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Huishang Bank Corporation Limited*

徽商銀行股份有限公司*

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

(Stock Code: 3698)

2025 ANNUAL RESULTS ANNOUNCEMENT

The board of directors (the "**Board**") of Huishang Bank Corporation Limited (the "**Bank**") is pleased to announce the audited annual results of the Bank and its subsidiaries for the year ended 31 December 2025. This announcement, containing the full text of the 2025 Annual Report of the Bank, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to information to accompany preliminary announcements of annual results. The Bank's 2025 Annual Report will be available for viewing on the HKEXnews website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Bank at www.hsbank.com.cn in April 2026.

The Board of
Huishang Bank Corporation Limited*

Hefei, Anhui Province, the PRC
26 March 2026

As at the date of this announcement, the Board of the Bank comprises Kong Qinglong as executive director; Ma Lingxiao, Lu Hao, Wang Zhaohui, Wei Lixiang, Zuo Dunli, Gao Yang and Wang Wenjin as non-executive directors; Dai Peikun, Zhou Yana, Liu Zhiqiang, Yin Jianfeng, Huang Aiming and Xu Jiabin as independent non-executive directors.

* *Huishang Bank Corporation Limited is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorized to carry on banking/deposit-taking business in Hong Kong.*

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2025 Annual Report

Definitions

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

"Huishang Bank" or "Bank"	Huishang Bank Corporation Limited
"Group"	Huishang Bank Corporation Limited and its subsidiaries
"China" or "PRC"	the People's Republic of China
"PBOC"	the People's Bank of China
"Domestic Shares"	the ordinary shares issued by the Bank in the PRC with a nominal value of RMB1.00 per share
"H Shares"	the ordinary shares issued by the Bank to overseas investors, which are denominated in RMB, subscribed for in Hong Kong Dollars and listed on the Main Board of the Hong Kong Stock Exchange
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
"H Share Listing"	the listing of H Shares of the Bank on the Main Board of the Hong Kong Stock Exchange on 12 November 2013
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules
"Latest Practicable Date"	the latest practicable date for the purpose of ascertaining certain information contained in this report, i.e., 26 March 2026
"Reporting Period"	year 2025 (1 January 2025 to 31 December 2025)
"end of the period" or "end of the Reporting Period"	31 December 2025
"Rural Issues"	abbreviation for issues related to agriculture, rural areas and farmers
"Yuan" or "RMB"	Renminbi, the lawful currency of China. Unless otherwise specified herein, the currency used in this report shall be Renminbi
"US$" or "U.S. Dollars"	U.S. dollars, the lawful currency of the United States
"HK$" or "Hong Kong Dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"IFRS" or "International Financial Reporting Standards"	International Financial Reporting Standards
"Fair Value through Profit or Loss"	Fair Value through Profit or Loss

Chapter I Corporate Information

1.1 CORPORATE INFORMATION

1.1.1 Registered Chinese name: 徽商銀行股份有限公司 [1]
Registered English name: Huishang Bank Corporation Limited

1.1.2 Company secretary, authorized representative: Ngai Wai Fung

1.1.3 Registered and business office address: Huishang Bank Building, No. 1699 Yungu Road, Hefei, Anhui Province, the PRC

1.1.4 Contact address: Huishang Bank Building, No. 1699 Yungu Road, Hefei, Anhui Province, the PRC
Tel: +86-551-62667806/65195721
Fax: +86-551-62667661
Postal code: 230092
Bank's website: www.hsbank.com.cn
E-mail: 96588@hsbank.com.cn

1.1.5 Principal place of business in Hong Kong: 40/F, Dah Sing Financial Centre, No. 248 Queen's Road East, Wan Chai, Hong Kong

1.1.6 Domestic auditor: KPMG Huazhen LLP (Special General Partnership)
Office address: 8th Floor, KPMG Tower, Oriental Plaza, 1 East Chang An Avenue, Beijing, the PRC
International auditor: KPMG
Office address: 8th Floor, Prince's Building, Central, Hong Kong

1.1.7 Legal advisor as to PRC law: DeHeng Law Offices
Legal advisor as to Hong Kong law: Clifford Chance

1.1.8 Domestic Shares trustee agency: China Securities Depository and Clearing Corporation Limited
H Shares registrar: Computershare Hong Kong Investor Services Limited

Note: 1. Huishang Bank Corporation Limited is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorized to carry on banking/deposit-taking business in Hong Kong.

Chapter I Corporate Information

1.2 COMPANY PROFILE

Headquartered in Hefei, Anhui Province, Huishang Bank is the first banking and financial institution in the PRC jointly established by city commercial banks and urban credit cooperatives with the approval of the former China Banking Regulatory Commission. The Bank was incorporated on 4 April 1997, and changed its name to Huishang Bank Corporation Limited on 30 November 2005. On 28 December 2005, the Bank merged with the 5 city commercial banks of Wuhu, Ma'anshan, Anqing, Huaibei and Bengbu and the 7 urban credit cooperatives of Lu'an, Huainan, Tongling, Fuyang Technology, Fuyang Xinying, Fuyang Yinhe and Fuyang Jinda in Anhui Province and was formally inaugurated. The Bank officially opened for business on 1 January 2006. On 12 November 2013, H Shares of the Bank were listed on the Main Board of the Hong Kong Stock Exchange (stock code: 3698). The Bank holds a financial institution license numbered B0162H234010001 from the former China Banking Regulatory Commission Anhui Office and a business license with the unified social credit code numbered 913400001489746613 from the Anhui Provincial Market Supervisory Authority. The registered address is Huishang Bank Building, No. 1699 Yungu Road, Hefei, Anhui Province, the PRC. As of the end of the Reporting Period, the registered capital of the Bank was RMB13,889,801,211.

The business scope of the Bank includes banking business; securities investment funds custody; sales of publicly offered securities investment funds; foreign exchange settlement and sale business; and foreign exchange business. As of the end of the Reporting Period, apart from its headquarters, the Bank has 21 branches, 475 front offices and 505 self-service areas (points). During the Reporting Period, the Group had 13,995 employees. The Bank also has four subsidiaries, namely Huishang Bank Financial Leasing Co., Ltd., HSBank Wealth Management Co., Ltd., Wuwei Huiyin Rural Bank Co., Ltd. and Jinzhai Huiyin Rural Bank Co., Ltd. and owns equity interests in Chery Huiyin Motor Finance Service Co., Ltd. and MengShang Bank Co., Ltd.

By maintaining its market position as a bank "serving the local economy, serving small and medium enterprises (the "SME(s)") and serving the general public", the Bank has continuously experienced a relatively fast growth in its business development, has steadily improved its operational management standards, has achieved a synergic development of scale, quality and efficiency, and has continuously strengthened its comprehensive strength, becoming an outstanding mainstream bank that fully supports the development of local economy and society. In 2025, the Bank ranked 101st in the "Top 1000 World Banks" by The Banker, a UK magazine, up 11 places from the previous year, and ranked 242nd in the Fortune China 500 list, up 16 places from the previous year.

Chapter I Corporate Information

1.3 AWARDS FOR 2025

During the Reporting Period, the Bank won numerous accolades and rewards in contests organized by domestic and international authorities and organizations:

Time	Reward	Awarding Agencies
January 2025	Annual Leading Bank in Social Responsibility Performance	The Economic Observer
January 2025	Most Market Innovative Institution	Beijing Financial Assets Exchange
January 2025	2024 Excellent Index Innovation Cooperation Institution	Shanghai Clearing House
January 2025	Top 100 Proprietary Settlement Institutions of CCDC for 2024	China Central Depository & Clearing Co., Ltd.
January 2025	The 6th "Wind Best Investment Bank" Selection: Rapid Progress Award for Bond Underwriting, Best Underwriter of Interbank Debt Financing Instruments	Wind Information
February 2025	2024 Market Innovation Business Institution	Foreign Exchange Trade System
March 2025	Third Prize in the 2024 Outstanding Research Results Selection of the Provincial Discipline Inspection and Supervision System	Discipline Inspection of the CPC Anhui Provincial Commission
March 2025	Rated as "Excellent" in the 2024 Anhui Provincial Evaluation of Financial Services for Rural Revitalization	Anhui Branch of the People's Bank of China
March 2025	Championship in "Green Finance" and Second Place in the Large Bank Category in the Labor Competition on the "Five Major Aspects" of Finance in the 2024 Anhui Provincial "Empowering with Finance, Composing Five Masterpieces (賦金融動能　繪五篇華章)"	Anhui Labor Competition Committee, Anhui Federation of Trade Unions
April 2025	The Youth League Committee of Huangshan Branch won the 2025 Provincial May Fourth Red Flag Youth League Committee, and the Science and Technology Financial Innovation Task Force Won the 2025 Anhui Youth May Fourth Medal Collective	Anhui Provincial Committee of the Communist Youth League
April 2025	The Corporate Banking Department of Huishang Bank won the Title of "Pioneer Workers" in Anhui Province	Anhui Labor Competition Committee, Anhui Federation of Trade Unions
May 2025	The Science and Technology Financial Innovation Task Force of Huishang Bank won the Second Prize in the National Youth Innovation and Technology Vanguard Team Competition for Outstanding Performance in Post Assignments (全國科技創新青年突擊隊崗位建功競賽二等獎)	Youth Development Department of the Central Committee of the Communist Youth League
May 2025	2024 Excellent Foreign Currency Pair Membership Award in the Interbank Market	China Foreign Exchange Trade System
May 2025	Class A Taxpayer for Tax Credit Rating in 2024 of Anhui Provincial Tax Service, State Taxation Administration	Anhui Provincial Tax Service, State Taxation Administration

Chapter I Corporate Information

Time	Reward	Awarding Agencies
May 2025	Excellent Unit of Petition Work in Anhui Province in 2024	General Office of the CPC Anhui Provincial Committee, General Office of the People's Government of Anhui Province
May 2025	First Place in the Women's Team of the Provincial Organs Badminton Tournament	Anhui Provincial Organs Sports Federation (安徽省直機關體育聯合會)
May 2025	Annual Star of Social Responsibility Practice	The Economic Observer
June 2025	Rated Grade A in the 2024 Market Evaluation of the Lead Underwriting Business Practice of General Lead Underwriters for Debt Financing Instruments of Non-Financial Enterprises	National Association of Financial Market Institutional Investors
June 2025	Sci-Tech Golden Bull Award	China Securities Journal
June 2025	The 5th Jinyu Award for Outstanding Private Banks in Regional Services, Jinyu Award for Outstanding City Commercial Banks in Wealth Management	PYSTANDARD
June 2025	Seventh Place in the National Financial System Futsal Tournament	China Finance Union
June 2025	Anhui Provincial Green Finance Excellent Case Competition: Three First Prizes in Green Financial Products, Green Financial Governance, and Sustainable Information Disclosure	Anhui Branch of the People's Bank of China, Financial Commission Office of the CPC Anhui Provincial Committee
July 2025	101st among the Top 1000 World Banks in 2025	The Banker, a UK magazine
July 2025	Rated as "Excellent" in the 2024 Performance Evaluation of Promoting the Rural Revitalization Strategy	Leading Group for Rural Work of the CPC Anhui Provincial Committee
July 2025	First Place in the 2024 Anhui Provincial Bond Underwriting Business Evaluation for Financial Institutions, Evaluation of the Effectiveness of Credit Policy for Science and Technology Enterprises in 2024 – Excellent Performance	Anhui Branch of the People's Bank of China
July 2025	Third Prize in the 7th Anhui Provincial "Raising the Flag of National Spirit and Delivering Theories" Micro-preaching Competition and Youth Preaching Competition	Publicity Department of the CPC Anhui Provincial Committee
July 2025	Outstanding Contribution Unit in Patriotism and Supporting the Army	Anhui Provincial Association for the Promotion of Patriotism and Support for the Army
August 2025	Jinbei Assets Management Competitiveness Case – 2025 Outstanding Influential Brand	21st Century Business Herald

Chapter I Corporate Information

Time	Reward	Awarding Agencies
August 2025	"Huishang Bank Facilitates the High-Quality Development of Anhui's County Economy" was selected as an Excellent Case of Innovation-driven Development in China's Banking Industry for 2025	Tsinghua Financial Review, Tsinghua University PBC School of Finance
August 2025	Value Creation Model Award	Commercial Bank Management Institute of Central University of Finance and Economics
August 2025	"Huishang Bank's Science and Technology Financial Innovation Case – Construction of a 'three-in-one' Digital System for Fintech" was selected as an Excellent Case of Innovation-driven Development in China's Banking Industry for 2025	Tsinghua Financial Review, Tsinghua University PBC School of Finance
August 2025	2025 Excellent Case Award for Intelligent Risk Control in Banking	Organizing Committee of the China Banking Digital and Intelligent Summit
August 2025	Won Bauhinia Award for "Banks Contributing to County Economic Development in 2025"	Tsinghua Financial Review, Tsinghua University PBC School of Finance
August 2025	First Place in the Provincial Organs Five-a-Side Basketball Tournament, First Place in the Provincial Organs Three-a-Side Basketball Tournament	Anhui Provincial Organs Sports Federation
September 2025	No. 23 on the List of Top 100 Chinese Banks in 2025	China Banking Association
September 2025	"Cultivating Financial Culture to Boost Brand Communication" was selected as a 2025 Excellent Case of Brand Communication in Corporate Culture in the "2025 Banking Industry Brand Communication Excellent Cases" Selection	Banking Research Institute of JRJ.com
September 2025	The Micro Party Class "Safeguarding and Building a Beautiful Environment Through Practice and Refinement: Achievements of Red Finance in Southern Anhui (《薪火淬青山：紅色金融的皖南答卷》)" was rated as an "Excellent Party Class" in the 3rd Provincial Micro Party Class Collection and Broadcasting Activity	Organization Department of the CPC Anhui Provincial Committee
September 2025	"Second Prize (Team)" and "Best Style Award" in the Anhui Provincial Financial Industry Comprehensive Statistics and Financial "Five Major Aspects" Statistical Business Competition	Anhui Branch of the People's Bank of China
September 2025	Second Prize in the Anhui Provincial "The 10th Anniversary of the Implementation of the Statute of Deposit Insurance (存保十年)" Deposit Insurance Promotion Business Competition	Anhui Branch of the People's Bank of China
September 2025	Excellent Organization Award in the Anhui Division of the First Stage of the 4th National Accounting Knowledge Competition	Anhui Provincial Department of Finance

Chapter I Corporate Information

Time	Reward	Awarding Agencies
September 2025	"Exploration of Digital and Intelligent Governance in Huishang Bank's Anti-money Laundering Work" won the Third Place (Silver Award) in Financial Services in the Anhui Sub-competition of the "Data Element X" Competition in 2025	Anhui Data Resources Administration Bureau
October 2025	Annual Outstanding Work Brand in the "Four Forces" Construction of China Financial Media Publicity	China Financial Media, China Banking and Insurance News, China Rural Finance Magazine, Yearbook of China Insurance
October 2025	Second Place in the Anhui Provincial Banking Industry Badminton Mixed Team Tournament	Anhui Banking Association
October 2025	The Remote Video Service Project won TOP 8 in the Ecological Innovation Track of the "2025 Digital and Intelligent Innovation Application Competition for Customer Service Center and Remote Banking"	China Banking Association
October 2025	The "Second Prize (Team)" in the 2025 Anhui Provincial "National Capital Flow Credit Information Platform" Business Knowledge and Skills Competition	Anhui Branch of the People's Bank of China
November 2025	High-quality Development Financial Institution (The 10th Time Finance Golden Orange Awards Ceremony)	Time Weekly
November 2025	The Experience and Practice of Science and Technology Finance Work titled "Practicing the Financial Culture of Integrity and Innovation to Activate the Main Engine of Technological Innovation" was selected into the Integrity and Innovation Section of the "Case Collection of the Banking Industry Practicing Financial Culture with Chinese Characteristics"	China Banking Association
November 2025	2025 Annual Financial Technology – Best Development Award for Financial Institutions	Organizing Committee of Yangtze River Delta Fintech Innovation and Application Global Competition
November 2025	Rated as "Excellent" (Grade A) in the 2024 Provincial Department of Finance Performance Evaluation	Anhui Provincial Department of Finance
November 2025	Best Communication Award in the 5th "Guard Your Wallet, Protect Your Happy Family" Short Video Collection Competition for Preventing Illegal Financial Activities	China Financial Media Co., Ltd.
November 2025	"Huishang Bank's Data Governance Capability Construction Empowering Digital Transformation" was selected as one of the 2025 "100 Excellent Cases" of Data Management at the 4th Data Governance Annual Conference and Expo	China Information Technology Industry Federation
November 2025	Second Place in the Men's Basketball Tournament of Anhui Provincial Banking Industry	Anhui Banking Association

Chapter I Corporate Information

Time	Reward	Awarding Agencies
November 2025	Both "Digital and Intelligent Credit System Empowering Rural Revitalization Product Innovation" and "Construction and Practice of Financial Agent Middle Office Based on Diverse Large Model Foundation" won Third Prize in the 2024 Fintech Development Award	PBOC
December 2025	Annual Leading Bank in Supporting the Real Economy	The Economic Observer
December 2025	Bank with Outstanding Competitiveness in Value Growth (10th Selection of Outstanding Competitiveness Small and Medium-sized Bank Case in 2025)	China Business Journal
December 2025	Annual Quality Bank with Regional Influence, Annual Quality Bank in Science and Technology Finance	The Paper
December 2025	Annual Social Responsibility Pioneer Bank	Hexun.com
December 2025	New Services and New Drivers Pioneer Case (Capital Flow e-Loan — Innovative Practice of Digital Empowerment for Inclusive Finance)	Southern Metropolis Daily, N-Video, Wancaishe
December 2025	The "Pre-job Training for Newly Recruited Campus Employees" Project was selected as a Branded Learning Project	Training Magazine
December 2025	Annual Outstanding Leadership Award	Ping An Zhiniao
December 2025	Top 100 China Best Employers	Zhaopin, National School of Development at Peking University, Institute of Social Science Survey, Peking University
December 2025	University Students' Favourite Employer	Nowcoder
December 2025	"Huishang Bank Turns Green into Gold, "Loans" Drive to Comprehensive Green Transformation of Economic and Social Development" was selected into the 2025 Urban Financial Service Outstanding Cases Among Peers	Service Centre for City Commercial Banks
December 2025	"Huishang Bank's Specialized and Sophisticated e-Loan Helps Enterprises Soar on New Tracks" was selected into the Cases of City Commercial Banks and Private Banks Financially Supporting the High-quality Development of the Private Economy	China Banking Association
December 2025	"Capital Flow e-Loan" — Innovative Practice of Digital Empowerment for Inclusive Finance was selected into the New Services and New Drivers Pioneer Cases in the 14th Financial Industry Annual Evaluation	Southern Metropolis Daily
December 2025	Anhui Provincial "One Bank, One Feature" Typical Cases of Financial Support for Technological Innovation	Anhui Branch of the People's Bank of China

Chapter I Corporate Information

Time	Reward	Awarding Agencies
December 2025	2025 Golden Dragon Financial Power Cases — Huishang Bank was selected into the Financial "Five Major Aspects" Cases (Title: Huishang Bank Builds a Comprehensive Financial Service Ecosystem for Intellectual Property)	Financial News
December 2025	2025 Digital Bank • Selection of Light Mobile Banking Smart Operation Excellence Case	cebnet.com.cn of CFCA
December 2025	The 4th Lianhe Zhiping Golden Toad Award for 2025 – Outstanding Wealth Management Bank	Lianhe Zhiping
December 2025	2025 Excellent Underwriter for Financial Bonds, Flying Dragon Award for Financial Bonds, Top-Level Promotion Award for Financial Bonds, Special Contribution Award for Financial Bonds, Excellent Underwriting Supervisor for Financial Bonds from China Development Bank	China Development Bank
December 2025	2025 Excellent Underwriter of Domestic RMB Financial Bonds of The Export-Import Bank of China	The Export-Import Bank of China
December 2025	Financial Digital Development Gold List Award – Huishang Bank Most Popular Credit Card of the Year Award	Financial Digital Development Alliance
December 2025	"Provincial Advanced Financial Service Enterprise" in the 2024 Provincial Fiscal and Financial Business and Financial Enterprise Financial Statements Work	Anhui Provincial Department of Finance
December 2025	"Data Management Capability Construction of Huishang Bank" was selected into the "Potential Cases" of the 2024 Galaxy Case Data Asset Special Project	Big Data Technology and Standard Committee of China Communications Standards Association
December 2025	2025 Internal Audit Theory Seminar Organization Award	The Anhui Provincial Institute of Internal Audit
December 2025	Golden Bull Award for Bank Wealth Management Services, Golden Bull Award for Private Banks	China Securities Journal

Chapter II Summary of Accounting Data and Business Data

2.1 MAIN FINANCIAL INFORMATION OF THE GROUP

Unit: RMB million, except for percentages

Operational results	2025	2024	Changes over the corresponding period of last year +/(-)%
Operating income[1]	**37,670**	37,232	1.18
Profit before tax	**19,185**	17,989	6.65
Net profit	**16,926**	15,917	6.34
Net profit attributable to shareholders of the Bank	**16,525**	15,414	7.21

Unit: RMB, except for percentages

Per ordinary share	2025	2024	Changes over the corresponding period of last year +/(-)%
Basic earnings attributable to shareholders of the Bank	**1.14**	1.05	8.57
Diluted earnings attributable to shareholders of the Bank	**1.14**	1.05	8.57
Closing net assets attributable to shareholders of the Bank	**10.65**	9.90	7.58

Unit: RMB million, except for percentages

Scale indicators	31 December 2025	31 December 2024	Changes over the end of last year +/(-)%
Total assets	**2,326,085**	2,013,753	15.51
Including: Total loans and advances to customers [2]	**1,130,492**	1,002,166	12.80
Total liabilities	**2,153,588**	1,852,086	16.28
Including: Total customer deposits [3]	**1,266,201**	1,138,966	11.17
Equity attributable to shareholders of the Bank	**167,882**	157,450	6.63

Notes: (1) Operating income comprises net interest income, net fee and commission income, net trading income, net income from financial investments, dividend income, net gains on investments in associates and other operating income, net. Data for 2024 has been retrospectively adjusted.

