.

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

18 Financial investments (Continued)

18.3 Other debt instrument and other equity investments at fair value through other comprehensive income

		31 December 2025			
	Notes	**Amortized cost of debt instruments/ cost of equity instruments**	**Fair value**	**Cumulative amount of change in fair value that is accrued to other comprehensive income**	**Cumulative amount of impairment**
Other debt instrument investments	(1)	**3,884,637**	**3,933,954**	**49,317**	**(3,908)**
Other equity investments	(2)	**24,444**	**31,097**	**6,653**	**N/A**
Total		**3,909,081**	**3,965,051**	**55,970**	**(3,908)**

		31 December 2024			
	Notes	Amortized cost of debt instruments/ cost of equity instruments	Fair value	Cumulative amount of change in fair value that is accrued to other comprehensive income	Cumulative amount of impairment
Other debt instrument investments	(1)	3,336,449	3,418,609	82,160	(4,916)
Other equity investments	(2)	9,118	11,555	2,437	N/A
Total		3,345,567	3,430,164	84,597	(4,916)

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

18 Financial investments (Continued)

18.3 Other debt instrument and other equity investments at fair value through other comprehensive income (Continued)

(1) Other debt instrument investments

(a) Analyzed by types of issuers

	Note	As at 31 December 2025	As at 31 December 2024
Debt securities:			
Governments		**2,670,538**	1,890,398
Public sector and quasi-governments		**280,139**	268,036
Financial institutions		**770,771**	1,116,984
Corporates		**176,044**	109,288
Subtotal		**3,897,492**	3,384,706
Others	(i)	**5,427**	8,330
Subtotal of debt instruments		**3,902,919**	3,393,036
Accrued interest		**31,035**	25,573
Total		**3,933,954**	3,418,609
Analyzed as:			
Listed in Hong Kong		**132,156**	125,115
Listed outside Hong Kong		**3,679,024**	3,201,369
Unlisted		**122,774**	92,125
Total		**3,933,954**	3,418,609

(i) Others primarily include investments in unconsolidated structured entities held by the Group (Note IV 41(2)), such as trust investment plans and debt investment plans.

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

18 Financial investments (Continued)

18.3 Other debt instrument and other equity investments at fair value through other comprehensive income (Continued)

(1) Other debt instrument investments (Continued)

(b) Analyzed by ECL assessment method

	31 December 2025			
	Stage I	**Stage II**	**Stage III**	
	12 months ECL	**Lifetime ECL**		**Total**
Carrying amount of other debt instrument investments at fair value through other comprehensive income	**3,932,923**	**1,031**	**–**	**3,933,954**
Allowance for impairment losses	**(3,901)**	**(7)**	**–**	**(3,908)**

	31 December 2024			
	Stage I	Stage II	Stage III	
	12 months ECL	Lifetime ECL		Total
Carrying amount of other debt instrument investments at fair value through other comprehensive income	3,418,021	588	–	3,418,609
Allowance for impairment losses	(4,906)	(10)	–	(4,916)

Other debt instrument investments at fair value through other comprehensive income in Stage II mainly included corporates bonds and financial institutions bonds.

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

18 Financial investments (Continued)

18.3 Other debt instrument and other equity investments at fair value through other comprehensive income (Continued)

(1) Other debt instrument investments (Continued)

(c) Analyzed by movements in loss allowance (ii)

	Year ended 31 December 2025			
	Stage I	**Stage II**	**Stage III**	
	12 months ECL	**Lifetime ECL**		**Total**
1 January 2025	**4,906**	**10**	**–**	**4,916**
Transfer:				
Stage I to Stage II	**(1)**	**1**	**–**	**–**
Originated or purchased financial assets	**1,191**	**1**	**–**	**1,192**
Remeasurement	**(984)**	**(4)**	**–**	**(988)**
Maturities or transfer out	**(1,211)**	**(1)**	**–**	**(1,212)**
31 December 2025	**3,901**	**7**	**–**	**3,908**

	Year ended 31 December 2024			
	Stage I	Stage II	Stage III	
	12 months ECL	Lifetime ECL		Total
1 January 2024	3,848	7	15	3,870
Originated or purchased financial assets	1,705	–	–	1,705
Remeasurement	34	4	–	38
Maturities or transfer out	(681)	(1)	–	(682)
Write-offs	–	–	(15)	(15)
31 December 2024	4,906	10	–	4,916

(ii) As at 31 December 2025, the decreases of the Group's loss allowance of other debt instrument investments at fair value through other comprehensive income were mainly due to maturities or transfer out of debt instrument investments and the remeasurement of remained debt instrument investments.

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

18 Financial investments (Continued)

18.3 Other debt instrument and other equity investments at fair value through other comprehensive income (Continued)

(2) Other equity instruments

	As at 31 December	
	2025	2024
Financial institutions	**17,531**	8,775
Other enterprises	**13,566**	2,780
Total	**31,097**	11,555

The Group designates certain non-trading equity investments as financial investments at fair value through other comprehensive income. In 2025, dividend income from such equity investments of the Group was RMB499 million (2024: RMB213 million). The value of disposed of such equity investments was RMB110 million (2024: RMB785 million) and the cumulative gains transferred into retained earnings from other comprehensive income after disposal was RMB17 million (2024: cumulative gains of RMB5 million).

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

19 Investment in subsidiaries and structured entities

(1) Investment in subsidiaries

The following are the principal subsidiaries of the Bank as at 31 December 2025:

Name of entity	Notes	Date of incorporation/ establishment	Place of incorporation/ establishment	Authorized capital	Percentage of equity interest (%)	Percentage of voting rights (%)	Principal activities
China Agricultural Finance Co., Ltd.		1 November 1988	Hong Kong, PRC	HKD588,790,000	100.00	100.00	Investment holding
ABC International Holdings Limited	(i)	11 November 2009	Hong Kong, PRC	HKD4,759,853,614	100.00	100.00	Investment holding
ABC Financial Leasing Co., Ltd.		29 September 2010	Shanghai, PRC	RMB9,500,000,000	100.00	100.00	Financial leasing
ABC-CA Fund Management Co., Ltd.		18 March 2008	Shanghai, PRC	RMB1,750,000,001	51.67	51.67	Fund management
ABC Hexigten Rural Bank Limited Liability Company		12 August 2008	Inner Mongolia, PRC	RMB19,600,000	100.00	100.00	Banking
ABC Jixi Rural Bank Limited Liability Company		25 May 2010	Anhui, PRC	RMB29,400,000	100.00	100.00	Banking
ABC Ansai Rural Bank Limited Liability Company		30 March 2010	Shaanxi, PRC	RMB40,000,000	100.00	100.00	Banking
ABC Life Insurance Co., Ltd.	(ii)	19 December 2005	Beijing, PRC	RMB2,949,916,475	51.00	51.00	Life insurance
Agricultural Bank of China (Luxembourg) Limited		26 November 2014	Luxembourg, Luxembourg	EUR20,000,000	100.00	100.00	Banking
Agricultural Bank of China (Moscow) Limited		23 December 2014	Moscow, Russia	RUB7,556,038,271	100.00	100.00	Banking
ABC Financial Asset Investment Co., Ltd.		1 August 2017	Beijing, PRC	RMB20,000,000,000	100.00	100.00	Debt-to-equity swap and related services
Agricultural Bank of China Wealth Management Co., Ltd.		25 July 2019	Beijing, PRC	RMB12,000,000,000	100.00	100.00	Wealth management

During the year ended 31 December 2025, there were no changes in the proportion of equity interest or voting rights the Bank held in its subsidiaries other than ABC Hexigten Rural Bank Limited Liability Company, ABC Ansai Rural Bank Limited Liability Company and ABC Jixi Rural Bank Limited Liability Company.

(i) In 2025, the Bank invested HKD646 million in capital increase for ABC International Holdings Limited.

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

19 Investment in subsidiaries and structured entities (Continued)

(1) Investment in subsidiaries (Continued)

(ii) On 31 December 2012, the Bank acquired 51% of the issued share capital of Jiahe Life Insurance Co., Ltd. and renamed it as ABC Life Insurance Co., Ltd. ("ABC Life Insurance"). As at 31 December 2012, the Group recognized goodwill of RMB1,381 million as a result of this acquisition. During the year ended 31 December 2016, the Bank and other investors contributed additional capital totalling RMB3,761 million to ABC Life Insurance, comprising registered capital of RMB917 million and capital reserve of RMB2,844 million. After the capital injection, the proportion of equity interest and voting rights the Bank held in ABC Life Insurance remained at 51%.

The Bank tests the impairment of goodwill annually. When performing the impairment test, the Bank compares the carrying amount of the assets (including goodwill and the value of the mergers and acquisitions after deduction of amortization) with the recoverable amount. The excess of carrying amount over recoverable amount is recognized in profit or loss of the current period.

The recoverable amount of the assets is based on adjusted net assets, value of in-force business, value of one year of new business, new business multiplier, and other data approved by the management of ABC Life Insurance. The actuarial valuation method is applied and the risk discount rate, return on investment, valuation discount rate, and other assumptions adopted to forecast cash flows respectively reflect the specific risks associated with them.

As at 31 December 2025 and 31 December 2024, there was no objective evidence noted for any goodwill impairment, and no impairment loss was recognized.

(iii) With the approval of the NFRA, ABC Xiamen Tong'an Rural Bank Limited Liability Company, ABC Zhejiang Yongkang Rural Bank Limited Liability Company and ABC Hubei Hanchuan Rural Bank Limited Liability Company ceased operations and implemented dissolution in November 2025. Agricultural Bank of China has set up new branches at the original sites of three rural banks to undertake assets, liabilities, businesses and employees of the former rural banks.

(iv) In 2025, Agricultural Bank of China (UK) Limited has completed the dissolution procedures.

(2) Structured entities

The Group also consolidated structured entities as disclosed in Note IV 41 Structured entities.

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

20 Investment in associates and joint ventures

(1) Investment in associates

Name of entity	Notes	Date of establishment	Place of incorporation/ business	Authorized capital	Percentage of equity interest (%)	Percentage of voting rights (%)	Principal activities
Sino-Congolese Bank of Africa	(i)	2015	Brazzaville, Congo	XAF53,342,800,000	50.00	50.00	Bank
Shenzhen Yuanzhifuhai No.6 Investment Enterprise (Limited Partnership)	(ii)	2015	Guangdong, PRC	RMB313,000,000	31.95	33.33	Equity investment, investment management and investment advisory service
Beijing Guofa Aero Engine Industry Investment Fund Center (Limited Partnership)	(ii)	2018	Beijing, PRC	RMB6,343,200,000	15.61	11.11	Non-securities equity investment activities and related advisory services
Xinyuan (Beijing) Debt-to-Equity Special Equity Investment Center (Limited Partnership)	(ii)	2020	Beijing, PRC	RMB11,524,196,644.54	30.58	14.29	Equity investment
National Green Development Fund Co., Ltd.	(iii)	2020	Shanghai, PRC	RMB88,500,000,000	9.04	9.04	Equity investment, project investment and investment management
National Social Endowment Insurance Co., Ltd.	(iv)	2022	Beijing, PRC	RMB11,377,551,020	8.79	8.79	Insurance
BNP Paribas ABC Wealth Management Co., Ltd.	(iv)	2023	Shanghai, PRC	RMB1,000,000,000	49.00	49.00	Wealth management
China Integrated Circuit Industry Investment Fund Phase III Co., Ltd.	(v)	2024	Beijing, PRC	RMB344,000,000,000	6.25	6.25	Equity investment, investment management and asset management
Guofeng Xinghua Honghu Zhiyuan Phase III Private Equity Investment Fund No. 3	(vi)	2025	Beijing, PRC	RMB2,500,000,000	40.00	40.00	Equity investment

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

20 Investment in associates and joint ventures (Continued)

(1) Investment in associates (Continued)

(i) On 28 May 2015, the Sino-Congolese Bank of Africa (La Banque Sino-Congolaise pour I'Afrique, hereinafter referred to as BSCA. Bank), established by the Bank and other investors with authorized capital denominated in Central African CFA franc ("XAF"), was granted the required banking license by the local regulatory authority. The Bank holds 50% equity interest and voting rights in BSCA. Bank, and has the right to participate in the financial and operational decisions of BSCA. Bank, but does not constitute control or joint control over those decisions.

(ii) The Bank's wholly-owned subsidiary, ABC Financial Asset Investment Co., Ltd. and other investors invested in the above-mentioned enterprises. The Group has the right to participate in the financial and operational decisions of these enterprises, but does not constitute control or joint control over those decisions.

(iii) The Bank was approved to participate in the investment in National Green Development Fund Co., Ltd. in 2021. The Bank holds 9.04% equity interest and has the right to participate in the financial and operational decisions, but does not constitute control or joint control over those decisions.

(iv) The Bank's wholly-owned subsidiary, Agricultural Bank of China Wealth Management Co., Ltd. and other investors invested in the above-mentioned enterprises. The Group has the right to participate in the financial and operational decisions of these enterprises, but does not constitute control or joint control over those decisions.

(v) The Bank was approved to participate in the investment in China Integrated Circuit Industry Investment Fund Phase III Co., Ltd. in 2024. The Bank holds 6.25% equity interest and has the right to participate in the financial and operational decisions, but does not constitute control or joint control over those decisions.

(vi) The Bank's subsidiary, ABC Life Insurance Co., Ltd. and other investors invested in the above-mentioned enterprises. The Group has the right to participate in the financial and operational decisions, but does not constitute control or joint control over those decisions.

(vii) The interests of the Group in the above-mentioned associates do not have a significant impact on the Group.

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

20 Investment in associates and joint ventures (Continued)

(2) Investment in joint ventures

Name of entity	Date of establishment	Place of incorporation/ business	Authorized capital	Percentage of equity interest (%)	Percentage of voting rights (%)	Principal activities
Jiangsu Jiequansuihe State-owned Enterprise Mixed Ownership Reform Fund (Limited Partnership)	2018	Jiangsu, PRC	RMB1,000,000,000	69.00	28.57	Equity investment, debt-to-equity and related supporting services
Nongjin Gaotou (Hubei) Debt-to-Equity Investment Fund (Limited Partnership)	2018	Hubei, PRC	RMB500,000,000	74.00	33.33	Non-securities equity investment activities and related advisory services
Jiaxing Suihe New Silk Road Investment Fund (Limited Partnership)	2018	Zhejiang, PRC	RMB1,500,000,000	66.67	50.00	Industrial investment and equity investment
Inner Mongolia Mengxingzhuli Development Fund Investment Center (Limited Partnership)	2018	Inner Mongolia, PRC	RMB2,000,000,000	50.00	50.00	Equity investment, investment management and investment advisory service
Jianyuan Infrastructure Equity Investment (Tianjin) Fund (Limited Partnership)	2019	Tianjin, PRC	RMB3,500,000,000	20.00	20.00	Equity investment and investment management
Shaanxi Suihe Equity Investment Fund Partnership (Limited Partnership)	2019	Shaanxi, PRC	RMB1,000,000,000	50.00	50.00	Equity investment

The wholly-owned subsidiary of the Bank, ABC Financial Asset Investment Co., Ltd. and other investors established the above-mentioned entities. According to the agreements, matters considered at the Meeting of Partners or investment decision-making committee shall be approved by the unanimous consent of all the partners or all the committee members. The Group constitutes joint control over the financial and operational decisions of these limited partnerships with the other investors.

The interests of the Group in the above-mentioned joint ventures do not have a significant impact on the Group.

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

21 Property and equipment

	Buildings	Machinery and equipment	Motor vehicles	Construction in progress	Total
Cost:					
1 January 2025	**200,806**	**73,209**	**19,449**	**13,715**	**307,179**
Additions	**2,898**	**10,698**	**2,363**	**7,183**	**23,142**
Transfers in/(out)	**7,457**	**3,771**	**864**	**(12,092)**	**–**
Disposals and other movements	**(1,820)**	**(9,387)**	**(536)**	**(415)**	**(12,158)**
31 December 2025	**209,341**	**78,291**	**22,140**	**8,391**	**318,163**
Accumulated depreciation:					
1 January 2025	**(95,947)**	**(51,308)**	**(5,122)**	**–**	**(152,377)**
Charge for the year	**(7,555)**	**(7,327)**	**(1,090)**	**–**	**(15,972)**
Disposals and other movements	**1,191**	**5,364**	**429**	**–**	**6,984**
31 December 2025	**(102,311)**	**(53,271)**	**(5,783)**	**–**	**(161,365)**
Allowance for impairment losses:					
1 January 2025	**(256)**	**(6)**	**(22)**	**(34)**	**(318)**
Disposals and other movements	**34**	**–**	**–**	**–**	**34**
31 December 2025	**(222)**	**(6)**	**(22)**	**(34)**	**(284)**
Carrying amount:					
1 January 2025	**104,603**	**21,895**	**14,305**	**13,681**	**154,484**
31 December 2025	**106,808**	**25,014**	**16,335**	**8,357**	**156,514**

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

21 Property and equipment (Continued)

	Buildings	Machinery and equipment	Motor vehicles	Construction in progress	Total
Cost:					
1 January 2024	198,006	73,344	16,452	12,386	300,188
Additions	2,680	5,746	3,187	6,412	18,025
Transfers in/(out)	2,977	2,039	–	(5,016)	–
Disposals and other movements	(2,857)	(7,920)	(190)	(67)	(11,034)
31 December 2024	200,806	73,209	19,449	13,715	307,179
Accumulated depreciation:					
1 January 2024	(89,514)	(49,003)	(4,588)	–	(143,105)
Charge for the year	(7,367)	(7,462)	(854)	–	(15,683)
Disposals and other movements	934	5,157	320	–	6,411
31 December 2024	(95,947)	(51,308)	(5,122)	–	(152,377)
Allowance for impairment losses:					
1 January 2024	(261)	(27)	(22)	(34)	(344)
Impairment loss	–	(0)	–	–	(0)
Disposals and other movements	5	21	–	–	26
31 December 2024	(256)	(6)	(22)	(34)	(318)
Carrying amount:					
1 January 2024	108,231	24,314	11,842	12,352	156,739
31 December 2024	104,603	21,895	14,305	13,681	154,484

According to the relevant laws and regulations, subsequent to the Bank's transformation into a joint stock company, the legal title of properties previously held by the Predecessor Entity are to be transferred to the Bank. As at 31 December 2025, the registration transfer process of these transferred properties and other certain properties has not been completed. Management believes that the incomplete registration transfer process does not affect the rights of the Bank as the legal successor to those assets or adversely affect the Bank's operation.

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22 Deferred taxation

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following is the analysis of the deferred tax balances:

	As at 31 December	
	2025	2024
Deferred tax assets	**150,040**	148,009
Deferred tax liabilities	**(1,458)**	(309)
Net	**148,582**	147,700

(1) The following are the movements and major deferred tax assets and liabilities recognized:

	Allowance for impairment losses	**Accrued but unpaid staff cost**	**Early retirement benefits**	**Provision**	**Fair value changes of financial instruments**	**Others**	**Total**
1 January 2025	**152,019**	**18,944**	**101**	**8,917**	**(35,642)**	**3,361**	**147,700**
Credit/(charge) to the consolidated statement of profit or loss	**2,818**	**1,716**	**(25)**	**(2,534)**	**(6,462)**	**(1,455)**	**(5,942)**
Credit/(charge) to other comprehensive income	**–**	**–**	**–**	**–**	**4,489**	**(525)**	**3,964**
Others	**–**	**–**	**–**	**–**	**–**	**2,860**	**2,860**
31 December 2025	**154,837**	**20,660**	**76**	**6,383**	**(37,615)**	**4,241**	**148,582**

	Allowance for impairment losses	Accrued but unpaid staff cost	Early retirement benefits	Provision	Fair value changes of financial instruments	Others	Total
1 January 2024	151,050	16,714	134	10,919	(19,007)	926	160,736
Credit/(charge) to the consolidated statement of profit or loss	969	2,230	(33)	(2,002)	(1,061)	(709)	(606)
(Charge)/credit to other comprehensive income	–	–	–	–	(15,574)	3,144	(12,430)
31 December 2024	152,019	18,944	101	8,917	(35,642)	3,361	147,700

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22 Deferred taxation (Continued)

(2) Deferred tax assets/(liabilities) and related temporary differences, before offsetting qualifying amounts, are attributable to the following items:

	31 December 2025		31 December 2024	
	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)
Deferred tax assets				
Allowance for impairment losses	619,410	154,837	608,108	152,019
Fair value changes of financial instruments	115,186	28,794	90,239	22,556
Accrued but unpaid staff cost	82,638	20,660	75,777	18,944
Provision	25,528	6,383	35,669	8,917
Early retirement benefits	306	76	404	101
Others	42,630	10,656	24,035	6,007
Subtotal	885,698	221,406	834,232	208,544
Deferred tax liabilities				
Fair value changes of financial instruments	(265,890)	(66,409)	(233,013)	(58,198)
Others	(25,684)	(6,415)	(10,609)	(2,646)
Subtotal	(291,574)	(72,824)	(243,622)	(60,844)
Net	594,124	148,582	590,610	147,700

23 Other assets

	Notes	As at 31 December 2025	2024
Accounts receivable and temporary payments		276,843	247,297
Land use rights	(1)	17,396	18,479
Right-of-use assets	(2)	10,952	11,109
Intangible assets	(3)	11,457	10,626
Interest receivable		5,001	4,479
Long-term deferred expenses		3,091	3,211
Investment properties		2,525	2,247
Foreclosed assets		1,380	1,207
Reinsurance contract assets		378	301
Others		8,270	9,938
Total		337,293	308,894

(1) According to relevant laws and regulations, subsequent to the Bank's transformation into a joint stock company, land use rights previously held by the Predecessor Entity are to be transferred to the Bank. As at 31 December 2025, the registration transfer process of certain land use rights has not been completed. Management believes that the incomplete registration transfer process does not affect the rights of the Bank as the legal successor to those land use rights.

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

23 Other assets (Continued)

(2) *Right-of-use assets*

	Buildings	Others	Total
Cost:			
1 January 2025	23,758	130	23,888
Additions	4,567	26	4,593
Other movements	(3,612)	(25)	(3,637)
31 December 2025	24,713	131	24,844
Accumulated depreciation:			
1 January 2025	(12,686)	(93)	(12,779)
Additions	(3,924)	(16)	(3,940)
Other movements	2,806	21	2,827
31 December 2025	(13,804)	(88)	(13,892)
Carrying amount:			
1 January 2025	11,072	37	11,109
31 December 2025	10,909	43	10,952

	Buildings	Others	Total
Cost:			
1 January 2024	22,941	135	23,076
Additions	3,960	12	3,972
Other movements	(3,143)	(17)	(3,160)
31 December 2024	23,758	130	23,888
Accumulated depreciation:			
1 January 2024	(11,488)	(86)	(11,574)
Additions	(3,877)	(21)	(3,898)
Other movements	2,679	14	2,693
31 December 2024	(12,686)	(93)	(12,779)
Carrying amount:			
1 January 2024	11,453	49	11,502
31 December 2024	11,072	37	11,109

(3) *In 2025, the Group's capitalized research and development expenditure amounted to RMB2,611 million (2024: RMB2,268 million), and the Group's capitalized research and development expenditure of the projects that had been closed and transferred to intangible assets amounted to RMB2,894 million (2024: RMB1,591 million).*

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

24 Borrowings from central banks

	As at 31 December	
	2025	2024
Borrowings from central banks	**1,118,035**	836,668
Accrued interest	**9,436**	10,656
Total	**1,127,471**	847,324

25 Deposits from banks and other financial institutions

	As at 31 December	
	2025	2024
Deposits from:		
Domestic banks	**1,060,475**	301,737
Other domestic financial institutions	**4,871,341**	4,272,991
Overseas banks	**5,299**	4,399
Other overseas financial institutions	**60,876**	59,739
Subtotal	**5,997,991**	4,638,866
Accrued interest	**39,768**	28,695
Total	**6,037,759**	4,667,561

26 Placements from banks and other financial institutions

	As at 31 December	
	2025	2024
Placements from:		
Domestic banks and other financial institutions	**139,991**	112,502
Overseas banks and other financial institutions	**209,270**	248,311
Subtotal	**349,261**	360,813
Accrued interest	**2,300**	3,209
Total	**351,561**	364,022

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

27 Financial liabilities at fair value through profit or loss

	As at 31 December	
	2025	2024
Financial liabilities held for trading		
Precious metal contracts	**32,586**	15,254
Financial liabilities designated at fair value through profit or loss		
Liabilities of the controlled structured entities	**923**	587
Total	**33,509**	15,841

For the current and prior year, there were no significant changes in the fair value of the Group's financial liabilities designated at fair value through profit or loss attributable to the changes in the Group's own credit risk.

28 Financial assets sold under repurchase agreements

	As at 31 December	
	2025	2024
Analyzed by type of collateral:		
Debt securities	**1,443,663**	611,013
Bills	**5,410**	3,522
Subtotal	**1,449,073**	614,535
Accrued interest	**4,769**	1,190
Total	**1,453,842**	615,725

The collateral pledged under repurchase agreements is disclosed in Note IV 42 Contingent liabilities and commitments – Collateral.

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

29 Due to customers

	Note	As at 31 December	
		2025	2024
Demand deposits			
Corporate customers		**5,213,865**	5,233,764
Individual customers		**7,400,130**	6,942,779
Time deposits			
Corporate customers		**5,232,410**	4,989,108
Individual customers		**13,371,657**	11,760,561
Pledged deposits	(1)	**778,930**	708,129
Others		**148,715**	152,338
Subtotal		**32,145,707**	29,786,679
Accrued interest		**504,240**	518,678
Total		**32,649,947**	30,305,357

(1) Analyzed by activity to which pledged deposits are related to:

	As at 31 December	
	2025	2024
Bank acceptance	**446,992**	405,425
Letters of credit	**77,780**	58,127
Letters of guarantee and guarantees	**39,364**	43,724
Trade finance	**17,354**	71,186
Others	**197,440**	129,667
Total	**778,930**	708,129

(2) As at 31 December 2025, due to customers measured at amortized cost of the Group amounted to RMB32,571,085 million (31 December 2024: RMB30,277,605 million), due to customers measured at fair value through profit or loss of the Group amounted to RMB78,862 million (31 December 2024: RMB27,752 million). As at 31 December 2025 and 31 December 2024, the difference between the fair value of the structured deposits designated at fair value through profit or loss issued by the Group and the contractual amount payable to the holders of these products upon maturity was not material.

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

30 Debt securities issued

		As at 31 December	
	Notes	**2025**	2024
Bonds issued	(1)	**1,056,075**	680,217
Certificates of deposit issued	(2)	**352,445**	375,031
Other debt securities issued	(3)	**1,839,674**	1,610,049
Subtotal		**3,248,194**	2,665,297
Accrued Interest		**15,693**	13,212
Total		**3,263,887**	2,678,509

As at 31 December 2025 and 31 December 2024, there was no default on the principal, interest or redemption related to any debt securities issued by the Group.