(2) Accrued interest and provision for impairment are not included in total loans and advances to customers.

(3) Accrued interest is not included in total customer deposits.

Chapter II Summary of Accounting Data and Business Data

2.2 FINANCIAL RATIOS OF THE GROUP

Unit: %

Profitability indicators	2025	2024	Changes over the corresponding period of last year +/(-)
Return on average total assets (ROA)	**0.78**	0.83	(0.05)
Return on average net assets (ROE)	**11.51**	11.86	(0.35)
Net interest spread	**1.31**	1.49	(0.18)
Net interest margin	**1.49**	1.71	(0.22)

Unit: %

Proportion of operating income	2025	2024	Changes over the corresponding period of last year +/(-)
Net interest income	**76.75**	77.01	(0.26)
Net non-interest income	**23.25**	22.99	0.26
Cost-to-income ratio (excluding tax and surcharges)[1]	**29.07**	27.63	1.44

Unit: %

Asset quality indicators	31 December 2025	31 December 2024	Changes over the end of last year +/(-)
Non-performing loan ratio	**0.98**	0.99	(0.01)
Allowance to non-performing loan ratio	**278.79**	286.47	(7.68)
Allowance to loans ratio	**2.73**	2.82	(0.09)

Unit: %

Capital adequacy indicators	31 December 2025	31 December 2024	Changes over the end of last year +/(-)
Capital adequacy ratio	**13.77**	13.72	0.05
Tier 1 capital adequacy ratio	**11.38**	11.41	(0.03)
Core Tier 1 capital adequacy ratio	**9.89**	9.83	0.06

Unit: %

Other indicators	31 December 2025	31 December 2024	Changes over the end of last year +/(-)
Equity to total assets [2]	**7.42**	8.03	(0.61)
Gearing ratio [3]	**92.58**	91.97	0.61

Notes: (1) Cost-to-income ratio = (Operating expenses – Tax and surcharges)/Operating income. Data for 2024 has been retrospectively adjusted.

(2) Equity includes minority interests.

(3) Gearing ratio = Total liabilities/Total assets.

Chapter II Summary of Accounting Data and Business Data

2.3 FIVE-YEAR FINANCIAL SUMMARY OF THE GROUP

	2025	2024	2023	2022	2021
Results for the year (RMB thousand)					
Operating income	**37,669,747**	37,231,740	36,365,340	36,229,641	35,514,404
Operating expenses	**(11,407,043)**	(10,694,824)	(10,199,368)	(9,474,462)	(8,684,416)
Impairment loss	**(7,077,407)**	(8,548,074)	(8,798,338)	(9,661,991)	(13,547,917)
Profit before tax	**19,185,297**	17,988,842	17,656,906	17,315,141	13,537,317
Net profit attributable to shareholders of the Bank	**16,524,600**	15,414,392	14,433,227	13,397,600	11,460,383
Per ordinary share (RMB)					
Dividends	**0.25**[1]	0.21	0.146	0.129	0.089
Basic earnings	**1.14**	1.05	1.00	0.93	0.76
Diluted earnings	**1.14**	1.05	1.00	0.93	0.76
Closing net assets attributable to shareholders of the Bank	**10.65**	9.90	8.85	7.89	7.10
At year end (RMB thousand)					
Paid-in capital stock (share capital)[2]	**13,889,801**	13,889,801	13,889,801	13,889,801	13,889,801
Total equity attributable to shareholders of the Bank	**167,882,116**	157,450,264	142,983,077	119,607,642	108,563,985
Total liabilities	**2,153,588,475**	1,852,085,913	1,659,416,708	1,457,414,028	1,272,146,180
Total customer deposits	**1,266,201,199**	1,138,966,207	1,020,158,374	894,156,087	768,667,657
Total assets	**2,326,084,841**	2,013,753,074	1,806,143,550	1,580,235,686	1,383,661,831
Total loans and advances to customers	**1,130,491,550**	1,002,166,422	874,222,595	764,309,054	654,795,121
Key financial ratios (%)					
Return on average total assets	**0.78**	0.83	0.89	0.92	0.89
Return on average net assets	**11.51**	11.86	12.52	12.77	12.33
Cost-to-income ratio	**29.07**	27.63	28.05	26.15	24.45
Non-performing loan ratio	**0.98**	0.99	1.26	1.49	1.78
Core Tier 1 capital adequacy ratio	**9.89**	9.83	9.14	8.60	8.45
Capital adequacy ratio	**13.77**	13.72	13.21	12.02	12.23

Notes: (1) Please refer to Section 5.22 "Profit and Dividends" in this annual report for details.

(2) For details of the share capital of the Bank, please refer to Section 6.1 "Changes in Ordinary Shares of the Bank during the Reporting Period" of this annual report and Note 40 to the financial statements.

Chapter III President's Statement

Time flows like a rushing river as we forge ahead. In 2025, Huishang Bank, under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and the strong leadership of the Anhui Provincial Committee and the People's Government of Anhui Province, pursued development with impartial dedication, strove courageously to improve services, and achieved a new stage of high quality development, delivering a substantial and inspiring performance through solid efforts and concrete results. As of the end of the Reporting Period, the Group recorded total assets of over RMB2.3 trillion, representing an increase of 15.5% as compared with the end of last year; loan balance exceeded RMB1.1 trillion and deposit balance was close to RMB1.3 trillion, representing an increase of 12.8% and 11.2% respectively as compared with the end of last year; operating income reached RMB37.67 billion, which grew against the trend and maintained positive growth; net profit was close to RMB17 billion, representing an increase of 6.3% as compared with the corresponding period of last year; the Bank ranked 101st among the top 1000 world banks; and was rated "Excellent" in the Ministry of Finance's performance evaluation of national banking financial institutions.

Over the past year, we have taken firm steps, and the banner of the leading role of the Party building has flown high. We always placed political development first, deeply understood the decisive significance of the "Two Establishes", and resolutely fulfilled the "Two Upholds". Political development was comprehensively strengthened. We earnestly implemented the spirit of the Fourth Plenary Session of the 20th Central Committee of the CPC, thoroughly studied and implemented the important speeches and directives of General Secretary Xi Jinping, and strictly implemented the "First Agenda Item" system; we effectively carried out the implementation of instructions from provincial leaders, and, with a nail-sticking spirit, promoted the implementation of the decisions and deployments of the Central Committee and the CPC Anhui Provincial Committee in Huishang Bank. A clean and upright atmosphere continued to prevail. We solidly carried out learning and education on thoroughly implementing the spirit of the "eight-point decision" established rules of the CPC Central Committee, integrated the Party's integrity and clean governance with the rectification and standardization of business management orders, completed routine inspections of the Party committees of five secondary units, iteratively upgraded the "Integrity-driven Huishang Bank" smart supervision platform, and were recognized as an "Excellent Unit for Petition Work in Anhui Province" for several consecutive years. Organizational fortresses became stronger. Eight Party branches were selected for the first batch of the "Pilot" plan by the Financial Work Committee of CPC Anhui Provincial Committee, further highlighting the role of grassroots Party organizations as fighting fortresses. We deepened the joint development and co-construction of Party building, linking the "business chain" with the "Party building chain" to achieve synchronized development and mutual advancement between Party building and business operations. Our united front work has been commended by the competent authorities of Anhui Province for five consecutive years. Talent support was continuously consolidated. We issued the outline for the planning of the cadre and talent team construction, implemented the "Pillar Plan", persisted in deploying key forces to the frontline, and cultivated and selected outstanding young cadres. We continuously improved professional capabilities and organized 40 sessions of the "Hui Series" key training programs, significantly enhancing the professional literacy and performance capabilities of our cadres and employees.

Chapter III President's Statement

Over the past year, we have shouldered our responsibilities, and our achievements in serving the real economy have been full of highlights. Regarding serving the development of Anhui as our bounden duty, we earnestly advanced the "five major aspects" of finance, and precisely irrigated the fertile soil of the real economy with the living water of finance. Serving the overall situation showed new achievements. We held the Financial Empowerment for Anhui's High-Quality Development Exchange Conference; the balance of loans granted within Anhui Province exceeded RMB1 trillion for the first time, with a new increment of over RMB100 billion and a growth rate of 2.53 percentage points higher than the provincial average, overfulfilling the annual target for net interest and fee income. Key areas achieved new enhancements. Fully supporting the development of new quality productive forces, we issued the country's first batch and Anhui Province's single largest science and technology innovation bonds of RMB5.0 billion, and the balance of loans to sci-tech enterprises exceeded RMB210.0 billion, representing an increase of 24.7%. The balance of loans to the manufacturing industry and strategic emerging industries reached RMB163.4 billion and RMB153.0 billion respectively, both with a growth rate exceeding 21%, injecting strong momentum into Anhui's efforts to build the "three places and one zone ". Inclusive finance for small and micro enterprises stepped onto a new level. The balance of loans to private enterprises was RMB268.4 billion, accounting for approximately 40% of corporate loans; we earnestly implemented the financing coordination mechanism for small and micro enterprises, and the balance of inclusive loans for small and micro enterprises reached RMB177.65 billion, representing an increase of 15.1%. Rural revitalization unfolded a new chapter. We established 9 new county-level sub-branches, and the balance of agriculture-related loans reached RMB206.39 billion, representing an increase of 15.8%, extending the tentacles of our financial services deep into the fields. Green finance fostered a new foundation. The balance of green credit reached RMB155.3 billion, representing an increase of 45.8%. We won the Championship in Green Finance (綠色金融單項冠軍) in the labor competition on the "five major aspects" of finance in Anhui Province.

Over the past year, we have made coordinated efforts, and our diversified business formats have blossomed. Adhering to the general tone of "seeking progress while maintaining stability", we led reasonable quantitative growth with effective qualitative improvement, achieving balanced development across all business segments. Corporate business continued to lead. Strengthening our "customer-centric" comprehensive service capabilities, our market share of corporate deposits and loans remained the highest among all commercial banks in Anhui Province; we achieved a historic breakthrough in Anhui Province's fiscal and social security special accounts, the number of institutional customers exceeded 12,000, and institutional deposits grew by 12%. Empowering industrial upgrading with full-chain services, our supply chain finance disbursements reached RMB49.18 billion, representing an increase of 91.8%. Retail transformation accelerated its breakthroughs. We deepened retail transformation, with personal financial assets exceeding RMB930.0 billion and savings deposit balances surpassing RMB720.0 billion, both increasing by 14%. The AUM of private banking customers grew by 20.4%, and the number of high-quality customers exceeded 2.8 million. The number of valid accounts for third-generation social security cards reached 2.345 million, representing an increase of 26.6%. The net increase in personal housing loans and the newly added market share both ranked first among peers in Anhui Province, and the increment of credit card advances ranked among the top in Anhui Province. We strengthened coordination between the public and private sectors, with the scale of payroll agency services exceeding RMB130.0 billion, and the number of valid accounts for the e-Payment of Huishang Bank (徽銀e付) growing steadily. Interbank value climbed significantly. We successfully issued financial bonds of RMB40.0 billion, and total two-way interbank credit facilities both exceeded RMB700.0 billion. We optimized investment and trading strategies, with the spread income increasing by RMB660 million year-on-year. The registered capital of the private equity investment fund under custody was RMB29.51 billion, ranking first among financial institutions in Anhui Province. Deep integration and synergy between parent company and subsidiaries were achieved. The total assets of Huishang Bank Financial Leasing amounted to nearly RMB80.0 billion, representing an increase of 19.7%, maintaining its position in the top tier of city commercial banks; the bank-leasing integration business reached RMB16.4 billion, hitting a historical best. The product scale of HSBank Wealth Management reached RMB236.5 billion, representing an increase of 19.6%; the bank-wealth management integration business reached RMB34.2 billion, representing a year-on-year increase of 41.9%. The parent company and subsidiaries shared resources and complemented each other's advantages, continuously unleashing superimposed synergy effects.

Chapter III President's Statement

Over the past year, we have forged ahead with determination, and the engine of reform and innovation has been powerful. We systematically planned and formulated a new round of strategic planning, using reforms in key areas as a breakthrough to continuously stimulate endogenous power and development vitality, making innovation, the "key variable" become the "greatest driver" for development. Distinctive business advantages continued to manifest. The number of technology-oriented enterprise clients served, the scale of investment banking bond issuance and the scale of assets under custody all ranked among the top in the industry in Anhui Province. Mobile Banking 7.0 was successfully launched, with the number of customers exceeding 12 million , representing a year-on-year increase of 11.4%. The international settlement volume exceeded USD17.0 billion, hitting a record high and representing a year-on-year increase of 36.4%. The pace of digital and intelligent transformation continued to accelerate. Comprehensively advancing the financial technology strategic planning, We successfully put the core system 3.0 into operation. The number of developed projects and deployed projects increased by 24.3% and 16.7% year-on-year respectively, and the self-controllable capability of key systems was significantly enhanced. We accelerated data middle platform construction, with quantitative data management capabilities reaching the highest tier among city commercial banks. The vitality of innovation and transformation was significantly enhanced. We are one of the first batch of pilot banks in China to participate in the construction of the PBOC's fund flow information platform, completing the disbursements of the first "capital flow" loan, transformation loan, and the "points-based loan" for technology enterprises in Anhui Province. The results of reducing costs and increasing efficiency have become increasingly evident. Solidly advancing cost reduction and efficiency enhancement, we placed prominent importance on lowering the deposit interest rate, and prudently implemented differentiated deposit pricing. The deposit interest rate was 1.83%, down 27 basis points from the beginning of the year. The contribution of branches outside the province steadily increased. The increment of their daily average corporate deposits accounted for 74.7% of the Bank, bond issuance volume by their investment banking accounted for 39.2%, increase in assets under custody accounted for 59%, and their international business settlement volume grew by 96.5%, ensuring steady and long-term specialized development for our branches outside the province.

Over the past year, we have remained as cautious at the end as at the beginning, and the dam of secure development has been as stable as a rock. We always regarded risk prevention and control as an eternal theme and adhered to bottom line thinking, strengthened our sense of crisis, to effectively prevent and resolve financial risks with a constant sense of responsibility of "never being at ease". We comprehensively strengthened our risk control firewall. We dedicated ourselves to building a "1+N" intelligent risk control system, deeply advanced "full chain + consolidated-based" comprehensive risk management, accelerated the digital transformation of full process credit risk management, and continuously enhanced our independent risk control capabilities. We fully safeguarded consumer rights and became the first commercial bank in Anhui Province to achieve a direct connection with the government service convenience hotline platform. Internal control and compliance management advanced in depth. We carried out a 100-day compliance improvement campaign to strengthen risk investigations in key areas and critical positions. Our anti-money laundering promotional materials were commended by regulatory authorities, our precision governance capability against telecom fraud continuously improved, and the number of complaints decreased by 60% year-on-year. Asset quality levels were significantly improved. The Bank achieved a significant reduction in the net value of non-performing assets taken over from the former Baoshang Bank. Disposal of on-balance-sheet non-performing assets exceeded regulatory targets, with the non-performing loan ratio of 0.98%, representing a decrease of 0.01 percentage points from the beginning of the year.

Chapter III President's Statement

The past year also marked the 20th anniversary of the founding of Huishang Bank. Looking back at the twenty extraordinary years, we started from nothing, grew from small to large, and became stronger from weakness. Compared to the beginning of our establishment, our asset scale has grown 46 times, deposit scale has grown 28 times, and loan scale has grown 36 times. Our business layout now reaches five provinces and one municipality, and we have developed into a financial institution with significant national influence. These achievements fundamentally stem from the scientific guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, benefit from the correct leadership of the CPC Anhui Provincial Committee and the People's Government of Anhui Province, and regulatory authorities, cannot be separated from the strong support of all sectors of society, and even more so, embody the wisdom, dedication, and sweat of generations of Huishang Bank employees!

The year 2026 marks the beginning of the "15th Five-Year Plan". In his new year address, General Secretary Xi Jinping encouraged us to "strive together for our dreams, work hard for happiness, and turn grand visions into beautiful realities". We will actively practice the political and people-centered nature of financial work, deepen customer group operations, reduce costs, improve quality and increase efficiency, and tackle challenges in reform and innovation with even greater efforts. With more outstanding performance, we will reward our shareholders, benefit our employees, and dedicate ourselves to society. We will continuously grow stronger, better, and larger to better serve Anhui's high-quality development and provide strong financial support for Anhui in building the "Three Places and One Zone"!

Kong Qinglong

Executive Director, President and Chief Compliance Officer

Chapter IV Management Discussion and Analysis

4.1 OVERALL BUSINESS REVIEW

In 2025, under the strong leadership of the CPC Anhui Provincial Committee and the People's Government of Anhui Province, Huishang Bank earnestly implemented the guiding principles of the 20th National Congress of the CPC and previous plenary sessions of the 20th Central Committee. Acting with integrity and dedication to development, the Bank strived courageously to forge ahead to further deepen reform and innovation, vigorously advance cost reduction, quality enhancement and efficiency improvement, and inject robust momentum into high-quality economic and social development through outstanding operational performance.

As of the end of the Reporting Period, the total assets of the Group were RMB2,326,085 million, representing an increase of RMB312,332 million or 15.51% as compared with the end of last year. Among them, total loans and advances to customers were RMB1,130,492 million, representing an increase of RMB128,326 million or 12.80% as compared with the end of last year. Total liabilities were RMB2,153,588 million, representing an increase of RMB301,502 million or 16.28% as compared with the end of last year. Among them, total customer deposits were RMB1,266,201 million, representing an increase of RMB127,235 million or 11.17% as compared with the end of last year.

During the Reporting Period, the Group realized operating income of RMB37,670 million, representing an increase of RMB438 million or 1.18% as compared with the same period of last year; net profit was RMB16,926 million, representing an increase of RMB1,009 million or 6.34% as compared with the same period of last year.

As of the end of the Reporting Period, the Group's non-performing loan balance was RMB11,053 million, representing an increase of RMB1,177 million as compared with the end of last year. Non-performing loan ratio was 0.98%, representing a decrease of 0.01 percentage points as compared with the end of last year. Non-performing loan provision coverage ratio was 278.79%, representing a decrease of 7.68 percentage points as compared with the end of last year.

4.2 ANALYSIS OF INCOME STATEMENT

4.2.1 Summary of financial performance

During the Reporting Period, the Group realized profit before tax of RMB19,185 million, representing an increase of RMB1,196 million or 6.65% as compared with the same period of last year. The effective income tax rate was 11.77%, representing an increase of 0.25 percentage points as compared with the same period of last year.

Unit: RMB million

	2025	2024
Net interest income	**28,913**	28,591
Net fee and commission income	**2,735**	2,849
Other net income	**6,022**	5,792
Operating expenses	**11,407**	10,695
Impairment losses	**7,077**	8,548
Profit before income tax	**19,185**	17,989
Income tax	**2,259**	2,072
Net profit	**16,926**	15,917
Net profit attributable to shareholders of the Bank	**16,525**	15,414

Chapter IV Management Discussion and Analysis

4.2 ANALYSIS OF INCOME STATEMENT (CONTINUED)

4.2.2 Net interest income

During the Reporting Period, the Group's net interest income amounted to RMB28,913 million, representing an increase of RMB322 million or 1.13% as compared with the same period of last year, among which expansion of the scale drove an increase of RMB4,281 million in net interest income and changes in interest rates resulted in a decrease of RMB3,959 million in net interest income. In 2025, the net interest spread and net interest yield of the Group were 1.31% and 1.49%, representing a decrease of 18 and 22 basis points as compared with the same period of last year, respectively.

The following table sets forth the average balances, interest income and interest expenses, and average yield and cost ratio of the Group's interest-earning assets and interest-bearing liabilities for the periods indicated.

Unit: RMB million, except for percentages

	2025			2024		
	Average Balance[1]	**Interest Income**	**Average Yield (%)**	Average Balance[1]	Interest Income	Average Yield (%)
Interest-earning assets						
Loans and advances to customers	**1,078,515**	**40,097**	**3.72**	945,372	40,025	4.23
Financial investments	**652,928**	**18,732**	**2.87**	559,523	19,288	3.45
Balances with central bank	**78,118**	**1,162**	**1.49**	77,668	1,166	1.50
Deposits and placements with banks and other financial institutions	**104,185**	**1,909**	**1.83**	88,686	1,894	2.14
Financial leasing	**68,320**	**3,633**	**5.32**	62,399	3,961	6.35
Total interest-earning assets and interest income	**1,982,066**	**65,533**	**3.31**	1,733,648	66,334	3.83

Note: (1) Average balance represents the daily average balance.

Chapter IV Management Discussion and Analysis

4.2 ANALYSIS OF INCOME STATEMENT (CONTINUED)

4.2.2 Net interest income (Continued)

Unit: RMB million, except for percentages

	2025			2024		
Items	**Average Balance**	**Interest Expenses**	**Average Cost Ratio (%)**	Average Balance	Interest Expenses	Average Cost Ratio (%)
Interest-bearing liabilities						
Borrowings from the central bank	**160,340**	**2,984**	**1.86**	103,415	2,400	2.32
Customer deposits	**1,221,729**	**22,340**	**1.83**	1,081,438	22,732	2.10
Deposits and placements from banks and other financial institutions [1]	**242,970**	**4,669**	**1.92**	327,160	7,472	2.28
Bonds issued	**327,187**	**6,627**	**2.03**	208,051	5,139	2.47
Total interest-bearing liabilities and interest expenses	**1,952,226**	**36,620**	**1.88**	1,720,064	37,743	2.19
Net interest income	**–**	**28,913**	**–**	–	28,591	–
Net interest spread[2]	**–**	**–**	**1.31**	–	–	1.49
Net interest margin[2]	**–**	**–**	**1.49**	–	–	1.71

Notes: (1) Deposits from insurance companies are included in the item of deposits and placements from banks and other.

(2) After the adoption of new accounting standards for financial instruments, gains from the holding of financial assets at fair value through profit or loss will no longer be recorded as interest income. Net interest spread and net interest margin shall be calculated in accordance with interest income (after adjustment).

Chapter IV Management Discussion and Analysis

4.2 ANALYSIS OF INCOME STATEMENT (CONTINUED)

4.2.2 Net interest income (Continued)

The following table sets forth the changes in interest income and expenses of the Group caused by the changes in scale and interest rates for the period indicated.

Unit: RMB million

	2025 vs 2024 Increase/(decrease) factors[1]		Net increase/ (decrease)
	Scale	Interest rate	
Assets			
Loans and advances to customers	5,637	(5,565)	72
Financial investments	3,220	(3,776)	(556)
Balances with central bank	7	(11)	(4)
Deposits and placements with banks and other financial institutions	331	(316)	15
Financial leasing	376	(704)	(328)
Changes in interest income	9,571	(10,372)	(801)
Liabilities			
Borrowings from the central bank	1,321	(737)	584
Customer deposits	2,949	(3,341)	(392)
Deposits and placements from banks and other financial institutions	(1,923)	(880)	(2,803)
Bonds issued	2,943	(1,455)	1,488
Changes in interest expenses	5,290	(6,413)	(1,123)
Changes in net interest income	4,281	(3,959)	322

Note: (1) The changes in scale were measured by the changes in average balances; while changes in interest rates were measured by changes in average interest rates. The changes caused by a combination of scale changes and interest rate changes were included in interest rate changes.

Chapter IV Management Discussion and Analysis

4.2 ANALYSIS OF INCOME STATEMENT (CONTINUED)

4.2.3 Interest income

During the Reporting Period, the Group's interest income amounted to RMB65,533 million, representing a decrease of RMB801 million or 1.21% as compared with the same period of last year.

Interest income from loans and advances to customers

During the Reporting Period, the Group's interest income from loans and advances to customers amounted to RMB40,097 million, representing an increase of RMB72 million or 0.18% as compared with the same period of last year, among which expansion of the scale drove an increase of RMB5,637 million in interest income from loans and advances to customers and changes in interest rates resulted in a decrease of RMB5,565 million in interest income from loans and advances to customers.

The following table sets forth the average balances, interest income and average yields on each component of the Group's loans and advances to customers for the periods indicated.

Unit: RMB million, except for percentages

	2025			2024		
	Average Balance	**Interest Income**	**Average Yield (%)**	Average Balance	Interest Income	Average Yield (%)
Corporate loans	**686,083**	**25,720**	**3.75**	618,171	26,524	4.29
Personal loans	**314,271**	**13,621**	**4.33**	265,767	12,712	4.78
Discounted bills	**78,161**	**756**	**0.97**	61,434	789	1.28
Loans and advances to customers	**1,078,515**	**40,097**	**3.72**	945,372	40,025	4.23

Interest income from financial investments

During the Reporting Period, the Group's interest income from financial investments was RMB18,732 million, representing a decrease of RMB556 million or 2.88% as compared with the same period of last year, among which expansion of the scale drove an increase of RMB3,220 million in interest income from financial investments and changes in interest rates resulted in a decrease of RMB3,776 million in interest income from financial investments.

Interest income from deposits and placements with banks and other financial institutions

During the Reporting Period, the Group's interest income from deposits and placements with banks and other financial institutions was RMB1,909 million, representing an increase of RMB15 million or 0.79% as compared with the same period of last year, among which expansion of the scale drove an increase of RMB331 million in interest income from deposits and placements with banks and other financial institutions while changes in interest rates resulted in a decrease of RMB316 million in interest income from deposits and placements with banks and other financial institutions.

Interest income from financial leasing

During the Reporting Period, the Group's interest income from financial leasing was RMB3,633 million, representing a decrease of RMB328 million or 8.28% as compared with the same period of last year, among which expansion of the scale resulted in an increase of RMB376 million in interest income while changes in interest rates drove a decrease of RMB704 million in interest income.

Chapter IV Management Discussion and Analysis

4.2 ANALYSIS OF INCOME STATEMENT (CONTINUED)

4.2.4 Interest expenses

During the Reporting Period, the Group realized interest expenses amounting to RMB36,620 million, representing a decrease of RMB1,123 million or 2.98% as compared with the same period of last year, among which expansion of the scale resulted in an increase of RMB5,290 million in interest expenses while changes in interest rates drove a decrease of RMB6,413 million in interest expenses.

Interest expense on customer deposits

During the Reporting Period, the Group's interest expense on customer deposits was RMB22,340 million, representing a decrease of RMB392 million or 1.72% as compared with the same period of last year, among which expansion of the scale resulted in an increase of RMB2,949 million in interest expense on customer deposits and changes in interest rates drove a decrease of RMB3,341 million in interest expense on customer deposits.

The following table sets forth the average balance, interest expenses and average cost ratio of the Group's corporate deposits and personal deposits for the periods indicated.

Unit: RMB million, except for percentages

	2025			2024		
	Average Balance	**Interest Expenses**	**Average Cost Ratio (%)**	Average Balance	Interest Expenses	Average Cost Ratio (%)
Corporate deposits						
Demand deposits	**231,256**	**1,579**	**0.68**	234,828	2,017	0.86
Time deposits	**291,819**	**6,167**	**2.11**	251,838	6,225	2.47
Sub-total	**523,075**	**7,746**	**1.48**	486,666	8,242	1.69
Personal deposits						
Demand deposits	**91,368**	**57**	**0.06**	85,466	320	0.37
Time deposits	**607,286**	**14,537**	**2.39**	509,306	14,170	2.78
Sub-total	**698,654**	**14,594**	**2.09**	594,772	14,490	2.44
Total customer deposits	**1,221,729**	**22,340**	**1.83**	1,081,438	22,732	2.10

Interest expense on deposits and placements from banks and other financial institutions

During the Reporting Period, interest expense on deposits and placements from banks and other financial institutions was RMB4,669 million, representing a decrease of RMB2,803 million or 37.51% as compared with the same period of last year, among which the decrease of the scale drove a decrease of RMB1,923 million in interest expense on deposits and placements from banks and other financial institutions while changes in interest rates drove a decrease of RMB880 million in interest expense on deposits and placements from banks and other financial institutions.

Interest expense on bonds issued

During the Reporting Period, interest expense on bonds issued of the Group was RMB6,627 million, representing an increase of RMB1,488 million or 28.96% as compared with the same period of last year, among which expansion of the scale resulted in an increase of RMB2,943 million in interest expense on bonds issued while changes in interest rates drove a decrease of RMB1,455 million in interest expense on bonds issued.

Chapter IV Management Discussion and Analysis

4.2 ANALYSIS OF INCOME STATEMENT (CONTINUED)

4.2.5 Net non-interest income

During the Reporting Period, the Group realized net non-interest income of RMB8,757 million, representing a year-on-year increase of RMB116 million or 1.34%, which was primarily attributable to the increase in net income from financial investments.

The following table sets forth the principal components of the Group's net non-interest income for the periods indicated.

Unit: RMB million

	2025	2024
Fee and commission income	**3,096**	3,195
Custody fees	**782**	724
Investment banking fees	**682**	689
Agency fees	**747**	780
Guarantee and commitment fees	**458**	639
Payment and settlement business fees	**210**	207
Bank card business fees	**110**	55
Acquiring business fees	**28**	31
Others	**79**	70
Fee and commission expenses	**(361)**	(346)
Net fee and commission income	**2,735**	2,849
Other net non-interest income	**6,022**	5,792
Net trading income	**1,873**	3,220
Net income from financial investments	**3,302**	2,105
Dividend income	**5**	5
Net gains on investments in associates	**381**	103
Other operating income	**461**	359
Net non-interest income	**8,757**	8,641

Net fee and commission income

During the Reporting Period, net fee and commission income of the Group was RMB2,735 million, representing a year-on-year decrease of RMB114 million or 4.00%, which was primarily attributable to the decrease in guarantee and commitment fee and commission income.

Net trading income

During the Reporting Period, net trading income of the Group was RMB1,873 million, representing a decrease of RMB1,347 million or 41.83% as compared with the same period of last year, which was primarily attributable to the decrease in net gains from interest rate instruments.

Net income from financial investments

During the Reporting Period, net income from financial investments of the Group was RMB3,302 million, representing an increase of RMB1,197 million or 56.86% as compared with the same period of last year, which was mainly due to the increase in the spread income from financial assets at amortised cost.

Chapter IV Management Discussion and Analysis

4.2 ANALYSIS OF INCOME STATEMENT (CONTINUED)

4.2.6 Operating expenses

During the Reporting Period, the Group's operating expenses were RMB11,407 million, representing an increase of RMB712 million or 6.66% as compared with the same period of last year.

The following table sets forth the principal components of the Group's operating expenses for the periods indicated.

Unit: RMB million

	2025	2024
Staff costs	**(6,845)**	(6,470)
General operating and administrative expenses	**(2,963)**	(2,736)
Depreciation and amortization	**(1,141)**	(1,081)
Tax and surcharges	**(458)**	(408)
Total operating expenses	**(11,407)**	(10,695)

4.2.7 Impairment losses

During the Reporting Period, the Group's allowance for impairment losses was RMB7,077 million, representing a decrease of RMB1,471 million or 17.20% as compared with the same period of last year.

The following table sets forth the principal components of the Group's impairment losses for the periods indicated.

Unit: RMB million

Items	**2025**	2024
Loans and advances to customers[1]	**(8,409)**	(3,542)
Financial investments	**2,115**	(3,334)
Deposits with banks and other financial institutions	**(19)**	(4)
Placements with banks and other financial institutions	**(54)**	(75)
Financial assets held under resale agreements	**108**	(29)
Credit commitments and financial guarantees	**426**	215
Lease receivables	**(750)**	(864)
Repossessed assets	**30**	7
Goodwill	**(355)**	(877)
Other assets	**(169)**	(45)
Total	**(7,077)**	(8,548)

Note: (1) Loans and advances to customers comprise loans and advances to customers measured at amortised cost and at fair value through other comprehensive income.

Chapter IV Management Discussion and Analysis

4.3 BALANCE SHEET ANALYSIS

4.3.1 Assets

As of the end of the Reporting Period, the Group's total assets amounted to RMB2,326,085 million, representing an increase of 15.51% as compared with the end of last year. The increase in total assets was primarily due to an increase in assets such as loans and advances to customers and financial investments.

Unit: RMB million, except for percentages

	31 December 2025		31 December 2024	
Items	**Amount**	**% of the total**	Amount	% of the total
Total loans and advances to customers	**1,130,492**	**48.60**	1,002,166	49.77
Accrued interest of loans and advances to customers	**2,070**	**0.09**	2,021	0.10
Provision for loan impairment	**(30,987)**	**(1.33)**	(28,238)	(1.40)
Net loans and advances to customers	**1,101,575**	**47.36**	975,949	48.46
Financial investments[(1)]	**951,371**	**40.90**	771,673	38.32
Cash and balances with the central bank	**83,383**	**3.58**	92,453	4.59
Deposits with banks and other financial institutions	**12,344**	**0.53**	14,676	0.73
Placements with banks and other financial institutions	**53,934**	**2.32**	48,012	2.38
Derivative financial assets	**46**	**0.00**	154	0.01
Financial assets held under resale agreements	**5,636**	**0.24**	11,904	0.59
Investments in associates	**5,831**	**0.25**	5,261	0.26
Investment properties	**4**	**0.00**	4	0.00
Fixed assets	**4,314**	**0.19**	4,340	0.22
Right-of-use assets	**1,272**	**0.05**	1,167	0.06
Lease receivables	**69,680**	**3.00**	57,958	2.88
Goodwill	**10,316**	**0.44**	10,671	0.53
Deferred income tax assets	**17,960**	**0.77**	15,381	0.76
Other assets	**8,420**	**0.36**	4,150	0.21
Total assets	**2,326,085**	**100.00**	2,013,753	100.00

Note: (1) Financial investments include accrued interest and provision for impairment.

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4.3 BALANCE SHEET ANALYSIS (CONTINUED)

4.3.1 Assets (Continued)

4.3.1.1 Loans and advances to customers

As of the end of the Reporting Period, the Group's total loans and advances to customers amounted to RMB1,130,492 million, representing an increase of 12.8% as compared with the end of last year, and accounting for 48.6% of total assets.

Distribution of loans by product type

The following table sets forth information on the Group's loans and advances to customers by product type as of the dates indicated.

Unit: RMB million, except for percentages

	31 December 2025		31 December 2024	
Items	**Amount**	**% of the total**	Amount	% of the total
Corporate loans	**701,681**	**62.07**	627,583	62.62
Discounted bills	**97,702**	**8.64**	76,629	7.65
Personal loans	**331,109**	**29.29**	297,954	29.73
Total loans and advances to customers	**1,130,492**	**100.00**	1,002,166	100.00

4.3.1.2 Financial investments

Financial investments of the Group consist of listed and non-listed securities denominated in both Renminbi and foreign currencies, including financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial assets at amortised cost.

The following table sets forth the components of the financial investments portfolio of the Group by accounting classification.

Unit: RMB million, except for percentages

	31 December 2025		31 December 2024	
Items	**Amount**	**% of the total**	Amount	% of the total
Financial assets at fair value through profit or loss	**191,102**	**20.09**	168,109	21.79
Financial assets at fair value through other comprehensive income	**212,620**	**22.35**	173,959	22.54
Financial assets at amortised cost	**547,648**	**57.56**	429,604	55.67
Financial investments	**951,371**	**100.00**	771,673	100.00

Note: As the Group has adopted IFRS 9 – Financial Instruments, the classification and measurement of relevant financial assets are presented in accordance with the requirements of the newly adopted standard.

Chapter IV Management Discussion and Analysis

4.3 BALANCE SHEET ANALYSIS (CONTINUED)

4.3.1 Assets (Continued)

4.3.1.2 Financial investments (Continued)

Financial assets at fair value through profit or loss

The following table sets forth the components of financial assets at fair value through profit or loss of the Group.

Unit: RMB million

	31 December 2025	31 December 2024
Interbank certificates of deposit	**36,944**	2,329
Debt securities	**81,403**	28,258
Equity investment	**125**	229
Fund investments	**64,642**	77,523
Beneficial rights in asset management plans, trust plans and others	**3,050**	55,723
Non-guaranteed wealth management products managed by other banks	**4,939**	4,047
Total financial assets at fair value through profit or loss	**191,102**	168,109

Note: As the Group has adopted IFRS 9 – Financial Instruments, the classification and measurement of relevant financial assets are presented in accordance with the requirements of the newly adopted standard.

Financial assets at fair value through other comprehensive income

The following table sets forth the components of financial assets at fair value through other comprehensive income of the Group.

Unit: RMB million

	31 December 2025	31 December 2024
Debt securities	**208,192**	166,891
Inter-bank certificates of deposits	**1,590**	4,445
Equity investment	**417**	370
Interest accrued	**2,422**	2,253
Total financial assets at fair value through other comprehensive income	**212,620**	173,959

Note: As the Group has adopted IFRS 9 – Financial Instruments, the classification and measurement of relevant financial assets are presented in accordance with the requirements of the newly adopted standard.

Chapter IV Management Discussion and Analysis

4.3 BALANCE SHEET ANALYSIS (CONTINUED)

4.3.1 Assets (Continued)

4.3.1.2 Financial investments (Continued)

Financial assets at amortised cost

The following table sets forth the components of financial assets at amortised cost of the Group.

Unit: RMB million

	31 December 2025	31 December 2024
Debt securities	**541,851**	315,597
Beneficial rights in asset management and trust plans and others	**7,622**	116,346
Interest accrued	**6,052**	7,805
Less: provision for impairment	**(7,878)**	(10,145)
Net financial assets at amortised cost	**547,648**	429,604

Note: As the Group has adopted IFRS 9 – Financial Instruments, the classification and measurement of relevant financial assets are presented in accordance with the requirements of the newly adopted standard.

Carrying value and market value

All assets classified as financial assets at fair value through profit or loss or financial assets at fair value through other comprehensive income were recorded at market value or fair value.