(1) Bonds issued

		As at 31 December	
	Notes	**2025**	2024
2.40% CNY fixed rate Green Bonds maturing in October 2025	(i)	**–**	15,000
1.85% CNY fixed rate Green Bonds maturing in February 2028	(ii)	**50,000**	–
2.80% CNY fixed rate Green Bonds maturing in October 2027	(iii)	**5,000**	5,000
1.88% CNY fixed rate Green Bonds maturing in February 2030	(iv)	**10,000**	–
1.25% USD fixed rate Green Bonds maturing in January 2026	(v)	**2,109**	2,157
2.00% USD fixed rate Green Bonds maturing in January 2027	(vi)	**2,109**	2,157
7-day reverse repurchase rate+0.40% CNY float rate Green Bonds maturing in August 2028	(vii)	**6,000**	–
SOFR+0.63% USD float rate Green Bonds maturing in November 2026	(viii)	**2,109**	2,157
3.10% Tier-two capital fixed rate bonds maturing in April 2030	(ix)	**–**	40,000
3.45% Tier-two capital fixed rate bonds maturing in June 2032	(x)	**40,000**	40,000
3.03% Tier-two capital fixed rate bonds maturing in September 2032	(xi)	**50,000**	50,000

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

30 Debt securities issued (Continued)

(1) Bonds issued (Continued)

	Notes	As at 31 December	
		2025	2024
3.49% Tier-two capital fixed rate bonds maturing in March 2033	(xii)	**45,000**	45,000
3.25% Tier-two capital fixed rate bonds maturing in September 2033	(xiii)	**30,000**	30,000
3.45% Tier-two capital fixed rate bonds maturing in October 2033	(xiv)	**30,000**	30,000
2.76% Tier-two capital fixed rate bonds maturing in February 2034	(xv)	**35,000**	35,000
2.32% Tier-two capital fixed rate bonds maturing in April 2034	(xvi)	**30,000**	30,000
1.93% Tier-two capital fixed rate bonds maturing in June 2035	(xvii)	**35,000**	–
1.92% Tier-two capital fixed rate bonds maturing in July 2035	(xviii)	**40,000**	–
2.18% Tier-two capital fixed rate bonds maturing in September 2035	(xix)	**35,000**	–
2.14% Tier-two capital fixed rate bonds maturing in November 2035	(xx)	**32,000**	–
4.53% Tier-two capital fixed rate bonds maturing in March 2034	(xxi)	**10,000**	10,000
4.63% Tier-two capital fixed rate bonds maturing in April 2034	(xxii)	**20,000**	20,000
3.65% Tier-two capital fixed rate bonds maturing in June 2037	(xxiii)	**20,000**	20,000
3.34% Tier-two capital fixed rate bonds maturing in September 2037	(xxiv)	**20,000**	20,000
3.61% Tier-two capital fixed rate bonds maturing in March 2038	(xxv)	**25,000**	25,000
3.35% Tier-two capital fixed rate bonds maturing in September 2038	(xxvi)	**30,000**	30,000
3.55% Tier-two capital fixed rate bonds maturing in October 2038	(xxvii)	**30,000**	30,000
2.80% Tier-two capital fixed rate bonds maturing in February 2039	(xxviii)	**35,000**	35,000
2.49% Tier-two capital fixed rate bonds maturing in April 2039	(xxix)	**30,000**	30,000
2.10% Tier-two capital fixed rate bonds maturing in June 2040	(xxx)	**25,000**	–

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

30 Debt securities issued (Continued)

(1) Bonds issued (Continued)

		As at 31 December	
	Notes	**2025**	2024
2.12% Tier-two capital fixed rate bonds maturing in July 2040	(xxxi)	**20,000**	–
2.50% Tier-two capital fixed rate bonds maturing in September 2040	(xxxii)	**25,000**	–
2.40% Tier-two capital fixed rate bonds maturing in November 2040	(xxxiii)	**3,000**	–
Medium term notes issued	(xxxiv)	**38,919**	41,887
2.65% fixed rate financial bonds maturing in June 2026	(xxxv)	**20,000**	20,000
1.74% fixed rate financial bonds maturing in January 2028	(xxxvi)	**30,000**	–
1.65% fixed rate financial bonds maturing in May 2028	(xxxvii)	**20,000**	–
1.84% fixed rate financial bonds maturing in January 2030	(xxxviii)	**10,000**	–
2.18% fixed rate Total Loss-Absorbing Capacity non-capital bonds maturing in August 2028	(xxxix)	**35,000**	35,000
1.83% fixed rate Total Loss-Absorbing Capacity non-capital bonds maturing in June 2029	(xl)	**15,000**	–
1.85% fixed rate Total Loss-Absorbing Capacity non-capital bonds maturing in August 2029	(xli)	**30,000**	–
2.02% fixed rate Total Loss-Absorbing Capacity non-capital bonds maturing in November 2029	(xlii)	**14,000**	–
2.24% fixed rate Total Loss-Absorbing Capacity non-capital bonds maturing in August 2030	(xliii)	**10,000**	10,000
1.87% fixed rate Total Loss-Absorbing Capacity non-capital bonds maturing in June 2031	(xliv)	**3,000**	–
1.93% fixed rate Total Loss-Absorbing Capacity non-capital bonds maturing in August 2031	(xlv)	**5,000**	–
2.12% fixed rate Total Loss-Absorbing Capacity non-capital bonds maturing in November 2031	(xlvi)	**3,000**	–
2.39% fixed rate Total Loss-Absorbing Capacity non-capital bonds maturing in August 2035	(xlvii)	**5,000**	5,000
2.06% fixed rate Total Loss-Absorbing Capacity non-capital bonds maturing in June 2036	(xlviii)	**12,000**	–
2.15% fixed rate Total Loss-Absorbing Capacity non-capital bonds maturing in August 2036	(xlix)	**15,000**	–
2.50% fixed rate Total Loss-Absorbing Capacity non-capital bonds maturing in November 2036	(l)	**3,000**	–

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

30 Debt securities issued (Continued)

(1) Bonds issued (Continued)

	Notes	As at 31 December	
		2025	2024
2.80% fixed rate financial bonds maturing in November 2026	(li)	**2,400**	2,400
2.50% fixed rate financial bonds maturing in February 2027	(lii)	**3,000**	2,890
2.25% fixed rate financial bonds maturing in April 2027	(liii)	**2,000**	1,600
2.70% fixed rate corporate bonds maturing in April 2027	(liv)	**1,300**	1,300
2.40% fixed rate corporate bonds maturing in June 2027	(lv)	**2,700**	2,700
2.75% fixed rate corporate bonds maturing in March 2025	(lvi)	**–**	6,000
3.60% fixed rate capital replenishment bonds maturing in March 2025	(lvii)	**–**	1,500
3.67% fixed rate capital replenishment bonds maturing in March 2033	(lviii)	**3,500**	3,500
Total nominal value		**1,056,146**	680,248
Less: Unamortized issuance cost and discounts		**(71)**	(31)
Total		**1,056,075**	680,217

Pursuant to the approval by relevant regulatory authorities, the bonds issued by the Group are set out as below:

(i) The CNY green bonds issued in October 2022 have a maturity of 3 years, with a fixed coupon rate 2.40%, payable annually. The bonds matured on 24 October 2025.

(ii) The CNY green bonds issued in February 2025 have a maturity of 3 years, with a fixed coupon rate 1.85%, payable annually.

(iii) The CNY green bonds issued in October 2022 have a maturity of 5 years, with a fixed coupon rate 2.80%, payable annually.

(iv) The CNY green bonds issued in February 2025 have a maturity of 5 years, with a fixed coupon rate 1.88%, payable annually.

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

30 Debt securities issued (Continued)

(1) Bonds issued (Continued)

(v) The USD green bonds issued in January 2021 have a maturity of 5 years, with a fixed coupon rate 1.25%, payable semi-annually.

(vi) The USD green bonds issued in January 2022 have a maturity of 5 years, with a fixed coupon rate 2.00%, payable semi-annually.

(vii) The CNY green bonds issued in August 2025 have a maturity of 3 years, with a float coupon rate 7-day reverse repurchase rate+0.40%, payable quarterly.

(viii) The USD green bonds issued in November 2023 have a maturity of 3 years, with a float coupon rate SOFR+0.63%, payable quarterly.

(ix) The Tier-two capital bonds issued in April 2020 have a maturity of 10 years, with a fixed coupon rate 3.10%, payable annually. The Bank has an option to redeem part or all of the bonds at face value in May 2025 if specified redemption conditions as stipulated in the offering documents were met, subject to regulatory recognition. These Tier-two capital bonds have the write-down feature of a Tier-two capital instrument and they are qualified as Tier-two Capital Instruments in accordance with the NFRA requirements. The Bank redeemed all of the bonds at face value on 6 May 2025.

(x) The Tier-two capital bonds issued in June 2022 have a maturity of 10 years, with a fixed coupon rate 3.45%, payable annually. The Bank has an option to redeem part or all of the bonds at face value in June 2027 if specified redemption conditions as stipulated in the offering documents were met, subject to regulatory recognition. These Tier-two capital bonds have the write-down feature of a Tier-two capital instrument and they are qualified as Tier-two Capital Instruments in accordance with the NFRA requirements.

(xi) The Tier-two capital bonds issued in September 2022 have a maturity of 10 years, with a fixed coupon rate of 3.03% payable annually. The Bank has an option to redeem part or all of the bonds at face value in September 2027 if specified redemption conditions as stipulated in the offering documents were met, subject to regulatory recognition. These Tier-two capital bonds have the write-down feature of a Tier-two capital instrument and they are qualified as Tier-two Capital Instruments in accordance with the NFRA requirements.

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

30 Debt securities issued (Continued)

(1) Bonds issued (Continued)

(xii) The Tier-two capital bonds issued in March 2023 have a maturity of 10 years, with a fixed coupon rate of 3.49% payable annually. The Bank has an option to redeem part or all of the bonds at face value in March 2028 if specified redemption conditions as stipulated in the offering documents were met, subject to regulatory recognition. These Tier-two capital bonds have the write-down feature of a Tier-two capital instrument and they are qualified as Tier-two Capital Instruments in accordance with the NFRA requirements.

(xiii) The Tier-two capital bonds issued in September 2023 have a maturity of 10 years, with a fixed coupon rate of 3.25% payable annually. The Bank has an option to redeem part or all of the bonds at face value in September 2028 if specified redemption conditions as stipulated in the offering documents were met, subject to regulatory recognition. These Tier-two capital bonds have the write-down feature of a Tier-two capital instrument and they are qualified as Tier-two Capital Instruments in accordance with the NFRA requirements.

(xiv) The Tier-two capital bonds issued in October 2023 have a maturity of 10 years, with a fixed coupon rate of 3.45% payable annually. The Bank has an option to redeem part or all of the bonds at face value in October 2028 if specified redemption conditions as stipulated in the offering documents were met, subject to regulatory recognition. These Tier-two capital bonds have the write-down feature of a Tier-two capital instrument and they are qualified as Tier-two Capital Instruments in accordance with the NFRA requirements.

(xv) The Tier-two capital bonds issued in February 2024 have a maturity of 10 years, with a fixed coupon rate of 2.76% payable annually. The Bank has an option to redeem part or all of the bonds at face value in February 2029 if specified redemption conditions as stipulated in the offering documents were met, subject to regulatory recognition. These Tier-two capital bonds have the write-down feature of a Tier-two capital instrument and they are qualified as Tier-two Capital Instruments in accordance with the NFRA requirements.

(xvi) The Tier-two capital bonds issued in April 2024 have a maturity of 10 years, with a fixed coupon rate of 2.32% payable annually. The Bank has an option to redeem part or all of the bonds at face value in April 2029 if specified redemption conditions as stipulated in the offering documents were met, subject to regulatory recognition. These Tier-two capital bonds have the write-down feature of a Tier-two capital instrument and they are qualified as Tier-two Capital Instruments in accordance with the NFRA requirements.

(xvii) The Tier-two capital bonds issued in June 2025 have a maturity of 10 years, with a fixed coupon rate of 1.93% payable annually. The Bank has an option to redeem part or all of the bonds at face value in June 2030 if specified redemption conditions as stipulated in the offering documents were met, subject to regulatory recognition. These Tier-two capital bonds have the write-down feature of a Tier-two capital instrument and they are qualified as Tier-two Capital Instruments in accordance with the NFRA requirements.

(xviii) The Tier-two capital bonds issued in July 2025 have a maturity of 10 years, with a fixed coupon rate of 1.92% payable annually. The Bank has an option to redeem part or all of the bonds at face value in July 2030 if specified redemption conditions as stipulated in the offering documents were met, subject to regulatory approval. These Tier-two capital bonds have the write-down feature of a Tier-two capital instrument and they are qualified as Tier-two Capital Instruments in accordance with the NFRA requirements.

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

30 Debt securities issued (Continued)

(1) Bonds issued (Continued)

(xix) The Tier-two capital bonds issued in September 2025 have a maturity of 10 years, with a fixed coupon rate of 2.18% payable annually. The Bank has an option to redeem part or all of the bonds at face value in September 2030 if specified redemption conditions as stipulated in the offering documents were met, subject to regulatory approval. These Tier-two capital bonds have the write-down feature of a Tier-two capital instrument and they are qualified as Tier-two Capital Instruments in accordance with the NFRA requirements.

(xx) The Tier-two capital bonds issued in November 2025 have a maturity of 10 years, with a fixed coupon rate of 2.14% payable annually. The Bank has an option to redeem part or all of the bonds at face value in November 2030 if specified redemption conditions as stipulated in the offering documents were met, subject to regulatory approval. These Tier-two capital bonds have the write-down feature of a Tier-two capital instrument and they are qualified as Tier-two Capital Instruments in accordance with the NFRA requirements.

(xxi) The Tier-two capital bonds issued in March 2019 have a maturity of 15 years, with a fixed coupon rate of 4.53% payable annually. The Bank has an option to redeem part or all of the bonds at face value in March 2029 if specified redemption conditions as stipulated in the offering documents were met, subject to regulatory recognition. These Tier-two capital bonds have the write-down feature of a Tier-two capital instrument and they are qualified as Tier-two Capital Instruments in accordance with the NFRA requirements.

(xxii) The Tier-two capital bonds issued in April 2019 have a maturity of 15 years, with a fixed coupon rate of 4.63% payable annually. The Bank has an option to redeem part or all of the bonds at face value in April 2029 if specified redemption conditions as stipulated in the offering documents were met, subject to regulatory recognition. These Tier-two capital bonds have the write-down feature of a Tier-two capital instrument and they are qualified as Tier-two Capital Instruments in accordance with the NFRA requirements.

(xxiii) The Tier-two capital bonds issued in June 2022 have a maturity of 15 years, with a fixed coupon rate of 3.65% payable annually. The Bank has an option to redeem part or all of the bonds at face value in June 2032 if specified redemption conditions as stipulated in the offering documents were met, subject to regulatory recognition. These Tier-two capital bonds have the write-down feature of a Tier-two capital instrument and they are qualified as Tier-two Capital Instruments in accordance with the NFRA requirements.

(xxiv) The Tier-two capital bonds issued in September 2022 have a maturity of 15 years, with a fixed coupon rate of 3.34% payable annually. The Bank has an option to redeem part or all of the bonds at face value in September 2032 if specified redemption conditions as stipulated in the offering documents were met, subject to regulatory recognition. These Tier-two capital bonds have the write-down feature of a Tier-two capital instrument and they are qualified as Tier-two Capital Instruments in accordance with the NFRA requirements.

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

30 Debt securities issued (Continued)

(1) Bonds issued (Continued)

(xxv) The Tier-two capital bonds issued in March 2023 have a maturity of 15 years, with a fixed coupon rate of 3.61% payable annually. The Bank has an option to redeem part or all of the bonds at face value in March 2033 if specified redemption conditions as stipulated in the offering documents were met, subject to regulatory recognition. These Tier-two capital bonds have the write-down feature of a Tier-two capital instrument and they are qualified as Tier-two Capital Instruments in accordance with the NFRA requirements.

(xxvi) The Tier-two capital bonds issued in September 2023 have a maturity of 15 years, with a fixed coupon rate of 3.35% payable annually. The Bank has an option to redeem part or all of the bonds at face value in September 2033 if specified redemption conditions as stipulated in the offering documents were met, subject to regulatory recognition. These Tier-two capital bonds have the write-down feature of a Tier-two capital instrument and they are qualified as Tier-two Capital Instruments in accordance with the NFRA requirements.

(xxvii) The Tier-two capital bonds issued in October 2023 have a maturity of 15 years, with a fixed coupon rate of 3.55% payable annually. The Bank has an option to redeem part or all of the bonds at face value in October 2033 if specified redemption conditions as stipulated in the offering documents were met, subject to regulatory recognition. These Tier-two capital bonds have the write-down feature of a Tier-two capital instrument and they are qualified as Tier-two Capital Instruments in accordance with the NFRA requirements.

(xxviii) The Tier-two capital bonds issued in February 2024 have a maturity of 15 years, with a fixed coupon rate of 2.80% payable annually. The Bank has an option to redeem part or all of the bonds at face value in February 2034 if specified redemption conditions as stipulated in the offering documents were met, subject to regulatory recognition. These Tier-two capital bonds have the write-down feature of a Tier-two capital instrument and they are qualified as Tier-two Capital Instruments in accordance with the NFRA requirements.

(xxix) The Tier-two capital bonds issued in April 2024 have a maturity of 15 years, with a fixed coupon rate of 2.49% payable annually. The Bank has an option to redeem part or all of the bonds at face value in April 2034 if specified redemption conditions as stipulated in the offering documents were met, subject to regulatory recognition. These Tier-two capital bonds have the write-down feature of a Tier-two capital instrument and they are qualified as Tier-two Capital Instruments in accordance with the NFRA requirements.

(xxx) The Tier-two capital bonds issued in June 2025 have a maturity of 15 years, with a fixed coupon rate of 2.10% payable annually. The Bank has an option to redeem part or all of the bonds at face value in June 2035 if specified redemption conditions as stipulated in the offering documents were met, subject to regulatory recognition. These Tier-two capital bonds have the write-down feature of a Tier-two capital instrument and they are qualified as Tier-two Capital Instruments in accordance with the NFRA requirements.

(xxxi) The Tier-two capital bonds issued in July 2025 have a maturity of 15 years, with a fixed coupon rate of 2.12% payable annually. The Bank has an option to redeem part or all of the bonds at face value in July 2035 if specified redemption conditions as stipulated in the offering documents were met, subject to regulatory approval. These Tier-two capital bonds have the write-down feature of a Tier-two capital instrument and they are qualified as Tier-two Capital Instruments in accordance with the NFRA requirements.

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

30 Debt securities issued (Continued)

(1) Bonds issued (Continued)

(xxxii) The Tier-two capital bonds issued in September 2025 have a maturity of 15 years, with a fixed coupon rate of 2.50% payable annually. The Bank has an option to redeem part or all of the bonds at face value in September 2035 if specified redemption conditions as stipulated in the offering documents were met, subject to regulatory approval. These Tier-two capital bonds have the write-down feature of a Tier-two capital instrument and they are qualified as Tier-two Capital Instruments in accordance with the NFRA requirements.

(xxxiii) The Tier-two capital bonds issued in November 2025 have a maturity of 15 years, with a fixed coupon rate of 2.40% payable annually. The Bank has an option to redeem part or all of the bonds at face value in November 2035 if specified redemption conditions as stipulated in the offering documents were met, subject to regulatory approval. These Tier-two capital bonds have the write-down feature of a Tier-two capital instrument and they are qualified as Tier-two Capital Instruments in accordance with the NFRA requirements.

(xxxiv) The medium term notes ("MTNs") were issued by the Overseas Operations of the Group and are measured at amortized cost. The details of MTNs issued were as follows:

	31 December 2025		
	Maturity dates ranging from	**Coupon rates (%)**	**Outstanding balance**
Fixed rate RMB MTNs	**September 2026 to November 2030**	**2.10–2.99**	**3,713**
Fixed rate USD MTNs	**March 2026 to November 2027**	**1.25–3.88**	**11,950**
Floating rate USD MTNs	**August 2026 to December 2028**	**SOFR+48bps to SOFR+63bps**	**23,256**
Total			**38,919**

	31 December 2024		
	Maturity dates ranging from	Coupon rates (%)	Outstanding balance
Fixed rate RMB MTNs	January 2025 to July 2027	2.80–2.99	4,912
Fixed rate HKD MTNs	November 2025	4.75	1,389
Fixed rate USD MTNs	January 2025 to March 2027	1.20–2.25	25,522
Floating rate USD MTNs	August 2025 to April 2027	SOFR+48bps to SOFR+63bps	10,064
Total			41,887

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

30 Debt securities issued (Continued)

(1) Bonds issued (Continued)

(xxxv) The fixed rate financial bonds issued by ABC in June 2023 have a maturity of 3 years, with a fixed coupon rate of 2.65%, payable annually.

(xxxvi) The fixed rate financial bonds issued by ABC in January 2025 have a maturity of 3 years, with a fixed coupon rate of 1.74%, payable annually.

(xxxvii) The fixed rate financial bonds issued by ABC in May 2025 have a maturity of 3 years, with a fixed coupon rate of 1.65%, payable annually.

(xxxviii) The fixed rate financial bonds issued by ABC in January 2025 have a maturity of 5 years, with a fixed coupon rate of 1.84%, payable annually.

(xxxix) The Total Loss-Absorbing Capacity non-capital bonds issued in August 2024 have a maturity of 4 years, with a fixed coupon rate of 2.18% payable annually. The Bank has an option to redeem part or all of the bonds at face value in August 2027 with the satisfaction of the regulatory requirements.

(xl) The Total Loss-Absorbing Capacity non-capital bonds issued in June 2025 have a maturity of 4 years, with a fixed coupon rate of 1.83% payable annually. The Bank has an option to redeem part or all of the bonds at face value in June 2028 with the satisfaction of the regulatory requirements.

(xli) The Total Loss-Absorbing Capacity non-capital bonds issued in August 2025 have a maturity of 4 years, with a fixed coupon rate of 1.85% payable annually. The Bank has an option to redeem part or all of the bonds at face value in August 2028 with the satisfaction of the regulatory requirements.

(xlii) The Total Loss-Absorbing Capacity non-capital bonds issued in November 2025 have a maturity of 4 years, with a fixed coupon rate of 2.02% payable annually. The Bank has an option to redeem part or all of the bonds at face value in December 2028 with the satisfaction of the regulatory requirements.

(xliii) The Total Loss-Absorbing Capacity non-capital bonds issued in August 2024 have a maturity of 6 years, with a fixed coupon rate of 2.24% payable annually. The Bank has an option to redeem part or all of the bonds at face value in August 2029 with the satisfaction of the regulatory requirements.

(xliv) The Total Loss-Absorbing Capacity non-capital bonds issued in June 2025 have a maturity of 6 years, with a fixed coupon rate of 1.87% payable annually. The Bank has an option to redeem part or all of the bonds at face value in June 2030 with the satisfaction of the regulatory requirements.

(xlv) The Total Loss-Absorbing Capacity non-capital bonds issued in August 2025 have a maturity of 6 years, with a fixed coupon rate of 1.93% payable annually. The Bank has an option to redeem part or all of the bonds at face value in August 2030 with the satisfaction of the regulatory requirements.

(xlvi) The Total Loss-Absorbing Capacity non-capital bonds issued in November 2025 have a maturity of 6 years, with a fixed coupon rate of 2.12% payable annually. The Bank has an option to redeem part or all of the bonds at face value in December 2030 with the satisfaction of the regulatory requirements.

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

30 Debt securities issued (Continued)

(1) Bonds issued (Continued)

(xlvii) The Total Loss-Absorbing Capacity non-capital bonds issued in August 2024 have a maturity of 11 years, with a fixed coupon rate of 2.39% payable annually. The Bank has an option to redeem part or all of the bonds at face value in August 2034 with the satisfaction of the regulatory requirements.

(xlviii) The Total Loss-Absorbing Capacity non-capital bonds issued in June 2025 have a maturity of 11 years, with a fixed coupon rate of 2.06% payable annually. The Bank has an option to redeem part or all of the bonds at face value in June 2035 with the satisfaction of the regulatory requirements.

(xlix) The Total Loss-Absorbing Capacity non-capital bonds issued in August 2025 have a maturity of 11 years, with a fixed coupon rate of 2.15% payable annually. The Bank has an option to redeem part or all of the bonds at face value in August 2035 with the satisfaction of the regulatory requirements.

(l) The Total Loss-Absorbing Capacity non-capital bonds issued in November 2025 have a maturity of 11 years, with a fixed coupon rate of 2.50% payable annually. The Bank has an option to redeem part or all of the bonds at face value in December 2035 with the satisfaction of the regulatory requirements.

(li) The fixed rate financial bonds issued by ABC Financial Leasing Co., Ltd. in November 2023 have a maturity of 3 years, with a fixed coupon rate of 2.80%, payable annually.

(lii) The fixed rate financial bonds issued by ABC Financial Leasing Co., Ltd. in February 2024 have a maturity of 3 years, with a fixed coupon rate of 2.50%, payable annually.

(liii) The fixed rate financial bonds issued by ABC Financial Leasing Co., Ltd. in April 2024 have a maturity of 3 years, with a fixed coupon rate of 2.25%, payable annually.

(liv) The fixed rate corporate bonds issued by ABCI Investment Suzhou Corporation Limited in April 2024 have a maturity of 3 years, with a fixed coupon rate of 2.70%, payable annually.

(lv) The fixed rate corporate bonds issued by ABCI China Investment Corporation Limited in June 2024 have a maturity of 3 years, with a fixed coupon rate of 2.40%, payable annually.

(lvi) The fixed rate financial bonds issued by ABC Financial Asset Investment Co., Ltd. in March 2020 have a maturity of 5 years, with a fixed coupon rate of 2.75%, payable annually. The bonds matured on 16 March 2025.

(lvii) The fixed rate capital replenishment bonds issued by ABC Life Insurance in March 2020 have a maturity of 10 years, with a fixed coupon rate of 3.60%, payable annually. ABC Life Insurance redeemed all of the bonds at face value on 30 March 2025.

(lviii) The fixed rate capital replenishment bonds issued by ABC Life Insurance in March 2023 have a maturity of 10 years, with a fixed coupon rate of 3.67%, payable annually. ABC Life Insurance has an option to redeem all of the bonds at face value in March 2028. If ABC Life Insurance does not exercise this option, the coupon rate of the bonds would increase to 4.67% per annum from 31 March 2028 onwards.

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

30 Debt securities issued (Continued)

(2) As at 31 December 2025, the certificates of deposit were issued by the overseas institutions of the Group and were measured at amortized cost. The terms of the certificates of deposit ranged from thirty days to five years, with interest rates ranging from 0.00% to 5.00% per annum. (As at 31 December 2024, the terms of the certificates of deposit ranged from nine days to five years, with interest rates ranging from 0.00% to 5.65% per annum.)

(3) Other debt securities issued by the Group are commercial papers and interbank certificates of deposit.

(i) As at 31 December 2025, the commercial papers were issued by the Overseas Institutions of the Group and were measured at amortized cost. The terms of the commercial papers ranged from three months to nine months, with interest rates ranging from 3.68% to 4.18% per annum (As at 31 December 2024, the terms of the commercial papers ranged from three months to one year, with interest rates ranging from 4.42% to 5.45% per annum.)

(ii) As at 31 December 2025, the interbank certificates of deposit were issued by the Bank's Head Office. The terms of the interbank certificates of deposit ranged from one month to one year, with interest rates ranging from 1.54% to 2.04% per annum (As at 31 December 2024, the terms of the interbank certificate of deposit ranged from one month to one year, with interest rates ranging from 1.60% to 2.34% per annum.)

31 Other liabilities

		As at 31 December	
	Notes	**2025**	2024
Insurance liabilities		**202,151**	179,519
Clearing and settlement		**154,068**	156,786
Staff costs payable	(1)	**94,646**	87,803
Income taxes payable		**776**	5,761
Provision	(2)	**25,528**	35,669
Lease liabilities	(3)	**10,495**	10,809
VAT and other taxes payable		**10,578**	9,414
Amount payable to the MOF		**322**	266
Other payable		**27,802**	29,345
Others		**32,026**	31,958
Total		**558,392**	547,330

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

31 Other liabilities (Continued)

(1) Staff costs payable

		As at 31 December	
	Notes	**2025**	2024
Short-term employee benefits	(i)	**92,595**	85,581
Defined contribution benefits	(ii)	**1,745**	1,818
Early retirement benefits	(iii)	**306**	404
Total		**94,646**	87,803

(i) Short-term employee benefits

		2025			
	Note	**1 January**	**Increase**	**Decrease**	**31 December**
Salaries, bonuses, allowances and subsidies	(a)	**65,940**	**113,028**	**(107,820)**	**71,148**
Housing funds	(a)	**77**	**11,886**	**(11,892)**	**71**
Social insurance including:	(a)	**298**	**7,245**	**(7,307)**	**236**
— Medical insurance		**274**	**6,850**	**(6,905)**	**219**
— Maternity insurance		**12**	**182**	**(184)**	**10**
— Employment injury insurance		**12**	**213**	**(218)**	**7**
Labor union fees and staff education expenses		**11,297**	**3,952**	**(3,131)**	**12,118**
Others		**7,969**	**12,846**	**(11,793)**	**9,022**
Total		**85,581**	**148,957**	**(141,943)**	**92,595**

		2024			
	Note	1 January	Increase	Decrease	31 December
Salaries, bonuses, allowances and subsidies	(a)	58,165	107,895	(100,120)	65,940
Housing funds	(a)	120	11,126	(11,169)	77
Social insurance including:	(a)	321	6,863	(6,886)	298
— Medical insurance		294	6,487	(6,507)	274
— Maternity insurance		15	183	(186)	12
— Employment injury insurance		12	193	(193)	12
Labor union fees and staff education expenses		11,123	3,766	(3,592)	11,297
Others		6,398	11,317	(9,746)	7,969
Total		76,127	140,967	(131,513)	85,581

(a) Salaries, bonuses, allowances and subsidies, housing funds and social insurance are timely distributed or paid in accordance with relevant laws and regulations and the Group's policy.