The following table sets forth the carrying value and market value of the financial assets at amortised cost in the Group's financial investments portfolio as of the dates indicated.

Unit: RMB million

	31 December 2025		31 December 2024	
	Carrying value	**Fair value**	Carrying value	Fair value
Financial assets at amortised cost	**547,648**	**567,033**	429,604	450,876

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4.3 BALANCE SHEET ANALYSIS (CONTINUED)

4.3.1 Assets (Continued)

4.3.1.3 Subsidiaries and major companies in which the Bank has shareholdings

Name	Initial investment amount (RMB'000)	Percentage of shareholdings (%)	Number of shares held at the end of the period (in thousands of shares)	Carrying value at the end of the period (RMB'000)	Sources of shares held	Remark
Huishang Bank Financial Leasing Co., Ltd.	1,020,000	54	1,620,000	1,706,820	Promotion, participation in capital increase	Subsidiary
HSBank Wealth Management Co., Ltd.	2,000,000	100	2,000,000	2,000,000	Promotion	Subsidiary
Wuwei Huiyin Rural Bank Co., Ltd. (1)	40,000	40	40,000	69,513	Promotion	Subsidiary
Jinzhai Huiyin Rural Bank Co., Ltd. (2)	32,800	51	40,800	56,720	Promotion, equity acquisition	Subsidiary
Chery Huiyin Motor Finance Service Co., Ltd.	100,000	20	1,000,000	2,599,465	Promotion, participation in capital increase	Company in which the Bank has shareholdings
MengShang Bank Co., Ltd.	3,600,000	15	3,000,000	3,231,897	Promotion	Company in which the Bank has shareholdings

Notes:

(1) In 2010, the Bank invested to establish Wuwei Huiyin Rural Bank Co., Ltd. ("Wuwei Huiyin"). Its registered capital was RMB100 million, of which the Bank contributed RMB40 million, accounting for 40% of its shareholdings. Although the Bank has no absolute controlling interest in Wuwei Huiyin, after taking into various factors, the company's operating activities since its incorporation indicated that the Bank is able to direct the operating activities of Wuwei Huiyin. Therefore, the Bank has de facto control over it. The Group included Wuwei Huiyin in its consolidated financial statements on 31 December 2014. During the Reporting Period, the banking regulatory authority approved the Bank's acquisition of 51% equity interest in Wuwei Huiyin, with the relevant industrial and commercial registration changes completed in January 2026. As of the Latest Practicable Date, the Bank held 91% equity interest in Wuwei Huiyin.

(2) In December 2024, the Bank increased its total contribution to Jinzhai Huiyin Rural Bank Co., Ltd. ("Jinzhai Huiyin") to RMB40.8 million and raised its shareholding percentage to 51%.

For further details of subsidiaries and major companies in which the Bank has shareholdings, please refer to section 4.9.9 "Subsidiaries and major companies in which the Bank has shareholdings" of this annual report.

Chapter IV Management Discussion and Analysis

4.3 BALANCE SHEET ANALYSIS (CONTINUED)

4.3.2 Liabilities

As of the end of the Reporting Period, total liabilities of the Bank amounted to RMB2,153,588 million, representing an increase of 16.28% as compared with the end of last year. Such increase was mainly due to the steady growth of customer deposits.

Unit: RMB million, except for percentages

	31 December 2025		31 December 2024	
Items	**Amount**	**% of the total**	Amount	% of the total
Borrowings from the central bank	**176,514**	**8.20**	139,580	7.54
Deposits from banks and other financial institutions	**95,334**	**4.43**	175,719	9.49
Placements from banks and other financial institutions	**60,771**	**2.82**	49,519	2.67
Financial liabilities at fair value through profit or loss	**2,022**	**0.09**	0	0.00
Derivative financial liabilities	**44**	**0.00**	131	0.01
Financial assets sold under repurchase agreements	**130,201**	**6.05**	18,806	1.02
Customer deposits	**1,266,201**	**58.79**	1,138,966	61.50
Accrued interests on customer deposits	**29,470**	**1.37**	27,954	1.51
Taxes payable	**2,016**	**0.09**	2,036	0.11
Bonds issued	**373,041**	**17.32**	282,946	15.28
Other liabilities	**17,975**	**0.83**	16,429	0.89
Total liabilities	**2,153,588**	**100.00**	1,852,086	100.00

Customer deposits

In 2025, in the face of the increasingly intense competition among the peers, the Group managed to achieve a steady growth of customer deposits through various effective measures such as optimizing the deposit structure, expanding diversified channels, and improving service quality. As of the end of the Reporting Period, total customer deposits amounted to RMB1,266,201 million, representing an increase of RMB127.235 billion or 11.17% as compared with the end of last year, and accounted for 58.79% of total liabilities.

Chapter IV Management Discussion and Analysis

4.3 BALANCE SHEET ANALYSIS (CONTINUED)

4.3.2 Liabilities (Continued)

***Customer deposits** (Continued)*

The following table sets forth the Group's customer deposits by product type and customer type as of the dates indicated.

Unit: RMB million, except for percentages

	31 December 2025		31 December 2024	
Items	**Balance**	**% of the total**	Balance	% of the total
Corporate deposits				
Demand deposits	**237,940**	**18.79**	223,494	19.62
Time deposits	**301,278**	**23.79**	277,099	24.33
Subtotal	**539,218**	**42.59**	500,593	43.95
Personal deposits				
Demand deposits	**98,918**	**7.81**	92,138	8.09
Time deposits	**628,065**	**49.60**	546,236	47.96
Subtotal	**726,983**	**57.41**	638,374	56.05
Total customer deposits	**1,266,201**	**100.00**	1,138,966	100.00

4.3.3 Shareholders' equity

Unit: RMB million

Items	**31 December 2025**	31 December 2024
Share capital[1]	**13,890**	13,890
Other equity instruments	**19,999**	19,999
Capital reserve	**15,516**	15,233
Surplus reserve	**24,210**	22,755
Statutory general reserve	**21,294**	19,272
Other comprehensive income	**1,250**	4,073
Retained earnings	**71,724**	62,228
Equity attributable to shareholders of the Bank	**167,882**	157,450
Non-controlling interest	**4,614**	4,217
Total shareholders' equity	**172,496**	161,667

Note: (1) For details of share capital of the Bank, please refer to section 6.1 "Changes in Ordinary Shares of the Bank during the Reporting Period" of this annual report and Note 40 to the financial statements.

Chapter IV Management Discussion and Analysis

4.4 LOAN QUALITY ANALYSIS

4.4.1 Distribution of loans by the five-category classification

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

	31 December 2025		31 December 2024	
	Amount	**% of the total**	Amount	% of the total
	(in RMB100 million, except for percentages)			
Pass	**11,061.68**	**97.85**	9,809.16	97.88
Special mention	**132.72**	**1.17**	113.74	1.13
Substandard	**64.68**	**0.57**	55.70	0.56
Doubtful	**12.19**	**0.11**	12.35	0.12
Loss	**33.65**	**0.30**	30.71	0.31
Total loans and advances to customers	**11,304.92**	**100.00**	10,021.66	100.00
Total non-performing loans	**110.53**	**0.98**	98.76	0.99

Under the risk classification measures for financial assets, the non-performing loans ("NPLs") of the Group include loans of substandard, doubtful and loss categories. During the Reporting Period, the Group effectively implemented risk management and control in key areas, and ensured the steady and positive improvement of asset quality by increasing its measures to the recovery and disposal. As of the end of the Reporting Period, the NPL ratio of the Group was 0.98%, representing a decrease of 0.01 percentage points from the end of last year.

4.4.2 Distribution of loans and NPLs by product type

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

	31 December 2025				31 December 2024			
	Amount of loans	**% of the total**	**Amount of NPLs**	**NPL ratio (%)**	Amount of loans	% of the total	Amount of NPLs	NPL ratio (%)
	(in RMB100 million, except for percentages)							
Corporate loans	**7,016.81**	**62.07**	**47.92**	**0.68**	6,275.83	62.62	53.77	0.86
Discounted bills[1]	**977.02**	**8.64**	**–**	**0.0**	766.29	7.65	–	0.00
Retail loans	**3,311.09**	**29.29**	**62.61**	**1.89**	2,979.54	29.73	44.99	1.51
Total loans and advances to customers	**11,304.92**	**100.00**	**110.53**	**0.98**	10,021.66	100.00	98.76	0.99

Note: (1) Overdue discounted bills are transferred to corporate loans.

Chapter IV Management Discussion and Analysis

4.4 LOAN QUALITY ANALYSIS (CONTINUED)

4.4.3 Distribution of loans and NPLs by industry

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

	31 December 2025				31 December 2024			
	Amount of loans	**% of the total**	**Amount of NPLs**	**NPL ratio (%)**	Amount of loans	% of the total	Amount of NPLs	NPL ratio (%)
	(in RMB100 million, except for percentages)							
Commerce and services	**1,620.29**	**14.33**	**23.59**	**1.46**	1,248.27	12.46	23.47	1.88
Manufacturing	**1,485.36**	**13.14**	**10.49**	**0.71**	1,239.33	12.36	17.42	1.41
Public utilities	**2,277.91**	**20.15**	**6.27**	**0.28**	2,264.69	22.60	1.00	0.04
Real estate	**342.13**	**3.03**	**2.54**	**0.74**	369.45	3.68	3.98	1.08
Construction	**446.50**	**3.95**	**3.89**	**0.87**	430.95	4.30	6.34	1.47
Transportation	**143.23**	**1.27**	**0.58**	**0.40**	116.26	1.16	0.76	0.65
Energy and chemical	**375.44**	**3.32**	**0.11**	**0.03**	363.03	3.62	0.34	0.09
Catering and travelling	**19.93**	**0.18**	**0.22**	**1.10**	11.88	0.12	0.32	2.69
Education and media	**76.70**	**0.68**	**0.07**	**0.09**	47.84	0.48	0.05	0.10
Financial services	**85.13**	**0.75**	**0.00**	**0.00**	69.29	0.69	0.00	0.00
Others [1]	**144.19**	**1.27**	**0.16**	**0.11**	114.84	1.15	0.11	0.10
Discounted bills	**977.02**	**8.64**	**0.00**	**0.00**	766.29	7.65	0.00	0.00
Retail loans	**3,311.09**	**29.29**	**62.61**	**1.89**	2,979.54	29.73	44.97	1.51
Total loans and advances to customers	**11,304.92**	**100.00**	**110.53**	**0.98**	10,021.66	100.00	98.76	0.99

Note: (1) Others mainly include the planting, forestry, and livestock industries and the fishery industry.

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4.4 LOAN QUALITY ANALYSIS (CONTINUED)

4.4.4 Distribution of loans and NPLs by geographical segment

The following table sets forth the Group's distribution of loans and NPLs by geographical segment as of the dates indicated.

	31 December 2025				31 December 2024			
	Amount of loans	**% of the total**	**Amount of NPLs**	**NPL ratio (%)**	Amount of loans	% of the total	Amount of NPLs	NPL ratio (%)
	(in RMB100 million, except for percentages)							
Anhui	**9,684.62**	**85.67**	**78.97**	**0.82**	8,905.96	88.87	79.00	0.89
Jiangsu	**774.44**	**6.85**	**13.25**	**1.71**	595.70	5.94	12.82	2.15
Others	**845.86**	**7.48**	**18.31**	**2.16**	520.00	5.19	6.94	1.33
Total loans and advances to customers	**11,304.92**	**100.00**	**110.53**	**0.98**	10,021.66	100.00	98.76	0.99

4.4.5 Distribution of loans and NPLs by type of collateral

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

	31 December 2025				31 December 2024			
	Amount of loans	**% of the total**	**Amount of NPLs**	**NPL ratio (%)**	Amount of loans	% of the total	Amount of NPLs	NPL ratio (%)
	(in RMB100 million, except for percentages)							
Collateralized loans	**2,284.79**	**20.21**	**36.81**	**1.61**	2,284.96	22.80	35.08	1.54
Pledged loans	**1,362.71**	**12.05**	**9.63**	**0.71**	1,471.56	14.68	1.46	0.10
Guaranteed loans	**3,767.21**	**33.32**	**21.32**	**0.57**	3,201.66	31.95	33.29	1.04
Unsecured loans	**2,913.19**	**25.78**	**42.77**	**1.47**	2,297.19	22.92	28.93	1.26
Discounted bills	**977.02**	**8.64**	**0.00**	**0.00**	766.29	7.65	0.00	0.00
Total loans and advances to customers	**11,304.92**	**100.00**	**110.53**	**0.98**	10,021.66	100.00	98.76	0.99

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4.4 LOAN QUALITY ANALYSIS (CONTINUED)

4.4.6 Loans of the top 10 single borrowers

The following table sets forth the Group's loans of the top 10 single borrowers as of the date indicated.

Top 10 borrowers	Industry borrower belongs to	Amount of loans as of 31 December 2025 *(RMB million)*	% of net capital *(%)*
A	Commerce and services	**4,315**	**2.29**
B	Commerce and services	**4,182**	**2.22**
C	Energy and chemical	**3,883**	**2.06**
D	Transportation	**3,740**	**1.99**
E	Public utilities	**3,505**	**1.86**
F	Education and media	**3,148**	**1.67**
G	Commerce and services	**2,436**	**1.29**
H	Public utilities	**2,434**	**1.29**
I	Public utilities	**2,318**	**1.23**
J	Public utilities	**2,312**	**1.23**
Total		**32,273**	**17.13**

4.4.7 Distribution of loans by overdue period

The following table sets forth the Group's distribution of loans by overdue period as of the dates indicated.

	31 December 2025	31 December 2024
Total loans and advances to customers listed by duration *(RMB million)*		
Within 3 months	**6,056**	4,913
3 to 6 months (inclusive)	**2,753**	2,674
6 to 12 months	**2,957**	2,271
Over 12 months	**3,145**	2,800
Total	**14,911**	12,658
Percentage (%)		
Within 3 months	**40.62**	38.82
3 to 6 months (inclusive)	**18.46**	21.12
6 to 12 months	**19.83**	17.94
Over 12 months	**21.09**	22.12
Total	**100.00**	100.00

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4.4 LOAN QUALITY ANALYSIS (CONTINUED)

4.4.8 Restructuring loans

The Bank carried out the restructuring for non-performing loans strictly following the principle of "not increasing substantive risks and not reducing risk mitigation". During the Reporting Period, the Bank's restructuring NPLs amounted to RMB722,180.6 thousand, representing a decrease of RMB219,591.7 thousand from the same period of last year, which included 11 corporate loans amounting to RMB645,500.9 thousand, and 23 small corporate loans amounting to RMB76,679.7 thousand.

4.4.9 Transfer of credit assets

The Bank disposes of its non-performing assets by transferring such assets to third parties in its ordinary course of business. In 2025, the Bank disposed of non-performing assets of RMB154,810 thousand through transfer.

4.4.10 Change of allowances for loan impairment[1]

The Group adopts the "Expected Credit Loss Model" to assess impairment provision and loss on loans on a regular basis in accordance with the requirements of IFRS 9. In measuring the expected loss, the Group uses a complex model comprising the future macroeconomic situation and the credit history of borrowers and makes relevant assumptions. After carrying out a forward-looking assessment of the expected credit loss on each loan, the Bank classifies the loans into stages one, two and three accordingly and determines the degree of impairment loss based on the degree of default. The Group will regularly review the methodology and assumptions such as the criteria for the significant increase in credit risk, the definition of credit-impaired assets, the parameters for expected credit loss measurement and forward-looking information to reduce the difference between the estimated impairment loss and the actual impairment loss on loans.

The following table sets forth the changes in allowances for impairment on loans and advances to customers of the Group.

Unit: RMB million

Items	2025	2024
Balance at the beginning of the period	**28,293**	29,972
Allowances for the period	**8,409**	3,542
Write-offs and transfer out for the period	**(7,933)**	(6,902)
Reversal caused by recovery of loans and advances to customers written off	**2,400**	1,788
Other changes	**(139)**	(107)
Balance at the end of the period	**31,030**	28,293

Note: (1) Loans and advances to customers comprise loans and advances to customers measured at amortised cost and at fair value through other comprehensive income.

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4.5 CAPITAL ADEQUACY RATIO ANALYSIS

The Group continued to optimize asset structure and enhance capital management, and met the regulatory requirements on capital adequacy ratio set by the banking regulatory authority during the Reporting Period.

The Group calculated the capital adequacy ratio in accordance with the relevant requirements contained in the "Measures for the Capital Management of Commercial Banks". As of the end of the Reporting Period, the Group's capital adequacy ratio was 13.77%, Tier 1 capital adequacy ratio was 11.38%, and Core Tier 1 capital adequacy ratio was 9.89%.

The table below shows information relating to capital adequacy ratios of the Group as of the end of the Reporting Period:

Unit: RMB million, except for percentages

	31 December 2025
Core Tier 1 capital	**150,384**
Including: Paid-in capital	**13,890**
Capital reserve and other comprehensive income	**16,765**
Surplus reserve and statutory general reserve	**45,504**
Retained earnings	**71,724**
Non-controlling interests	**2,501**
Regulatory deductions for Core Tier 1 Capital	**14,994**
Core Tier 1 capital, net of deductions	**135,389**
Other Tier 1 capital, net of deductions	**20,324**
Tier 1 capital, net of deductions	**155,713**
Tier 2 capital	**32,700**
Including: Tier 2 capital instruments and premium	**16,000**
Surplus loss provisions	**15,956**
Non-controlling interests	**744**
Total capital, net of deductions	**188,413**
Credit risk-weighted assets	**1,292,411**
Market risk-weighted assets	**5,710**
Operational risk-weighted assets	**70,379**
Risk-weighted assets	**1,368,500**
Capital adequacy ratio	**13.77%**
Tier 1 capital adequacy ratio	**11.38%**
Core Tier 1 capital adequacy ratio	**9.89%**

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4.5 CAPITAL ADEQUACY RATIO ANALYSIS (CONTINUED)

Pursuant to regulatory requirements, the capital adequacy ratio of the Group mentioned above was calculated by consolidating relevant data of Huishang Bank Financial Leasing Co., Ltd., HSBank Wealth Management Co., Ltd., Wuwei Huiyin and Jinzhai Huiyin.

Leverage ratio

Unit: RMB million, except for percentages

Items	**31 December 2025**	31 December 2024
Leverage ratio	**6.34%**	6.76%
Tier 1 capital, net of deductions	**155,713**	146,191
Adjusted balance of assets on and off the balance sheet	**2,456,913**	2,161,489

4.6 SEGMENT PERFORMANCES

Operating segments

The Group provides services through four main business segments: corporate banking business, retail banking business, treasury and others. The table below sets forth the segment performance of the Group by business line as at the periods indicated.

	2025 Total profits before taking into account impairment	**% of the total**	2024 Total profits before taking into account impairment	% of the total
		(RMB million, except for percentages)		
Corporate banking business	**15,180**	**57.80**	15,588	58.74
Retail banking business	**4,425**	**16.85**	4,179	15.75
Treasury	**8,125**	**30.94**	8,642	32.57
Others	**(1,467)**	**(5.59)**	(1,872)	(7.06)
Total	**26,263**	**100.00**	26,537	100.00

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4.6 SEGMENT PERFORMANCES (CONTINUED)

Geographical segments

Geographically, the Group's business is mainly in Mainland China. It has set up branches in Anhui Province, Jiangsu Province and other areas. The table below lists the Group's segment performance by geographical location as at the periods indicated.