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

31 Other liabilities (Continued)

(1) ***Staff costs payable*** *(Continued)*

(ii) Defined contribution benefits

	2025			
	1 January	**Increase**	**Decrease**	**31 December**
Basic pensions	**551**	**13,902**	**(13,981)**	**472**
Unemployment insurance	**48**	**506**	**(512)**	**42**
Annuity Scheme	**1,219**	**8,917**	**(8,905)**	**1,231**
Total	**1,818**	**23,325**	**(23,398)**	**1,745**

	2024			
	1 January	Increase	Decrease	31 December
Basic pensions	607	13,071	(13,127)	551
Unemployment insurance	45	480	(477)	48
Annuity Scheme	1,285	8,511	(8,577)	1,219
Total	1,937	22,062	(22,181)	1,818

The defined contribution benefits are timely distributed or paid in accordance with the relevant laws and regulations and the Group's policy. There was no forfeited contribution available to reduce the contribution payable by the Group under the above schemes.

(iii) Early retirement benefits

	2025			
	1 January	**Increase**	**Decrease**	**31 December**
Early retirement benefits	**404**	**4**	**(102)**	**306**

	2024			
	1 January	Increase	Decrease	31 December
Early retirement benefits	537	13	(146)	404

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

31 Other liabilities (Continued)

(1) Staff costs payable (Continued)

(iii) Early retirement benefits (Continued)

The principal assumptions used for the purpose of the actuarial valuations were as follows:

	As at 31 December	
	2025	2024
Discount rate	**1.39%**	1.18%
Annual average medical expense growth rate	**8.00%**	8.00%
Annual subsidies growth rate	**8.00%**	8.00%
Normal retirement age		
— Male	**60-63**	60
— Female	**55-58**	55

Assumptions regarding future mortality experience are based on the China Life Insurance Mortality Table (published historical statistics in China).

Any difference arising from the actual result or changes in assumptions may affect the amount of expense recognized in the consolidated statement of profit or loss.

(2) Provision

		As at 31 December	
	Note	**2025**	2024
Loan commitments and financial guarantee contracts	(i)	**20,121**	22,185
Litigation provision		**4,695**	5,228
Others		**712**	8,256
Total		**25,528**	35,669

(i) Analyzed by movements in loss allowance for loan commitments and financial guarantee contracts

		Year ended 31 December 2025			
		Stage I	Stage II	Stage III	
	Note	12 months ECL	Lifetime ECL		Total
1 January 2025		**19,945**	**1,449**	**791**	**22,185**
Transfer:					
Stage I transfer to Stage II		**(75)**	**75**	**–**	**–**
Stage II transfer to Stage III		**–**	**(5)**	**5**	**–**
Stage II transfer to Stage I		**510**	**(510)**	**–**	**–**
Stage III transfer to Stage II		**–**	**4**	**(4)**	**–**
Increase	(a)	**10,947**	**–**	**–**	**10,947**
Remeasurement		**(2,898)**	**447**	**7**	**(2,444)**
Decrease	(a)	**(9,506)**	**(744)**	**(317)**	**(10,567)**
31 December 2025		**18,923**	**716**	**482**	**20,121**

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

31 Other liabilities (Continued)

(2) Provision (Continued)

(i) Analyzed by movements in loss allowance for loan commitments and financial guarantee contracts (Continued)

		Year ended 31 December 2024			
		Stage I	Stage II	Stage III	
	Note	12 months ECL	Lifetime ECL		Total
1 January 2024		25,212	1,839	434	27,485
Transfer:					
Stage I transfer to Stage II		(274)	274	–	–
Stage II transfer to Stage III		–	(591)	591	–
Stage II transfer to Stage I		90	(90)	–	–
Stage III transfer to Stage II		–	27	(27)	–
Increase	(a)	14,302	–	–	14,302
Remeasurement		(2,211)	740	155	(1,316)
Decrease	(a)	(17,174)	(750)	(362)	(18,286)
31 December 2024		19,945	1,449	791	22,185

(a) The impact of loss allowance driven by new loan commitments and financial guarantee contracts signed in 2025 and 2024 is disclosed as "Increase". The impact of loss allowance driven by withdrawals, advances or expiration of loan commitments and financial guarantee contracts in 2025 and 2024 are disclosed as "Decrease". The changes of loss allowance for loan commitments and financial guarantee contracts in 2025 and 2024 are mainly driven by the decrease of provision ratio.

(3) Lease liabilities

The tables below summarize the maturity analysis of lease liabilities:

	As at 31 December	
	2025	2024
Less than 1 year	**3,926**	3,915
1–5 years	**6,349**	6,669
Over 5 years	**925**	1,088
Total undiscounted lease liabilities	**11,200**	11,672
Lease liabilities	**10,495**	10,809

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

32 Ordinary shares

	31 December 2025	
	Number of shares (millions)	Nominal value
Domestic listed A shares, par value RMB1.00 per share	**319,244**	**319,244**
Overseas listed H shares, par value RMB1.00 per share	**30,739**	**30,739**
Total	**349,983**	**349,983**

	31 December 2024	
	Number of shares (millions)	Nominal value
Domestic listed A shares, par value RMB1.00 per share	319,244	319,244
Overseas listed H shares, par value RMB1.00 per share	30,739	30,739
Total	349,983	349,983

(1) A shares refer to the ordinary shares listed in the Chinese mainland. They are offered and traded in RMB. H shares refer to the ordinary shares listed in Hong Kong SAR. Their par value is denominated in RMB when they were initially offered and are currently traded in HKD.

(2) As at 31 December 2025 and 31 December 2024, the Bank's A Shares and H Shares were not subject to lock-up restriction.

33 Other equity instruments

(1) Preference shares

Preference shares	Notes	Dividend rate	Issued price (RMB yuan)	Issued number of shares (millions)	Issued nominal value (millions)	Maturity date	Conversion
Preference shares-first tranche	(a)	6.00% per annum for the first 5 years after issuance, and re-priced every 5 years as stated below	100	400	40,000	No maturity date	No conversion during the period
Preference shares-second tranche	(b)	5.50% per annum for the first 5 years after issuance, and re-priced every 5 years as stated below	100	400	40,000	No maturity date	No conversion during the period
Total					80,000		

The Bank was authorized to issue no more than 800 million preference shares of RMB100 each, pursuant to the approval by its ordinary equity holders and relevant regulatory authorities.

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

33 Other equity instruments (Continued)

(1) Preference shares (Continued)

(a) The first tranche of 400 million preference shares was issued at par in November 2014. The first tranche of preference shares bears a dividend rate of 6.00% per annum; dividends are non-cumulative and where payable, are paid annually, for the first five years from issuance. The dividend rate will be re-priced every five years thereafter with reference to the five-year PRC treasury bonds yield plus a fixed premium of 2.29%. During the second dividend period beginning from 5 November 2019, the base rate and fixed premium are 3.03% and 2.29%, respectively, and the coupon rate is 5.32%. The dividend is paid annually. During the third dividend period beginning from 5 November 2024, the base rate and fixed premium are 1.83% and 2.29%, respectively, and the coupon rate is 4.12%. The dividend is paid annually.

(b) The second tranche of 400 million preference shares was issued at par in March 2015. The second tranche of preference shares bears a dividend rate of 5.50% per annum; dividends are non-cumulative and where payable, are paid annually, for the first five years from issuance. The dividend rate will be re-priced every five years thereafter with reference to the five-year PRC treasury bonds yield plus a fixed premium of 2.24%. During the second dividend period beginning from 11 March 2020, the base rate and fixed premium are 2.60% and 2.24%, respectively, and the coupon rate is 4.84%. The dividend is paid annually. During the third dividend period beginning from 11 March 2025, the base rate and fixed premium are 1.53% and 2.24%, respectively, and the coupon rate is 3.77%. The dividend is paid annually.

As authorized by the ordinary equity holders in the annual general meeting, the Board of Directors has the sole discretion to declare and distribute dividends on preference shares. The Bank shall not distribute any dividends to its ordinary equity holders before it declares such dividends to preference shareholders for the relevant period. The distribution of preference shares dividend is at the Bank's discretion and is non-cumulative. Preference shareholders are not entitled to participate in the distribution of retained earnings except for the dividends stated above.

The Bank has a redemption option when specified conditions as stipulated in the offering documents are met, subject to regulatory approval, whereas preference shareholders have no right to request the Bank to redeem the preference shares.

Upon liquidation, the claims of preference shareholders have priority over ordinary equity holders on the residual assets of the Bank, but are subordinated to those of depositors, general creditors, Tier-two Capital Instruments holders or any other subordinated debt holders with equivalent rights.

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

33 Other equity instruments (Continued)

(1) *Preference shares (Continued)*

Upon occurrence of the triggering events as stipulated in paragraph 2(1) of the Guidance of the NFRA on Amendments to Commercial Banks' Innovation on Capital Instruments (NFRA No. 42 [2019]) and subject to regulatory approval, the first tranche of preference shares and the second tranche of preference shares shall be mandatorily converted into ordinary A shares of the Bank at the conversion price agreed, partially or entirely. The initial conversion price of the preference shares issued by the Bank was RMB2.43 per share. In June 2018, the Bank has issued 25,189 million ordinary A shares to specific investors. The conversion price of the preference shares will be adjusted where certain events occur including bonus issues, rights issue, capitalization of reserves and new issuances of ordinary shares, subject to terms and formulas provided in the offering documents, to maintain the relative interests between preference shareholders and ordinary equity holders. Upon completion of the private placement of ordinary shares by the Bank, the mandatory conversion price of the first tranche of preference shares and the second tranche of preference shares issued by the Bank will be adjusted from RMB2.43 per share to RMB2.46 per share.

These preference shares are classified as equity instruments and presented as equity in the consolidated statement of financial position, and are qualified as Additional Tier-one Capital Instruments in accordance with the NFRA requirements.

The balance of the preference shares issued by the Bank, net of direct issuance expenses, was RMB79,899 million as at 31 December 2025 (31 December 2024: RMB79,899 million).

(2) *Perpetual bonds*

Perpetual bonds	Notes	Interest rate	Issued price (RMB yuan)	Issued number of shares (millions)	Issued nominal value (millions)	Maturity date	Conversion	31 December 2025 (millions)	31 December 2024 (millions)
Undated tier 1 capital bonds in 2020-first tranche	(a)(i)	3.48% per annum for the first 5 years after issuance, and re-priced every 5 years as stated below	100	850	85,000	No maturity date	Not Applicable	–	85,000
Undated tier 1 capital bonds in 2020-second tranche	(a)(ii)	4.50% per annum for the first 5 years after issuance, and re-priced every 5 years as stated below	100	350	35,000	No maturity date	Not Applicable	–	35,000
Undated tier 1 capital bonds in 2021-first tranche	(b)(i)	3.76% per annum for the first 5 years after issuance, and re-priced every 5 years as stated below	100	400	40,000	No maturity date	Not Applicable	40,000	40,000
Undated tier 1 capital bonds in 2022-first tranche	(b)(ii)	3.49% per annum for the first 5 years after issuance, and re-priced every 5 years as stated below	100	500	50,000	No maturity date	Not Applicable	50,000	50,000

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

33 Other equity instruments (Continued)

(2) Perpetual bonds (Continued)

Perpetual bonds	Notes	Interest rate	Issued price (RMB yuan)	Issued number of shares (millions)	Issued nominal value (millions)	Maturity date	Conversion	31 December 2025 (millions)	31 December 2024 (millions)
Undated tier 1 capital bonds in 2022-second tranche	(b)(iii)	3.17% per annum for the first 5 years after issuance, and re-priced every 5 years as stated below	100	300	30,000	No maturity date	Not Applicable	30,000	30,000
Undated tier 1 capital bonds in 2023-first tranche	(c)(i)	3.21% per annum for the first 5 years after issuance, and re-priced every 5 years as stated below	100	400	40,000	No maturity date	Not Applicable	40,000	40,000
Undated tier 1 capital bonds in 2024-first tranche	(c)(ii)	2.73% per annum for the first 5 years after issuance, and re-priced every 5 years as stated below	100	400	40,000	No maturity date	Not Applicable	40,000	40,000
Undated tier 1 capital bonds in 2024-second tranche	(c)(iii)	2.46% per annum for the first 5 years after issuance, and re-priced every 5 years as stated below	100	600	60,000	No maturity date	Not Applicable	60,000	60,000
Undated tier 1 capital bonds in 2024-third tranche	(c)(iv)	2.29% per annum for the first 5 years after issuance, and re-priced every 5 years as stated below	100	400	40,000	No maturity date	Not Applicable	40,000	40,000
Undated tier 1 capital bonds in 2025-first tranche	(d)(i)	2.00% per annum for the first 5 years after issuance, and re-priced every 5 years as stated below	100	500	50,000	No maturity date	Not Applicable	50,000	-
Undated tier 1 capital bonds in 2025-second tranche	(d)(ii)	2.27% per annum for the first 5 years after issuance, and re-priced every 5 years as stated below	100	400	40,000	No maturity date	Not Applicable	40,000	-
Total								390,000	420,000

Perpetual bonds, as shown in the balance sheet, are capital bonds with no fixed maturity issued by the Bank.

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

33 Other equity instruments (Continued)

(2) Perpetual bonds (Continued)

(a) With the approval from the annual general meeting and regulatory authorities in 2020, the Bank was granted to issue undated additional tier 1 capital bonds of an amount no more than RMB120 billion.

(i) The Bank issued undated additional tier 1 capital bonds (first tranche) with the amount of RMB85 billion in the national interbank bond market on 8 May 2020, and the issuance was completed on 12 May 2020. The denomination of the Bonds is RMB100 each. The Bonds do not have any step-up mechanism or any other incentive to redeem. The distribution rate of the Bonds will be adjusted at defined intervals and determined by a benchmark rate plus a fixed spread, with a distribution rate adjustment period every 5 years, and the annual coupon rate for the first five years is 3.48%. The bank has exercised the redemption right and redeemed the undated additional tier 1 capital bonds on 12 May 2025.

(ii) The Bank issued undated additional tier 1 capital bonds (second tranche) with the amount of RMB35 billion in the national interbank bond market on 20 August 2020, and the issuance was completed on 24 August 2020. The denomination of the Bonds is RMB100 each. The Bonds do not have any step-up mechanism or any other incentive to redeem. The distribution rate of the Bonds will be adjusted at defined intervals and determined by a benchmark rate plus a fixed spread, with a distribution rate adjustment period every 5 years, and the annual coupon rate for the first five years is 4.50%. The bank has exercised the redemption right and redeemed the undated additional tier 1 capital bonds on 24 August 2025.

(b) With the approval from the annual general meeting and regulatory authorities in 2021, the Bank was granted to issue undated additional tier 1 capital bonds of an amount no more than RMB120 billion.

(i) The Bank issued undated additional tier 1 capital bonds (first tranche) with the amount of RMB40 billion in the national interbank bond market on 12 November 2021, and the issuance was completed on 16 November 2021. The denomination of the Bonds is RMB100 each. The Bonds do not have any step-up mechanism or any other incentive to redeem. The distribution rate of the Bonds will be adjusted at defined intervals and determined by a benchmark rate plus a fixed spread, with a distribution rate adjustment period every 5 years, and the annual coupon rate for the first five years is 3.76%.

(ii) The Bank issued undated additional tier 1 capital bonds (first tranche) with the amount of RMB50 billion in the national interbank bond market on 18 February 2022, and the issuance was completed on 22 February 2022. The denomination of the Bonds is RMB100 each. The Bonds do not have any step-up mechanism or any other incentive to redeem. The distribution rate of the Bonds will be adjusted at defined intervals and determined by a benchmark rate plus a fixed spread, with a distribution rate adjustment period every 5 years, and the annual coupon rate for the first five years is 3.49%.

(iii) The Bank issued undated additional tier 1 capital bonds (second tranche) with the amount of RMB30 billion in the national interbank bond market on 1 September 2022, and the issuance was completed on 5 September 2022. The denomination of the Bonds is RMB100 each. The Bonds do not have any step-up mechanism or any other incentive to redeem. The distribution rate of the Bonds will be adjusted at defined intervals and determined by a benchmark rate plus a fixed spread, with a distribution rate adjustment period every 5 years, and the annual coupon rate for the first five years is 3.17%.

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

33 Other equity instruments (Continued)

(2) Perpetual bonds (Continued)

(c) With the approval from the annual general meeting and regulatory authorities in 2023, the Bank was granted to issue undated additional tier 1 capital bonds of an amount no more than RMB200 billion.

(i) The Bank issued undated additional tier 1 capital bonds (first tranche) with the amount of RMB40 billion in the national interbank bond market on 24 August 2023, and the issuance was completed on 28 August 2023. The denomination of the Bonds is RMB100 each. The Bonds do not have any step-up mechanism or any other incentive to redeem. The distribution rate of the Bonds will be adjusted at defined intervals and determined by a benchmark rate plus a fixed spread, with a distribution rate adjustment period every 5 years, and the annual coupon rate for the first five years is 3.21%.

(ii) The Bank issued undated additional tier 1 capital bonds (first tranche) with the amount of RMB40 billion in the national interbank bond market on 13 March 2024, and the issuance was completed on 15 March 2024. The denomination of the Bonds is RMB100 each. The Bonds do not have any step-up mechanism or any other incentive to redeem. The distribution rate of the Bonds will be adjusted at defined intervals and determined by a benchmark rate plus a fixed spread, with a distribution rate adjustment period every 5 years, and the annual coupon rate for the first five years is 2.73%.

(iii) The Bank issued undated additional tier 1 capital bonds (second tranche) with the amount of RMB60 billion in the national interbank bond market on 3 June 2024, and the issuance was completed on 5 June 2024. The denomination of the Bonds is RMB100 each. The Bonds do not have any step-up mechanism or any other incentive to redeem. The distribution rate of the Bonds will be adjusted at defined intervals and determined by a benchmark rate plus a fixed spread, with a distribution rate adjustment period every 5 years, and the annual coupon rate for the first five years is 2.46%.

(iv) The Bank issued undated additional tier 1 capital bonds (third tranche) with the amount of RMB40 billion in the national interbank bond market on 26 November 2024, and the issuance was completed on 28 November 2024. The denomination of the Bonds is RMB100 each. The Bonds do not have any step-up mechanism or any other incentive to redeem. The distribution rate of the Bonds will be adjusted at defined intervals and determined by a benchmark rate plus a fixed spread, with a distribution rate adjustment period every 5 years, and the annual coupon rate for the first five years is 2.29%.

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

33 Other equity instruments (Continued)

(2) Perpetual bonds (Continued)

(d) With the approval from the general meeting and regulatory authorities in 2025, the Bank was granted to issue capital instruments and total loss-absorbing capacity non-capital bonds of an amount no more than RMB520 billion or equivalent in foreign currencies.

(i) The Bank issued undated additional tier 1 capital bonds (first tranche) with the amount of RMB50 billion in the national interbank bond market on 27 May 2025, and the issuance was completed on 29 May 2025. The denomination of the Bonds is RMB100 each. The Bonds do not have any step-up mechanism or any other incentive to redeem. The distribution rate of the Bonds will be adjusted at defined intervals and determined by a benchmark rate plus a fixed spread, with a distribution rate adjustment period every 5 years, and the annual coupon rate for the first five years is 2.00%.

(ii) The Bank issued undated additional tier 1 capital bonds (second tranche) with the amount of RMB40 billion in the national interbank bond market on 28 October 2025, and the issuance was completed on 30 October 2025. The denomination of the Bonds is RMB100 each. The Bonds do not have any step-up mechanism or any other incentive to redeem. The distribution rate of the Bonds will be adjusted at defined intervals and determined by a benchmark rate plus a fixed spread, with a distribution rate adjustment period every 5 years, and the annual coupon rate for the first five years is 2.27%.

The duration of the Perpetual bonds is the same as the continuing operation of the Bank. Subject to the satisfaction of the redemption conditions and having obtained the prior recognition of the NFRA, the Bank may redeem the Bonds in whole or in part on each distribution payment date from the fifth anniversary since the issuance date of the Bonds. Upon the occurrence of a trigger event for write-downs, with the approval of the NFRA and without the need for the consent of the holders of the Bonds, the Bank has the right to write down all or part of the aggregate amount of the Bonds then issued and outstanding. The claims of the holders of the Bonds will be subordinated to the claims of depositors, general creditors and subordinated indebtedness that ranks senior to the Bonds; and shall rank in priority to all classes of shares held by shareholders and will rank pari passu with the claims in respect of any other additional tier 1 capital instruments of the Bank that rank pari passu with the Bonds.

The distributions on the Perpetual bonds are non-cumulative. The Bank shall have the right to cancel distributions on the Bonds in whole or in part and any such cancellation shall not constitute an event of default. The Bank may at its discretion use the proceeds from the cancelled distribution to meet other obligations as they fall due. But the Bank shall not make any distribution to ordinary shareholders until its decision to resume the distribution payments in whole to the holders of the Bonds.

The net proceeds from the issuance of the Perpetual bonds were used to replenish the Bank's additional tier 1 capital.

The balance of the undated additional tier 1 capital bonds issued by the Bank, net of direct issuance expenses, was RMB389,988 million as at 31 December 2025 (31 December 2024: RMB419,977 million).

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

34 Capital reserve

The capital reserve mainly represents the premium related to ordinary shares publicly issued by the Bank in 2010 and private placement of ordinary shares to the specific shareholders in 2018. Share premium was recorded in the capital reserve after deducting direct issuance expenses, which consisted primarily of underwriting fees and professional fees.

35 Other comprehensive income

	2025		
	Gross carrying amount	**Tax effect**	**Net effect**
31 December 2024	**107,903**	**(26,087)**	**81,816**
Fair value changes on debt instruments at fair value through other comprehensive income:			
— Amount of gains recognized directly in other comprehensive income	**(25,414)**	**6,428**	**(18,986)**
— Amount removed from other comprehensive income and recognized in profit or loss	**(5,609)**	**1,402**	**(4,207)**
Loss allowance on debt instruments at fair value through other comprehensive income	**11,240**	**(2,819)**	**8,421**
Fair value changes on other equity investments at fair value through other comprehensive income:			
— Amount of gains recognized directly in other comprehensive income	**4,286**	**(1,067)**	**3,219**
— Transferred to retained earnings	**(17)**	**–**	**(17)**
Foreign currency translation reserve	**(1,096)**	**–**	**(1,096)**
Others	**1,075**	**(269)**	**806**
31 December 2025	**92,368**	**(22,412)**	**69,956**

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

35 Other comprehensive income (Continued)

	2024		
	Gross carrying amount	Tax effect	Net effect
31 December 2023	54,514	(13,008)	41,506
Fair value changes on debt instruments at fair value through other comprehensive income:			
— Amount of gains recognized directly in other comprehensive income	55,432	(13,765)	41,667
— Amount removed from other comprehensive income and recognized in profit or loss	(2,841)	710	(2,131)
Loss allowance on debt instruments at fair value through other comprehensive income	6,036	(1,452)	4,584
Fair value changes on other equity investments at fair value through other comprehensive income:			
— Amount of gains recognized directly in other comprehensive income	641	(159)	482
— Transferred to retained earnings	(5)	–	(5)
Foreign currency translation reserve	469	–	469
Others	(6,343)	1,587	(4,756)
31 December 2024	107,903	(26,087)	81,816

36 Surplus reserve

Under PRC Law, the Bank is required to transfer 10% of its net profit determined under the PRC GAAP to a non-distributable statutory surplus reserve. Appropriation to the statutory surplus reserve may cease when the balance of this reserve has reached 50% of share capital.

Pursuant to the resolution of the Board of Directors' Meeting held on 30 March 2026, an appropriation of 10% of the profit for the current year, determined under the generally accepted accounting principles of the PRC, to the statutory surplus reserve, in the amount of RMB28,096 million (2024: RMB27,500 million) was approved. In addition, certain subsidiaries and overseas branches also appropriated surplus reserves in accordance with local requirements.

Subject to the approval of the ordinary equity holders, the statutory surplus reserves can be used for replenishing accumulated losses or increasing the Bank's ordinary share capital. The statutory surplus reserves amount used to increase the ordinary share capital is limited to a level where the balance of the statutory surplus reserves after such capitalization is not less than 25% of the ordinary share capital.

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

37 General reserve

Pursuant to Caijin [2012] No. 20 "Requirements on Impairment Allowance for Financial Institutions" (the "Requirement") issued by the MOF, effective on 1 July 2012, in addition to impairment allowance, the Bank establishes a general reserve within ordinary equity holders' equity through the appropriation of profit to address unidentified potential losses. The general reserve should not be less than 1.5% of the aggregate amount of risk assets as defined by the Requirement. The general reserve includes regulatory reserve appropriated by the Bank's overseas branches pursuant to local regulatory requirements.

Pursuant to relevant PRC domestic regulatory requirements, some domestic subsidiaries of the Bank are required to appropriate certain amounts of their net profit as general reserves.

During the year ended 31 December 2025, the Group transferred RMB37,291 million (2024: RMB76,791 million) to the General Reserve pursuant to the regulatory requirements in the PRC and overseas jurisdictions. Of this amount, RMB37,268 million (2024: RMB75,629 million) related to the appropriation proposed for the year ended 31 December 2024 which was approved in the annual general meeting held on 27 June 2025.

On 30 March 2026, the Board of Directors' meeting approved a proposal of appropriation of RMB36,492 million to general reserve. Such appropriation will be recognized in the Group's consolidated financial statements after approval by ordinary equity holders in the forthcoming annual general meeting.

38 Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents include the following balances with an original maturity of three months or less:

	As at 31 December	
	2025	2024
Cash	**64,176**	67,208
Balance with central banks	**254,309**	46,885
Deposits with banks and other financial institutions	**202,108**	191,562
Placements with and loans to banks and other financial institutions	**208,813**	187,085
Financial assets held under resale agreements	**1,509,936**	1,353,872
Total	**2,239,342**	1,846,612

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

39 Operating segments

Operating segments are identified on the basis of internal organizational structure, management requirements and internal management reporting rules of the Group that are regularly reviewed by the Board and relevant management committees, which constitute the chief operating decision makers, for the purposes of allocating resources to segments and assessing their performance. The Group's chief operating decision makers review three different sets of financial information based on (i) geographical locations, (ii) business activities, (iii) County Area and Urban Area banking business.

The measurement of segment assets and liabilities, as well as segment revenue, expense and results are based on the Group's accounting policies. There is no difference between the accounting policies used in the preparation of the consolidated financial statements and those used in preparing the operating segment information.

Transactions between segments are conducted under normal commercial terms and conditions. Internal charges and transfer pricing are determined with reference to market rates and have been reflected in the performance of each segment.

Segment revenue, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Geographical operating segments

The details of the geographical operating segments are as follows:

Head Office	
Yangtze River Delta:	Shanghai, Jiangsu, Zhejiang, Ningbo
Pearl River Delta:	Guangdong, Shenzhen, Fujian, Xiamen
Bohai Rim:	Beijing, Tianjin, Hebei, Shandong, Qingdao
Central China:	Shanxi, Hubei, Henan, Hunan, Jiangxi, Hainan, Anhui
Western China:	Chongqing, Sichuan, Guizhou, Yunnan, Shaanxi, Gansu, Qinghai, Ningxia, Xinjiang (including Xinjiang Production and Construction Corps Branch), Tibet, Inner Mongolia, Guangxi
Northeastern China:	Liaoning, Heilongjiang, Jilin, Dalian
Overseas and Others:	Subsidiaries and overseas branches

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

39 Operating segments (Continued)

Geographical operating segments (Continued)

	Head Office	Yangtze River Delta	Pearl River Delta	Bohai Rim	Central China	Western China	Northeastern China	Overseas and Others	Eliminations	Consolidated total
For the year ended 31 December 2025										
External interest income	427,980	186,117	113,234	98,615	130,084	171,311	21,550	52,447	–	1,201,338
External interest expense	(132,934)	(120,347)	(75,634)	(83,821)	(78,163)	(76,761)	(25,583)	(38,501)	–	(631,744)
Inter-segment net interest (expense)/income	(406,798)	94,582	63,052	90,926	71,361	57,890	29,709	(722)	–	–
Net interest (expense)/income	(111,752)	160,352	100,652	105,720	123,282	152,440	25,676	13,224	–	569,594
Fee and commission income	54,478	12,556	7,773	6,827	7,807	8,960	1,344	2,209	–	101,954
Fee and commission expense	(4,352)	(1,778)	(1,468)	(1,418)	(2,202)	(1,875)	(413)	(363)	–	(13,869)
Net fee and commission income	50,126	10,778	6,305	5,409	5,605	7,085	931	1,846	–	88,085
Net trading gain/(loss)	17,072	155	55	19	58	68	26	(548)	–	16,905
Net gain/(loss) on financial investments	8,421	(126)	(86)	1,736	355	2,356	38	3,198	–	15,892
Net gain on derecognition of financial assets measured at amortized cost	22,783	–	125	–	–	–	–	–	–	22,908
Other operating (expenses)/income	(4,645)	374	252	240	263	1,184	83	13,996	–	11,747
Operating income	(17,995)	171,533	107,303	113,124	129,563	163,133	26,754	31,716	–	725,131
Operating expenses	(20,245)	(46,543)	(31,762)	(39,195)	(47,157)	(61,037)	(16,373)	(13,059)	–	(275,371)
Credit impairment reversal/(losses)	11,198	(33,651)	(47,070)	(3,872)	(32,574)	(21,250)	2,005	(1,975)	–	(127,189)
Impairment reversal/(losses) on other assets	–	2	–	(2)	4	(4)	(18)	–	–	(18)
Operating (loss)/profit	(27,042)	91,341	28,471	70,055	49,836	80,842	12,368	16,682	–	322,553
Share of results of associates and joint ventures	154	–	–	–	–	–	–	982	–	1,136
(Loss)/profit before tax	(26,888)	91,341	28,471	70,055	49,836	80,842	12,368	17,664	–	323,689
Income tax expense										(31,686)
Profit for the year										292,003
Depreciation and amortization included in operating expenses	4,886	3,265	2,371	3,399	3,669	4,541	1,155	209	–	23,495
Capital expenditure	10,034	4,865	1,119	2,126	2,228	3,755	2,103	2,407	–	28,637
As at 31 December 2025										
Segment assets	11,953,281	9,327,295	6,154,551	7,938,113	6,989,725	8,340,092	2,202,437	1,486,399	(5,776,327)	48,615,566
Including: Investment in associates and joint ventures	9,017	–	–	–	–	–	–	10,803	–	19,820
Unallocated assets										169,108
Total assets										48,784,674
Including: Non-current assets (1)	31,127	29,596	17,521	27,035	26,009	42,374	20,030	38,984	–	232,676
Segment liabilities	(8,684,113)	(9,386,770)	(6,225,322)	(7,956,686)	(7,038,694)	(8,412,183)	(2,210,113)	(1,401,508)	5,776,320	(45,539,069)
Unallocated liabilities										(2,234)
Total liabilities										(45,541,303)
Loan commitments and financial guarantee contracts	161,573	779,478	592,331	501,911	486,210	403,592	105,239	144,054	–	3,174,388

(1) *Non-current assets include property and equipment, investment properties, right-of-use assets, land use rights, intangible assets and other long-term assets.*

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

39 Operating segments (Continued)

Geographical operating segments (Continued)

	Head Office	Yangtze River Delta	Pearl River Delta	Bohai Rim	Central China	Western China	Northeastern China	Overseas and Others	Eliminations	Consolidated total
For the year ended 31 December 2024										
External interest income	435,886	204,370	128,353	108,777	137,162	183,016	23,265	54,851	–	1,275,680
External interest expense	(114,773)	(141,547)	(89,186)	(98,893)	(85,839)	(90,028)	(26,908)	(47,814)	–	(694,988)
Inter-segment net interest (expense)/income	(437,812)	101,096	68,932	96,446	74,641	65,028	30,075	1,594	–	–
Net interest (expense)/income	(116,699)	163,919	108,099	106,330	125,964	158,016	26,432	8,631	–	580,692
Fee and commission income	40,846	13,213	8,753	6,909	7,747	8,844	1,316	2,337	–	89,965
Fee and commission expense	(4,518)	(1,897)	(1,691)	(1,559)	(2,359)	(2,096)	(447)	169	–	(14,398)
Net fee and commission income	36,328	11,316	7,062	5,350	5,388	6,748	869	2,506	–	75,567
Net trading gain	16,307	125	79	70	55	90	28	8,751	–	25,505
Net gain/(loss) on financial investments	12,249	(131)	42	(106)	222	19	61	8,259	–	20,615
Net gain/(loss) on derecognition of financial assets measured at amortized cost	7,294	–	–	–	–	–	–	(127)	–	7,167
Other operating (expenses)/income	(3,571)	1,024	639	650	410	1,338	116	1,264	–	1,870
Operating income	(48,092)	176,253	115,921	112,294	132,039	166,211	27,506	29,284	–	711,416
Operating expenses	(18,309)	(44,065)	(31,054)	(36,942)	(45,101)	(59,422)	(15,445)	(10,842)	–	(261,180)
Credit impairment losses	(12,619)	(16,318)	(21,885)	(14,315)	(27,972)	(31,987)	(4,151)	(1,593)	–	(130,840)
Impairment losses on other assets	–	–	–	(76)	(6)	(109)	(23)	(53)	–	(267)
Operating (loss)/profit	(79,020)	115,870	62,982	60,961	58,960	74,693	7,887	16,796	–	319,129
Share of results of associates and joint ventures	119	–	–	–	–	–	–	(47)	–	72
(Loss)/profit before tax	(78,901)	115,870	62,982	60,961	58,960	74,693	7,887	16,749	–	319,201
Income tax expense										(36,530)
Profit for the year										282,671
Depreciation and amortization included in operating expenses	4,155	3,314	2,428	3,410	3,661	4,497	1,193	211	–	22,869
Capital expenditure	5,794	3,096	990	1,800	2,209	4,166	565	4,170	–	22,790
As at 31 December 2024										
Segment assets	8,977,880	8,768,577	6,026,055	7,290,704	6,359,444	7,760,397	1,923,391	1,494,791	(5,511,113)	43,090,126
Including: Investment in associates and joint ventures	4,323	–	–	–	–	–	–	6,009	–	10,332
Unallocated assets										148,009
Total assets										43,238,135
Including: Non-current assets (1)	25,049	29,998	18,351	28,481	27,376	42,956	9,368	30,290	–	211,869
Segment liabilities	(5,858,397)	(8,787,161)	(6,074,550)	(7,314,968)	(6,405,138)	(7,847,114)	(1,938,570)	(1,419,980)	5,511,086	(40,134,792)
Unallocated liabilities										(6,070)
Total liabilities										(40,140,862)
Loan commitments and financial guarantee contracts	96,771	704,451	539,770	509,058	420,872	372,972	98,763	131,694	–	2,874,351

(1) Non-current assets include property and equipment, investment properties, right-of-use assets, land use rights, intangible assets and other long-term assets.

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

39 Operating segments (Continued)

Business operating segments

The details of the business operating segments are as follows:

Corporate banking

The corporate banking segment provides financial products and services to corporations, government agencies and financial institutions. The range of products and services includes corporate loans and advances, trade finance, deposit products, corporate wealth management services and other types of corporate intermediary services.

Personal banking

The personal banking segment provides financial products and services to individual customers. The range of products and services includes personal loans, personal deposit, card business, personal wealth management services and other types of personal intermediary services.

Treasury operations

The Group’s treasury operations conduct money market and repurchase transactions, debt instruments investments, precious metal transactions and derivative transactions for its own accounts or on behalf of customers.

Others

Others comprise components of the Group that are not attributable to any of the above segments, along with certain assets, liabilities, income or expenses of the Head Office that could not be allocated on a reasonable basis.

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

39 Operating segments (Continued)

Business operating segments *(Continued)*

	Corporate banking	Personal banking	Treasury operations	Others	Consolidated total
For the year ended 31 December 2025					
External interest income	463,450	288,252	440,369	9,267	1,201,338
External interest expense	(173,090)	(259,703)	(193,930)	(5,021)	(631,744)
Inter-segment net interest (expense)/income	(57,437)	300,480	(243,043)	–	–
Net interest income	232,923	329,029	3,396	4,246	569,594
Fee and commission income	37,091	60,810	749	3,304	101,954
Fee and commission expense	(6,304)	(7,067)	(50)	(448)	(13,869)
Net fee and commission income	30,787	53,743	699	2,856	88,085
Net trading gain	–	–	13,135	3,770	16,905
Net (loss)/gain on financial investments	(890)	19	10,803	5,960	15,892
Net gain on derecognition of financial assets measured at amortized cost	–	–	22,908	–	22,908
Other operating income	1,351	782	1,164	8,450	11,747
Operating income	264,171	383,573	52,105	25,282	725,131
Operating expenses	(85,943)	(143,567)	(32,009)	(13,852)	(275,371)
Credit impairment (losses)/reversal	(53,073)	(79,252)	5,984	(848)	(127,189)
Impairment losses on other assets	(18)	–	–	–	(18)

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

39 Operating segments (Continued)

***Business operating segments** (Continued)*

	Corporate banking	Personal banking	Treasury operations	Others	Consolidated total
Operating profit	125,137	160,754	26,080	10,582	322,553
Share of results of associates and joint ventures	–	–	–	1,136	1,136
Profit before tax	125,137	160,754	26,080	11,718	323,689
Income tax expense					(31,686)
Profit for the year					292,003
Depreciation and amortization included in operating expenses	6,538	12,573	4,055	329	23,495
Capital expenditure	5,983	14,436	5,680	2,538	28,637
As at 31 December 2025					
Segment assets	17,264,335	9,157,020	21,602,761	591,450	48,615,566
Including: Investment in associates and joint ventures	–	–	–	19,820	19,820
Unallocated assets					169,108
Total assets					48,784,674
Segment liabilities	(11,601,496)	(21,323,101)	(12,154,378)	(460,094)	(45,539,069)
Unallocated liabilities					(2,234)
Total liabilities					(45,541,303)
Loan commitments and financial guarantee contracts	2,205,653	968,735	–	–	3,174,388

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

39 Operating segments (Continued)

Business operating segments *(Continued)*

	Corporate banking	Personal banking	Treasury operations	Others	Consolidated total
For the year ended 31 December 2024					
External interest income	496,875	319,168	450,167	9,470	1,275,680
External interest expense	(206,521)	(277,452)	(205,287)	(5,728)	(694,988)
Inter-segment net interest (expense)/income	(42,513)	306,676	(264,163)	–	–
Net interest income/ (expenses)	247,841	348,392	(19,283)	3,742	580,692
Fee and commission income	37,954	47,836	796	3,379	89,965
Fee and commission expense	(6,954)	(6,988)	(45)	(411)	(14,398)
Net fee and commission income	31,000	40,848	751	2,968	75,567
Net trading gain	–	–	23,361	2,144	25,505
Net (loss)/gain on financial investments	(1,035)	(11)	13,469	8,192	20,615
Net gain/(loss) on derecognition of financial assets measured at amortized cost	–	–	7,317	(150)	7,167
Other operating income/ (expenses)	1,072	630	(6,643)	6,811	1,870
Operating income	278,878	389,859	18,972	23,707	711,416
Operating expenses	(84,459)	(137,061)	(28,450)	(11,210)	(261,180)
Credit impairment losses	(43,723)	(78,831)	(7,736)	(550)	(130,840)
Impairment losses on other assets	(267)	–	–	–	(267)

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

39 Operating segments (Continued)

Business operating segments *(Continued)*

	Corporate banking	Personal banking	Treasury operations	Others	Consolidated total
Operating profit/(loss)	150,429	173,967	(17,214)	11,947	319,129
Share of results of associates and joint ventures	–	–	–	72	72
Profit/(loss) before tax	150,429	173,967	(17,214)	12,019	319,201
Income tax expense					(36,530)
Profit for the year					282,671
Depreciation and amortization included in operating expenses	5,939	12,400	4,225	305	22,869
Capital expenditure	3,961	10,420	4,225	4,184	22,790
As at 31 December 2024					
Segment assets	15,499,878	8,739,885	18,317,472	532,891	43,090,126
Including: Investment in associates and joint ventures	–	–	–	10,332	10,332
Unallocated assets					148,009
Total assets					43,238,135
Segment liabilities	(11,344,305)	(19,238,312)	(9,081,221)	(470,954)	(40,134,792)
Unallocated liabilities					(6,070)
Total liabilities					(40,140,862)
Loan commitments and financial guarantee contracts	1,972,767	901,584	–	–	2,874,351

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

39 Operating segments (Continued)

County Area and Urban Area segments

The Group's operating segments organized by County Area and Urban Area banking business are set out as follows:

County Area banking business

The Group's County Area banking business provides a broad range of financial products and services to customers in designated County Area, through its operating branches in the counties or county-level cities throughout the PRC. The products and services mainly comprise loans, deposits, bank cards, and other types of intermediary services.

Urban Area banking business

The Group's Urban Area banking business comprises all banking activities outside of the County Area banking business, overseas branches and subsidiaries.

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

39 Operating segments (Continued)

County Area and Urban Area segments *(Continued)*

	County Area banking business	Urban Area banking business	Eliminations	Consolidated total
For the year ended 31 December 2025				
External interest income	314,338	887,000	–	1,201,338
External interest expense	(185,143)	(446,601)	–	(631,744)
Inter-segment net interest income/(expense)	189,511	(189,511)	–	–
Net interest income	318,706	250,888	–	569,594
Fee and commission income	37,486	64,468	–	101,954
Fee and commission expense	(5,762)	(8,107)	–	(13,869)
Net fee and commission income	31,724	56,361	–	88,085
Net trading gain	1,984	14,921	–	16,905
Net gain on financial investments	119	15,773	–	15,892
Net gain on derecognition of financial assets measured at amortized cost	–	22,908	–	22,908
Other operating income	7,444	4,303	–	11,747
Operating income	359,977	365,154	–	725,131
Operating expenses	(126,498)	(148,873)	–	(275,371)
Credit impairment losses	(45,200)	(81,989)	–	(127,189)
Impairment (losses)/reversal on other assets	(23)	5	–	(18)
Operating profit	188,256	134,297	–	322,553
Share of results of associates and joint ventures	–	1,136	–	1,136
Profit before tax	188,256	135,433	–	323,689
Income tax expense				(31,686)
Profit for the year				292,003
Depreciation and amortization included in operating expenses	9,727	13,768	–	23,495
Capital expenditure	4,007	24,630	–	28,637
As at 31 December 2025				
Segment assets	16,086,086	32,590,222	(60,742)	48,615,566
Including: Investment in associates and joint ventures	–	19,820	–	19,820
Unallocated assets				169,108
Total assets				48,784,674
Segment liabilities	(14,963,532)	(30,636,279)	60,742	(45,539,069)
Unallocated liabilities				(2,234)
Total liabilities				(45,541,303)
Loan commitments and financial guarantee contracts	835,507	2,338,881	–	3,174,388

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

39 Operating segments (Continued)

County Area and Urban Area segments *(Continued)*

	County Area banking business	Urban Area banking business	Eliminations	Consolidated total
For the year ended 31 December 2024				
External interest income	331,861	943,819	–	1,275,680
External interest expense	(201,480)	(493,508)	–	(694,988)
Inter-segment net interest income/(expense)	181,944	(181,944)	–	–
Net interest income	312,325	268,367	–	580,692
Fee and commission income	36,754	53,211	–	89,965
Fee and commission expense	(6,007)	(8,391)	–	(14,398)
Net fee and commission income	30,747	44,820	–	75,567
Net trading gain	406	25,099	–	25,505
Net gain on financial investments	153	20,462	–	20,615
Net gain on derecognition of financial assets measured at amortized cost	–	7,167	–	7,167
Other operating income/(expense)	5,916	(4,046)	–	1,870
Operating income	349,547	361,869	–	711,416
Operating expenses	(120,273)	(140,907)	–	(261,180)
Credit impairment losses	(43,201)	(87,639)	–	(130,840)
Impairment losses on other assets	(134)	(133)	–	(267)
Operating profit	185,939	133,190	–	319,129
Share of results of associates and joint ventures	–	72	–	72
Profit before tax	185,939	133,262	–	319,201
Income tax expense				(36,530)
Profit for the year				282,671
Depreciation and amortization included in operating expenses	9,474	13,395	–	22,869
Capital expenditure	3,531	19,259	–	22,790
As at 31 December 2024				
Segment assets	14,756,722	28,866,082	(532,678)	43,090,126
Including: Investment in associates and joint ventures	–	10,332	–	10,332
Unallocated assets				148,009
Total assets				43,238,135
Segment liabilities	(13,735,194)	(26,932,276)	532,678	(40,134,792)
Unallocated liabilities				(6,070)
Total liabilities				(40,140,862)
Loan commitments and financial guarantee contracts	781,291	2,093,060	–	2,874,351

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

40 Related party transactions

(1) The Group and the MOF

As at 31 December 2025, the MOF directly owned 35.29% (31 December 2024: 35.29%) of the ordinary shares of the Bank.

The MOF is a Chinese government ministry, primarily responsible for managing state fiscal revenue and expenditure, and establishing and enforcing taxation policies. It reports to the Chinese State Council.

The Group enters into transactions with the MOF in its ordinary course of business under normal commercial terms. Details of the major balances and transactions are as follows:

	31 December 2025		31 December 2024	
	Balance	**Ratio to similar transactions**	Balance	Ratio to similar transactions
Assets				
Treasury bonds and special government bond	**5,341,347**	**32.73%**	3,023,971	21.84%
Receivable from the MOF	**353,969**	**2.17%**	348,136	2.51%
Liabilities				
Due to customers	**4,020**	**0.01%**	3,414	0.01%
Other liabilities				
— Amount payable to the MOF	**322**	**0.06%**	266	0.05%

	Year ended 31 December			
	2025		2024	
	Amount	**Ratio to similar transactions**	Amount	Ratio to similar transactions
Interest income	**109,733**	**9.13%**	77,261	6.06%
Interest expense	**(96)**	**0.02%**	(74)	0.01%
Fee and commission income	**1,840**	**1.80%**	1,646	1.83%
Net trading gain	**236**	**1.40%**	135	0.53%

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

40 Related party transactions (Continued)

(1) The Group and the MOF (Continued)

Interest rate ranges for transactions with the MOF during the year are as follows:

	Year ended 31 December	
	2025	2024
	%	%
Treasury bonds and receivable from the MOF	**0.00–9.00**	0.00–9.00
Due to customers	**0.0001–3.08**	0.0001–3.96

The Group's redemption commitment for treasury bonds underwriting is disclosed in Note IV 42 Contingent liabilities and commitments.

(2) The Group and Huijin

Central Huijin Investment Ltd. ("Huijin") is a wholly state-owned company through state investment in accordance with the Company Law of the PRC, which is incorporated with authorized capital of RMB828,209 million in Beijing, PRC. The State Council has authorized Huijin to make equity investments in major state-owned financial institutions to preserve and increase the value of these state-owned financial assets. Huijin can exercise rights and shall assume obligations on major state-owned financial institutions as an investor on behalf of the state to the extent of its capital contribution. Huijin does not engage in other commercial activities nor intervene in the normal operations of major state-owned financial institutions which are controlled by Huijin.

As at 31 December 2025, Huijin directly owned 40.14% (31 December 2024: 40.14%) of the ordinary shares of the Bank.

Transactions with Huijin

The Group enters into transactions with Huijin in its ordinary course of business. These balances and transactions are priced based on market prices and conducted under normal commercial terms. Details of the major balances and transactions are as follows:

	31 December 2025		31 December 2024	
	Balance	**Ratio to similar transactions**	Balance	Ratio to similar transactions
Assets				
Loans and advances to customers	**31,421**	**0.12%**	61,634	0.26%
Financial investments	**62,551**	**0.38%**	51,922	0.37%
Liabilities				
Due to customers	**70,027**	**0.21%**	34,257	0.11%

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

40 Related party transactions (Continued)

(2) The Group and Huijin (Continued)

Transactions with Huijin (Continued)

	Year ended 31 December			
	2025		2024	
	Amount	**Ratio to similar transactions**	Amount	Ratio to similar transactions
Interest income	**2,162**	**0.18%**	2,186	0.17%
Interest expense	**(478)**	**0.08%**	(247)	0.04%
Net trading gain	**5**	**0.03%**	1	0.00%

Interest rate ranges for transactions with Huijin during the year are as follows:

	Year ended 31 December	
	2025 **%**	2024 %
Loans and advances to customers	**2.25–2.35**	2.35
Financial investments	**1.73–4.20**	1.90–4.20
Due to customers	**0.05–1.60**	0.15–1.90

Transactions with companies under Huijin

Huijin has equity interests in certain other banks and financial institutions under the direction of the Central Government. The Group enters into transactions with these banks and financial institutions in the ordinary course of business. These balances and transactions are priced based on market prices and conducted under normal commercial terms. Details of the major balances and transactions are as follows:

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

40 Related party transactions (Continued)

(2) The Group and Huijin (Continued)

Transactions with companies under Huijin (Continued)

	31 December 2025		31 December 2024	
	Balance	**Ratio to similar transactions**	Balance	Ratio to similar transactions
Assets				
Deposits with banks and other financial institutions	**174,652**	**38.23%**	265,209	46.37%
Placements with and loans to banks and other financial institutions	**229,520**	**41.85%**	106,782	20.16%
Derivative financial assets	**3,929**	**11.72%**	10,604	16.09%
Financial assets held under resale agreements	**155,298**	**9.92%**	119,950	8.75%
Loans and advances to customers	**56,676**	**0.22%**	36,024	0.15%
Financial investments	**894,197**	**5.48%**	1,171,357	8.46%
Liabilities				
Deposits from banks and other financial institutions	**204,087**	**3.38%**	138,487	2.97%
Placements from banks and other financial institutions	**112,465**	**31.99%**	114,657	31.50%
Derivative financial liabilities	**3,396**	**7.54%**	9,277	15.95%
Financial assets sold under repurchase agreements	**3,701**	**0.25%**	27,533	4.47%
Due to customers	**1,240**	**0.00%**	910	0.00%
Equity				
Other equity instruments	**–**	**–**	1,913	0.38%
Off-balance sheet items				
Letters of guarantee and guarantees	**2,007**	**0.43%**	379	0.09%

	Year ended 31 December			
	2025		2024	
	Amount	**Ratio to similar transactions**	Amount	Ratio to similar transactions
Interest income	**15,326**	**1.28%**	18,148	1.42%
Interest expense	**(2,860)**	**0.45%**	(3,274)	0.47%
Net trading gain	**1,288**	**7.62%**	1,873	7.34%
Net gain on financial investments	**3,116**	**19.61%**	4,149	20.13%

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

40 Related party transactions (Continued)

(2) The Group and Huijin (Continued)

Transactions with companies under Huijin (Continued)

Interest rate ranges for transactions with companies under Huijin during the year are as follows:

	Year ended 31 December	
	2025	2024
	%	%
Deposits with banks and other financial institutions	**0.00–3.70**	-0.45–4.40
Placements with and loans to banks and other financial institutions	**0.15–5.01**	0.55–5.77
Derivative financial assets	**-0.002–3.00**	-0.002–5.20
Financial assets held under resale agreements	**1.35–2.30**	1.55–2.28
Loans and advances to customers	**0.00–5.10**	0.00–5.10
Financial investments	**0.00–5.85**	0.00–6.69
Deposits from banks and other financial institutions	**0.00–5.05**	0.00–5.30
Placements from banks and other financial institutions	**0.23–4.80**	0.28–5.77
Derivative financial liabilities	**-0.002–3.00**	0.02–5.20
Financial assets sold under repurchase agreements	**1.62–2.10**	1.65–2.20
Due to customers	**0.0001–3.66**	0.0001–0.45
Other equity instruments	**N/A**	4.84

(3) The Group and National Council for Social Security Fund of the People's Republic of China

As at 31 December 2025, the Bank's shares held by National Council for Social Security Fund of the People's Republic of China (the "SSF") accounted for 6.72% of the Bank's total share capital (31 December 2024: 6.72%). The Group enters into transactions with the SSF in the ordinary course of business. These balances and transactions are priced based on market prices and conducted under normal commercial terms. Details of the major balances and transactions are as follows:

	31 December 2025		31 December 2024	
	Balance	**Ratio to similar transactions**	Balance	Ratio to similar transactions
Assets				
Financial assets held under resale agreements	**44,947**	**2.87%**	33,960	2.48%
Liabilities				
Due to customers	**192,292**	**0.59%**	161,547	0.53%
Equity				
Other equity instruments	**1,250**	**0.27%**	1,250	0.25%

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

40 Related party transactions (Continued)

(3) The Group and National Council for Social Security Fund of the People's Republic of China (Continued)

	Year ended 31 December			
	2025		2024	
	Amount	**Ratio to similar transactions**	Amount	Ratio to similar transactions
Interest income	**8**	**0.00%**	7	0.00%
Interest expense	**(5,170)**	**0.82%**	(5,759)	0.83%

Interest rate ranges for transactions with SSF during the year are as follows:

	Year ended 31 December	
	2025 %	2024 %
Financial assets held under resale agreements	**1.60–2.25**	1.95–2.15
Due to customers	**0.05–4.20**	0.10–4.26
Other equity instruments	**3.77**	4.84

(4) The Group and other government related entities

Other than disclosed above, a significant portion of the Group's banking transactions are entered into with government authorities, agencies, affiliates and other State controlled entities. These transactions are entered into under normal commercial terms and conditions and mainly include provision of credit and guarantee, deposits, foreign exchange transactions, derivative transactions, agency services, underwriting and distribution of bonds issued by government agencies, purchase, sales and redemption of investment securities issued by government agencies.

Management considers that these transactions are activities conducted in the ordinary course of business, and that the dealings of the Group have not been significantly or unduly affected by the fact that the Group and those entities are government related. The Group has also established pricing policies for products and services and such pricing policies do not depend on whether or not the customers are government authorities, agencies, affiliates and other State controlled entities.