	31 December 2025					
	Anhui area	**Jiangsu area**	**Head office**	**Other areas**	**Inter-segment elimination**	**Total**
	(RMB million)					
Segment assets	**1,266,565**	**75,746**	**829,100**	**141,391**	**(4,677)**	**2,308,125**
Including: investments in associates	**–**	**–**	**5,831**	**–**	**–**	**5,831**
Deferred income tax assets	**–**	**–**	**–**	**–**	**–**	**17,960**
Total assets	**–**	**–**	**–**	**–**	**–**	**2,326,085**
Segment liabilities	**(1,168,354)**	**(73,081)**	**(787,926)**	**(128,904)**	**4,677**	**(2,153,588)**
Total profits before taking into account impairment	**16,317**	**1,620**	**7,677**	**649**	**–**	**26,263**

	31 December 2024					
	Anhui area	Jiangsu area	Head office	Other areas	Inter-segment elimination	Total
	(RMB million)					
Segment assets	1,154,140	64,033	683,546	101,415	(4,762)	1,998,372
Including: investments in associates	–	–	5,261	–	–	5,261
Deferred income tax assets	–	–	–	–	–	15,381
Total assets	–	–	–	–	–	2,013,753
Segment liabilities	(1,126,346)	(63,104)	(562,465)	(101,099)	928	(1,852,086)
Total profits before taking into account impairment	18,971	957	7,147	(538)	–	26,537

4.7 OTHERS

4.7.1 Off-balance sheet balances and important circumstances that may have significant impacts on the financial position and operating results of the Bank

The off-balance sheet items of the Group include letters of bank acceptance, letters of credit, letters of guarantee, credit commitments, capital commitment, securities underwriting and honor commitments. Credit commitments and financial guarantees, other commitments and contingent matters can be found in Note 42 to the financial statements.

4.7.2 Overdue outstanding debt

As of the end of the Reporting Period, the Group had no overdue outstanding debt.

Chapter IV Management Discussion and Analysis

4.8 INFLUENCE OF CHANGE IN OPERATING ENVIRONMENT AND MACRO POLICY AND THE FOCUSES OF THE OPERATION

1. Economic Development Shifted Toward New Directions and Higher Quality in 2025

In 2025, China's GDP surged to a new milestone of RMB140 trillion for the first time, representing an increase of 5.0% compared to last year, and successfully achieving the expected goals. Employment remained broadly stable, the scale of goods trade reached a new high, and the balance of foreign exchange reserves exceeded US$3.3 trillion. The economic structure was adjusted and optimized, with the value-added output of high-tech manufacturing above designated size increasing to 17.1% of total industrial value-added output above designated size. Final consumption expenditure contributed over 50% to economic growth. In 2025, the intensity of investment in research and development reached 2.8%, representing an increase of 0.11 percentage points compared to last year, surpassing the average level of OECD countries for the first time. According to data from the World Intellectual Property Organization, China's innovation index ranking entered the global top ten for the first time.

2. More Proactive Macro Policies

In 2025, China implemented a more proactive fiscal policy for the first time and adopted a moderately loose monetary policy after a 14-year hiatus. The integrated application and coordinated deployment of fiscal and monetary policy tools played a crucial role in driving sustained economic recovery and improvement. According to the arrangements of the Central Economic Work Conference, macroe policies in 2026 will adhere to the principle of seeking progress while maintaining stability and enhancing quality and efficiency, and more proactive macro policies will continue to be implemented, the combined effects of existing and new policies will be leveraged, and counter-cyclic and cross-cycle adjustments will be strengthened, achieving a good start for the "15th Five-Year Plan".

3. Financing Scale Maintained Reasonable Growth

By the end of 2025, the stock of total social financing scale grew by 8.3% year-on-year, while broad money supply (M2) increased by 8.5% year-on-year. The balance of RMB loans reached RMB272 trillion, representing an increase of 6.4% year-on-year. After taking into account the impact of local debt reduction, the growth rate was approximately 7%, indicating sustained strong credit support. The overall cost of social financing has further decreased. Since the second half of 2018, the PBOC has cut policy interest rates 10 times cumulatively. By December 2025, the weighted average interest rates on newly issued corporate loans and personal housing loans both stood at approximately 3.1%, representing declines of 2.5 and 2.6 percentage points respectively since the second half of 2018.

Chapter IV Management Discussion and Analysis

4.9 BUSINESS OPERATION

4.9.1 Corporate banking

Business overview

The Bank provides a full range of corporate financial products and services to corporations, financial institutions and governmental and institutional customers including corporate loans, corporate deposits, investment banking, transaction banking and a series of fee and commission-based services. In particular, the Bank is committed to providing comprehensive service solutions for all types of corporations.

In 2025, the Bank aligned closely with national strategy and resolutely implemented the directives of the CPC Anhui Provincial Committee and the People's Government of Anhui Province, and remained firmly rooted in Anhui while deepening regional engagement. With the mission of serving the real economy, guided by comprehensive operations, driven by financial innovation, and supported by "refinement" and "digitization", the Bank actively leveraged its distinctive business advantages, continuously optimized the financial service model, and met the needs and expectations of enterprise customers. The loans in key sectors such as the manufacturing industry, strategic emerging industries, private enterprises, green loans and agriculture-related industries increased rapidly. The Bank effectively prevented various risks and drove the steady development of its business with high quality. During the Reporting Period, the Bank continued to maintain its leading position in corporate loans and deposits among commercial banks in Anhui Province. Transformation-based business lines including investment banking and transaction banking have all achieved continuous growth and have been widely recognized by the market.

Corporate loans

The Bank's corporate loans mainly include working capital loans, fixed asset loans and other corporate loans. During the Reporting Period, the Bank devoted itself in key areas such as infrastructure, rural revitalization, green finance, new energy vehicles, advanced manufacturing, and strategic emerging industries, expanded its key customer base such as strategic customers, SRDI enterprises, customers in the industrial parks, enterprises above designated size and (to-be) listed companies, and continued to increase market competitiveness in county territory and accelerate the development of out-of-region business and effectively improve its loan scales. As of the end of the Reporting Period, the Group's balance of corporate loans (including discounted bills) was RMB799,383 million, representing an increase of RMB95,170 million from the last year.

Corporate deposits

The Bank provides corporate customers with corporate deposit products and services, including corporate demand deposits, corporate time deposits, corporate call deposits, corporate agreement deposits, and corporate large-amount certificates of deposit. During the Reporting Period, the Bank actively addressed the challenges brought by the policy impacts of interest rate capitalization reform and gave full play to the advantages of group integration to market institutional deposits. The Bank endeavored to increase the proportion of corporate settlement funds, and focused efforts on securing key funding, thus creating stable and low-cost funding sources for corporate business. The Bank has maintained a leading market position in terms of corporate deposit business in Anhui Province from 2008 to 2025. As of the end of the Reporting Period, the Group's balance of corporate deposits amounted to RMB539,218 million.

Chapter IV Management Discussion and Analysis

4.9 BUSINESS OPERATION (CONTINUED)

4.9.1 Corporate banking (Continued)

Institutional Customers Business

The Bank focused on carrying out comprehensive financial services for institutional customers, with businesses covering areas such as finance, social security, housing construction, political and legal affairs, education, healthcare, and people's livelihoods. Through diversified financial services, it empowered public utilities to enhance quality and efficiency, promoted the intelligentization of government services and the provision of more compassionate livelihood security, and earnestly practiced the political and people-centered nature of financial work. During the Reporting Period, the Bank continued to deepen its institutional financial services. As an important agency bank for centralized treasury payment in Anhui Province, it served over 2,000 budget units at all levels, covering important areas such as fiscal expenditure and livelihood subsidies, ensuring funds to serve people's livelihoods precisely and efficiently. It effectively supported the solid implementation of the provincial unified management policy for basic medical insurance, and undertook the management of the unified adjustment funds for basic medical insurance across the province. During the Reporting Period, the Bank served over 12,000 institutional customers, achieving steady growth compared to last year, which further consolidated its service advantages in the institutional business sector and effectively met the diversified financial needs of institutional customers.

Discounted bills

During the Reporting Period, the Bank integrated electronic bill services across customer channels with a focus on the entire bill lifecycle, further enhancing system responsiveness to provide customers with convenient operations and centralized management through its "Comprehensive Bill Management Service". At the same time, the Bank strengthened the background review of bill transactions to promote compliant and healthy development of the bills business. As of the end of Reporting Period, the Bank's balance of discounted bills amounted to RMB97,702 million, of which the balance of direct discounted bills and rediscounted bills amounted to RMB13,305 million and RMB84,397 million, respectively.

Chapter IV Management Discussion and Analysis

4.9 BUSINESS OPERATION (CONTINUED)

4.9.1 Corporate banking (Continued)

Transaction banking

The Bank continued to strengthen the professional operation of supply chain finance business, focusing on the leading industries and key sectors of Anhui Province, and accelerated digital transformation to provide upstream and downstream clients across the value chains with supply chain finance services covering all products, all segments and all scenarios to facilitate the high-quality development of the real economy and value chains. As of the end of the Reporting Period, the number of core customers of the Bank increased by 42.01% as compared with the same period of the last year, and the number of upstream and downstream customers increased by 38.83% as compared with the same period of the last year. Furthermore, by fully applying the latest financial technologies, the Bank developed the Supply Chain Finance 2.0 System and a mobile platform for supply chain finance to promote digital and intelligent transformation and effectively improve customer service efficiency. Driven by diverse scenarios, the Bank launched Group models, e-guarantee and other services. Focusing on the "chain leader" enterprises in supply chains, the Bank has built a supply chain finance cooperation ecosystem, offering standardized, scenario-based, and specialized services.

The Bank has deeply engaged in co-construction scenarios of information systems for governmental and institutional customers. In 2025, it continued to optimize cash management scenario services across eight major areas and accelerate the implementation of smart government series product services. It strengthened product design for fund supervision business in livelihood areas, focused on core scenarios in the education field, implemented precise policies and rapid product iterations, providing personalized services to customers. The Bank continued to promote the construction of the "Treasury of Huishang Bank (徽銀司庫)" system and build a high-quality enterprise comprehensive service ecosystem. During the Reporting Period, the Bank signed contracts with 18,502 customers on cash management, representing an increase of 20.62% from the previous year; the annual transaction amount of the cash management business reached RMB8.15 trillion, representing an increase of 17.44% from the previous year.

During the Reporting Period, the Bank continued to drive the development of international business with technological innovation, vigorously promoted brand construction of the "e-Remittance of Huishang Bank (徽銀e匯)" international business mobile platform, comprehensively enhancing the Bank's cross-border financial service efficiency and customer experience. The Bank effectively implemented precise stratification, further solidifying its core customer base for international business, with the number of international business customers across the Bank increasing by 18.7% compared with the same period of last year. The Bank explored the "light capital, market-oriented" business model, assisting the "Anhui Cars Fast Run (皖車快跑)" cross-border business in achieving a major breakthrough by handling international settlement and financing business for key automobile manufacturing enterprises, representing an increase of 170% compared with the same period of last year.

Chapter IV Management Discussion and Analysis

4.9 BUSINESS OPERATION (CONTINUED)

4.9.1 Corporate banking (Continued)

Investment banking business

The Bank focuses on developing investment banking services such as lead underwriting of debt financing instruments, asset securitization, M&A financing and investment and financing consulting. The Bank continually enriches its investment banking products by launching innovative products such as science and technology innovation bonds, green debt financing instruments, to promote the transformation and development of the Bank's business. During the Reporting Period, the Bank vigorously promoted the underwriting business of debt financing instruments. The Bank completed the registration of 116 debt financing instruments, with a total registered amount of RMB270,400 million; and completed the issuance of 216 debt financing instruments with an underwriting amount of RMB60,479 million. During the Reporting Period, the Bank continued to make breakthroughs in the asset securitization and financing debts business, successfully implementing the lead underwriting business of multiple asset securitization products and financial bonds. It actively promoted the growth in the sector of M&A and reorganization business and further satisfied the diversified corporate financing needs.

4.9.2 Personal finance business

Business overview

During the Reporting Period, closely aligned with the Bank's strategic planning objectives, the Bank actively responded to the complex market environment and intense market competition, accelerated the reform, innovation and transformation of personal financial business, continued to deepen layered, classified and grouped customer management, explored the establishment of an intelligent operation system for personal customers, solidly advanced the personal asset business enhancement project, strengthened customer asset allocation capabilities, and promoted the integrated and synergistic development of online, offline and remote banking channels, achieving steady growth in the operating indicators of the personal finance business, effectively consolidating the development foundation and continuously enhancing transformation momentum.

Wealth management business

The Bank's personal wealth management business mainly includes agency service for sales of personal wealth management, agency service for sales of funds, agency service for sales of insurance products, agency service for sales of treasury bonds, agency service for sales of asset management plans of securities traders and agency service for sales of physical precious metal, etc. In 2025, the Bank's personal wealth management business amounted to RMB216,653 million, increasing by 14.13% as compared to last year. The Bank had 1,315,500 clients of wealth management business, increasing by 14.49 % as compared to last year, 129,100 high-net-worth clients, increasing by 14.77 % as compared to last year and 4,983 clients of private bank business, increasing by 19.75% as compared to last year.

Chapter IV Management Discussion and Analysis

4.9 BUSINESS OPERATION (CONTINUED)

4.9.2 Personal finance business (Continued)

Bank card business

One card

During the Reporting Period, the Bank closely followed the policy guidance of expanding domestic demand, and stimulated new consumption momentum using debit cards as the carrier. Centered on core scenarios such as "livelihood consumption, smart travel, and cultural tourism ecology", the Bank actively built an all-scenario service system covering both online and offline channels and permeating daily consumption. As of the end of the Reporting Period, the Bank had 22,153,600 debit cards, and 1,542,400 cards newly issued during the year; total deposits of the cards amounted to RMB290,111 million, representing an increase of 11.19% as compared with the same period of the last year.

Credit card

During the Reporting Period, the Bank's credit card business was guided by national policies, closely aligned with market demands, and focused on the overall goal of "boosting consumption and improving people's livelihoods", while continuously enhancing its products and services. As of the end of the Reporting Period, the Bank issued 1,847,100 valid credit cards in total, and the number of credit cards issued during the Reporting Period was 155,000; credit card balances amounted to RMB18,373 million, representing a year-on-year increase of 20.68%.

Personal customer loans

During the Reporting Period, the Bank's personal loan business closely aligned with national macro-policy guidance, effectively integrated with the upgrading of household consumption and the development needs of the real economy, and balanced the objectives of enhancing quality and efficiency, achieving commendable results.

As of the end of the Reporting Period, the total personal loans of the Bank amounted to RMB230.365 billion, representing an increase of RMB15.158 billion as compared with the end of the year. In particular, the balance of personal consumption loans of the Bank amounted to RMB159.184 billion, representing an increase of RMB10.442 billion or 7.02% as compared with the end of the year. The balance of personal business loans of the Bank amounted to RMB71.181 billion, representing an increase of RMB4,716 million or 7.1% as compared with the end of the year.

Chapter IV Management Discussion and Analysis

4.9 BUSINESS OPERATION (CONTINUED)

4.9.2 Personal finance business (Continued)

Internet-based loan

The Bank's Internet-based loan business closely followed regulatory guidance and the Bank's strategic deployment, focusing on self-operated and third-party expansion. Through optimizing the asset structure, enhancing profitability and strengthening risk control capabilities, the business has achieved high-quality and efficient development. During the Reporting Period, both business scale and operating efficiency improved simultaneously. As of the end of the Reporting Period, the balance of Internet-based loans of the Bank reached RMB79,273 million, representing an increase of RMB15,420 million or 24.15% as compared with the end of last year. The full-year operating income reached RMB4,340 million, representing an increase of 44.15% as compared with last year, further strengthening overall profitability.

Personal customer deposits

During the Reporting Period, the Bank actively adapted to changes in internal and external operating conditions, accelerated the digital and intelligent transformation of its personal finance business, gradually adjusted the personal deposit structure, and focused on expanding its efforts to expand the core personal customer deposits, achieving rapid growth in personal customer deposits and a steady increase in market share. As of the end of the Reporting Period, the Group's personal customer deposits amounted to RMB726.983 billion, representing an increase of 13.88% as compared with the end of last year, among which, the Bank's county-level personal deposits amounted to RMB221.535 billion, representing an increase of RMB28.619 billion or 14.83% as compared with the end of last year. As of the end of the Reporting Period, the market share of the Bank's personal deposits in Anhui Province reached 11.08%, representing an increase of 0.16 percentage points as compared with the end of last year.

4.9.3 Financial market business

During the Reporting Period, the Bank continued to leverage its professional strengths as a regional market maker, injecting financial momentum into the high-quality development of the regional economy by enhancing the quality and efficiency of its services. The Bank strengthened market analysis, optimized investment and trading strategies, achieving dual enhancement in business scale and market influence. The Bank also invested in innovative bond varieties, including the nation's first financial leasing industry Yangtze River Delta integration-themed green bonds, the nation's first batch and Anhui's first technology innovation bonds, and Anhui's first micro, small and medium-sized enterprise support bonds, thereby leveraging investments to drive innovation and development in the real economy.

Chapter IV Management Discussion and Analysis

4.9 BUSINESS OPERATION (CONTINUED)

4.9.4 Custody business

During the Reporting Period, the Bank's asset custody business adhered to the implementation of the Bank's strategic plan, deeply advanced the light-capital enhancement project, proactively developed the new operation philosophy of "Custody+", focused on expanding key customers such as trusts and securities firms, deepened the breadth and depth of customer services, continuously optimized the business structure, driving the scale of custody business reaching a new milestone of RMB1.3 trillion. Operating benefits continued to improve, with stable growth in revenue from the custody business. The Bank actively expanded and extended services related to government industrial funds, empowering business development across the Bank. The Bank continued to promote digitalization and intelligentization construction of the system, improved the custody business service system based on the new-generation core system, and enhanced custody operation efficiency and customer experience. Asset custody business has been incorporated into the Bank's overall risk management system. Through continuous optimization of management mechanisms, strengthened risk awareness and comprehensive promotion of new technology applications, precise monitoring and effective control of various risks have been achieved. No operational risk incidents occurred during the period, providing a solid safeguard for asset security.

As of the Reporting Period, the balance of assets under custody of the Bank amounted to RMB1,317.347 billion, representing an increase of RMB173.272 billion or 15.15 % as compared with the beginning of the year. The Bank's custody asset business generated a custody fee income of RMB628.3929 million, representing an increase of RMB9.6912 million or 1.57% as compared with the corresponding period of the last year.

4.9.5 Distribution channels

The Bank uses a variety of distribution channels to provide products and services. The Bank's distribution channels are mainly divided into physical distribution channels and electronic banking channels.

Physical distribution channels

As of the end of the Reporting Period, the Bank had a total of 505 self-service banking service areas (including single points) with 1,792 cash self-service equipment (including 952 cash recycling machines and 840 smart self-service terminals).

Electronic banking channels

Focusing on the construction of digital financial services and business systems, the Bank continuously enhances capabilities in digital operations, ecosystem integration, precision services, and intelligent risk management. By prioritizing customer-centric approaches and leveraging an open, collaborative, intelligent and precise service matrix, the Bank strives to improve the convenience and inclusiveness of financial services, thereby establishing a new benchmark for the "Online Huishang Bank".

Chapter IV Management Discussion and Analysis

4.9 BUSINESS OPERATION (CONTINUED)

4.9.5 Distribution channels (Continued)

Mobile banking

During the Reporting Period, the Bank continued to iterate the comprehensive service platform. The Mobile Banking 7.0 version was newly released, achieving complete independent controllability of the platform with continuously enhanced performance. The Bank actively promoted intelligent service application scenarios, innovatively launched digital humans and put into operation large-model intelligent voice navigation and large-model work order assistants, reshaping customer interaction and service models. Focusing on user experience, the Bank added a large font version of Mobile Banking, upgraded the simplified e-version, and optimized channels for wealth management, lifestyle, credit cards and loans to meet customers' diversified usage needs. The Bank strengthened characteristic operations for regional customer groups, customized more than 20 city-specific zones, and accelerated the building of a localized service ecosystem. Comprehensive upgrading of security and prevention capabilities was carried out to improve risk control measures for minors and middle-aged and elderly customers to provide more comprehensive security protection. As of the end of the Reporting Period, the total number of the mobile banking customers of the Bank reached 12,170,100, representing a year-on-year increase of 11.4%. The number of monthly active customers reached 3,035,000, representing a year-on-year increase of 12.37%.