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

40 Related party transactions (Continued)

(5) The Bank and its subsidiaries

The Bank had the following balances and transactions with its subsidiaries in its ordinary course of business. These balances and transactions are priced based on market prices and conducted under normal commercial terms. Details of the major balances and transactions are as follows:

	31 December 2025		31 December 2024	
	Balance	**Ratio to similar transactions**	Balance	Ratio to similar transactions
Assets				
Placements with and loans to banks and other financial institutions	**83,784**	**15.28%**	84,334	15.92%
Loans and advances to customers	**6,385**	**0.02%**	4,844	0.02%
Financial investments	**803**	**0.00%**	1,121	0.01%
Deposits with banks and other financial institutions	**55**	**0.01%**	51	0.01%
Other assets	**6,227**	**1.85%**	469	0.15%
Liabilities				
Deposits from banks and other financial institutions	**14,264**	**0.24%**	12,256	0.26%
Placements from banks and other financial institutions	**–**	**–**	823	0.23%
Due to customers	**2,395**	**0.01%**	2,798	0.01%
Other liabilities	**575**	**0.10%**	510	0.09%
Off-balance sheet items				
Letters of guarantee and guarantees	**–**	**–**	146	0.04%
Non-principal guaranteed wealth management products issued by the Group	**3,010**	**0.14%**	35	0.00%

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

40 Related party transactions (Continued)

(5) The Bank and its subsidiaries (Continued)

	Year ended 31 December			
	2025		2024	
	Amount	Ratio to similar transactions	Amount	Ratio to similar transactions
Interest income	1,511	0.13%	1,575	0.12%
Net gain on financial investments	–	–	13	0.06%
Fee and commission income	2,036	2.00%	1,707	1.90%
Other operating income	205	1.75%	199	10.64%
Interest expense	(190)	0.03%	(196)	0.03%
Fee and commission expense	(3,429)	24.72%	(485)	3.37%
Operating expense	(201)	0.07%	(744)	0.28%

Interest rate ranges for transactions with its subsidiaries during the year are as follows:

	Year ended 31 December	
	2025 %	2024 %
Placements with and loans to banks and other financial institutions	0.30–2.65	1.62–5.50
Loans and advances to customers	2.45–3.20	3.95–4.65
Financial investments	0.00–2.80	2.25–2.80
Deposits with banks and other financial institutions	0.02	0.02
Deposits from banks and other financial institutions	0.00–4.46	0.00–5.27
Placements from banks and other financial institutions	N/A	0.00
Due to customers	0.05–3.66	0.01–1.45

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

40 Related party transactions (Continued)

(6) The Group and its associates and joint ventures

The Group had the following balances and transactions with its associates and joint ventures in its ordinary course of business. These balances and transactions are priced based on market prices and conducted under normal commercial terms. Details of the major balances and transactions are as follows:

	31 December 2025		31 December 2024	
	Balance	**Ratio to similar transactions**	Balance	Ratio to similar transactions
Assets				
Loans and advances to customers	**–**	**–**	985	0.00%
Liabilities				
Deposits from banks and other financial institutions	**66**	**0.00%**	27	0.00%
Due to customers	**1,712**	**0.01%**	3	0.00%

	Year ended 31 December			
	2025		2024	
	Amount	**Ratio to similar transactions**	Amount	Ratio to similar transactions
Interest income	**–**	**–**	26	0.00%
Interest expense	**2**	**0.00%**	0	0.00%

Interest rate ranges for transactions with its associates and joint ventures during the year are as follows:

	Year ended 31 December	
	2025 %	2024 %
Loans and advances to customers	**N/A**	3.45
Deposits from banks and other financial institutions	**0.00–2.63**	0.00–4.40
Due to customers	**0.10**	0.10

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

40 Related party transactions (Continued)

(7) Key management personnel and related natural persons transactions

Key management personnel are those persons who have the authority and responsibility to plan, direct and control the activities of the Group. Key management personnel of the Group, their close relatives, and entities that are controlled, jointly controlled, or significantly influenced by either the key management personnel of the Group or their close relatives, are considered as related parties of the Group. The Group enters into banking transactions with above related parties in the normal course of business. As at 31 December 2025, the balance of loans and advances to the above related parties is RMB11.34 million (31 December 2024: RMB12.10 million).

The Bank issued loans and credit card business to related natural persons (as defined in the Administrative Measures on Information Disclosure of Listed Companies issued by the China Securities Regulatory Commission (the "CSRC")). As at 31 December 2025, the balance of such loans amounted to RMB11.35 million (31 December 2024: RMB12.26 million).

The remuneration of Directors and other members of key management during the years was as follows:

	Year ended 31 December	
	2025 (millions)	2024 (Restated) (millions)
Salaries, bonuses and staff welfare	**10.14**	11.87

According to the regulations of the relevant authorities in the PRC, the key management personnel's final emoluments for the year ended 31 December 2025 have not been finalized. Management of the Group believes that the difference between the final emoluments and that disclosed above will not have significant impact on the consolidated financial statements of the Group. The final compensation will be disclosed in a separate announcement when determined.

The compensation of key management personnel for the year ended 31 December 2024 was not decided at the time when the Group's 2024 consolidated financial statements were released and the amount of remuneration of key management personnel recognized in the consolidated statement of profit or loss for the year of 2024 was RMB10.22 million. Supplementary announcement on final compensation of RMB11.87 million was released by the Bank on 26 December 2025. The comparative figures for the year of 2024 have been restated accordingly.

(8) Related party transactions defined by NFRA

As at 31 December 2025, the Bank's balance of credit related transactions to the related parties as defined in the Rules on Related-Party Transactions of Banking and Insurance Institutions by the NFRA totalled RMB204,612 million (31 December 2024: RMB210,123 million) and the amount of non-credit transaction totalled RMB85,105 million (31 December 2024: RMB44,244 million).

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

40 Related party transactions (Continued)

(9) The Group and the Annuity Scheme

The Group had the following balances and transactions with the Annuity Scheme set up by the Bank apart from the obligation for defined contribution to the Annuity Scheme:

	31 December 2025		31 December 2024	
	Balance	**Ratio to similar transactions**	Balance	Ratio to similar transactions
Liabilities				
Deposits from Annuity Scheme	**304**	**0.00%**	959	0.00%
Equity				
Other equity instruments	**7,500**	**1.60%**	7,500	1.50%

	Year ended 31 December			
	2025		2024	
	Amount	**Ratio to similar transactions**	Amount	Ratio to similar transactions
Interest expense	**(27)**	**0.00%**	(62)	0.01%

Interest rate ranges for transactions with the Annuity Scheme during the year are as follows:

	Year ended 31 December	
	2025 %	2024 %
Deposits from Annuity Scheme	**1.90–3.00**	0.00–4.80
Other equity instruments	**3.77–4.12**	4.84–5.32

(10) Proportion of transactions with major related parties

Related party transactions with subsidiaries have been offset in the process of preparing consolidated financial statements. When calculating the proportion of related party transactions, related party transactions do not include related party transactions with subsidiaries.

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

40 Related party transactions (Continued)

(10) Proportion of transactions with major related parties (Continued)

(i) Transaction balance

	31 December 2025		31 December 2024	
	Related party transactions	**Proportion**	Related party transactions	Proportion
Deposits with banks and other financial institutions	**174,652**	**38.23%**	265,209	46.37%
Placements with and loans to banks and other financial institutions	**229,520**	**41.85%**	106,782	20.16%
Derivative financial assets	**3,929**	**11.72%**	10,604	16.09%
Financial assets held under resale agreements	**200,245**	**12.80%**	153,910	11.22%
Loans and advances to customers	**88,097**	**0.34%**	98,643	0.41%
Financial investments	**6,652,064**	**40.76%**	4,595,386	33.18%
Deposits from banks and other financial institutions	**204,153**	**3.38%**	138,514	2.97%
Placements from banks and other financial institutions	**112,465**	**31.99%**	114,657	31.50%
Derivative financial liabilities	**3,396**	**7.54%**	9,277	15.95%
Financial assets sold under repurchase agreements	**3,701**	**0.25%**	27,533	4.47%
Due to customers	**269,595**	**0.83%**	201,090	0.66%
Other liabilities	**322**	**0.06%**	266	0.05%
Other equity instruments	**8,750**	**1.86%**	10,663	2.13%
Letters of guarantee and guarantees	**2,007**	**0.43%**	379	0.09%

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

40 Related party transactions (Continued)

(10) Proportion of transactions with major related parties (Continued)

(ii) Transaction amount

	Year ended 31 December			
	2025		2024	
	Related party transactions	**Proportion**	Related party transactions	Proportion
Interest income	**127,229**	**10.59%**	97,628	7.65%
Interest expense	**(8,629)**	**1.37%**	(9,416)	1.35%
Net trading gain	**1,529**	**9.04%**	2,009	7.88%
Net gain on financial investments	**3,116**	**19.61%**	4,149	20.13%
Fee and commission income	**1,840**	**1.80%**	1,646	1.83%

41 Structured entities

(1) Consolidated structured entities

Structured entities consolidated by the Group include certain asset management plans, funds and securitization products issued, managed and/or invested by the Group. The Group controls these entities because the Group has power over, is exposed to, or has rights to, variable returns from its involvement with these entities and has the ability to use its power over these entities to affect the amount of the Group's returns.

(2) Unconsolidated structured entities

Unconsolidated structured entities sponsored and managed by the Group

Unconsolidated structured entities sponsored and managed by the Group mainly include non-principal guaranteed WMPs, which are not subject to any guarantee by the Group of the principal invested or interest to be paid. The WMPs invest in a range of assets, most typically money market instruments, debt securities and non-standardized debt assets. As the manager of these WMPs, the Group, on behalf of the investors in these WMPs, invests the funds raised from investors to the assets as described in the investment plan related to each WMP and distributes profits to investors based on product performance.

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

41 Structured entities (Continued)

(2) Unconsolidated structured entities (Continued)

Unconsolidated structured entities sponsored and managed by the Group (Continued)

As at 31 December 2025, the total assets invested by these non-principal guaranteed WMPs amounted to RMB2,237,304 million (31 December 2024: RMB2,068,000 million) and the corresponding outstanding WMPs issued by the Group amounted to RMB2,151,298 million (31 December 2024: RMB1,985,401 million). During the year ended 31 December 2025, the Group's interest in these WMPs included net fee and commission income of RMB18,276 million (2024: RMB4,018 million). The Group enters into placements and repo transactions at market interest rates with these WMPs, and the outstanding balance of these transactions represented the Group's maximum exposure to the WMPs. These transactions did not occur during the year ended 31 December 2025 and 31 December 2024. And there was no outstanding balance for the above-mentioned transactions at 31 December 2025 and 31 December 2024. The Group was under no obligation to enter into these transactions.

There were no contractual liquidity arrangements, guarantees or other commitments between the Group and any third parties that could increase the level of the Group's risk from WMPs disclosed above during the years ended 31 December 2025 and 31 December 2024. The Group was not required to absorb any losses incurred by WMPs.

In addition, other unconsolidated structured entities sponsored and managed by the Group included funds, asset management plans and asset-backed securities. As at 31 December 2025, the total assets of these products amounted to RMB315,668 million (31 December 2024: RMB295,296 million). During the year ended 31 December 2025, the Group's interest in these products mainly included net fee and commission income of RMB1,035 million (2024: RMB992 million).

Other unconsolidated structured entities held by the Group

The Group invests in other unconsolidated structured entities which are sponsored and managed by other entities for investment return, and records trading gains or losses and interest income therefrom. These unconsolidated structured entities primarily include asset management plans, WMPs, funds, trust plans, asset-backed securities and debt investment plans. etc. As at 31 December 2025, the related carrying amount of investments and the maximum exposure by the Group to these other unconsolidated structured entities was RMB72,734 million (31 December 2024: RMB77,636 million), included under the financial assets at fair value through profit or loss, debt instrument investments at amortized cost and other debt instrument and other equity investments at fair value through other comprehensive income categories in the consolidated statement of financial position. The information on the size of total assets of these unconsolidated structured entities was not readily available in the public domain.

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

42 Contingent liabilities and commitments

Legal proceedings and others

The Bank and its subsidiaries are involved as demandants/defendants in certain lawsuits arising from their normal business operations. As at 31 December 2025, provisions of RMB4,695 million were made by the Group (31 December 2024: RMB5,228 million) based on court judgments or advice of legal counsel, and included in Note IV 31 Other liabilities. Management of the Group believes that the final result of these lawsuits will not have a material impact on the financial position or operations of the Group.

Capital commitments

	As at 31 December	
	2025	2024
Contracted but not provided for	**27,838**	4,079

Loan commitments and financial guarantee contracts

	As at 31 December	
	2025	2024
Loan commitments		
— With an original maturity of less than 1 year	**41,870**	10,249
— With an original maturity of 1 year or above	**184,215**	233,504
Subtotal	**226,085**	243,753
Bank acceptances	**1,289,183**	1,127,316
Credit card commitments	**956,266**	883,311
Letters of guarantee and guarantees	**462,464**	399,920
Letters of credit	**240,390**	220,051
Total	**3,174,388**	2,874,351

Loan commitments and financial guarantee contracts represent credit cards and general credit facility limits granted to customers. These general credit facilities may be drawn in the form of loans or through the issuance of letters of credit, letters of guarantee and guarantees or bank acceptances.

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

42 Contingent liabilities and commitments (Continued)

Credit risk-weighted assets for credit commitments

Credit risk-weighted assets for credit commitments represent the counterparty credit risk associated with credit commitments and are calculated in accordance with the "Rules on Capital Management of Commercial Banks" issued by the NFRA which was effective on 1 January 2024 and are dependent on, among other factors, creditworthiness of counterparties and maturity characteristics of each type of contracts.

	As at 31 December	
	2025	2024
Credit risk-weighted assets for credit commitments	**1,723,953**	1,524,062

Collateral

Assets as collateral

At the end of each reporting period, the carrying amounts of assets pledged as collateral under repurchase agreements are as follows:

	As at 31 December	
	2025	2024
Debt securities	**1,486,082**	632,614
Bills	**5,428**	3,524
Total	**1,491,510**	636,138

As at 31 December 2025, the financial assets sold under repurchase agreements (Note IV 28 Financial assets sold under repurchase agreements) by the Group amounted to RMB1,453,842 million (31 December 2024: RMB615,725 million). Repurchase agreements are primarily due within 1 year from the effective dates of these agreements. Financial assets sold under repurchase agreements include certain transactions under which the title of the pledged securities has been transferred to counterparties. These transactions have been disclosed in Note IV 43 Transferred financial assets.

In addition, debt securities and deposits with banks and other financial institutions pledged in accordance with regulatory requirements as collateral for derivative transactions or borrowings from central banks etc. by the Group as at 31 December 2025 amounted to RMB1,625,976 million in total (31 December 2024: RMB1,318,868 million).

Collateral accepted

The Group received debt securities and bills as collateral in connection with the securities lending transactions and the purchase of assets under resale agreements (Note IV 16 Financial assets held under resale agreements). As at 31 December 2025, the Group has accepted collateral that can be resold or re-pledged with a fair value of RMB4,187 million (31 December 2024: RMB2,266 million) and the Group did not resell or re-pledge any of these collateral accepted.

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

42 Contingent liabilities and commitments (Continued)

Redemption commitment for treasury bonds

The Group is entrusted by the MOF to underwrite certain treasury bonds. The investors of these treasury bonds have a right to redeem the bonds at any time prior to maturity and the Group is committed to honor such redemption requests. The redemption price is calculated as the nominal value of the bond plus payable interest in accordance with the terms of the related early redemption arrangement.

As at 31 December 2025, the nominal value of treasury bonds the Group was obligated to redeem prior to maturity was RMB50,878 million (31 December 2024: RMB46,052 million). The original maturities of these bonds vary from 3 to 5 years. Management of the Group expects the amount of redemption before the maturity dates of these bonds will not be material.

Commitment on security underwriting

As at 31 December 2025, the Group did not have unexpired securities underwriting obligations (31 December 2024: Nil).

43 Transferred financial assets

The Group enters into transactions in the normal course of business whereby it transfers recognized financial assets to third parties or to structured entities. In some cases these 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 retains substantially all the risks and rewards of these assets, the Group continues to recognize the transferred assets.

Securitization transactions

The Group enters into securitization transactions in the normal course of business by which it transfers loans to structured entities which issue asset-backed securities to investors. The Group assessed, among other factors, whether or not to derecognize the transferred assets by evaluating the extent to which it retains the risks and rewards of the assets and whether it has relinquished its control over these assets based on the criteria as detailed in Note II 8.7 Derecognition of financial assets and Note III 6 Derecognition of financial assets transferred.

As at 31 December 2025, the total amount of unexpired asset-backed securities included accumulative loans transferred by the Group before impairment allowance was RMB139,366 million (31 December 2024: RMB122,382 million). RMB56,492 million of this balance (31 December 2024: RMB39,508 million) was in respect of non-performing loans and the Group concluded that these loans transferred were qualified for full derecognition. The remaining balance of RMB82,874 million (31 December 2024: RMB82,874 million) was in respect of performing loans and the Group concluded that it had continuing involvement in these assets. As at 31 December 2025, the Group continued to recognize assets of RMB6,266 million (31 December 2024: RMB7,887 million) under loans and advances to customers. The Group also recognized other assets and other liabilities of the same amount arising from such continuing involvement.

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

43 Transferred financial assets (Continued)

Transfer of non-performing loans

During the year ended 31 December 2025, the Group transferred non-performing loans through disposal to third parties or issuing asset-back securities, with gross loan balance of RMB30,914 million (2024: RMB23,219 million). The Group carried out an assessment based on the criteria as detailed in Note II 8.7 and Note III 6 and concluded that these transferred assets were qualified for full derecognition.

Financial assets sold under repurchase agreements

The Group did not derecognize financial assets transferred as collateral in connection with repurchase agreements. As at 31 December 2025, the book value of the debt securities whereby legal title has been transferred to counterparties was RMB1,467,869 million (31 December 2024: RMB411,300 million), and these collateral pledged is disclosed in Note IV 42 Contingent liabilities and commitments — Collateral.

Securities lending transactions

For debt securities lent to counterparties under securities lending agreements, the counterparties are allowed to sell or repledge these securities in the absence of default by the Group, but have an obligation to return the securities at the maturity of the contract. The Group has determined that it retains substantially all the risks and rewards of these securities and therefore has not derecognized them. As at 31 December 2025, the carrying amount of debt securities lent to counterparties was RMB22,390 million (31 December 2024: RMB27,790 million).

44 Financial risk management

Overview

The Group's primary risk management objective is to meet the requirements of stable operation from regulators, depositors and other stakeholders, as well as to maximize return for investors within an acceptable level of risk.

The Group has designed risk management policies, which address, among other things, the establishment of risk limits and controls to identify, analyze, monitor and report risks. Relevant and timely information used to conduct these risk management activities is provided through information systems maintained by the Group. The Group regularly reviews its risk management policies and systems to address changes in markets, products and emerging best practices.

The most significant types of risk to which the Group is exposed are credit risk, market risk and liquidity risk. Market risk includes foreign exchange rate risk, interest rate risk and other price risk.

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

44 Financial risk management (Continued)

Risk management framework

The Board of Directors of the Group is responsible for formulating the Group's risk appetite, reviewing and approving the Group's major risk management policies and procedures.

Senior Management of the Group is responsible for the implementation of risk management, including implementing risk appetite and risk management strategies, formulating risk management policies and procedures, and establishing a risk management organizational structure to manage the Group's major risks.

44.1 Credit risk

Credit risk management

Credit risk represents the potential loss that may arise from a customer or counterparty's failure to meet its obligations when due. Credit risk can also arise from operational failures that result in unauthorized or inappropriate loans and advances, commitment or investment. The Group's major credit risks arise from loans and advances, treasury operations and off-balance sheet related credit risk exposures.

The Group's credit risk management and governance structure comprise the Board of Directors and its Risk Management and Consumer Protection Committee, Senior Management and its Risk Management and Internal Control Committee, Credit Approval Committee and Asset Disposal Committee, Credit Management Department, Credit Approval Department and related front-office customer departments. The Group's credit risk management function operates under centralized management and authorization under a range of specified limits.

The Group performs standardized credit management procedures, including credit due diligence and proposal submission, credit underwriting review, loan disbursement, post-lending monitoring and non-performing loan management. The Group enhances its credit risk management by strictly complying with its credit management procedures; strengthening customer investigation, credit rating, lending approval and post-lending monitoring measures; enhancing risk mitigation effect of loans through collateral; accelerating disposal process of non-performing loans and continuously upgrading the credit management system.

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 there is no reasonable expectation of recovery include: (1) ceasing enforcement activity and (2) where the Group's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

44 Financial risk management (Continued)

44.1 Credit risk (Continued)

Credit risk management (Continued)

During the reporting period, the Group continued to improve the comprehensive risk management system to ensure effective risk management. The Group strengthened credit risk management in key areas and asset quality control and accelerated the disposal of non-performing loans to ensure the stability of assets quality.

Apart from the credit risk exposures on credit-related assets, the credit risk arising from treasury operation business is managed by selecting counterparties with acceptable credit quality, balancing credit risk and return, referencing to both internal and external credit rating information where available and applying appropriate limits subject to different level of management authority, and timely reviewing and adjusting those limits in credit system. In addition, the Group also provides loan commitments and financial guarantee services to customers which may require the Group to make payments on behalf of customers upon their failure to perform under the terms of the related contract. Risks arising from loan commitments and financial guarantees are similar to those associated with loans and advances. These transactions are, therefore, subject to the same risk management policies and procedures.

Measurement of ECL

The Group applies the ECL model to calculate loss allowances for its debt financial instruments measured at amortized cost and FVOCI, as well as loan commitments and financial guarantee contracts.

Methods applied by the Group in assessing the expected credit losses of its financial assets include risk parameters model and the discounted cash flow ("DCF") model. Retail credit assets and Stage I and Stage II wholesale credit assets are assessed using risk parameters, while Stage III wholesale credit assets are subject to the discounted cash flow method.

The Group assesses ECL in light of forward-looking information and uses models and assumptions in calculating the expected credit losses. These models and assumptions relate to the future macroeconomic conditions and the borrowers' creditworthiness (e.g., the likelihood of default by customers and the corresponding losses). In assessing the expected credit risks in accordance with accounting standards, the Group uses the judgements, assumptions and estimates where appropriate, including:

— Portfolio segmentation of credit risk exposures

— Parameters for measuring ECL

— Criteria for significant increase in credit risk and default definition

— Definition of credit-impaired financial assets

— Forward-looking information

— Estimation of future cash flows for Stage III wholesale credit assets

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

44 Financial risk management (Continued)

44.1 Credit risk (Continued)

***Measurement of ECL** (Continued)*

Portfolio segmentation of credit risk exposures

For measurement of ECL, portfolio segmentation is based on similar credit risk characteristics. In performing the portfolio segmentation of credit assets, the Group considers product types, customer types, industry, customer size, risk mitigation method and market distribution. The Group retests and revises the rationality of portfolio segmentation of credit risk exposures every year.

Parameters for measuring ECL

According to whether there is a significant increase in credit risk and whether a financial asset has become credit-impaired, the Group recognizes an impairment allowance based on the expected credit loss for the next 12 months or the entire lifetime of the financial asset. The relevant parameters of ECL measurement include probability of default (PD), loss given default (LGD) and exposure at default (EAD). The Group establishes its PD models, LGD models and EAD models based on the internal rating based system as currently used for its risk management purpose, in accordance with the requirements of IFRS 9, in light of quantitative analysis of historical statistics (such as counterparty ratings, guarantee methods and collateral types, repayment methods, etc.) and forward-looking information.

The parameters are defined as follows:

— PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months ("12 months PD"), or over the remaining lifetime ("Lifetime PD") of the obligation;

— EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months ("12 months EAD") or over the remaining lifetime ("Lifetime EAD");

— LGD represents the Group's expectation of the extent of loss on defaulted exposure. It varies depending on the type of counterparty, method of recourse and priority, and the availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default.

Criteria for significant increase in credit risk ("SICR") and default definition

The Group assesses whether the credit risk of the relevant financial instruments has increased significantly since the initial recognition at each reporting date. For the purpose of staging assessment of its financial assets, the Group thoroughly considers various reasonable and supportable information that may reflect whether there has been a significant change in their credit risk, including forward-looking information. Key factors considered include regulatory and operating environments, internal and external credit ratings, solvency, viability as a going concern, terms of loan contracts, repayment behaviors, among others. Based on the single financial instrument or the combination of financial instruments with similar characteristics of credit risk, the Group compares the risk of default of financial instruments on the reporting date with that on the initial recognition date in order to figure out the changes of default risk in the expected lifetime of financial instruments. The definition of default refers to the failure to pay the debt as agreed in the contract, or other violations of the debt contract and have a significant impact on the normal debt repayment.

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

44 Financial risk management (Continued)

44.1 Credit risk (Continued)

Measurement of ECL (Continued)

Criteria for significant increase in credit risk ("SICR") and default definition (Continued)

The Group sets quantitative and qualitative criteria to determine whether the credit risk of a financial instrument has increased significantly since its initial recognition. The criteria includes changes in its credit risk classification, changes in the borrower's PD, overdue status and other factors. In particular, when the credit risk classification changes from Normal upon initial recognition to Special Mention, there has been SICR. When the wholesale clients' PD rises to a certain level, there has been a SICR. Criteria to determine SICR varied based on the original PD upon initial recognition. If the borrower's original PD is relatively low (for example, lower than 3%), there has been SICR when the credit grade falls at least 5 notches. When retail clients' PD exceeds a certain level, there has been SICR. According to IFRS 9, a backstop is applied and the financial instrument is considered to have experienced SICR if the borrower is more than 30 days past due on its contractual payments.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. The Group recognizes a financial instrument as having low credit risk if its internal rating is consistent with the globally accepted definition for low credit risk (e.g. external "investment grade" rating).

Definition of credit-impaired financial assets

The criteria adopted by the Group to determine whether a credit impairment occurs under IFRS 9 is consistent with the internal credit risk management objectives for relevant financial instruments, in addition to consideration of quantitative and qualitative indicators. In assessing whether a borrower has become credit-impaired, the Group mainly considers the following factors:

— Significant financial difficulty of the issuer or the borrower;

— A breach of contract, such as a default or past due event in relation to interest or principal payment;

— The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

— It is becoming probable that the borrower will enter bankruptcy or other financial reorganization;

— The disappearance of an active market for that financial asset because of financial difficulties;

— The purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses;

— The borrower is overdue for more than 90 days in any principal, advances, interest or investment in bonds due to the Group.

The credit impairment of a financial asset may be caused by the combined effect of multiple events rather than any single discrete event.

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

44 Financial risk management (Continued)

44.1 Credit risk (Continued)

Measurement of ECL (Continued)

Forward-looking information

The assessment of whether there has been a significant increase in credit risk and the calculation of ECL both involve forward-looking information. Through the analysis of historical data, the Group identifies the forward-looking information that affect the credit risk and ECL of various portfolio. Forward-looking information include Gross Domestic Product (GDP), Consumer Price Index (CPI) and Producer Price Index (PPI), etc.

The impact of these forward-looking information on the PDs and the LGDs varies from one portfolio to another. The Group comprehensively considers internal and external data, expert forecasts and statistical analysis to determine the correlation between these forward-looking information and the PDs and LGDs. The Group assesses and forecasts these forward-looking information at least every six months, calculates the best estimates for the future, and regularly reviews and assesses results.

As at 31 December 2025, the Group has assessed and forecasted the relevant forward-looking information for 2026, of which the forecast value of 2026 GDP growth rate under each scenario is as follows: 5.00% under base scenario, 5.50% under upside scenario, and 4.50% under downside scenario.

Based on statistical analysis and expert judgements, the Group determines the weightings of multiple scenarios and the corresponding forward-looking information forecast under each scenario. The weighting of base scenario is greater than the aggregated weightings of the other two scenarios. At 31 December 2025, the weightings of the Group's base, upside and downside scenarios have not changed from 31 December 2024. The Group uses the weighted 12 months ECL (Stage I) or weighted lifetime ECL (Stage II and Stage III) to measure relevant impairment allowances. These weighted credit losses are calculated by multiplying the expected credit loss under each scenario by the assigned scenario weighting.

A sensitivity analysis is performed on scenario and indicators used in forward-looking measurement. When the assigned weightings of upside scenario and downside scenario change by 10% or major indicators change by 10% under base scenario, the impact on the allowance of expected credit loss is less than 5%.

Estimation of future cash flows for Stage III wholesale credit assets

The Group measures the ECL for Stage III wholesale credit assets using DCF method. Under DCF method, the loss allowance is calculated based on the estimation of future cash flows. At each measurement date, the Group projects the future cash inflows of relevant assets under different scenarios to estimate the probability weighted cash flow of each future period. The cash flows are discounted and aggregated to get the present value of the assets' future cash flows.

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

44 Financial risk management (Continued)

44.1 Credit risk (Continued)

Maximum exposure to credit risk without taking account of any collateral held or other credit enhancements

The maximum exposure to credit risk represents the worst credit risk exposure at the end of each reporting period, without taking account of any collateral held or other credit enhancements. The credit risk exposure to the Group at the end of each reporting period primarily arises from credit and treasury operations. In addition, off-balance sheet items such as loan commitments, credit card commitments, bank acceptances, letters of guarantee and guarantees and letters of credit also include credit risks.