Open banking

During the Reporting Period, the Bank deeply cultivated the ecosystem construction of open banking. Relying on the integrated financial service innovation model of "platform + product + scenario", the Bank explored the building of a new financial service model linking government, corporate and personal customers. Focusing on key areas such as smart living, inclusive finance and convenient services, the Bank deepened ecological cooperation with external partners and continuously expanded the boundaries of financial services. Leveraging internet account and payment settlement product systems, the Bank accelerated the promotion of standardized and customized scenario applications. During the Reporting Period, the Bank launched more than 270 scenarios, opened 23 standardized products, provided 336 API interfaces, conducted 2,111 million transactions, and served 2,057 corporate customers and 155,400 personal customers, achieving innovative breakthroughs in multiple fields including justice, education, healthcare and people's livelihoods.

Chapter IV Management Discussion and Analysis

4.9 BUSINESS OPERATION (CONTINUED)

4.9.5 Distribution channels (Continued)

Remote banking

During the Reporting Period, the Bank continuously improved remote service levels. Adhering to technology empowerment as the guide, platform building as the foundation and data-driven as the core, the Bank built a comprehensive system platform cluster integrating core systems such as the remote banking operation platform, remote banking call handling platform, remote banking video service platform and intelligent quality inspection. The Bank actively promoted application scenarios of new technologies such as large models and RPA process robots to support the development of business towards intelligence and collaboration. During the Reporting Period, in terms of remote incoming call services, the telephone calls by humans were 2,084,600, the call completion rate was 91.54%, and the customer satisfaction rate was 99.50%; network channels (including text, video and email) recorded 735,200 manual service accesses, representing a year-on-year increase of 12.39%; in terms of remote outgoing call services, outgoing calls by humans totalled 4,864,300, representing a year-on-year increase of 63.68%; in terms of intelligent services, intelligent voice browsing services provided 3,063,000 times, and the intelligent robot "Xiaowan" provided services to 1,451,600 customers, and outgoing calls by intelligent outbound robots were 9,829,800, with total intelligent service volume increasing by 59.18% year-on-year.

Corporate online channel

During the Reporting Period, the Bank completed the upgrade of the new version of Corporate Mobile Banking, delivering a more user-friendly interactive experience and richer mobile product services, further enhancing service capabilities for corporate customers. Corporate online banking business continued to develop in a stable manner, with the number of customers served stably increasing and the trading activity of customers continuously improving. As of the end of the Reporting Period, the Bank's total number of corporate online banking customers reached 454,400, with 42,176,300 corporate online banking transactions, representing a year-on-year increase of 8.16%, and the transaction amount accumulated to RMB5.82 trillion, representing a year-on-year increase of 10.52%.

4.9.6 Financial business for small and micro enterprises

During the Reporting Period, the Bank continued to implement the decision and deployment of the competent authorities and regulatory authorities on strengthening financial services for small and micro enterprises. Guided by digitization and intelligence, the Bank continued to enhance management standards, optimize products and services, and vigorously promote inclusive finance. As of the end of the Reporting Period, the balance of inclusive loans to small and micro enterprises with the credit granted to a single customer less than RMB10 million (inclusive) was RMB177,647 million, representing a net increase of RMB23,248 million or 15.06% as compared with the end of the last year; the number of customers was 424,700, achieving a net growth of 157,500 customers from the end of the last year, the average loan interest rate was 4.19 %.

Chapter IV Management Discussion and Analysis

4.9 BUSINESS OPERATION (CONTINUED)

4.9.7 Fintech business

The Bank thoroughly implemented the spirit of the Central Economic Work Conference and fully carried out the decision and deployment on making a major effort in technology finance. Closely aligned with Anhui Province's strategic positioning of building "Three Places and One Zone", and with the goal of creating a "Technology Innovation Bank" with the characteristics of Huishang Bank, the Bank solidly promoted the deep integration of technological innovation and industrial innovation, writing the "Chapter of Huishang Bank" of high-quality development in fintech. The Bank issued the nation's first "dual guarantee letter" high-end manufacturing intellectual property securitization product and received multiple external honors, including the "Anhui Youth May Fourth Medal Collective" and the "Second Prize in the National Youth Innovation and Technology Vanguard Team Competition for Outstanding Performance in Post Assignments (全國科技創新青年突擊隊崗位建功競賽二等獎)".

The Bank continued to increase support for sci-tech enterprises. Leveraging on the "1+21+N" three-tier specialized fintech organizational structure at the headquarters, branch, and sub-branch levels, the Bank established nine specialized sci-tech sub-branches and 20 characteristic sub-branches of "Technology Innovation Hubs" in key industrial parks within its business areas where technology resources are concentrated, and actively promoted the batch matching services for strategic emerging industrial clusters. As of the end of the Reporting Period, according to regulatory reporting standards, the Bank's balance of loans to sci-tech enterprises amounted to RMB210.444 billion, representing a net increase of RMB41.679 billion or 24.7% as compared with the end of last year.

The Bank focused on building its fintech ecosystem alliance, deepened business cooperation with institutes in investment, guarantee, security, insurance and fund, and always centered on customer needs to provide the joint operation of "Shares, Loans, Bonds, Insurance and Guarantee (股貸債保擔)" comprehensive services. The Bank strengthened its cooperation with the industry competent authorities, established cooperation with over 7,000 enterprises through a series of campaigns themed "Entering the Park" of fintech ecosystem, such as the "Zhi e Xing (知e行)" and entered into cooperation agreements on the "Joint Growth Plan" with a total of over 5,600 enterprises.

The Bank accelerated the digital and intelligent transformation and upgrading of fintech, independently developed the "Intellectual Property e-Loan (知e貸)" product and launched a new fully online intellectual property pledge financing model featuring "bank self-assessment and zero fees for enterprises". Taking the capital chain as the starting point, the Bank interconnected the innovation chain, industrial chain, capital chain and talent chain, and increased the promotion of Technology Research and Development Loan (科技研發貸), Talent Loan (人才貸), Technology Commercialization Loan (成果轉化貸). As of the end of the Reporting Period, over 1,700 sci-tech enterprises had received tailored credit products totaling more than RMB11.2 billion. The Bank provided sci-tech enterprises with fintech digital products and services of "3+N" of e-Check, e-Apply (e達) and e-Loan, continuously deepened the iteration of the "Technology Flow" model, and provided online loan support exceeding RMB12.9 billion to more than 4,500 sci-tech enterprises through online products such as "Start-up e-Loan", "Technology e-Loan" and "Intellectual Property e-Loan".

Chapter IV Management Discussion and Analysis

4.9 BUSINESS OPERATION (CONTINUED)

4.9.8 Green finance business

The Bank bases itself on national needs and financial capabilities, taking green finance as an important direction for characteristic operations and continuously promoting the growth of green credit to proactively serve the green and low-carbon transformation of the local economy and society.

During the Reporting Period, the Bank issued the first transition loan in Anhui Province, effectively facilitating the green and low-carbon transformation and development of the Anhui building materials industry. The Bank created six major scenarios, namely "green ecology", "green intelligent manufacturing", "green infrastructure", "green energy", "green trade" and "green consumption", continuously strengthened the supply of financial products, and reinforced departmental synergy. The Bank continually carried out the work on environmental information disclosure and the evaluation of green finance of the PBOC, continued to improve the green finance system and service capacity, and promoted the high-quality development of green finance of the Bank. The Bank won the "Championship in Green Finance (綠色金融單項冠軍)" in the labor competition on the "five major aspects" of finance in Anhui Province in 2024 awarded during the Reporting Period; the Bank secured first prizes in all three major categories: "Green Financial Products", "Green Financial Governance" and "Sustainability Information Disclosure" in the outstanding green finance case competition in Anhui Province carried out in 2025.

As of the end of the Reporting Period, the green loan balance of the Bank amounted to RMB155.296 billion in total, representing an increase of RMB48.778 billion or 45.79% as compared with the beginning of the year. Among these, the green loan balance in Anhui Province amounted to RMB137.056 billion in total, representing an increase of RMB41.312 billion or 43.15% as compared with the beginning of the year.

4.9.9 Subsidiaries and major companies in which the Bank has shareholdings

Subsidiaries

Huishang Bank Financial Leasing Co., Ltd

Registered in Hefei, Huishang Bank Financial Leasing Co., Ltd. ("Huishang Bank Financial Leasing") officially commenced its business on 30 April 2015 with an initial registered capital of RMB2,000 million. The Bank contributed RMB1,020 million to the registered capital of Huishang Bank Financial Leasing, accounting for 51% of its shareholding. The registered capital of Huishang Bank Financial Leasing increased to RMB3,000 million in March 2018, to which the Bank contributed RMB1.62 billion, accounting for 54% of its shareholding. As of the end of the Reporting Period, the unaudited total assets, total liabilities and owners' equity of Huishang Bank Financial Leasing amounted to RMB79.926 billion, RMB70.063 billion and RMB9.864 billion, respectively, achieving net profit of RMB1,141 million for the year.

Chapter IV Management Discussion and Analysis

4.9 BUSINESS OPERATION (CONTINUED)

4.9.9 Subsidiaries and major companies in which the Bank has shareholdings (Continued)

Subsidiaries *(Continued)*

HSBank Wealth Management Co., Ltd

HSBank Wealth Management Co., Ltd. (徽銀理財有限責任公司) ("HSBank Wealth Management") officially commenced business on 28 April 2020. Incorporated in Hefei with a registered capital of RMB2 billion, HSBank Wealth Management was wholly funded by the Bank. As of the end of the Reporting Period, HSBank Wealth Management had unaudited total assets, total liabilities and owners' equity of RMB5.0 billion, RMB237 million and RMB4.764 billion, respectively, with wealth management products of RMB236.485 billion.

Wuwei Huiyin Rural Bank Co., Ltd.

Registered in Wuwei City, Wuwei Huiyin officially commenced its businesses on 8 August 2010. Its registered capital was RMB100 million, to which the Bank contributed RMB40 million, accounting for 40% of its shareholdings. In December 2025, the banking regulatory authority approved the Bank's acquisition of a 51% equity interest in Wuwei Huiyin. In January 2026, the industrial and commercial registration changes were completed, increasing the Bank's shareholding to 91%. As of the end of the Reporting Period, Wuwei Huiyin had unaudited total assets, balance of various loans and balance of various deposits of RMB3.548 billion, RMB1.413 billion and RMB3.308 billion, respectively.

Jinzhai Huiyin Rural Bank Co., Ltd

Registered in Jinzhai County of Lu'an City, Jinzhai Huiyin officially commenced its businesses on 28 June 2013 with a registered capital of RMB80 million, to which the Bank contributed RMB32.80 million, accounting for 41% of its shareholdings. In December 2024, the Bank increased its contribution to RMB40.80 million, increasing its shareholding to 51%. As of the end of the Reporting Period, Jinzhai Huiyin had unaudited total assets, balance of various loans and balance of various deposits of RMB2.975 billion, RMB2.134 billion and RMB2.631 billion, respectively.

Chapter IV Management Discussion and Analysis

4.9 BUSINESS OPERATION (CONTINUED)

4.9.9 Subsidiaries and major companies in which the Bank has shareholdings (Continued)

Major companies in which the Bank has shareholdings

Chery Huiyin Motor Finance Service Co., Ltd.

Registered in Wuhu City, Chery Huiyin Motor Finance Service Co., Ltd. ("Chery FS") was established on 13 April 2009. Its initial registered capital was RMB500 million, to which the Bank contributed RMB100 million, accounting for 20% of its shareholdings. In December 2012, the registered capital of Chery FS increased to RMB1,000 million, to which the Bank contributed RMB200 million, accounting for 20% of its shareholdings and the registered capital of Chery FS increased to RMB1,500 million in December 2017, in which the Bank held 300 million shares, accounting for 20% of its shareholdings. In February 2025, the registered capital of Chery FS increased to RMB5,000 million, in which the Bank held 1,000 million shares, accounting for 20% of its shareholdings.

MengShang Bank Co., Ltd.

MengShang Bank Co., Ltd. was established on 30 April 2020 in Baotou City. Its registered capital was RMB20 billion, in which the Bank held 3.0 billion shares, accounting for 15% of its shareholdings.

4.10 RISK MANAGEMENT

During the Reporting Period, the Group focused on high-quality development objectives, fully implemented the requirements of banking supervision and regulation, adhered to the risk appetite featuring "prudence, rationality and soundness", improved its comprehensive risk management system and accelerated the digital transformation of risk management. The Group focused on preventing and mitigating risks in key sectors to ensure effective control of various risks throughout the Group.

4.10.1 Credit risk management

Credit risk refers to the risk of loss due to the default of the debtors or counterparties or the reduction in their credit ratings and performance capabilities. Credit risk is the major risk currently faced by the Bank, mainly involving on – and off-balance credit risk exposures in relation to loans, interbank lending, funds, guarantees, commitments, etc.

During the Reporting Period, the Bank formulated an annual risk and credit policy in light of the external environment and policy guidance, so as to leverage policy-based guidance to continuously optimize the structure of the credit business. Leveraging the construction of the "Hui Zhi Xin" project as a breakthrough, the Bank will establish a new paradigm for full-process, intelligent, and penetrative risk prevention and control, comprehensively improving the digitalization level of credit risk management. The Bank proactively strengthened risk management in key areas, persistently tackled the disposal of large-scale risks, and accelerated the disposal of retail business risks, achieving the steady and positive improvement of asset quality. Please refer to Section 4.4 "Loan Quality Analysis" in this annual report for the distribution structure.

Chapter IV Management Discussion and Analysis

4.10 RISK MANAGEMENT (CONTINUED)

4.10.2 Large-scale risk exposure management

In accordance with the Management Measures for Large-Scale Risk Exposure of Commercial Banks (《商業銀行大額風險暴露管理辦法》), large-scale risk exposure refers to the credit risk exposure (including various credit risk exposures in the banking book and trading book) to a single customer or a group of related customers of a commercial bank that exceeds 2.5% of its net tier 1 capital. During the Reporting Period, the Bank has incorporated large-scale risk exposure management into its overall risk management system, solidified the foundation for large-scale risk exposure management, continuously monitored changes in large-scale risk exposures and regularly reported on large-scale risk exposure indicators and related management work to regulatory authorities, so as to effectively control customer concentration risks. Based on the measurement results of large-scale risk exposure, all categories of risk exposures at the Bank were all in compliance with the regulatory limits for large-scale risk exposure.

4.10.3 Market risk management

Market risk refers to the risk of on – or off-balance-sheet loss caused by changes in interest rates, foreign exchange rates and other market factors.

During the Reporting Period, the Bank continuously improved the market risk management, dynamically monitored indicators such as interest rates and exchange rates, and strengthened the identification and risk alert capability through stress testing and scenario simulation. Meanwhile, the Bank enhanced credit risk assessment for counterparties, established a penetrating risk monitoring framework, optimized hedging strategies and reasonably controlled the investment pace to effectively avoid the losses caused by market fluctuations.

4.10.4 Operational risk management

Operational risk refers to the risk of loss due to problems in internal procedures, personnel and IT systems and external events.

During the Reporting Period, the Bank strictly abided by the new regulatory rules by optimizing our operational risk management system in all aspects in accordance with the requirements of the Measures for the Administration of Operation Risk of Banking and Insurance Institutions. The Bank enhanced the application of fundamental management tools of operational risk to promote the development of the operational risk management system platform and the ability to control operational risk based on refined management as the standard. The operational risk indicators basically met the risk appetite limit requirements of the Bank. From the perspective of daily monitoring, the operational risk events of the Bank were still mainly classified as “high-frequency, low-risk”. Overall, the operational risk control throughout the Bank was basically effective.

Chapter IV Management Discussion and Analysis

4.10 RISK MANAGEMENT (CONTINUED)

4.10.5 Liquidity risk management

Liquidity risk refers to the risk that the Bank is unable to satisfy its customers' needs for repayment of liabilities due, new loans and reasonable financing, or to satisfy these needs at a reasonable cost. The Risk Management Committee under the Board of the Bank and the Assets and Liabilities Management Committee and the Risk and Internal Control Management Committee under the senior management assume joint responsibilities for formulating policies and strategies on overall liquidity risk management.

The Bank's liquidity risk management aims to proactively balance the relationship among "liquidity, safety and profitability", continuously improve the liquidity management level, safeguard the sustainable and healthy development of various businesses, and implement the risk appetite featuring "prudence, rationality and soundness" of the Board of Directors, ensuring that the Bank has sufficient funds to meet expected and unexpected capital requirements (including loan growth, deposit withdrawals, debt maturity, and changes in off-balance sheet irrevocable commitments) in a normal operating environment and under stress, so as to provide a stable liquidity environment for continuing operations and promote positive interaction between liquidity management and business development.

During the Reporting Period, the Bank strengthened the liquidity risk management on a forward-looking basis, enhanced the anticipation of market situation, and effectively managed and dynamically adjusted its strategies. At the same time, the Bank implemented the coordinated management of liquidity and assets and liabilities, made reasonable adjustments to the scale and structure of assets and liabilities according to changes in market conditions and the development of business needs, to ensure its liquidity while pursuing profit growth and value growth and achieve the alignment of "liquidity, safety and profitability" of bank funds. The Bank enhanced its management level of liability stability to secure the moderate total amount of liabilities, stable sources, diversified structures, and well-matched maturities. The Bank emphasized on risk prevention and mitigation while promoting business development and profit growth. The Bank stressed the importance of "ensuring adequate liquidity" and flexibly managed and controlled the percentage of liquidity asset portfolio with the highest efficiency.

Chapter IV Management Discussion and Analysis

4.10 RISK MANAGEMENT (CONTINUED)

4.10.5 Liquidity risk management (Continued)

According to its own characteristics and external market environment, the Bank has formulated liquidity scenarios under stress, conducted stress tests of liquidity risks regularly to analyze the ability of coping with liquidity risks or shocks, to ensure that no liquidity risk will occur under stress scenarios and within the prescribed shortest survival period; and continuously improved stress testing methods and reasonably set scenario parameters in accordance with regulatory and internal management requirements. During the Reporting Period, the Bank regularly conducted liquidity risk stress tests in accordance with regulations, and the results of stress tests demonstrated that the liquidity risk at the level of the Bank and the Group was controllable under multiple scenario stress assumptions. Meanwhile, the Bank has formulated contingency plans to prevent potential liquidity crisis and takes effective emergency measures to control the spread of risks under liquidity crisis scenarios. It promoted the consolidated management of liquidity risk, and supervised and guided its subsidiaries to improve liquidity risk management to ensure liquidity safety at the Group level.

According to the business development of assets and liabilities and the liquidity position, the Bank kept close attention on the macro regulatory policies and the situation of fund markets, and adjusted the liquidity management strategy and the pace of funds operation in a dynamic manner in response to the impact related to stage and season factors on the Group's liquidity, in order to practically improve the ability of handling liquidity risks. As of the end of the Reporting Period, the liquidity coverage ratio was 291.47%, while the qualified quality liquidity assets amounted to RMB250.497 billion and net cash outflow in the next 30 days was RMB85.943 billion. As of the end of September 2025, the net stable capital ratio was 114.15%, while the available stable capital reached RMB1,308.386 billion and the required stable capital amounted to RMB1,146.179 billion. As of the end of the Reporting Period, the net stable capital ratio was 114.91%, while the available stable capital reached RMB1,358.165 billion and the required stable capital amounted to RMB1,181.945 billion.

4.10.6 Interest rate risk management

Interest rate risk in the banking book refers to the risk that the economic value and overall earnings of the banking book may be subject to loss due to adverse movement in interest rates, term structure and other factors, mainly including gap risk, basis risk, and option risk. The interest rate risk in the banking book to which the Bank is exposed mainly arises from the mismatching of the maturity or repricing term structure of its banking portfolio.

The Bank's financial assets and liabilities are mainly denominated in RMB. As the benchmark interest rates for RMB deposits are determined by the PBOC and the RMB loan prime rate (LPR) is released by the National Interbank Funding Center upon the authorization of the PBOC, the Bank follows the interest rate policies issued by the PBOC when carrying out deposit taking and lending activities.