A summary of the maximum exposure to credit risk as at the end of the reporting period is as follows:

		As at 31 December	
	Notes	2025	2024
Balances with central banks		**2,737,809**	2,067,244
Deposits with banks and other financial institutions		**456,883**	571,956
Placements with and loans to banks and other financial institutions		**548,381**	529,767
Derivative financial assets		**33,515**	65,920
Financial assets held under resale agreements		**1,564,991**	1,371,571
Loans and advances to customers	(i)	**26,178,354**	23,977,013
Financial investments			
Financial assets at fair value through profit or loss		**387,460**	364,130
Debt instrument investments at amortized cost	(ii)	**11,799,270**	9,905,633
Other debt instrument investments at fair value through other comprehensive income	(iii)	**3,933,954**	3,418,609
Other financial assets		**268,936**	260,021
Subtotal		**47,909,553**	42,531,864
Loan commitments and financial guarantee contracts	(iv)	**3,154,267**	2,852,166
Total		**51,063,820**	45,384,030

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

44 Financial risk management (Continued)

44.1 Credit risk (Continued)

Maximum exposure to credit risk without taking account of any collateral held or other credit enhancements (Continued)

(i) Maximum exposure to credit risk for loans and advances disclosed in credit risk levels

The Group classified the credit risk levels of financial assets measured by ECL into "Low" (credit risk in good condition), "Medium" (increased credit risk), and "High" (credit risk in severe condition), based on the quality of assets. The credit risk level is used for the purpose of the Group's internal credit risk management. "Low" refers to assets with good credit quality. There is no sufficient reason to doubt that the assets are not expected to fulfill its contractual obligation to repay or if there is any other behaviors breaching the debt contracts that would significantly impact the repayment of debt according to contract terms. "Medium" refers to assets facing obvious negative factors impacting its repayment capacity, but not yet have non-repayment behaviors. "High" refers to non-repayment according to the debt contract terms, or other behaviors breaching the debt contracts or having significant impact on the repayment of debt according to contract terms.

Corporate loans and advances	As at 31 December 2025		
	Stage I 12 months ECL	Stage II & Stage III Lifetime ECL	Total
Credit risk grade			
Low	17,320,072	49,244	17,369,316
Medium	–	246,763	246,763
High	–	219,161	219,161
Gross carrying amount	17,320,072	515,168	17,835,240
Allowance for impairment losses	(449,751)	(225,266)	(675,017)
Net amount	16,870,321	289,902	17,160,223

Personal Loans	As at 31 December 2025		
	Stage I 12 months ECL	Stage II & Stage III Lifetime ECL	Total
Credit risk grade			
Low	8,997,235	50,045	9,047,280
Medium	–	128,019	128,019
High	–	124,295	124,295
Gross carrying amount	8,997,235	302,359	9,299,594
Allowance for impairment losses	(143,744)	(137,719)	(281,463)
Net amount	8,853,491	164,640	9,018,131

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

44 Financial risk management (Continued)

44.1 Credit risk (Continued)

Maximum exposure to credit risk without taking account of any collateral held or other credit enhancements *(Continued)*

(i) Maximum exposure to credit risk for loans and advances disclosed in credit risk levels (Continued)

Corporate loans and advances	As at 31 December 2024		
	Stage I 12 months ECL	Stage II & Stage III Lifetime ECL	Total
Credit risk grade			
Low	15,541,041	54,112	15,595,153
Medium	–	227,196	227,196
High	–	230,918	230,918
Gross carrying amount	15,541,041	512,226	16,053,267
Allowance for impairment losses	(442,653)	(216,093)	(658,746)
Net amount	15,098,388	296,133	15,394,521

Personal Loans	As at 31 December 2024		
	Stage I 12 months ECL	Stage II & Stage III Lifetime ECL	Total
Credit risk grade			
Low	8,611,913	29,269	8,641,182
Medium	–	120,491	120,491
High	–	91,247	91,247
Gross carrying amount	8,611,913	241,007	8,852,920
Allowance for impairment losses	(183,244)	(87,184)	(270,428)
Net amount	8,428,669	153,823	8,582,492

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

44 Financial risk management (Continued)

44.1 Credit risk (Continued)

Maximum exposure to credit risk without taking account of any collateral held or other credit enhancements (Continued)

(ii) Maximum exposure to credit risk for debt instrument investments at amortized cost disclosed in credit risk levels

	As at 31 December 2025		
	Stage I 12 months ECL	Stage II & Stage III Lifetime ECL	Total
Credit risk grade			
Low	**11,817,243**	**–**	**11,817,243**
Medium	**–**	**306**	**306**
High	**–**	**1,680**	**1,680**
Gross carrying amount	**11,817,243**	**1,986**	**11,819,229**
Allowance for impairment losses	**(18,823)**	**(1,136)**	**(19,959)**
Net amount	**11,798,420**	**850**	**11,799,270**

	As at 31 December 2024		
	Stage I 12 months ECL	Stage II & Stage III Lifetime ECL	Total
Credit risk grade			
Low	9,927,191	–	9,927,191
Medium	–	599	599
High	–	1,412	1,412
Gross carrying amount	9,927,191	2,011	9,929,202
Allowance for impairment losses	(22,546)	(1,023)	(23,569)
Net amount	9,904,645	988	9,905,633

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

44 Financial risk management (Continued)

44.1 Credit risk (Continued)

***Maximum exposure to credit risk without taking account of any collateral held or other credit enhancements** (Continued)*

(iii) Maximum exposure to credit risk for other debt instrument investments at fair value through other comprehensive income disclosed in credit risk levels

	As at 31 December 2025		
	Stage I 12 months ECL	Stage II & Stage III Lifetime ECL	Total
Credit risk grade			
Low	3,932,923	284	3,933,207
Medium	–	747	747
High	–	–	–
Carrying amount	3,932,923	1,031	3,933,954

	As at 31 December 2024		
	Stage I 12 months ECL	Stage II & Stage III Lifetime ECL	Total
Credit risk grade			
Low	3,418,021	285	3,418,306
Medium	–	303	303
High	–	–	–
Carrying amount	3,418,021	588	3,418,609

(iv) Maximum exposure to credit risk for loan commitments and financial guarantee contracts is balance after estimated contingent liabilities. Majority of loan commitments and financial guarantee contracts is in Stage I with credit risk grade as "Low".

(v) As at 31 December 2025 and 31 December 2024, in its deposits with banks and other financial institutions, placements with and loans to banks and other financial institutions, and financial assets held under resale agreements, the Group had insignificant balances with "Medium" and "High" credit risk grade and classified as Stage II and Stage III assets.

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

44 Financial risk management (Continued)

44.1 Credit risk (Continued)

Maximum exposure to credit risk without taking account of any collateral held or other credit enhancements (Continued)

(vi) The Group has implemented specific policies and credit enhancement practices to mitigate credit risk exposure to an acceptable level. The most typical practice is obtaining guarantee deposits, collateral and guarantees. The amount and type of acceptable collateral are determined through the assessment of credit risk of borrowers or counterparties. The Group implements guidelines on the acceptability of specific classes of collateral and evaluation parameters.

The main types of collateral obtained are as follows:

— Mortgage loans to retail customers are generally collateralized by mortgages over residential properties;

— Other personal lending and corporate loans and advances are primarily collateralized by charges over land and properties or other assets of the borrowers; and

— Financial assets held under resale agreements transactions are primarily collateralized by debt securities and bills, etc.

The Group monitors the market value of collateral periodically and requests for additional collateral in accordance with the underlying agreement when necessary.

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

44 Financial risk management (Continued)

44.1 Credit risk (Continued)

Loans and advances to customers

The below information does not include accrued interests of loans and advances to customers.

(1) *The composition of loans and advances to customers by geographical area is analyzed as follows:*

	As at 31 December			
	2025		2024	
	Amount	% of total	Amount	% of total
Corporate loans and advances				
Head Office	590,775	3.3	570,025	3.6
Yangtze River Delta	4,768,355	26.8	4,258,989	26.5
Pearl River Delta	2,480,290	13.9	2,208,655	13.8
Bohai Rim	2,354,496	13.2	2,142,403	13.4
Central China	2,844,075	16.0	2,479,386	15.5
Western China	3,832,433	21.5	3,481,138	21.7
Northeastern China	568,103	3.2	511,328	3.2
Overseas and Others	370,297	2.1	373,883	2.3
Subtotal	17,808,824	100.0	16,025,807	100.0
Personal loans				
Head Office	490,854	5.3	350,336	4.0
Yangtze River Delta	1,740,647	18.8	1,770,702	20.1
Pearl River Delta	1,706,191	18.4	1,686,622	19.1
Bohai Rim	1,262,695	13.6	1,212,201	13.7
Central China	1,677,617	18.1	1,593,044	18.0
Western China	2,091,333	22.5	1,942,783	22.0
Northeastern China	293,339	3.2	258,524	2.9
Overseas and Others	11,146	0.1	16,232	0.2
Subtotal	9,273,822	100.0	8,830,444	100.0
Gross loans and advances to customers	27,082,646		24,856,251	

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

44 Financial risk management (Continued)

44.1 Credit risk (Continued)

Loans and advances to customers (Continued)

(2) *The composition of loans and advances to customers by industry is analyzed as follows:*

	As at 31 December			
	2025		2024	
	Amount	**% of total**	Amount	% of total
Corporate loans and advances				
Transportation, logistics and postal services	**3,254,445**	**18.3**	3,043,610	18.9
Manufacturing	**2,998,739**	**16.8**	2,694,054	16.8
Leasing and commercial services	**2,614,324**	**14.7**	2,380,813	14.9
Production and supply of power, heat, gas and water	**1,841,254**	**10.4**	1,677,005	10.5
Retail and wholesale	**1,534,995**	**8.6**	1,315,312	8.2
Water, environment and public utilities management	**1,359,745**	**7.6**	1,269,111	7.9
Finance	**1,427,033**	**8.0**	1,109,225	6.9
Real estate	**920,295**	**5.2**	913,134	5.7
Construction	**628,175**	**3.5**	569,371	3.6
Mining	**341,972**	**1.9**	308,667	1.9
Others	**887,847**	**5.0**	745,505	4.7
Subtotal	**17,808,824**	**100.0**	16,025,807	100.0
Personal loans				
Residential mortgage	**4,816,356**	**51.9**	4,984,594	56.4
Personal business	**2,991,621**	**32.3**	2,495,466	28.3
Personal consumption	**615,477**	**6.6**	491,414	5.6
Credit cards	**850,087**	**9.2**	858,811	9.7
Others	**281**	**0.0**	159	0.0
Subtotal	**9,273,822**	**100.0**	8,830,444	100.0
Gross loans and advances to customers	**27,082,646**		24,856,251	

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

44 Financial risk management (Continued)

44.1 Credit risk (Continued)

Loans and advances to customers (Continued)

(3) *The composition of loans and advances to customers by contractual maturity and security type is analyzed as follows:*

	31 December 2025			
	Less than 1 year	**1–5 years**	**Over 5 years**	**Total**
Unsecured loans	**5,439,171**	**3,726,784**	**3,130,050**	**12,296,005**
Guaranteed loans	**992,506**	**574,896**	**1,896,953**	**3,464,355**
Loans secured by mortgages	**1,672,715**	**1,001,061**	**6,185,892**	**8,859,668**
Pledged loans	**250,428**	**144,616**	**2,067,574**	**2,462,618**
Total	**8,354,820**	**5,447,357**	**13,280,469**	**27,082,646**

	31 December 2024			
	Less than 1 year	1–5 years	Over 5 years	Total
Unsecured loans	4,009,848	3,799,571	2,687,228	10,496,647
Guaranteed loans	769,295	793,657	1,440,682	3,003,634
Loans secured by mortgages	1,208,521	1,498,825	6,195,934	8,903,280
Pledged loans	315,051	296,843	1,840,796	2,452,690
Total	6,302,715	6,388,896	12,164,640	24,856,251

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

44 Financial risk management (Continued)

44.1 Credit risk (Continued)

Loans and advances to customers (Continued)

(4) Overdue loans (i)

	31 December 2025					
	Overdue 1–30 days	**Overdue 31–90 days**	**Overdue 91 to 360 days**	**Overdue 361 days to 3 years**	**Overdue over 3 years**	**Total**
Unsecured loans	**13,611**	**17,013**	**47,513**	**18,190**	**5,293**	**101,620**
Guaranteed loans	**4,830**	**2,473**	**10,067**	**12,408**	**5,686**	**35,464**
Loans secured by mortgages	**22,135**	**30,505**	**63,301**	**67,185**	**9,571**	**192,697**
Pledged loans	**1,328**	**540**	**3,160**	**3,715**	**1,023**	**9,766**
Total	**41,904**	**50,531**	**124,041**	**101,498**	**21,573**	**339,547**

	31 December 2024					
	Overdue 1–30 days	Overdue 31–90 days	Overdue 91 to 360 days	Overdue 361 days to 3 years	Overdue over 3 years	Total
Unsecured loans	13,503	14,159	34,888	10,253	3,639	76,442
Guaranteed loans	4,990	2,239	9,515	9,147	3,984	29,875
Loans secured by mortgages	29,180	33,911	63,894	42,927	8,871	178,783
Pledged loans	2,040	118	1,529	3,995	315	7,997
Total	49,713	50,427	109,826	66,322	16,809	293,097

(i) When either loan principal or interest is past due by one day (inclusive) in any period, the whole loan is classified as overdue loan.

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

44 Financial risk management (Continued)

44.1 Credit risk (Continued)

Loans and advances to customers (Continued)

(5) Credit quality of loans and advances to customers

Within the credit-impaired loans and advances, the portions covered and not covered by collaterals held are as follows:

	As at 31 December	
	2025	2024
Portion covered	**217,881**	202,304
Portion not covered	**125,575**	119,861
Total	**343,456**	322,165

(6) Modification of contractual cash flows

A modification or re-negotiation of a contract between the Group and a counterparty may result in a change to the contractual cash flows without resulting in the derecognition of the financial assets. Such restructuring activities include extended payment term arrangements, repayment schedule modifications and changes to the interest settlement method. The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset. The gross carrying amount of the financial asset is recalculated and the related gain or loss is recognized in profit and loss. The gross carrying amount of the financial asset is determined based on the present value of the renegotiated or modified contractual cash flows discounted at the financial asset's original effective interest rate.

The Group monitors the subsequent performance of modified assets. If the Group determines that the credit risk has significantly improved after modified, the relevant loans and advances will be transferred from Stage III to Stage I or Stage II to Stage I, the impairment allowance of these assets will be measured on the basis of 12 months ECL instead of the lifetime ECL. Assets can be recalled only after they have been observed for at least six consecutive months and reach specific criteria.

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

44 Financial risk management (Continued)

44.1 Credit risk (Continued)

Loans and advances to customers (Continued)

(7) Rescheduled Loans

According to the Rules on Risk Classification of Financial Assets of Commercial Banks (CBIRC PBOC Order [2023] No.1), rescheduled loans refer to the loans provided by the Group in response to the financial difficulties of the borrower, aiming at facilitating the borrower in repaying debts, involving favourable adjustments to the loan contracts for the benefit of the borrowers, or providing refinancing for the borrower's existing loans, including rollover or additional debt financing. Rescheduled loans and advances of the Group as at 31 December 2025 amounted to RMB133,966 million (31 December 2024: RMB105,510 million).

(8) Debt-for-equity swaps of bankruptcy reorganization

During the year ended 31 December 2025, as a result of debt-for-equity swaps of bankruptcy reorganization, the Group recognized ordinary shares with a fair value of RMB392 million (year ended 31 December 2024: RMB445 million). The loss associated with the debt-for-equity swaps of bankruptcy reorganization was not significant.

Debt instruments

Credit quality of debt instruments

(1) Analysis of the expected credit loss stages of debt instrument investments at amortized cost and other debt instrument investments at fair value through other comprehensive income were disclosed in Notes IV18.2 and 18.3, respectively.

(2) Debt instruments analyzed by credit rating

The Group adopts a credit rating approach to manage the credit risk of the debt instruments portfolio held. The Group classified the credit risk levels of financial assets measured by ECL into "Low" (credit risk in good condition), "Medium" (increased credit risk), and "High" (credit risk in severe condition), based on the quality of assets. The credit risk level is used for the purpose of the Group's internal credit risk management. "Low" refers to assets with good credit quality. There is no sufficient reason to doubt that the assets are not expected to fulfill its contractual obligation to repay or if there are any other behaviors breaching the debt contracts that would significantly impact the repayment of debt according to contract terms. "Medium" refers to assets facing obvious negative factors impacting its repayment capacity, but not yet have non-repayment behaviors. "High" refers to non-repayment according to the debt contract terms, or other behaviors breaching the debt contracts and having significant impact on the repayment of debt according to contract terms.

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

44 Financial risk management (Continued)

44.1 Credit risk (Continued)

Debt instruments (Continued)

Credit quality of debt instruments (Continued)

(2) Debt instruments analyzed by credit rating (Continued)

The carrying amounts of debt instruments investments at amortized cost and other debt instrument investments at fair value through other comprehensive income analyzed by their credit rating as at the end of the reporting period are as follows (i):

		31 December 2025			
Credit grade	**Note**	**Low**	**Medium**	**High**	**Total**
Debt securities issued by					
— Governments		**12,295,897**	**–**	**–**	**12,295,897**
— Public sector and quasi-governments		**1,629,287**	**–**	**–**	**1,629,287**
— Financial institutions		**993,686**	**672**	**–**	**994,358**
— Corporates	(ii)	**342,241**	**74**	**–**	**342,315**
Special government bond		**94,089**	**–**	**–**	**94,089**
Receivable from the MOF		**353,969**	**–**	**–**	**353,969**
Others		**22,459**	**297**	**553**	**23,309**
Total		**15,731,628**	**1,043**	**553**	**15,733,224**

		31 December 2024			
Credit grade	Note	Low	Medium	High	Total
Debt securities issued by					
— Governments		9,278,676	–	–	9,278,676
— Public sector and quasi-governments		1,855,002	–	–	1,855,002
— Financial institutions		1,528,425	–	–	1,528,425
— Corporates	(ii)	190,453	303	–	190,756
Special government bond		94,097	–	–	94,097
Receivable from the MOF		348,136	–	–	348,136
Others		28,162	583	405	29,150
Total		13,322,951	886	405	13,324,242

(i) The ratings above were internal ratings obtained from the Group and the Bank, financial assets at fair value through profit or loss were not included in the credit grade table as at 31 December 2025 and 31 December 2024.

(ii) As at 31 December 2025, the ratings of super short-term commercial papers of the Group amounted to RMB42,614 million (31 December 2024: RMB5,577 million) included in corporate bonds above were based on issuer rating for this credit risk analysis.

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

44 Financial risk management (Continued)

44.2 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in meeting obligations that are settled by delivering cash or another financial asset.

The Group's Assets and Liabilities Management Department manages its liquidity risk through:

— Optimizing asset and liability structure;

— Maintaining stability of deposit base;

— Making projections of future cash flows, and evaluating the appropriate liquid asset position;

— Maintaining an efficient internal funds transfer mechanism within the Group; and

— Performing stress testing on a regular basis.

Analysis of the remaining contractual maturity of financial assets and financial liabilities

The tables below summarize the maturity analysis of financial assets and financial liabilities by remaining contractual maturities based on the carrying amount at the end of each reporting period:

	31 December 2025								
	Past due	On demand	Less than 1 month	1–3 months	3–12 months	1–5 years	Over 5 years	Undated	Total
Cash and balances with central banks	–	318,485	–	1,208	10,653	–	–	2,471,639	2,801,985
Deposits with banks and other financial institutions	–	193,720	23,626	61,670	170,146	7,721	–	–	456,883
Placements with and loans to banks and other financial institutions	–	–	209,620	97,667	206,981	29,365	4,748	–	548,381
Derivative financial assets	–	–	7,169	10,683	13,401	1,991	271	–	33,515
Financial assets held under resale agreements	3,872	–	1,515,007	22,194	23,918	–	–	–	1,564,991
Loans and advances to customers	58,586	–	1,092,425	2,221,847	6,501,634	5,700,447	10,603,415	–	26,178,354
Financial assets at fair value through profit or loss	2,464	364	8,371	16,592	85,681	87,825	206,627	149,070	556,994
Debt instrument investments at amortized cost	788	–	74,440	266,193	687,525	4,370,020	6,400,304	–	11,799,270
Other debt instrument and other equity investments at fair value through other comprehensive income	–	–	83,492	240,862	1,171,797	1,740,819	696,984	31,097	3,965,051
Other financial assets	5,001	251,480	1,170	573	4,226	306	6,180	–	268,936
Total financial assets	70,711	764,049	3,015,320	2,939,489	8,875,962	11,938,494	17,918,529	2,651,806	48,174,360

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

44 Financial risk management (Continued)

44.2 Liquidity risk (Continued)

Analysis of the remaining contractual maturity of financial assets and financial liabilities (Continued)

The tables below summarize the maturity analysis of financial assets and financial liabilities by remaining contractual maturities based on the carrying amount at the end of each reporting period: (Continued)

	31 December 2025								
	Past due	On demand	Less than 1 month	1–3 months	3–12 months	1–3 years	Over 5 years	Undated	Total
Borrowings from central banks	–	(30)	(23,409)	(89,331)	(1,014,701)	–	–	–	(1,127,471)
Deposits from banks and other financial institutions	–	(2,375,648)	(457,292)	(833,075)	(1,524,652)	(846,357)	(735)	–	(6,037,759)
Placements from banks and other financial institutions	–	–	(101,082)	(134,215)	(105,235)	(8,322)	(2,707)	–	(351,561)
Financial liabilities at fair value through profit or loss	–	(32,906)	–	–	–	(603)	–	–	(33,509)
Derivative financial liabilities	–	–	(9,568)	(14,280)	(19,271)	(1,866)	(59)	–	(45,044)
Financial assets sold under repurchase agreements	–	–	(346,193)	(626,383)	(481,266)	–	–	–	(1,453,842)
Due to customers	–	(13,459,015)	(1,403,405)	(2,815,080)	(6,524,471)	(8,412,308)	(35,668)	–	(32,649,947)
Debt securities issued	–	–	(299,802)	(645,055)	(1,249,795)	(328,272)	(740,963)	–	(3,263,887)
Other financial liabilities	–	(178,955)	(1,799)	(1,030)	(4,418)	(10,393)	(20,824)	–	(217,419)
Total financial liabilities	–	(16,046,554)	(2,642,550)	(5,158,449)	(10,923,809)	(9,608,121)	(800,956)	–	(45,180,439)
Net position	70,711	(15,282,505)	372,770	(2,218,960)	(2,047,847)	2,330,373	17,117,573	2,651,806	2,993,921

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

44 Financial risk management (Continued)

44.2 Liquidity risk (Continued)

Analysis of the remaining contractual maturity of financial assets and financial liabilities (Continued)

The tables below summarize the maturity analysis of financial assets and financial liabilities by remaining contractual maturities based on the carrying amount at the end of each reporting period: (Continued)

	31 December 2024								
	Past due	On demand	Less than 1 month	1–3 months	3–12 months	1–5 years	Over 5 years	Undated	Total
Cash and balances with central banks	–	114,093	494	1,096	14,910	–	–	2,003,859	2,134,452
Deposits with banks and other financial institutions	–	151,891	47,228	117,934	238,139	16,764	–	–	571,956
Placements with and loans to banks and other financial institutions	–	–	220,778	58,203	179,070	70,084	1,632	–	529,767
Derivative financial assets	–	–	10,783	14,630	36,473	3,599	435	–	65,920
Financial assets held under resale agreements	3,872	–	1,348,884	11,744	7,071	–	–	–	1,371,571
Loans and advances to customers	54,585	–	1,032,708	1,505,023	4,796,794	5,413,569	11,174,334	–	23,977,013
Financial assets at fair value through profit or loss	–	1,648	3,442	26,079	93,780	41,497	218,445	128,415	513,306
Debt instrument investments at amortized cost	696	–	63,399	175,703	967,182	2,746,512	5,952,141	–	9,905,633
Other debt instrument and other equity investments at fair value through other comprehensive income	–	–	203,038	288,408	874,749	1,347,570	704,844	11,555	3,430,164
Other financial assets	4,479	241,115	2,672	243	3,612	123	7,777	–	260,021
Total financial assets	63,632	508,747	2,933,426	2,199,063	7,211,780	9,639,718	18,059,608	2,143,829	42,759,803

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

44 Financial risk management (Continued)

44.2 Liquidity risk (Continued)

Analysis of the remaining contractual maturity of financial assets and financial liabilities (Continued)

The tables below summarize the maturity analysis of financial assets and financial liabilities by remaining contractual maturities based on the carrying amount at the end of each reporting period: (Continued)

	31 December 2024								
	Past due	On demand	Less than 1 month	1–3 months	3–12 months	1–5 years	Over 5 years	Undated	Total
Borrowings from central banks	–	(30)	(119,708)	(170,668)	(556,918)	–	–	–	(847,324)
Deposits from banks and other financial institutions	–	(2,481,038)	(219,913)	(740,743)	(661,272)	(539,686)	(24,909)	–	(4,667,561)
Placements from banks and other financial institutions	–	–	(129,452)	(147,003)	(75,755)	(9,515)	(2,297)	–	(364,022)
Financial liabilities at fair value through profit or loss	–	(15,254)	–	–	(362)	(225)	–	–	(15,841)
Derivative financial liabilities	–	–	(13,011)	(13,246)	(29,096)	(2,763)	(30)	–	(58,146)
Financial assets sold under repurchase agreements	–	–	(193,314)	(191,758)	(230,653)	–	–	–	(615,725)
Due to customers	–	(12,930,887)	(1,209,168)	(2,594,225)	(5,738,699)	(7,830,453)	(1,925)	–	(30,305,357)
Debt securities issued	–	–	(108,465)	(587,991)	(1,300,988)	(141,042)	(540,023)	–	(2,678,509)
Other financial liabilities	–	(184,076)	(2,566)	(780)	(3,491)	(10,449)	(20,640)	–	(222,002)
Total financial liabilities	–	(15,611,285)	(1,995,597)	(4,446,414)	(8,597,234)	(8,534,133)	(589,824)	–	(39,774,487)
Net position	63,632	(15,102,538)	937,829	(2,247,351)	(1,385,454)	1,105,585	17,469,784	2,143,829	2,985,316

Analysis of the undiscounted contractual cash flows

Assets available to meet obligations related to the Group's liabilities and outstanding credit commitments primarily include cash and balances with central banks, deposits with banks and other financial institutions, placements with and loans to banks and other financial institutions, financial assets at fair value through profit or loss, and financial assets held under resale agreements. In the normal course of business, the majority of customer deposits repayable on demand or on maturity are expected to be retained. In addition, the Group is able to sell the other debt instrument and other equity investments at fair value through other comprehensive income to repay matured liabilities, if necessary.