Chapter IV Management Discussion and Analysis

4.10 RISK MANAGEMENT (CONTINUED)

4.10.6 Interest rate risk management (Continued)

During the Reporting Period, the Bank continued to improve its governance structure and optimize management strategies to effectively address the potential impact of interest rate fluctuations on the bank's economic value and overall returns. At the risk governance level, the Bank has established an interest rate risk management structure with the Board of Directors bearing ultimate responsibility, senior management providing direct leadership, and relevant professional committees working in coordination. The Board of Directors was responsible for reviewing and approving the strategies, policies and risk appetites for the interest rate risk management of banking book. Senior management was responsible for the organization, implementation and day-to-day management of policies, ensuring that risk management activities align with the Bank's overall development strategy and risk tolerance. In terms of risk measurement and monitoring, the Bank mainly used repricing gap analysis and scenario analysis to measure banking book interest rate risk. The Bank gave consideration to the overall interest rate sensitivity gap by analyzing how changes in the interest rate curve affect its assets and liabilities. In terms of risk management, the Bank closely tracked market interest rate movements, flexibly adjusted the pricing structure of assets and liabilities, repriced tenor and currency allocation, and dynamically managed duration gaps to reduce overall interest rate risk exposure.

4.10.7 Liability quality management

During the Reporting Period, the Bank maintained a healthy quality of liabilities, and its liability business continued to develop steadily. The sources of liabilities were stable, and the total liabilities increased by 16.28% compared to the end of last year. Specifically, total customer deposits increased by 11.17% from the end of last year, and the net stable capital ratio was 114.91%; the liability structure was diversified, forming a liability portfolio characterized by diversified financing channels, decentralized counterparties and a wide range of business types; the match between liabilities and assets was reasonable, with regulatory indicators such as the liquidity coverage ratio and the liquidity ratio consistently meeting regulatory requirements. For details of these indicators, please refer to Section 4.10.5 "Liquidity risk management" and "Supplementary Financial Information – LIQUIDITY RATIOS" in Appendix I to the financial statements in this annual report; the Bank enhanced its ability to actively manage liabilities and promptly and proactively secured funds with the required amount, term and cost based on the needs of business development and management; it strengthened cost control over liabilities and refined both internal and external pricing, resulting in a decrease of 31 basis points in the average cost rate of interest-bearing liabilities compared to the previous year; all liability activities were based on real debtor-creditor relationships and in compliance with laws, regulations, and relevant regulatory requirements.

Chapter IV Management Discussion and Analysis

4.10 RISK MANAGEMENT (CONTINUED)

4.10.8 Exchange rate risk management

Exchange rate risk is the risk of loss of the Bank arising from the duration mismatch of its positions in a particular foreign currency and non-RMB denominated asset and liability due to adverse changes in the exchange rate. The Bank's foreign currency assets and liabilities are mainly denominated in U.S. Dollars, while the rest are denominated in Euros, Hong Kong Dollars, Japanese yen, etc.

During the Reporting Period, in accordance with the limit of combined exposures of the Bank approved by Anhui Branch of the State Administration of Foreign Exchange and the Bank's limit-based management requirements, the Bank strictly controlled foreign exchange spot, forward, swap and option exposures to prevent exchange rate risk.

The Bank continued to deepen the analysis and assessment of foreign exchange market trends and steadily improved its exchange rate risk management capabilities. In terms of exchange rate risk measurement, the Bank comprehensively applied a combination of qualitative and quantitative methods, while utilizing control measures such as limit-based management and stress testing, strictly controlling potential losses arising from exchange rate risk within an acceptable range and striving to maximize its risk-adjusted earnings.

4.10.9 Reputation risk management

Reputation risk refers to the risk of negative comments to the Bank by relevant stakeholders, the public and the media as a result of the operation and management and other matters of the Bank, the behavior of its practitioners or external events, which may damage its brand value, adversely affect normal operation, or even affect market stability and social stability.

Reputational risk management, as an important part of the Bank's corporate governance and comprehensive risk management systems, covers all behaviors, business activities and business areas of the Group. During the Reporting Period, the Bank solidly advanced the basic management of reputation risk, strengthened special reputation risk training for all staff, and effectively enhanced the foresight and effectiveness of risk prevention, laying a solid foundation for the steady development of the brand. In daily operations, the Bank adhered to the principle of "prevention first, combination of precaution and control", closely monitored key links of monitoring, judgment and early warning of public opinion, and built a normalized and refined public opinion management model. In addition, the Bank quickly resolved any easy misunderstanding or misinterpretation of information with an effective management system, effectively eliminating risk hazards, with no reputation events occurring throughout the year. During the Reporting Period, taking the 20th anniversary of its establishment as an opportunity, the Bank proactively strengthened brand publicity and promotion, broadened positive publicity and reporting channels, deeply participated in social welfare undertakings and various public activities and actively fulfilled corporate social responsibility, to build a sound corporate image.

Chapter IV Management Discussion and Analysis

4.10 RISK MANAGEMENT (CONTINUED)

4.10.10 Compliance risk management

Compliance risk refers to the possibility that financial institutions or their employees will bear criminal, administrative, and civil legal liabilities, property losses, reputation losses, and other negative impacts due to violations of compliance regulations with respect to financial institutions' operating and management behaviors or employee performance behaviors.

The Board of Directors of the Bank takes the ultimate responsibility for the compliance of the Bank's operation activities. The Risk Management Committee under the Board of Directors monitors compliance risk management effectively. The Board of Supervisors is responsible for supervising the performance of the Board of Directors and the senior management of their duties on compliance management. The senior management is responsible for managing compliance risk and conducting regular assessments on compliance risk. The Bank has established a robust compliance risk management system and organizational structure, forming three defense lines at the front, middle and back offices interactive with each other, and the vertical double-line reporting system amongst the head office, branches and subbranches. It also constantly improved and perfected the compliance risk management system and mechanism so as to ensure effective management and control of compliance risk.

The Bank thoroughly implemented regulatory requirements, comprehensively enhanced its risk management capabilities, continuously strengthened its awareness of compliant operations, actively fostered a culture of internal control and compliance, and advanced its development as an outstanding local mainstream bank. During the Reporting Period, the Bank meticulously prepared for the "100-Day Campaign for Compliance Enhancement", which was systematically advanced compliance efforts around five key aspects of "comprehensive learning, extensive advocacy, thorough inspection, rigorous rectification and significant improvement", continuously fostering a compliance atmosphere where "everyone emphasizes compliance and all actions follow the rules". The Bank continuously improved its regulatory framework and system, strengthened the management of the president's authorization, and enhanced the internal control assessment system to guide compliant and stable business operations. The Bank established a joint compliance and legal review mechanism, revised the review methods for legal documents, and solidified foundational management of internal control and compliance. In accordance with requirements for rectifying formalism to reduce the burden on grassroots and for on-site inspection management, the Bank scientifically formulated on-site inspection plans, increased efforts in coordination of on-site inspections, continuously intensified off-site monitoring, promoted technology-enabled applications, consistently improved inspection efficiency, and refined inspection methodologies. The Bank revised the management system on case prevention, optimized the mechanism for case risk prevention and control, further advanced the "Year of Case Prevention Enhancement" initiative, strengthened the investigation of case risks and employee behaviors, enhanced internal control and compliance case prevention training, and improved the quality of the Bank's case prevention work, so as to provide a guarantee for the high-quality development of the Bank.

Chapter IV Management Discussion and Analysis

4.10 RISK MANAGEMENT (CONTINUED)

4.10.11 Anti-money laundering management

The Bank strictly adhered to all anti-money laundering laws and regulations, and conscientiously fulfilled its legal obligations and social responsibilities in this regard. The Bank put into practice the principle of "risk-based", to continuously enhance the effectiveness of anti-money laundering.

During the Reporting Period, the Bank strengthened money laundering risk management, continuously improved the anti-money laundering management mechanism, and promoted the transformation to intensive, refined and professional operation of anti-money laundering. It analyzed the key and difficult points of anti-money laundering work, and took effective measures to improve the quality and efficiency of money laundering risk management. The Bank deeply analyzed the "Notice of Money Laundering Risks" issued by the regulatory authorities and typical cases of money laundering in the region, proactively adapted to the anti-money laundering situation in the new period, assessed the latest money laundering trends in its operation areas and the types of major money laundering risks faced by the Bank, explored the mechanism of retrospective model optimization, and promoted the standardization and regularization of model management. It improved the digital and intelligent level of the anti-money laundering system, introduced AI large model technology, and enhanced its monitoring and analysis capabilities. The Bank carried out money laundering risk prevention and control and governance for internal accounts, conducted special self-inspections on special preventive measures for anti-money laundering, advanced the filing of beneficial owners, and continuously improved its money laundering risk prevention and control capabilities. The Bank focused on promoting the coordinated performance of duties across the three lines of defense for anti-money laundering, strengthened the control of high-risk customers and businesses, intensified inspection and supervision, provided ideas for business risk control through research and identification of suspicious activities, constantly improved the money laundering management level, and safeguarded the healthy development of business. The Bank carried out the anti-money laundering audits and focused on the implementation of the regulatory requirements for anti-money laundering, including internal control environment construction for anti-money laundering, system management, money laundering risk management, inspection, and training and advocacy. It deepened anti-money laundering training to enhance employees' anti-money laundering awareness and capabilities. It enriched anti-money laundering advocacy materials, and its high-quality promotional short videos won national awards.

Chapter IV Management Discussion and Analysis

4.11 INFORMATION TECHNOLOGY

During the Reporting Period, in terms of information technology, the Bank centered on the goals of technology construction and promoted the orderly implementation of various tasks based on the positioning of value creation.

Firstly, system development capabilities steadily improved. The core system 3.0 was successfully put into operation and the system fully adopted the IT application innovation technology stack; AI empowerment yielded initial results, successfully building a privatized large model platform based on a diverse large model foundation; technological innovation and development achieved fruitful results again. The "Construction and Practice of Financial Agent Middle Office Based on Diverse Large Model Foundation" and "Digital and Intelligent Credit System Empowering Rural Revitalization Product Innovation" submitted during the year both won the third prize of the 2024 Fintech Development Award. The Bank successfully passed the Level 3 international certification of Test Maturity Model Integration (TMMI) and obtained the certificate, advanced the certification from CMMI Level 3 to CMMI Level 4, and newly acquired 12 software copyrights and 1 invention patent.

Secondly, the level of technology operation and maintenance reached a new high. The Bank improved the digital infrastructure foundation, and advanced the construction of the new data center, the IT application innovation cloud platform, and the next-generation wide area network infrastructure, and established a robust emergency management system, completed the real switching of local disaster recovery for multiple information systems, including mobile banking. This effectively validated the disaster recovery system's capability to assume production operations. The Bank advanced the construction of the automated operation and maintenance platform, and enhanced automated release and emergency response scenarios to elevate intelligent operation and maintenance capabilities. The Bank has strengthened cybersecurity management by centrally planning and constructing dedicated internet zones for subsidiary institutions, and carrying out the construction of security management platform, and conducting cybersecurity defense drills alongside ransomware simulations for information systems. These measures have further elevated our cybersecurity protection capabilities.

Thirdly, the Bank further unlocked the value of data elements. Benchmarking against national standards, the Bank carried out data management capability construction and successfully obtained the DCMM Quantitative Management Level (Level 4) certification. It successfully completed the full-stack domestic substitution migration of the next-generation data warehouse, ensured the smooth transition of the core system transformation, and provided strong support for the implementation of the Bank's IT application innovation strategy. It promoted cost reduction and efficiency enhancement of data services, strengthened external data cost control and shared reuse. Relying on the unified platform, it optimized the data demand process, shortening the average delivery time by over 40%, significantly elevating the level of intelligent services. It deeply empowered the construction of remote banking, connected real-time data links, enriched the label and indicator system, and drove the effective growth of customer asset scale through online strategic operations. It strengthened the construction of the digital and intelligent risk control system, constructed the group relationship graph, multi-dimensional scoring models, and enterprise risk panoramic views, effectively improving its risk identification and prevention capabilities.

Chapter IV Management Discussion and Analysis

4.12 SOCIAL RESPONSIBILITY

The Bank adhered to the values of "treating people with sincerity, upholding justice while pursuing interests", integrating the spirit of the Huizhou merchants to continuously build an outstanding corporate culture. We strive to earn the trust of our customers, the respect of our peers, and the pride of our employees.

During the Reporting Period, the Bank actively cultivated and promoted a financial culture with Chinese characteristics, and complied with the "Five Musts and Five Nos" requirements. In accordance with the unified arrangements of the regulatory authorities, the Bank actively participated in and co-organized the "Exemplary Individuals Sharing Exemplary Stories" promotional events in various cities across Anhui Province organized by the Association of Anhui Bank, and meticulously organized the sharing of exemplary stories across the Bank to strengthen its exemplary leadership within the industry. The Bank further refined relevant working mechanisms and explored ways to effectively implement the "Four Integrations", integrating a financial culture with Chinese characteristics into the education and training system for financial professionals, the employee performance evaluation system, the cadre selection and appointment process, and the construction and governance of Party organizations.

During the Reporting Period, the Bank continued to actively practice its corporate culture and fulfill our social responsibilities to build a high-quality corporate culture that aligned with the development strategy of Huishang Bank, embodied the spirit of the times, and reflected the unique characteristics of Huishang Bank. The Bank enriched the connotation of corporate culture in keeping with the times, promoted the dissemination and solidification of corporate culture, played the guiding role of culture, acted with integrity to promote development, and worked tirelessly to provide excellent service. This has provided cultural support for building an outstanding local mainstream bank and fully advancing Huishang Bank on its new journey with high-quality development. The Bank deeply implemented the "Improvement Projects in Nine Areas" of the Party Committee, and balanced the interests of related parties such as shareholders, customers, and employees to achieve comprehensive improvements in economic, environmental, and social benefits, as well as coordinated development in scale, quality, structure, and efficiency. It has been widely praised by all sectors of society, earning us numerous awards and honors.

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4.12 SOCIAL RESPONSIBILITY (CONTINUED)

The Bank focused on strengthening financial services to support the needs of the real economy, precisely targeted inclusive finance, reduced corporate financing costs, and supported the development of small and micro enterprises; it continuously enhanced the regulatory role of green credit levers and actively promoted green finance to support a low-carbon economy; it supported the development of Rural Issues, leveraged the professional advantages of financial institutions, mobilized and consolidated the efforts of the Bank to drive rural revitalization; it continued to create a "safe Huishang Bank" with a long-term focus on building a comprehensive, all-staff, and full-process risk management system, enhancing the ability to manage risks and handle risks, and resolutely guarding against systemic risks; it advocated for green office practices, energy conservation and environmental protection, minimizing the negative impact of daily operations on the environment; it actively conveyed the spirit of public welfare, constantly promoted a focus on people's livelihoods, protected the environment, being enthusiastic about charity; the Bank encouraged the employees to work as a volunteer, launched a number of donations in the fields of education and charity, and collaborated on branded public welfare projects in areas such as respecting the elderly, helped the young, and aided the poor, fully demonstrated the image of a good corporate citizen; it adhered to a people-oriented approach, paid attention to employee capability building, cared for their physical and mental health, and fostered a positive and harmonious corporate cultural atmosphere; it adhered to the market positioning of a city commercial bank, strove to do well in the "five major aspects" of finance, and took practical actions to support Anhui Province in building the "Three Places and One Zone" and composed a chapter of Chinese-style modernization in Anhui province, to comprehensively support the economic and social development of Anhui, and strove to build an excellent local mainstream bank with a good customer experience, obvious characteristic advantages, solid risk control capabilities, and diversified comprehensive services.

4.13 CONSUMER PROTECTION

During the Reporting Period, the Bank further strengthened the refined management of complaints, enhanced the quality and efficiency of complaint handling, continuously streamlined complaint channels, improved response speed, standardized reply scripts, and implemented time-limited settlements. It deepened the diversified resolution mechanism for complaints, and further improved the authorization mechanism for the diversified resolution of customer complaints and disputes. The Bank continued to innovate its financial education work. It held the special 3.15 activity of "Delivering Financial Knowledge to Wet Markets (送金融知識進菜市)", launched the campus financial security empowerment project, and jointly held the 2025 Financial Education Publicity Week campus special activity themed "Enhancing Financial Literacy to Escort Youth Growth" with Anhui University, conducting multi-layered and precise publicity to fulfill the requirement of "full population coverage". It also held a consumer protection skills competition to strengthen the consumer protection culture among all employees. During the Reporting Period, the Bank completed over 5,100 reviews of consumer rights protection related to product and service regulations, cooperation (outsourcing) agreements, marketing activities, and promotional materials; the Bank conducted more than 200 specialized training sessions on consumer rights protection, covering over 25,000 participants including senior and middle management, frontline staff, and new employees; the Bank also carried out over 8,000 online and offline educational and promotional activities, reaching more than 51.51 million consumers. As of the end of the Reporting Period, the Bank had received a total of 5,251 customer complaints, which mainly involved credit cards, internet loans, account management, and personal loans, and were primarily concentrated in regions such as Hefei, Wuhu, Shenzhen, and Fuyang.

Chapter IV Management Discussion and Analysis

4.14 PROSPECTS AND MEASURES

4.14.1 Trend of economic development

1. Global Economic Outlook

According to the World Bank's forecast, the global economic growth rate will slightly decline to 2.6% in 2026. The global economy demonstrates resilience, but its growth momentum has weakened. The global economic growth in 2025 mainly benefited from companies "stockpiling" in advance to cope with tariff increases, the surge in investment in the artificial intelligence sector, the improvement of the financial environment, and the impact of supply chains adapting to trade barriers. As inventories fall and the effects of tariffs materialize, trade growth will slow down.

2. China's Economic Outlook

2026 is the opening year of the "15th Five-Year Plan". During the "14th Five-Year Plan" period, China achieved solid results in promoting high-quality development, and its economic strength, scientific and technological strength, and comprehensive national strength reached a new level. The economic increment over the five years exceeded RMB36 trillion, and the R&D investment intensity increased by 0.44 percentage points. The foundation for development is more solid, and the space for development is broader, cultivating advantages and accumulating confidence for the "15th Five-Year Plan". Although the impact of current changes in the external environment is deepening and domestic stable development faces challenges, China's economy has a solid foundation, numerous advantages, strong resilience, and great potential. The supporting conditions and basic trends for long-term improvement remain unchanged. Looking ahead to 2026, China's economic structure will continue to turn better, development momentum will continue to be renewed, and the overall trend will continue to improve.

4.14.2 Measures of the Bank

Currently, the banking industry is facing multiple challenges such as narrowing net interest margins, fierce competition for high-quality assets, and mounting pressure on risk control and compliance. At the same time, it is also embracing strategic windows of opportunity such as the rise of artificial intelligence, the development of the digital economy, and the restructuring of key industries. The mergers and acquisitions, reorganizations, and reduction in quantity while improving quality of small and medium-sized financial institutions are accelerating, and the comprehensive remediation of involutionary competition is deeply implemented, which is expected to further standardize industry order.

Stepping into a new stage of development, Huishang Bank will coordinate efforts to stabilize growth, promote reform, adjust structure, prevent risks, and ensure stability. It will consolidate the foundation of businesses with state-owned enterprises and institutions, make efforts in capital-light corporate businesses and digital retail businesses, continuously build a comprehensive financial service system, and constantly enhance the core competitiveness of the whole Bank, supporting the implementation of the province's "15th Five-Year Plan" with upward and positive performance.

Chapter IV Management Discussion and Analysis

4.14 PROSPECTS AND MEASURES (CONTINUED)

4.14.2 Measures of the Bank (Continued)

Firstly, accurately serving the development of the real economy. The Bank will increase the effective deployment of asset business, promote synergy in supply chain finance, trade finance, bills, and investment banking M&A businesses, and stabilize the market share of corporate loans. It will make full use of fiscal discount policies, precisely segment consumer groups, promote auto installments, and optimize the structure of the operating loan customer base. It will leverage the role of branches outside the province and professional subsidiaries, base itself on specialization, distinctiveness, and digital intelligence, highlight revenue orientation, enhance profitability, and build the Huishang Bank brand. It will deeply mine customers' asset allocation needs, actively expand channels, products, and customer groups, and link the development of agency sales and custody businesses with its own scale growth.