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

44 Financial risk management (Continued)

44.2 Liquidity risk (Continued)

Analysis of the undiscounted contractual cash flows (Continued)

The tables below present the undiscounted cash flows of non-derivative financial assets and financial liabilities by remaining contractual maturities at the end of each reporting period:

	31 December 2025								
	Past due	On demand	Less than 1 month	1–3 months	3–12 months	1–5 years	Over 5 years	Undated	Total
Non-derivative financial assets									
Cash and balances with central banks	–	318,485	–	1,208	10,653	–	–	2,471,639	2,801,985
Deposits with banks and other financial institutions	–	194,236	23,735	61,936	171,951	8,086	–	–	459,944
Placements with and loans to banks and other financial institutions	–	–	210,785	98,198	208,351	33,374	5,011	–	555,719
Financial assets held under resale agreements	3,915	–	1,516,388	22,250	24,060	–	–	–	1,566,613
Loans and advances to customers	161,084	–	1,187,335	2,413,744	7,287,394	7,954,651	15,192,786	–	34,196,994
Financial assets at fair value through profit or loss	10,219	364	8,497	16,878	91,100	112,589	230,725	149,070	619,442
Debt instrument investments at amortized cost	1,905	–	75,653	281,828	862,432	5,305,693	7,552,601	–	14,080,112
Other debt instrument and other equity investments at fair value through other comprehensive income	–	–	83,706	244,773	1,215,001	1,870,086	831,878	31,097	4,276,541
Other financial assets	5,686	254,345	1,172	575	4,268	306	6,252	–	272,604
Total non-derivative financial assets	182,809	767,430	3,107,271	3,141,390	9,875,210	15,284,785	23,819,253	2,651,806	58,829,954

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

44 Financial risk management (Continued)

44.2 Liquidity risk (Continued)

Analysis of the undiscounted contractual cash flows (Continued)

The tables below present the undiscounted cash flows of non-derivative financial assets and financial liabilities by remaining contractual maturities at the end of each reporting period: (Continued)

	31 December 2025								
	Past due	On demand	Less than 1 month	1–3 months	3–12 months	1–5 years	Over 5 years	Undated	Total
Non-derivative financial liabilities									
Borrowings from central banks	–	(30)	(23,442)	(89,724)	(1,024,541)	–	–	–	(1,137,737)
Deposits from banks and other financial institutions	–	(2,375,648)	(460,938)	(841,203)	(1,556,571)	(928,531)	(755)	–	(6,163,646)
Placements from banks and other financial institutions	–	–	(101,679)	(134,957)	(106,143)	(9,098)	(2,950)	–	(354,827)
Financial liabilities at fair value through profit or loss	–	(32,906)	–	–	–	(603)	–	–	(33,509)
Financial assets sold under repurchase agreements	–	–	(346,333)	(627,871)	(483,944)	–	–	–	(1,458,148)
Due to customers	–	(13,459,015)	(1,404,598)	(2,823,633)	(6,592,666)	(8,732,013)	(38,916)	–	(33,050,841)
Debt securities issued	–	–	(302,394)	(655,041)	(1,291,915)	(428,693)	(854,403)	–	(3,532,446)
Other financial liabilities	–	(178,955)	(1,800)	(1,031)	(4,465)	(10,811)	(21,007)	–	(218,069)
Total non-derivative financial liabilities	–	(16,046,554)	(2,641,184)	(5,173,460)	(11,060,245)	(10,109,749)	(918,031)	–	(45,949,223)
Net position	182,809	(15,279,124)	466,087	(2,032,070)	(1,185,035)	5,175,036	22,901,222	2,651,806	12,880,731

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

44 Financial risk management (Continued)

44.2 Liquidity risk (Continued)

Analysis of the undiscounted contractual cash flows (Continued)

The tables below present the undiscounted cash flows of non-derivative financial assets and financial liabilities by remaining contractual maturities at the end of each reporting period: (Continued)

	31 December 2024								
	Past due	On demand	Less than 1 month	1–3 months	3–12 months	1–5 years	Over 5 years	Undated	Total
Non-derivative financial assets									
Cash and balances with central banks	–	114,093	494	1,096	14,910	–	–	2,003,859	2,134,452
Deposits with banks and other financial institutions	–	152,281	47,400	118,586	240,602	17,842	–	–	576,711
Placements with and loans to banks and other financial institutions	–	–	221,734	58,857	182,456	77,057	1,732	–	541,836
Financial assets held under resale agreements	3,915	–	1,351,184	11,788	7,115	–	–	–	1,374,002
Loans and advances to customers	121,563	–	1,129,863	1,656,571	5,327,497	7,278,533	14,871,422	–	30,385,449
Financial assets at fair value through profit or loss	–	1,648	3,498	26,275	98,838	65,478	231,236	128,415	555,388
Debt instrument investments at amortized cost	1,379	–	65,622	190,054	1,135,894	3,630,725	7,036,406	–	12,060,080
Other debt instrument and other equity investments at fair value through other comprehensive income	–	–	207,349	303,249	957,652	1,544,911	818,087	11,555	3,842,803
Other financial assets	5,064	243,823	2,682	245	3,647	123	7,863	–	263,447
Total non-derivative financial assets	131,921	511,845	3,029,826	2,366,721	7,968,611	12,614,669	22,966,746	2,143,829	51,734,168

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

44 Financial risk management (Continued)

44.2 Liquidity risk (Continued)

Analysis of the undiscounted contractual cash flows (Continued)

The tables below present the undiscounted cash flows of non-derivative financial assets and financial liabilities by remaining contractual maturities at the end of each reporting period: (Continued)

	31 December 2024								
	Past due	On demand	Less than 1 month	1–3 months	3–12 months	1–5 years	Over 5 years	Undated	Total
Non-derivative financial liabilities									
Borrowings from central banks	–	(30)	(119,829)	(171,345)	(564,558)	–	–	–	(855,762)
Deposits from banks and other financial institutions	–	(2,481,038)	(223,379)	(748,964)	(678,517)	(601,510)	(25,533)	–	(4,758,941)
Placements from banks and other financial institutions	–	–	(130,235)	(147,837)	(76,368)	(10,750)	(2,587)	–	(367,777)
Financial liabilities at fair value through profit or loss	–	(15,254)	–	–	(362)	(225)	–	–	(15,841)
Financial assets sold under repurchase agreements	–	–	(193,334)	(192,311)	(232,440)	–	–	–	(618,085)
Due to customers	–	(12,930,887)	(1,210,281)	(2,602,388)	(5,808,331)	(8,220,640)	(2,088)	–	(30,774,615)
Debt securities issued	–	–	(108,605)	(591,599)	(1,327,178)	(217,450)	(636,167)	–	(2,880,999)
Other financial liabilities	–	(184,076)	(2,567)	(783)	(3,544)	(10,909)	(20,887)	–	(222,766)
Total non-derivative financial liabilities	–	(15,611,285)	(1,988,230)	(4,455,227)	(8,691,298)	(9,061,484)	(687,262)	–	(40,494,786)
Net position	131,921	(15,099,440)	1,041,596	(2,088,506)	(722,687)	3,553,185	22,279,484	2,143,829	11,239,382

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

44 Financial risk management (Continued)

44.2 Liquidity risk (Continued)

Derivative cash flows

Derivatives settled on a net basis

The tables below present the undiscounted contractual cash flows of the Group's net derivative positions based on their remaining contractual maturities:

	31 December 2025					
	Less than 1 month	**1–3 months**	**3–12 months**	**1–5 years**	**Over 5 years**	**Total**
Derivatives settled on a net basis	**(785)**	**(155)**	**689**	**(48)**	**–**	**(299)**

	31 December 2024					
	Less than 1 month	1–3 months	3–12 months	1–5 years	Over 5 years	Total
Derivatives settled on a net basis	1,668	1,527	(7,244)	(43)	–	(4,092)

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

44 Financial risk management (Continued)

44.2 Liquidity risk (Continued)

Derivative cash flows (Continued)

Derivatives settled on a gross basis

The tables below present the undiscounted contractual cash flows of the Group's gross derivative positions based on their remaining contractual maturities:

	31 December 2025					
	Less than 1 month	**1–3 months**	**3–12 months**	**1–5 years**	**Over 5 years**	**Total**
Derivatives settled on a gross basis						
— Cash inflow	**709,304**	**861,442**	**1,293,556**	**62,650**	**1,435**	**2,928,387**
— Cash outflow	**(710,917)**	**(864,921)**	**(1,300,174)**	**(62,462)**	**(1,191)**	**(2,939,665)**
Total	**(1,613)**	**(3,479)**	**(6,618)**	**188**	**244**	**(11,278)**

	31 December 2024					
	Less than 1 month	1–3 months	3–12 months	1–5 years	Over 5 years	Total
Derivatives settled on a gross basis						
— Cash inflow	795,257	551,217	1,401,479	95,497	5,584	2,849,034
— Cash outflow	(799,152)	(551,362)	(1,386,804)	(94,586)	(5,115)	(2,837,019)
Total	(3,895)	(145)	14,675	911	469	12,015

Off-balance sheet items

The off-balance sheet items primarily include loan commitments, bank acceptances, credit card commitments, letters of guarantee and guarantees and letters of credit. The tables below summarize the amounts of credit commitments by remaining maturity. Financial guarantees are also included below at notional amounts and based on the earliest contractual maturity date.

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

44 Financial risk management (Continued)

44.2 Liquidity risk (Continued)

Off-balance sheet items (Continued)

	31 December 2025			
	Less than 1 year	**1–5 years**	**Over 5 years**	**Total**
Loan commitments	**69,286**	**89,537**	**67,262**	**226,085**
Bank acceptances	**1,289,183**	**–**	**–**	**1,289,183**
Credit card commitments	**956,266**	**–**	**–**	**956,266**
Letters of guarantee and guarantees	**230,655**	**211,521**	**20,288**	**462,464**
Letters of credit	**225,103**	**15,287**	**–**	**240,390**
Total	**2,770,493**	**316,345**	**87,550**	**3,174,388**

	31 December 2024			
	Less than 1 year	1–5 years	Over 5 years	Total
Loan commitments	41,341	91,032	111,380	243,753
Bank acceptances	1,127,316	–	–	1,127,316
Credit card commitments	883,311	–	–	883,311
Letters of guarantee and guarantees	206,900	170,985	22,035	399,920
Letters of credit	183,032	37,019	–	220,051
Total	2,441,900	299,036	133,415	2,874,351

44.3 Market risk

Market risk represents the potential loss arising from changes in market rates of interest and foreign exchange, as well as commodity and equity prices. Market risk arises from both the Group's proprietary positions and customer driven transactions, in both cases related to on-and off-balance sheet activities.

The Group is primarily exposed to interest rate risk through corporate, personal banking and treasury operations. Interest rate risk is inherent in many of the Group's businesses and this situation is common among large banks. It fundamentally arises through mismatches between the maturity and re-pricing dates of interest-earning assets and interest-bearing liabilities.

Foreign exchange rate risk is the potential loss related to changes in foreign exchange rates affecting the transactions of foreign currency denominated assets and liabilities. The risk of loss results from movements in foreign currency exchange rates.

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

44 Financial risk management (Continued)

44.3 Market risk (Continued)

The Group is also exposed to commodity risk, primarily related to gold and other precious metals. The risk of loss results from movements in commodity price. The Group manages the risk related to gold price together with foreign exchange rate risk.

The Group has determined that the levels of market risk related to changes in equity prices and commodity prices other than gold, with respect to the related exposures in its trading and investment portfolios, are immaterial.

Segregation of Trading Book and Banking Book

In accordance with the requirements of the Rules on Capital Management of Commercial Banks (2023 No. 4 of the NFRA) issued by the NFRA, the Group manages market risk separately by segregation of trading book and banking book. The trading book is comprised of financial instruments, foreign currency and commodity positions held for trading or risk hedging. Any other positions are included in the banking book.

Market Risk Management for Trading Book

The Group manages market risk in the trading book through methodologies that include stress testing, Value at Risk (VaR), monitoring and management of established limits, sensitivity analysis, duration analysis and exposure analysis.

Based on changes in the external market and business operations, the Group formulates annual financial market business risk management strategy, and further clarifies the admission standards and specific management requirements to be followed for bond trading and derivatives trading. Meanwhile, the Group establishes market risk exposure limits for the trading book, measuring and monitoring the risk limits through the market risk management system.

The Bank has adopted an historical simulation method, with a confidence level of 99% based on holding period of 1 day and historical data for 250 days to calculate the VaR of the trading book, which includes the Head Office, domestic branches and overseas branches. Based on the differences between domestic and overseas markets, the Bank selected applicable parameters for model and risk factors in order to reflect the actual market risk levels. The Bank verified the accuracy and reliability of market risk measurement models through data analysis, parallel modeling, and back-testing of the market risk measurement models.

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

44 Financial risk management (Continued)

44.3 Market risk (Continued)

Market Risk Management for Trading Book (Continued)

VaR Analysis for the Trading Book

Bank

	Note	2025			
		At the end of the year	**Average**	**Maximum**	**Minimum**
Interest rate risk		**205**	**191**	**277**	**120**
Exchange rate risk	(1)	**351**	**316**	**589**	**159**
Commodity risk		**13**	**56**	**187**	**5**
Overall VaR		**366**	**399**	**687**	**201**

Bank

	Note	2024			
		At the end of the year	Average	Maximum	Minimum
Interest rate risk		60	53	136	30
Exchange rate risk	(1)	96	377	516	59
Commodity risk		12	22	37	11
Overall VaR		99	373	508	83

(1) VaR related to gold is recognized as a component of foreign exchange rate risk.

The Bank calculates VaR for its trading book (excluding RMB foreign currency settlement contracts with customers under relevant regulations). The Bank conducts stress testing for its trading book quarterly. The specific areas subject to this testing include the major areas of exposure, such as bonds, interest rate derivatives, foreign exchange derivatives and precious metal. The stress testing uses a range of scenarios to assess the potential impact on profit and loss.

Market Risk Management for Banking Book

The Group manages market risk related to the banking book by consistently applying techniques across the Group that include exposure limit management, stress testing, scenario analysis and gap analysis.

Interest Rate Risk Management

Interest rate risk refers to the risk that the adverse changes in interest rate levels and maturity structures will cause the economic value of the banking book or overall income to suffer losses. The Group's book interest rate risk mainly comes from the mismatch of maturity or repricing periods of interest-sensitive assets and liabilities in the Group's book and the inconsistent changes in the benchmark interest rate on which assets and liabilities are based.

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

44 Financial risk management (Continued)

44.3 Market risk (Continued)

Market Risk Management for Banking Book (Continued)

Interest Rate Risk Management (Continued)

Since the People's Bank of China's Loan Prime Rate (LPR) reform, the Group has implemented relevant policies in accordance with regulatory requirements, promoted business system transformation, modified system loan contracts, improved internal and external interest rate pricing mechanisms, strengthened staff training for branches, comprehensively promoted LPR applications, and basically realized the entire system and the entire process of loan pricing application of LPR pricing. After the People's Bank of China reforms LPR, the connection between the benchmark interest rate on loans and the market interest rate will be closer, and the frequency and amplitude of volatility will increase relatively. To this end, the Group strengthened the monitoring and prejudgment of the external interest rate environment, adjusted internal and external pricing strategies in a timely manner, optimized the asset and liability product structure and maturity structure, and proactively adjusted the risk structure to reduce the economic value and overall impact of interest rate changes and the adverse impact of earnings. During the reporting period, the Group's interest rate risk level was generally stable, and all quota indicators were controlled within the scope of regulatory requirements and management objectives.

Foreign Exchange Rate Risk Management

Foreign exchange rate risk relates to the mismatch of foreign currency denominated assets and liabilities, and the potential loss related to changes in foreign exchange rates, which largely arises through operational activities.

The Group performs monitoring and sensitivity analysis of foreign exchange rate risk exposure, manages the mismatch of foreign currency denominated assets and liabilities to effectively manage foreign exchange rate risk exposure within acceptable limits.

Market Risk Exposure Limit Management

Market risk exposure limits of the Group are classified as either directive limits or indicative limits, including position limits, stop-loss limits, VaR limits, and stress testing limits.

The Group is committed to continuous improvement of its market risk exposure limit management. The Group establishes exposure limits reflecting its risk appetite and continuously refines the categorization of market risk exposure limits. Further, it regularly monitors, reports, refines, and implements improvements to the market risk exposure limit process.

Foreign exchange rate risk

The Group primarily conducts its business activities in RMB, with certain transactions denominated in USD, HKD and, to a lesser extent, other currencies.

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

44 Financial risk management (Continued)

44.3 Market risk (Continued)

Foreign exchange rate risk (Continued)

The composition of all financial assets and liabilities at the end of each reporting period analyzed by currency is as follows:

	31 December 2025				
	RMB	USD (RMB equivalent)	HKD (RMB equivalent)	Other currencies (RMB equivalent)	Total
Cash and balances with central banks	2,671,166	68,452	12,450	49,917	2,801,985
Deposits with banks and other financial institutions	284,577	52,511	79,496	40,299	456,883
Placements with and loans to banks and other financial institutions	263,830	185,813	76,238	22,500	548,381
Derivative financial assets	20,689	10,236	1,706	884	33,515
Financial assets held under resale agreements	1,560,785	4,206	–	–	1,564,991
Loans and advances to customers	25,801,502	259,336	40,195	77,321	26,178,354
Financial assets at fair value through profit or loss	546,079	9,661	463	791	556,994
Debt instrument investments at amortized cost	11,652,599	99,225	28,474	18,972	11,799,270
Other debt instrument and other equity investments at fair value through other comprehensive income	3,619,673	266,627	2,769	75,982	3,965,051
Other financial assets	252,082	13,543	1,382	1,929	268,936
Total financial assets	46,672,982	969,610	243,173	288,595	48,174,360
Borrowings from central banks	(1,127,471)	–	–	–	(1,127,471)
Deposits from banks and other financial institutions	(5,941,868)	(69,100)	(24,496)	(2,295)	(6,037,759)
Placements from banks and other financial institutions	(92,172)	(201,610)	(33,828)	(23,951)	(351,561)
Financial liabilities at fair value through profit or loss	(32,712)	(112)	(685)	–	(33,509)
Derivative financial liabilities	(34,740)	(5,526)	(2,090)	(2,688)	(45,044)
Financial assets sold under repurchase agreements	(1,430,980)	(11,489)	–	(11,373)	(1,453,842)
Due to customers	(31,776,601)	(386,268)	(352,214)	(134,864)	(32,649,947)
Debt securities issued	(2,910,834)	(273,316)	(33,824)	(45,913)	(3,263,887)
Other financial liabilities	(173,143)	(40,724)	(1,653)	(1,899)	(217,419)
Total financial liabilities	(43,520,521)	(988,145)	(448,790)	(222,983)	(45,180,439)
Net on-balance sheet position	3,152,461	(18,535)	(205,617)	65,612	2,993,921
Net notional amount of derivatives	79,431	(17,120)	223,689	(70,755)	215,245
Loan commitments and financial guarantee contracts	2,843,450	265,670	20,694	44,574	3,174,388

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

44 Financial risk management (Continued)

44.3 Market risk (Continued)

Foreign exchange rate risk (Continued)

The composition of all financial assets and liabilities at the end of each reporting period analyzed by currency is as follows: (Continued)

	31 December 2024				
	RMB	USD (RMB equivalent)	HKD (RMB equivalent)	Other currencies (RMB equivalent)	Total
Cash and balances with central banks	2,016,139	74,140	7,127	37,046	2,134,452
Deposits with banks and other financial institutions	433,544	64,693	3,132	70,587	571,956
Placements with and loans to banks and other financial institutions	228,796	222,322	61,989	16,660	529,767
Derivative financial assets	56,054	3,971	3,039	2,856	65,920
Financial assets held under resale agreements	1,369,311	2,260	–	–	1,371,571
Loans and advances to customers	23,556,818	284,976	49,829	85,390	23,977,013
Financial assets at fair value through profit or loss	496,828	13,931	1,362	1,185	513,306
Debt instrument investments at amortized cost	9,789,420	90,346	18,260	7,607	9,905,633
Other debt instrument and other equity investments at fair value through other comprehensive income	3,100,343	276,412	1,523	51,886	3,430,164
Other financial assets	208,316	47,315	2,838	1,552	260,021
Total financial assets	41,255,569	1,080,366	149,099	274,769	42,759,803
Borrowings from central banks	(847,324)	–	–	–	(847,324)
Deposits from banks and other financial institutions	(4,606,053)	(33,322)	(27,649)	(537)	(4,667,561)
Placements from banks and other financial institutions	(96,102)	(199,089)	(48,117)	(20,714)	(364,022)
Financial liabilities at fair value through profit or loss	(15,479)	–	(362)	–	(15,841)
Derivative financial liabilities	(50,083)	(4,348)	(1,776)	(1,939)	(58,146)
Financial assets sold under repurchase agreements	(587,496)	(13,782)	–	(14,447)	(615,725)
Due to customers	(29,576,531)	(364,160)	(196,540)	(168,126)	(30,305,357)
Debt securities issued	(2,344,644)	(257,582)	(39,011)	(37,272)	(2,678,509)
Other financial liabilities	(198,961)	(18,799)	(2,153)	(2,089)	(222,002)
Total financial liabilities	(38,322,673)	(891,082)	(315,608)	(245,124)	(39,774,487)
Net on-balance sheet position	2,932,896	189,284	(166,509)	29,645	2,985,316
Net notional amount of derivatives	238,761	(226,519)	197,711	(36,954)	172,999
Loan commitments and financial guarantee contracts	2,561,743	231,757	632	80,219	2,874,351

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

44 Financial risk management (Continued)

44.3 Market risk (Continued)

Foreign exchange rate risk (Continued)

The table below indicates the potential effect on profit before tax and other comprehensive income arising from a 5% appreciation or depreciation of RMB spot and forward foreign exchange rates against a basket of all other currencies on the net positions of foreign currency monetary assets and liabilities and derivative instruments in the consolidated statement of financial position of the Group.

	31 December 2025		31 December 2024	
	Profit before tax	**Other comprehensive income**	Profit before tax	Other comprehensive income
5% appreciation	**1,221**	**41**	519	238
5% depreciation	**(1,221)**	**(41)**	(519)	(238)

The effect on profit before tax and other comprehensive income is calculated based on the assumption that the Group's foreign currency sensitive exposures and foreign currency derivative instruments net position at the end of each reporting period remain unchanged. The Group mitigates its foreign exchange rate risk through active management of its foreign currency exposures and the appropriate use of derivative instruments, based on management expectation of future foreign currency exchange rate movements. Such analysis does not take into account the correlation effect of changes in different foreign currencies, nor any further actions that could be taken by management to mitigate the effect of foreign exchange differences. Therefore, the sensitivity analysis above may differ from actual results occurring through changes in foreign exchange rates.

Interest rate risk

The Group's interest rate risk arises from the mismatches between contractual maturities or re-pricing dates of interest-generating assets and interest-bearing liabilities, as well as the inconsistent variations in the benchmark interest rate on which the assets and liabilities are based. The Group's interest-generating assets and interest-bearing liabilities are primarily denominated in RMB. The PBOC stipulated the benchmark interest rate for RMB deposits. The deposit interest rate floating ceiling was removed by the PBOC with effect from 24 December 2015 for commercial banks. Since 16 August 2019, the PBOC established LPR to replace RMB benchmark interest rates for loan as a pricing benchmark of new loan whereby financial institutions are in a position to price their loans based on commercial and market factors.

The Group manages its interest rate risk by:

— Strengthen the pre-judgment of the situation and analyze the macroeconomic factors that may affect the LPR interest rate, the benchmark deposit interest rate and the market interest rate;

— Strengthen strategy transmission and optimize the repricing term structure of interest-earning assets and interest-bearing liabilities;

— Implement limit management to control the impact of interest rate changes on the economic value and overall income of banking books within the limits.

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

44 Financial risk management (Continued)

44.3 Market risk (Continued)

Interest rate risk (Continued)

The tables below summarize the contractual maturity or re-pricing date, whichever is earlier, of the Group's financial assets and liabilities at the end of each reporting period:

	31 December 2025						
	Less than 1 month	1–3 months	3–12 months	1–5 years	Over 5 years	Non-interest bearing	Total
Cash and balances with central banks	2,584,418	–	10,653	–	–	206,914	2,801,985
Deposits with banks and other financial institutions	209,902	61,144	168,813	7,440	–	9,584	456,883
Placements with and loans to banks and other financial institutions	258,304	78,025	194,386	13,539	787	3,340	548,381
Derivative financial assets	–	–	–	–	–	33,515	33,515
Financial assets held under resale agreements	1,514,675	22,144	23,886	–	–	4,286	1,564,991
Loans and advances to customers	5,742,407	5,908,158	13,172,669	1,067,755	235,177	52,188	26,178,354
Financial assets at fair value through profit or loss	17,415	30,809	82,190	65,777	172,756	188,047	556,994
Debt instrument investments at amortized cost	66,641	248,918	634,308	4,340,694	6,337,289	171,420	11,799,270
Other debt instrument and other equity investments at fair value through other comprehensive income	103,514	307,282	1,144,188	1,651,453	696,482	62,132	3,965,051
Other financial assets	–	–	–	–	–	268,936	268,936
Total financial assets	10,497,276	6,656,480	15,431,093	7,146,658	7,442,491	1,000,362	48,174,360
Borrowings from central banks	(22,753)	(89,157)	(1,005,302)	–	–	(10,259)	(1,127,471)
Deposits from banks and other financial institutions	(2,828,555)	(827,817)	(1,512,213)	(828,558)	(734)	(39,882)	(6,037,759)
Placements from banks and other financial institutions	(100,569)	(133,396)	(104,282)	(8,315)	(2,699)	(2,300)	(351,561)
Financial liabilities at fair value through profit or loss	–	–	–	(603)	–	(32,906)	(33,509)
Derivative financial liabilities	–	–	–	–	–	(45,044)	(45,044)
Financial assets sold under repurchase agreements	(344,626)	(624,467)	(479,980)	–	–	(4,769)	(1,453,842)
Due to customers	(14,790,727)	(2,730,599)	(6,351,318)	(8,237,431)	(35,632)	(504,240)	(32,649,947)
Debt securities issued	(337,493)	(695,799)	(1,207,683)	(266,278)	(740,941)	(15,693)	(3,263,887)
Other financial liabilities	–	–	–	–	–	(217,419)	(217,419)
Total financial liabilities	(18,424,723)	(5,101,235)	(10,660,778)	(9,341,185)	(780,006)	(872,512)	(45,180,439)
Interest rate gap	(7,927,447)	1,555,245	4,770,315	(2,194,527)	6,662,485	127,850	2,993,921

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

44 Financial risk management (Continued)

44.3 Market risk (Continued)

Interest rate risk (Continued)

The tables below summarize the contractual maturity or re-pricing date, whichever is earlier, of the Group's financial assets and liabilities at the end of each reporting period: (Continued)

	31 December 2024						
	Less than 1 month	1–3 months	3–12 months	1–5 years	Over 5 years	Non-interest bearing	Total
Cash and balances with central banks	1,911,637	–	14,910	–	–	207,905	2,134,452
Deposits with banks and other financial institutions	195,748	117,319	236,931	16,133	–	5,825	571,956
Placements with and loans to banks and other financial institutions	279,108	52,438	164,040	29,059	1,631	3,491	529,767
Derivative financial assets	–	–	–	–	–	65,920	65,920
Financial assets held under resale agreements	1,348,509	11,716	7,050	–	–	4,296	1,371,571
Loans and advances to customers	5,348,957	4,589,977	12,748,572	940,884	298,687	49,936	23,977,013
Financial assets at fair value through profit or loss	3,277	25,764	99,738	41,468	177,371	165,688	513,306
Debt instrument investments at amortized cost	57,480	143,914	932,207	2,719,950	5,895,133	156,949	9,905,633
Other debt instrument and other equity investments at fair value through other comprehensive income	219,425	326,842	865,002	1,279,338	702,429	37,128	3,430,164
Other financial assets	–	–	–	–	–	260,021	260,021
Total financial assets	9,364,141	5,267,970	15,068,450	5,026,832	7,075,251	957,159	42,759,803
Borrowings from central banks	(116,910)	(167,237)	(552,134)	–	–	(11,043)	(847,324)
Deposits from banks and other financial institutions	(2,696,125)	(735,647)	(654,109)	(528,085)	(24,900)	(28,695)	(4,667,561)
Placements from banks and other financial institutions	(128,355)	(146,007)	(74,670)	(9,493)	(2,288)	(3,209)	(364,022)
Financial liabilities at fair value through profit or loss	–	–	(362)	(225)	–	(15,254)	(15,841)
Derivative financial liabilities	–	–	–	–	–	(58,146)	(58,146)
Financial assets sold under repurchase agreements	(193,156)	(191,314)	(230,065)	–	–	(1,190)	(615,725)
Due to customers	(14,084,599)	(2,512,097)	(5,578,773)	(7,609,342)	(1,868)	(518,678)	(30,305,357)
Debt securities issued	(127,023)	(610,209)	(1,285,498)	(102,544)	(540,023)	(13,212)	(2,678,509)
Other financial liabilities	–	–	–	–	–	(222,002)	(222,002)
Total financial liabilities	(17,346,168)	(4,362,511)	(8,375,611)	(8,249,689)	(569,079)	(871,429)	(39,774,487)
Interest rate gap	(7,982,027)	905,459	6,692,839	(3,222,857)	6,506,172	85,730	2,985,316

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

44 Financial risk management (Continued)

44.3 Market risk (Continued)

Interest rate risk (Continued)

The following table illustrates the potential pre-tax impact, of a parallel upward or downward shift of 100 basis points in relevant interest rate curves on the Group's net interest income and other comprehensive income for the next twelve months from the reporting date, based on the Group's positions of interest-earning assets and interest-bearing liabilities at the end of each reporting period. This analysis assumes that interest rates of all maturities move by the same amount, and does not reflect the potential impact of unparalleled yield curve movements.

The sensitivity analysis on net interest income is based on reasonably possible changes in interest rates with the assumption that the structure of financial assets and financial liabilities held at the period end remains unchanged, and does not take changes in customer behavior, basis risk or any prepayment options on debt securities into consideration.

The sensitivity analysis on other comprehensive income reflects only the effect of changes in fair value of those financial instruments classified as other debt instrument investments and other equity investments at fair value through other comprehensive income held, whose fair value changes are recorded as an element of other comprehensive income.

	31 December 2025		31 December 2024	
	Net interest income	**Other comprehensive income**	Net interest income	Other comprehensive income
+100 basis points	**(45,280)**	**(106,049)**	(43,851)	(95,502)
-100 basis points	**45,280**	**106,049**	43,851	95,502

The assumptions do not reflect actions that might be taken under the Group's capital and interest rate risk management policy to mitigate changes to the Group's interest rate risk. Therefore the above analysis may differ from the actual situation.

In addition, the presentation of interest rate sensitivity above is for illustration purposes only, showing the potential impact on net interest income and other comprehensive income of the Group under different parallel yield curve movements, relative to their position at period-end, excluding the derivative positions.

44.4 Country risk

Country risk represents the risk due to changes and incidents occurred in the politics, economy and society of a specific country or region, which results in the debtors in that country or region incapable of or unwilling to pay their debts owed to the Bank or otherwise leads to business losses or other losses to the Bank in that country or region.

According to the regulatory requirements of NFRA, the Bank managed country risk through tools and approaches such as country risk assessment, risk rating, limit management and stress testing. Meanwhile, we made adequate, reasonable and prudent provision for country risk in accordance with regulatory requirements.

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

44 Financial risk management (Continued)

44.5 Insurance risk

The Group engages in its insurance business primarily in Chinese mainland. Insurance risk refers to the financial impact resulting from the unexpected occurrence of insured events. These risks are actively managed by the Group through effective sales management, underwriting control, reinsurance management and claim management. Through effective sales management, the risk of mis-selling could be reduced and the accuracy of information used for underwriting is improved. Through underwriting control, risk of adverse selection could be reduced and moreover differential pricing policy based on the level of each kind of risk could be utilized. Through reinsurance, the Group's insurance capacity could be enhanced and targeted risks could be mitigated. Effective claims management is designed to ensure that insurance payments are controlled according to established criteria.

Uncertainty in the estimation of future benefit payments and premium receipts for long-term life insurance contracts arises from the unpredictability of long-term changes in overall levels of mortality. The Group conducts experience analysis of mortality rate and surrender rate, in order to improve its risk assessment and as a basis for reasonable estimates.

45 Capital management

The Group's capital management objectives are as follows:

— maintain an adequate capital base to support the development of its business;

— support the Group's financial stability and profitable growth;

— allocate capital through an efficient and risk based approach to optimize risk-adjusted return to shareholders; and

— safeguard the long-term sustainability of the Group's franchise so that it can continue to provide sufficient shareholder returns and benefits for other stakeholders.

In April 2014, the NFRA officially approved the Group to adopt advanced capital management approach. Within the scope of the approval, the Internal Ratings-Based approach is adopted to Credit Risk-weighted Assets for both retail and non-retail risk exposures, and the Standardized approach for both Operational Risk-weighted Assets and Market Risk-weighted Assets. In January 2017, the NFRA has officially approved the Group to adopt the Internal Models approach to measure its Market Risk-weighted Assets for qualified risk exposures.

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

45 Capital management (Continued)

The Group calculates the capital adequacy ratio in accordance with "Rules on Capital Management of Commercial Banks" and its relevant provisions issued by the NFRA since 1 January 2024. Regulatory requirements for capital adequacy ratio of commercial banks includes, among other things, requirements for minimum capital, capital conservation buffer, additional capital surcharge for systemically important banks, countercyclical buffer and Pillar II capital as follows:

— minimum regulatory requirements for Common Equity Tier-one Capital Adequacy Ratio, Tier-one Capital Adequacy Ratio and Capital Adequacy Ratio are 5%, 6% and 8%, respectively;

— capital conservation buffer requires additional 2.5% of Common Equity Tier-one Capital Adequacy Ratio;

— additional capital surcharge for systemically important banks requires additional 1.5% of Common Equity Tier-one Capital Adequacy Ratio;

— should the regulators require countercyclical buffer under particular circumstances or regulators impose additional Pillar II capital requirements for specific banks, these requirements shall be met within the specified time limits.

Capital adequacy and the utilization of regulatory capital are closely monitored by the Group's management in accordance with the guidelines developed by the Basel Committee and relevant regulations promulgated by the NFRA. Required information related to capital levels and utilization is filed quarterly with the NFRA.

The Group's capital adequacy ratio calculated in accordance with the "Rules on Capital Management of Commercial Banks" issued by the NFRA as at balance sheet date is as follows:

	Notes	31 December 2025	31 December 2024
Common Equity Tier-one Capital Adequacy Ratio	(1)	**11.08%**	11.42%
Tier-one Capital Adequacy Ratio	(1)	**12.97%**	13.63%
Capital Adequacy Ratio	(1)	**17.93%**	18.19%
Common Equity Tier-one Capital	(2)	**2,769,219**	2,592,674
Deductible Items from Common Equity Tier-one Capital	(3)	**(20,726)**	(10,369)
Net Common Equity Tier-one Capital		**2,748,493**	2,582,305
Net Additional Tier-one Capital	(4)	**469,775**	499,559
Net Tier-one Capital		**3,218,268**	3,081,864
Net Tier-two Capital	(5)	**1,230,422**	1,030,789
Net Capital		**4,448,690**	4,112,653
Risk-weighted Assets	(6)	**24,812,801**	22,603,866

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

45 Capital management (Continued)

As of 31 December 2025, the Group's Common Equity Tier-one Capital Adequacy Ratio, Tier-one Capital Adequacy Ratio and Capital Adequacy Ratio all meet the requirements set forth in *the Rules on Capital Management of Commercial Banks* and other relevant regulations. For more information regarding capital, please refer to the *2025 Pillar 3 Report* published by the Bank on official website.

Pursuant to *the Rules on Capital Management of Commercial Banks:*

(1) The scope of consolidation related to the calculation of the Group's Capital Adequacy Ratios includes Domestic Institutions, Overseas Institutions and affiliated financial subsidiaries specified in the Regulation.

The Common Equity Tier-one Capital Adequacy Ratio is calculated as Net Common Equity Tier-one Capital divided by Risk-weighted Assets. The Tier-one Capital Adequacy Ratio is calculated as Net Tier-one Capital divided by Risk-weighted Assets. The Capital Adequacy Ratio is calculated as Net Capital divided by Risk-weighted Assets.

(2) The Group's Common Equity Tier-one Capital includes: ordinary share capital, capital reserve (subject to regulatory limitations), surplus reserve, general reserve, retained earnings and cumulative comprehensive income.

(3) The Group's Deductible Items from Common Equity Tier-one Capital includes: Goodwill and other intangible assets (excluding land-use rights).

(4) The Group's Additional Tier-one Capital includes: Additional Tier-one capital instruments and related premium (to the extent allowed under the Regulation).

(5) The Group's Tier-two Capital includes: Tier-two capital instruments and related premium (to the extent allowed under the Regulation) and excessive allowance for impairment losses (to the extent allowed under the Regulation).

(6) Risk-weighted Assets include: credit risk-weighted assets, market risk-weighted assets and operational risk-weighted assets.

46 Fair value of financial instruments

The majority of the Group's assets and liabilities in the consolidated statement of financial position are financial assets and financial liabilities. Fair value measurement of non-financial assets and non-financial liabilities does not have a material impact on the Group's financial position and operations, taken as a whole.

The Group does not have any financial assets or financial liabilities subject to non-recurring fair value measurements for the years ended 31 December 2025 and 31 December 2024.

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

46 Fair value of financial instruments (Continued)

46.1 Valuation technique, input and process

The fair value of the Group's financial assets and financial liabilities are determined as follows:

— If traded in active markets, fair values of financial assets and financial liabilities with standard terms and conditions are determined with reference to quoted market bid prices and ask prices, respectively;

— If not traded in active markets, fair values of financial assets and financial liabilities are determined by using valuation techniques. These valuation techniques include the use of recent transaction prices of the same or similar instruments, discounted cash flow analysis and generally accepted pricing models.

The Group has established an independent valuation process for financial assets and financial liabilities. The Financial Accounting Department of head office establishes the valuation models for financial assets and financial liabilities of head office and its branches in China and independently implements the valuation on a regular basis; and the Risk Management Department is responsible for validating the valuation model, the Operations Departments records the accounting for these items. Overseas branches and sub-branches designate departments or personnel that are independent from the front trading office to perform valuation in accordance with the local regulatory requirements and their own department settings.

The Board of Directors shall be responsible for establishing and improving the internal control system related to the valuation of financial instruments and approving valuation policies.

For the years ended 31 December 2025 and 31 December 2024, there were no significant changes in the valuation techniques or inputs used to determine fair value measurements.

46.2 Fair value hierarchy

The level in which fair value measurement is categorized is determined by the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement:

Level 1: fair value measurements are those derived from quoted prices (unadjusted) in an active market for identical assets or liabilities;

Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly; and

Level 3: fair value measurements are not based on observable market data.

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

46 Fair value of financial instruments (Continued)

46.3 Financial assets and financial liabilities not measured at fair value in the consolidated statement of financial position

The tables below summarize the carrying amounts and fair values of those financial assets and financial liabilities not measured in the consolidated statement of financial position at their fair value. Financial assets and financial liabilities for which the carrying amounts approximate fair value, such as balances with central banks, deposits with banks and other financial institutions, placements with and loans to banks and other financial institutions, financial assets held under resale agreements, loans and advances to customers, receivable from the MOF, special government bond, borrowings from central banks, deposits and placements from banks and other financial institutions, due to customers, financial assets sold under repurchase agreements and certificates of deposit issued, interbank certificate of deposits issued and commercial papers issued are not included in the tables below.

	31 December 2025				
	Carrying amount	**Fair value**	**Level 1**	**Level 2**	**Level 3**
Financial assets					
Debt instrument investments at amortized cost (excluding receivable from the MOF and special government bond)	**11,351,212**	**11,861,471**	**36,582**	**11,789,111**	**35,778**
Financial liabilities					
Bonds issued	**1,069,894**	**1,086,185**	**39,251**	**1,046,934**	**–**

	31 December 2024				
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets					
Debt instrument investments at amortized cost (excluding receivable from the MOF and special government bond)	9,463,400	10,199,648	73,827	10,074,667	51,154
Financial liabilities					
Bonds issued	690,922	723,294	40,118	683,176	–

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

46 Fair value of financial instruments (Continued)

46.4 Financial assets and financial liabilities measured at fair value in the consolidated statement of financial position

The tables below summarize the fair values of the financial assets and financial liabilities measured in the consolidated statement of financial position at their fair value.

	31 December 2025			
	Level 1	Level 2	Level 3	Total
Derivative financial assets				
— Exchange rate derivatives	–	31,257	–	31,257
— Interest rate derivatives	–	2,014	–	2,014
— Precious metal derivatives and others	–	244	–	244
Subtotal	–	33,515	–	33,515
Loans and advances to customers				
— Discounted bills and forfeiting	–	2,490,822	–	2,490,822
Subtotal	–	2,490,822	–	2,490,822
Financial investment				
Financial assets at fair value through profit or loss				
— Held for trading				
Bonds	1,264	156,473	–	157,737
Precious metal contracts	–	16,701	–	16,701
Equity	8,478	322	–	8,800
Fund and others	3,024	17,164	4,744	24,932
— Other financial assets at fair value through profit or loss				
Bonds	1,390	181,876	271	183,537
Equity	10,163	4,181	106,919	121,263
Fund and others	–	21,254	22,770	44,024
Subtotal	24,319	397,971	134,704	556,994
Other debt instruments and other equity investments at fair value through other comprehensive income				
— Debt instruments				
Bonds	180,886	3,747,633	–	3,928,519
Others	–	5,435	–	5,435
— Equity instruments	11,440	43	19,614	31,097
Subtotal	192,326	3,753,111	19,614	3,965,051
Total assets	216,645	6,675,419	154,318	7,046,382

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

46 Fair value of financial instruments (Continued)

46.4 Financial assets and financial liabilities measured at fair value in the consolidated statement of financial position (Continued)

The tables below summarize the fair values of the financial assets and financial liabilities measured in the consolidated statement of financial position at their fair value. (Continued)

	31 December 2025			
	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss				
Held for trading				
— Financial liabilities related to precious metals	–	(32,586)	–	(32,586)
Financial liabilities designated at fair value through profit or loss				
— Liabilities of the controlled structured entities	–	(320)	(603)	(923)
Subtotal	–	(32,906)	(603)	(33,509)
Derivative financial liabilities				
— Exchange rate derivatives	–	(23,078)	–	(23,078)
— Interest rate derivatives	–	(1,585)	–	(1,585)
— Precious metal derivatives and others	–	(20,381)	–	(20,381)
Subtotal	–	(45,044)	–	(45,044)
Due to customers				
Due to customers measured at fair value through profit or loss	–	(78,862)	–	(78,862)
Total liabilities	–	(156,812)	(603)	(157,415)

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

46 Fair value of financial instruments (Continued)

46.4 *Financial assets and financial liabilities measured at fair value in the consolidated statement of financial position (Continued)*

The tables below summarize the fair values of the financial assets and financial liabilities measured in the consolidated statement of financial position at their fair value. (Continued)

	31 December 2024			
	Level 1	Level 2	Level 3	Total
Derivative financial assets				
— Exchange rate derivatives	–	60,832	–	60,832
— Interest rate derivatives	–	3,500	–	3,500
— Precious metal derivatives and others	–	1,588	–	1,588
Subtotal	–	65,920	–	65,920
Loans and advances to customers				
— Discounted bills and forfeiting	–	1,817,338	–	1,817,338
Subtotal	–	1,817,338	–	1,817,338
Financial investment				
Financial assets at fair value through profit or loss				
— Held for trading				
Bonds	4,196	127,243	–	131,439
Precious metal contracts	–	20,967	–	20,967
Equity	7,174	–	–	7,174
Fund and others	2,384	14,385	–	16,769
— Other financial assets at fair value through profit or loss				
Bonds	2,212	178,611	2,673	183,496
Equity	7,640	3,337	97,867	108,844
Fund and others	–	20,628	23,358	43,986
— Financial assets designated at fair value through profit or loss				
Bonds	631	–	–	631
Subtotal	24,237	365,171	123,898	513,306
Other debt instruments and other equity investments at fair value through other comprehensive income				
— Debt instruments				
Bonds	237,583	3,172,686	–	3,410,269
Others	–	8,340	–	8,340
— Equity instruments	7,085	47	4,423	11,555
Subtotal	244,668	3,181,073	4,423	3,430,164
Total assets	268,905	5,429,502	128,321	5,826,728

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

46 Fair value of financial instruments (Continued)

46.4 Financial assets and financial liabilities measured at fair value in the consolidated statement of financial position (Continued)

The tables below summarize the fair values of the financial assets and financial liabilities measured in the consolidated statement of financial position at their fair value. (Continued)

	31 December 2024			
	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss				
Held for trading				
— Financial liabilities related to precious metals	–	(15,254)	–	(15,254)
Financial liabilities designated at fair value through profit or loss				
— Liabilities of the controlled structured entities	–	–	(587)	(587)
Subtotal	–	(15,254)	(587)	(15,841)
Derivative financial liabilities				
— Exchange rate derivatives	–	(46,098)	–	(46,098)
— Interest rate derivatives	–	(2,551)	–	(2,551)
— Precious metal derivatives and others	–	(9,497)	–	(9,497)
Subtotal	–	(58,146)	–	(58,146)
Due to customers				
Due to customers measured at fair value through profit or loss	–	(27,752)	–	(27,752)
Total liabilities	–	(101,152)	(587)	(101,739)

Substantially all financial instruments classified within Level 2 of the fair value hierarchy are debt investments, currency forwards, currency swaps, interest rate swaps, currency options, precious metal contracts and structured deposit measured at fair value. Fair value of debt investments denominated in RMB is determined based upon the valuation published by the China Central Depository & Clearing Co., Ltd. Fair value of debt investments denominated in foreign currencies is determined based upon the valuation results published by Bloomberg. The fair value of currency forwards, currency swaps, interest rate swaps, currency options and structured deposit measured at fair value are calculated by applying discounted cash flow analysis or the Black Scholes Pricing Model. The fair value of precious metal contracts that are related to the Group's trading activities is determined with reference to the relevant observable market parameters. All significant inputs are observable in the market.

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

46 Fair value of financial instruments (Continued)

46.4 Financial assets and financial liabilities measured at fair value in the consolidated statement of financial position (Continued)

Level 3 financial assets of the Group mainly represented unlisted equity investments. As not all of the inputs needed to estimate the fair value of these assets and liabilities are observable, the Group classified these investment products within Level 3 of the fair value measurement hierarchy. The significant unobservable inputs related to these assets and liabilities are those parameters relating to credit risk, liquidity and discount rate. Management has made assumptions on unobservable inputs based on observed indicators of impairment, significant changes in yield, external credit ratings and comparable credit spreads, but the fair value of these underlying assets and liabilities could be different from those disclosed.

The reconciliation of Level 3 classified financial assets and financial liabilities presented at fair value in the consolidated statement of financial position is as follows:

	2025		
	Financial assets at fair value through profit or loss	**Other debt instrument and other equity investments at fair value through other comprehensive income**	**Financial liabilities at fair value through profit or loss**
1 January 2025	**123,898**	**4,423**	**(587)**
Purchases	**30,121**	**11,109**	**–**
Settlements/disposals/transfer out of Level 3	**(17,804)**	**–**	**–**
Total (loss)/gain recognized in			
— Profit or loss	**(1,511)**	**–**	**(16)**
— Other comprehensive income	**–**	**4,082**	**–**
31 December 2025	**134,704**	**19,614**	**(603)**
Change in unrealized profit or loss for the year included in profit or loss for assets/liabilities held at the end of the year	**(1,014)**	**–**	**–**

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

46 Fair value of financial instruments (Continued)

46.4 Financial assets and financial liabilities measured at fair value in the consolidated statement of financial position (Continued)

	2024		
	Financial assets at fair value through profit or loss	Other debt instrument and other equity investments at fair value through other comprehensive income	Financial liabilities at fair value through profit or loss
1 January 2024	122,485	4,398	(530)
Purchases	21,548	–	(1)
Settlements/disposals/transfer out of Level 3	(21,184)	–	–
Total gain/(loss) recognized in			
— Profit or loss	1,049	–	(56)
— Other comprehensive income	–	25	–
31 December 2024	123,898	4,423	(587)
Change in unrealized profit or loss for the year included in profit or loss for assets/liabilities held at the end of the year	179	–	–

In Level 3 of the fair value hierarchy, total gains or losses included in profit or loss for the year are presented in net gain on financial investments (Note IV 4) of the consolidated statement of profit or loss.

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

47 Events after the reporting period

47.1 Profit appropriation

(1) A cash dividend at the dividend rate of 3.77% per annum related to the second tranche of preference shares amounting to RMB1,508 million (tax inclusive) in total was approved at the Board of Directors' Meeting held on 13 February 2026 and was distributed on 11 March 2026.

(2) An interest at the interest rate of 3.49% per annum related to 2022 undated additional tier 1 capital bonds (first tranche) of RMB50 billion amounting to RMB1,745 million in total was declared on 9 February 2026 and distributed on 22 February 2026.

(3) An interest at the interest rate of 2.73% per annum related to 2024 undated additional tier 1 capital bonds (first tranche) of RMB40 billion amounting to RMB1,092 million in total was declared on 5 March 2026 and distributed on 15 March 2026.

47.2 ABC Rural Bank

ABC Hexigten Rural Bank Limited Liability Company, ABC Ansai Rural Bank Limited Liability Company, ABC Jixi Rural Bank Limited Liability Company ceased operations and implemented dissolution in January 2026. Agricultural Bank of China has set up new branches at the original sites of three rural banks to undertake assets, liabilities, businesses and employees of the former rural banks.

48 Comparative figures

The Group adjusted certain comparative figures in notes to the consolidated financial statements to meet the reporting requirements during this reporting period.

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

49 Statement of financial position of the Bank

	As at 31 December	
	2025	2024
Assets		
Cash and balances with central banks	**2,801,683**	2,133,890
Deposits with banks and other financial institutions	**428,736**	536,695
Precious metals	**204,662**	115,253
Placements with and loans to banks and other financial institutions	**629,566**	612,521
Derivative financial assets	**33,515**	65,920
Financial assets held under resale agreements	**1,558,926**	1,364,302
Loans and advances to customers	**26,090,846**	23,884,470
Financial investments		
Financial assets at fair value through profit or loss	**375,196**	346,320
Debt instrument investments at amortized cost	**11,768,217**	9,870,492
Other debt instrument and other equity investments at fair value through other comprehensive income	**3,796,171**	3,292,912
Investment in subsidiaries	**51,378**	51,522
Investment in associates and joint ventures	**9,018**	4,323
Property and equipment	**136,206**	137,947
Goodwill	**9,540**	–
Deferred tax assets	**149,029**	147,104
Other assets	**336,875**	304,332
Total assets	**48,379,564**	42,868,003
Liabilities		
Borrowings from central banks	**1,127,471**	847,324
Deposits from banks and other financial institutions	**6,052,024**	4,679,817
Placements from banks and other financial institutions	**248,297**	266,842
Financial liabilities at fair value through profit or loss	**32,586**	15,254
Derivative financial liabilities	**45,044**	58,146
Financial assets sold under repurchase agreements	**1,437,026**	600,578
Due to customers	**32,648,855**	30,304,622
Dividends payable	**18,433**	40,738
Debt securities issued	**3,239,218**	2,647,697
Other liabilities	**337,093**	350,511
Total liabilities	**45,186,047**	39,811,529

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

49 Statement of financial position of the Bank (Continued)

	As at 31 December	
	2025	2024
Equity		
Ordinary shares	**349,983**	349,983
Other equity instruments	**470,000**	500,000
Preference shares	**80,000**	80,000
Perpetual bonds	**390,000**	420,000
Capital reserve	**173,203**	173,215
Other comprehensive income	**73,286**	84,447
Surplus reserve	**327,093**	298,981
General reserve	**561,213**	524,641
Retained earnings	**1,238,739**	1,125,207
Total equity	**3,193,517**	3,056,474
Total equity and liabilities	**48,379,564**	42,868,003

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

Gu Shu	**Wang Zhiheng**
Chairman	*Vice Chairman*

(Amounts in millions of Renminbi, unless otherwise stated)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

50 Statement of changes in equity of the Bank

	Ordinary shares	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	General reserve	Retained earnings	Total
As at 31 December 2024	349,983	500,000	173,215	84,447	298,981	524,641	1,125,207	3,056,474
Profit for the year	–	–	–	–	–	–	280,961	280,961
Other comprehensive income	–	–	–	(11,161)	–	–	–	(11,161)
Total comprehensive income for the year	–	–	–	(11,161)	–	–	280,961	269,800
Capital contribution and reduction from equity holders	–	(30,000)	(12)	–	–	–	–	(30,012)
Appropriation to surplus reserve	–	–	–	–	28,101	–	(28,101)	–
Appropriation to general reserve	–	–	–	–	–	36,567	(36,567)	–
Dividends paid to ordinary equity holders	–	–	–	–	–	–	(85,746)	(85,746)
Dividends paid to other equity instruments holders	–	–	–	–	–	–	(17,085)	(17,085)
Others	–	–	–	–	11	5	70	86
As at 31 December 2025	349,983	470,000	173,203	73,286	327,093	561,213	1,238,739	3,193,517

	Ordinary shares	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	General reserve	Retained earnings	Total
As at 31 December 2023	349,983	480,000	173,226	42,846	271,475	448,479	1,094,700	2,860,709
Profit for the year	–	–	–	–	–	–	275,004	275,004
Other comprehensive income	–	–	–	41,604	–	–	–	41,604
Total comprehensive income for the year	–	–	–	41,604	–	–	275,004	316,608
Capital contribution and reduction from equity holders	–	20,000	(11)	–	–	–	–	19,989
Appropriation to surplus reserve	–	–	–	–	27,506	–	(27,506)	–
Appropriation to general reserve	–	–	–	–	–	76,162	(76,162)	–
Dividends paid to ordinary equity holders	–	–	–	–	–	–	(121,549)	(121,549)
Dividends paid to other equity instruments holders	–	–	–	–	–	–	(19,283)	(19,283)
Other comprehensive income transferred to retained earnings	–	–	–	(3)	–	–	3	–
As at 31 December 2024	349,983	500,000	173,215	84,447	298,981	524,641	1,125,207	3,056,474

According to Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Banking (Disclosure) Rules, the Group discloses the following supplementary information:

1 LIQUIDITY COVERAGE RATIOS

	Three months ended			
	31 March 2025	**30 June 2025**	**30 September 2025**	**31 December 2025**
Average Liquidity Coverage Ratio	**132.6%**	**133.9%**	**130.3%**	**133.5%**

	Three months ended			
	31 March 2024	30 June 2024	30 September 2024	31 December 2024
Average Liquidity Coverage Ratio	131.2%	120.3%	126.7%	131.0%

The liquidity coverage ratios were also in accordance with the Rules on Liquidity Risk Management of Commercial Banks issued by the NFRA and applicable calculation requirements, and based on the data determined under the PRC GAAP.

2 CURRENCY CONCENTRATIONS

	Equivalent in millions of RMB			
	USD	**HKD**	**Other**	**Total**
31 December 2025				
Spot assets	**1,074,203**	**246,050**	**291,986**	**1,612,239**
Spot liabilities	**(1,038,338)**	**(447,895)**	**(220,471)**	**(1,706,704)**
Forward purchases	**2,469,515**	**379,650**	**136,184**	**2,985,349**
Forward sales	**(2,525,522)**	**(154,859)**	**(240,750)**	**(2,921,131)**
Net options position	**(11,453)**	**(1,101)**	**555**	**(11,999)**
Net (short)/long position	**(31,595)**	**21,845**	**(32,496)**	**(42,246)**
Net structural position	**(3,784)**	**1,846**	**(4,781)**	**(6,719)**

	Equivalent in millions of RMB			
	USD	HKD	Other	Total
31 December 2024				
Spot assets	1,210,566	152,261	292,792	1,655,619
Spot liabilities	(976,949)	(317,126)	(255,038)	(1,549,113)
Forward purchases	1,805,609	255,770	197,316	2,258,695
Forward sales	(1,984,656)	(58,742)	(253,434)	(2,296,832)
Net options position	(89,925)	683	(5,285)	(94,527)
Net (short)/long position	(35,355)	32,846	(23,649)	(26,158)
Net structural position	(3,687)	4,196	(4,626)	(4,117)

(Amounts in millions of Renminbi, unless otherwise stated)

3 OVERDUE AND RESCHEDULED ASSETS

(1) Gross carrying amount of overdue loans and advances to customers

	As at 31 December	
	2025	2024
Overdue		
Within 3 months	**92,435**	100,140
Between 3 and 6 months	**47,632**	48,045
Between 6 and 12 months	**76,409**	61,781
Over 12 months	**123,071**	83,131
Total	**339,547**	293,097
Percentage of overdue loans and advances to customers in total loans		
Within 3 months	**0.34%**	0.40%
Between 3 and 6 months	**0.18%**	0.19%
Between 6 and 12 months	**0.28%**	0.26%
Over 12 months	**0.45%**	0.33%
Total	**1.25%**	1.18%

(2) Rescheduled loans and advances to customers

	As at 31 December	
	2025	2024
Total rescheduled loans and advances to customers	**133,966**	105,510
Including: rescheduled loans and advances to customers overdue for not more than 3 months	**4,316**	9,298
Percentage of rescheduled loans and advances to customers overdue for not more than 3 months in total loans	**0.02%**	0.04%

(3) Gross carrying amount of overdue placements with and loans to banks and other financial institutions.

As at 31 December 2025 and 31 December 2024, the Group's gross carrying amounts of overdue placements with and loans to banks and other financial institutions were not significant.

中国农业银行

AGRICULTURAL BANK OF CHINA

Add: No.69, Jianguomen Nei Avenue, Dongcheng District, Beijing, P.R. China

Postal Code: 100005 Tel: 86-10-85108888

www.abchina.com.cn www.abchina.com