Secondly, focusing on enhancing comprehensive service capabilities. Adhering to the principle of optimizing high-quality customers, the Bank will promote synergy between corporate and retail banking, achieve in-depth collaboration, and conduct tiered, classified, and clustered operations, realizing a fundamental shift from business marketing to customer operation. It will strengthen comprehensive cross-selling, optimize service processes with a customer-centric approach, build a collaborative mechanism among corporate, personal banking, and interbank businesses, and establish an operating model of "one customer, one account, comprehensive services", transforming from a "single financial service provider" to a "customer's all-domain value partner".

Thirdly, continuously strengthening the momentum of transformation and development. The Bank will advance the development of capital-light businesses, and vigorously develop wealth management, investment banking, transaction banking, and other businesses. It will rationally optimize the layout of county-level outlets, accelerate the construction of remote banking, and build comprehensive county-level financial service channels. It will deepen the integration of business and technology, continuously improve the coordination mechanism of dispatched tech personnel and agile teams, and build a technology workforce that matches the construction of a digital and intelligent bank. It will build an enterprise-level data asset system, creating a visualized data asset map and a unified data portal. It will utilize big data, artificial intelligence, and other technologies to accelerate the online and automated transformation of business processes, improving processing efficiency and accuracy.

Fourthly, systematically promoting cost reduction, quality improvement, and efficiency enhancement. The Bank will consolidate the foundation for cost reduction and strictly control liability costs and operating expenses. It will strengthen the rigid constraints of budgets, cut unnecessary expenses, and tilt limited resources toward key areas such as customer service, technology investment, and risk prevention and control. Focusing on the key to quality improvement, it will optimize asset structure and service levels, giving priority support to key national strategic areas and weak links in the real economy.

Fifthly, effectively building a solid barrier for risk control and internal control. The Bank will improve the comprehensive risk management framework, deepen the application of the "Hui Zhi Xin" full-process digital risk control results, and strengthen risk monitoring and look-through management for key areas and cross-regional businesses. It will strengthen the management of project authenticity and compliance, strictly controlling customer onboarding. It will elevate the level of compliant operations, comprehensively promoting the construction and operation of the compliance management system.

Chapter V Report of the Board of Directors

The Bank presents the annual report and audited financial statements of the Bank and the Group as of the end of the Reporting Period.

5.1 PRINCIPAL BUSINESS

The business scope of the Bank includes banking business; securities investment funds custody; sales of publicly offered securities investment funds; foreign exchange settlement and sale business; foreign exchange business.

5.2 PARTICULARS OF BUSINESS

5.2.1 External environment faced by and business and operation development of the Bank

1. Analysis of the environment of our main operating areas

In 2025, the gross domestic product of Anhui province reached RMB5.3 trillion, representing an increase of 5.5%. The added value of industrial enterprises above designated size increased by 9.4%, total retail sales of consumer goods increased by 4.2%, total amount of imports and exports grew by 17.3%, general public budget revenue increased by 2.9%, and per capita disposable income for urban and rural permanent residents grew by 4.4% and 5.9%, respectively. The provincial economy has advanced under pressure, embracing innovation and pursuing excellence, demonstrating the resilience and vitality of high-quality development.

2. Business performance of the Bank during the Reporting Period

Firstly, high-quality development reached new heights. As of the end of the Reporting Period, the Group's total assets surpassed the RMB2.3 trillion mark, achieving three consecutive RMB100 billion milestones within the year. The balance of loans exceeded RMB1.1 trillion, while the balance of deposits reached RMB1.27 trillion, further solidifying its market position. The Group achieved operating income of approximately RMB37.7 billion; net profit of nearly RMB17 billion, representing an increase of 6.3%. The Bank ranked 101st in the "Top 1000 World Banks", up 22 places from the past two years, and was rated "Excellent" in the Ministry of Finance's performance evaluation of national banking financial institutions.

Secondly, the Bank has taken on significant responsibilities in serving the real economy. The Bank successfully hosted the Financial Empowerment for Anhui's High-Quality Development Exchange Conference (金融賦能安徽高質量發展交流會). The balance of loans within the province exceeded RMB1 trillion for the first time, with new loans exceeding RMB100 billion, growing at a rate of 2.53 percentage points higher than the provincial average. The Bank issued the nation's first batch and Anhui's largest single-tranche Sci-tech Innovation Bonds worth RMB5 billion. The balance of sci-tech loans exceeded RMB210 billion, representing an increase of 24.7%. The balance of loans for manufacturing and strategic emerging industries reached RMB163.4 billion and RMB153 billion, respectively, both growing over 21%. Green credit balances was RMB155.3 billion, representing an increase of 45.8%.

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5.2 PARTICULARS OF BUSINESS (CONTINUED)

5.2.1 External environment faced by and business and operation development of the Bank (Continued)

***2. Business performance of the Bank during the Reporting Period** (Continued)*

Thirdly, the Bank accelerated reform, transformation, and quality improvement. Our specialized businesses built strong brand: the scale of bonds issued by our investment banking segment exceeded RMB60 billion, while the scale of assets under custody surpassed RMB1.3 trillion. Mobile Banking 7.0 successfully launched, with mobile banking customers exceeding 12 million. By leveraging digital and intelligent empowerment to stimulate vitality, the Bank has comprehensively implemented the financial technology strategic plan. The core system 3.0 was successfully launched. The number of projects developed and launched increased by 24.3% and 16.7% year-on-year, respectively. The Bank accelerated data middle platform construction, with quantitative data management capabilities reaching the highest tier among city commercial banks. The Bank pioneered the province's first online "Intellectual Property e-Loan" product, disbursed the province's first transformation loan, launched the "Points-Based Loan" for technology enterprises, initiated the pilot program for foreign debt signing registrations, and completed the Bank's inaugural family trust transaction.

Fourthly, the Bank steadfastly maintained the bottom line of risk and compliance. Risk management reached new heights through advancing the construction of the "Hui Zhi Xin" project and establishing a fully digitalized risk control mechanism. The Bank significantly enhanced integrated risk control capabilities across the Group. The non-performing loan ratio stood at 0.98%, representing a decrease of 0.01 percentage points from the end of last year. The Bank's asset quality continued to improve. The Bank launched the "100-Day Campaign for Compliance Enhancement" and received an "Excellent" rating in Anhui Province's ninth round of banking institution security assessments.

3. Analysis of key financial performance indicators of the Group during the year

Key financial data and key regulatory indicators adopted by the Group reflect the Group's operating results, profits and risk control level in 2025. During the Reporting Period, the Group achieved satisfactory performance in its various financial data as compared with the corresponding period of last year, and all of its supervisory indicators met regulatory requirements. See details in Chapter II "Summary of Accounting Data and Business Data" in this annual report.

Chapter V Report of the Board of Directors

5.2 PARTICULARS OF BUSINESS (CONTINUED)

5.2.1 External environment faced by and business and operation development of the Bank (Continued)

4. Environmental policy, performance and compliance with laws and regulations

(1) Environmental policy and performance of the Bank

Guiding by "carbon peaking and carbon neutrality", the Bank faithfully implemented national environmental protection laws and regulations, industrial policies, industry access policies and other policies and regulations, as well as the regulatory requirements of regulators, actively pursued green finance, and supported green, low-carbon and recycling economy development. The Bank constantly improved its environmental and social performance, actively fulfilled its corporate social responsibility, vigorously promoted the development of a social responsibility system, established correct values and business philosophy, built a corporate culture with a sense of social responsibility, continuously enhanced awareness of social responsibility of the Bank, and strengthened the environmental, social and governance information disclosure and communication with stakeholders, conserved resources, protected the environment, implemented environmental goals in operation, constantly improved the depth, width and accuracy of energy and resource utilization, encouraged green office, energy saving and environmental protection to minimize environmental impact in daily operation; advocated sustainable operation, and promoted the sustainable development of the Bank.

(2) Compliance with laws and regulations by the Bank

All routine operating activities of the Bank were conducted on the basis of strict compliance with existing laws and regulations and all transactions complied with laws and regulations with the support of the corresponding legal documents. The Bank continued to improve and optimize the rules and regulations of the Bank in accordance with external laws and regulations. The Bank always adhered to the concept of compliance operations, strictly followed regulatory policies in business and operation management activities and implemented regulations and policies in the whole process and all aspects of business.

(3) Relationship between the Bank and its employees

a. Remuneration of employees

The Bank has established a unified remuneration management system, and continuously optimized all mechanisms for employee remuneration and benefits management. Our remuneration management adhered to the core principle of "prioritizing efficiency while ensuring fairness" to promote the allocation of compensation resources towards grassroots and frontline employees. The Bank took performance assessment as the value orientation, highlighting that compensation shall align with individual contributions, to fully stimulate the vitality of the organization and its employees. Besides, the Bank took into account the enhancement of competitiveness and sustainable development to enhance external competitiveness and talent attractiveness of the Bank's remuneration offerings on the basis of maintaining the stability of the staff team.

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5.2 PARTICULARS OF BUSINESS (CONTINUED)

5.2.1 External environment faced by and business and operation development of the Bank (Continued)

4. Environmental policy, performance and compliance with laws and regulations *(Continued)*

(3) Relationship between the Bank and its employees (Continued)

b. Staff employment

The Bank continued to regulate its employee recruitment management processes and system development by establishing unified talent recruitment criteria and implementation procedures while continuously improving internal talent mobility mechanisms such as internal recruitment and job transfers. Concurrently, the Bank actively expanded external talent acquisition channels such as schools, other industry players and headhunters. Selection procedures, including qualification reviews, written tests, interviews and background checks, were rigorously enforced to ensure the entire talent acquisition process remained transparent, fair, and equitable.

c. Staff training and career development

For staff learning and development and the education and training for them, the Bank attached great importance to talent training, adhered to the leadership of Party building by establishing the Party School of Huishang Bank. The Bank strengthened planning by prioritizing political education and Party spirit cultivation, and continuously advanced the study and in-depth implementation of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era. During the Reporting Period, the Bank adhered to a categorized and tiered approach, took the close combination of "going out" and "inviting in", organised 9 sessions of "Great Vision" forward-looking lectures for middle and senior managers, and 40 sessions of key trainings such as the "Hui Zhuo Plan (徽卓計劃)" and "Hui Dun Plan (徽盾計劃)", so as to continuously enhance the professional ability and comprehensive quality of the Bank's cadres and employees.

For staff career development, during the Reporting Period, the Bank revised several management regulations and adopted a scientific approach for the evaluation and appointment of non-management employees. The Bank also optimized the evaluation and appointment mechanism. Through the optimization and improvement of systems, as well as the regular implementation of evaluation and appointment work, the Bank effectively streamlined career development pathways for employees and built a reasonable structured talent pipeline for its high-quality growth.

(4) Relationship between the Bank and its employees

See Section 4.9 "Business Operations" of this Annual Report for details.

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5.2 PARTICULARS OF BUSINESS (CONTINUED)

5.2.2 Subsequent events

For subsequent events of the Group from 1 January 2026 to the Latest Practicable Date, please refer to Note 53 to the financial statements. Save as disclosed above, from 1 January 2026 to the Latest Practicable Date, there has not been any non-financial event that may cause material effects on the results of the Group.

5.2.3 Future business development trends of the Bank

See details in section 4.14 "Prospects and Measures" in this annual report.

5.2.4 Major risks and uncertainties faced by the Bank

See details in section 4.10 "Risk Management" in this annual report.

5.3 RESERVES AND RESERVES AVAILABLE FOR DISTRIBUTION

Please refer to the financial statements for details of the movement in reserves of the Group during the Reporting Period and the reserves available for distribution as of the end of the Reporting Period.

5.4 FIXED ASSETS

Please refer to Note 23 to the financial statements for details of movements in the fixed assets of the Group as of the end of the Reporting Period.

5.5 HOLDING OF SHARES OF OTHER LISTED COMPANIES

As of the end of the Reporting Period, the Bank has not held shares of other listed companies.

5.6 PURCHASE, SALE OR REDEMPTION OF THE BANK'S LISTED SECURITIES

There was no purchase, sale or redemption by the Group of listed securities of the Bank (including the sale of treasury shares (as defined in the Hong Kong Listing Rules)) during the Reporting Period. As of the end of the Reporting Period, the Bank did not hold any treasury shares.

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5.7 PRE-EMPTIVE RIGHTS

The Articles of Association of the Bank does not provide for pre-emptive rights. There are no pre-emptive rights for the shareholders of the Bank.

5.8 RETIREMENT BENEFITS

In addition to participating in the national basic social pension scheme in accordance with the law, employees of the Bank also participate in an enterprise annuity plan established by the Bank according to the state enterprise annuity system. The Bank contributes to the enterprise annuity plan based on certain percentages of the employees' gross salaries. Provided that employees of the Bank are dismissed or cancelled the employment contract due to the violation of laws or disciplines, the Bank reserves the right to recover the unvested enterprise annuity contributions and transfer back to the Bank's enterprise annuity account. During the Reporting Period, the amount of forfeited contributions was not material. Please refer to Note 37 to the financial statements for details of the retirement benefits provided to employees by the Bank.

5.9 MAJOR DEPOSITORS/BORROWERS

The Bank is not dependent too much on a single major depositor/borrower. As of the end of the Reporting Period, the operating income generated from the five largest depositors/borrowers of the Bank represented an amount not exceeding 30% of the total operating income of the Bank. The directors of the Bank and its related (connected) persons did not have any significant interest in the aforementioned five largest depositors/borrowers.

5.10 PROFILE OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Please refer to Chapter VII "Profile of Directors, Supervisors, Senior Management, Employees and Institutions" in this annual report.

Chapter V Report of the Board of Directors

5.11 INTERESTS AND SHORT POSITIONS HELD BY THE DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES OF THE BANK UNDER HONG KONG LAWS AND REGULATIONS

As of the end of the Reporting Period, the following directors, supervisors and chief executives of the Bank and their respective associates had the interests or short positions in the shares, underlying shares and debentures of the Bank or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance) as recorded in the register required to be kept under Section 352 of the Securities and Futures Ordinance or as otherwise notified to the Bank and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 of the Hong Kong Listing Rules. The table below reflects the number of shares, any interests or short positions in underlying shares and debentures held by the directors, supervisors and chief executives of the Bank:

Name	Position	Class of Shares	Status	Number of shares (share) (Long position)	Percentage in issued shares of relevant class (%)	Percentage in all issued ordinary shares (%)
Dai Peikun	Independent Non-executive Director	Domestic Shares	Interest of the Spouse	3,079	0.0000	0.0000
He Jiehua	Chairman of the Board of Supervisors, Employee Supervisor, Chairman of the Labor Union Committee	Domestic Shares	Interest of the Spouse	8,928	0.0001	0.0001
Zhong Qiushi	Employee Supervisor	Domestic Shares	Beneficial Owner	32,133	0.0003	0.0002
Sun Zhen	Employee Supervisor, president of Huaibei Branch of the Bank	Domestic Shares	Beneficial Owner	38,085	0.0004	0.0003

Save as disclosed above, as of the end of the Reporting Period, the Bank was not aware of any other directors, supervisors and chief executives of the Bank and their respective associates having any interests or short positions in any shares, underlying shares and debentures of the Bank or its associated corporations.

5.12 DIRECTORS' AND SUPERVISORS' RIGHTS TO PURCHASE SHARES OR DEBENTURES

During the Reporting Period, none of the directors, supervisors of the Bank or their respective spouses or children under the age of 18 years acquired any right by way of purchase of shares or bonds of the Bank or exercised any such related rights; and none of the Bank or any of its subsidiaries had made any arrangements to enable the directors, supervisors of the Bank or their respective spouses or children under the age of 18 years to obtain such rights in any other body corporate.

5.13 DIRECTORS' INTERESTS IN COMPETING BUSINESSES

None of the directors of the Bank had any interest in any business that constitutes or may constitute, directly or indirectly, a competing business of the Bank.

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5.14 FINANCIAL, BUSINESS AND FAMILY RELATIONSHIPS AMONG DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Save as disclosed in this annual report, there are no other relationships among the directors, supervisors and senior management of the Bank, including financial, business, family or other material or related relationships.

5.15 DIRECTORS' AND SUPERVISORS' INTERESTS IN CONTRACTS AND SERVICE CONTRACTS

During the Reporting Period, no director or supervisor of the Bank (or its related (connected) entities) had any direct or indirect significant interest in any transaction, arrangement or contract of significance entered into by the Bank or other subsidiaries. None of the directors and supervisors of the Bank has entered into service contracts with the Bank that cannot be terminated by the Bank within one year without payment of compensation (other than statutory compensation). During the Reporting Period, none of the Bank or its subsidiaries had any arrangement that enabled the directors and supervisors of the Bank to acquire benefits by acquiring shares in and debentures of companies or any other corporate body.

5.16 PENALTIES OR INVESTIGATIONS OF DIRECTORS AND SUPERVISORS OF THE BANK

During the Reporting Period, no director or supervisor of the Bank has been subject to penalties or investigations by competent authorities causing a material impact on the operations of the Bank.

5.17 RELATED PARTY (CONNECTED) TRANSACTIONS

In the ordinary course of business, the Bank provides commercial banking services and products to the public in China, including the Bank's directors, supervisors and/or their respective associates. During the Reporting Period, connected transactions carried out between the Bank and connected persons (as defined under the Hong Kong Listing Rules) were conducted under normal commercial principles, which were not favorable as the conditions for similar transactions with non-connected persons. The transaction terms were fair and reasonable and in the interests of the Bank and shareholders as a whole. For a series of connected transactions with connected persons conducted by the Bank, all complied with the aforementioned conditions for connected transactions and were exempted from the requirements of reporting, announcement, annual review, circular and independent shareholders' approval under Chapter 14A of the Hong Kong Listing Rules.

The related party transactions of the Bank mainly refer to the ordinary on- and off-balance sheet businesses, including loans, debt securities, bill acceptance, letters of credit, and deposits. As of the end of the Reporting Period, the Bank has approximately 6,523 related legal entities and approximately 2,748 related natural persons. The related party transactions of the Bank totaled RMB292,381 million, of which the balance of credit granted in related party transactions amounted to RMB23,137 million, and services, deposits (exclusive of demand deposits) and other kinds of related party transactions amounted to RMB269,244 million.

As of the end of the Reporting Period, the percentage of the balance of credit facilities granted by the Bank to a single related party, the group in which the related party is a member and all related parties to the Bank's net capital as at the end of the Reporting Period complied with the regulatory requirements for the related party transactions.

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5.17 RELATED PARTY (CONNECTED) TRANSACTIONS (CONTINUED)

During the Reporting Period, the Bank implemented the latest regulatory requirements for related party (connected) transactions by dynamically collecting information on related parties (connected persons), thereby strengthening the foundation for effective identification and statistical reporting of related party (connected) transactions. The Bank regularly reported to the Board of Directors and the Board of Supervisors on the status of related party (connected) transactions and continued to manage related party (connected) transactions on a day-to-day basis. The Bank optimized functions in its related party (connected) transactions management system, such as identifying suspected related parties (connected persons), and further improving the system intelligence of related party (connected) transactions. The Bank adopted multiple measures to disseminate and implement compliance requirements for related party (connected) transactions, strengthened the role of the first line of defense in risk prevention, improved the whole-process risk control mechanism for related party (connected) transactions, further strengthened the management of related party (connected) transaction proposals, and strictly performed review, approval, reporting and disclosure procedures on related party (connected) transactions. During the Reporting Period, the Bank's independent non-executive directors issued independent opinions on the Bank's related party (connected) transactions.

The Note 48 to the financial statements discloses, among others, the related party transactions of the Bank during the Reporting Period in accordance with the International Accounting Standards. These related party transactions do not constitute the connected transactions of the Bank under the requirements of Chapter 14A of the Hong Kong Listing Rules.

5.18 MATERIAL LITIGATION AND ARBITRATIONS

Insofar as the Bank is aware, as of the end of the Reporting Period, the Bank, was involved in the following litigation proceeding in its regular course of business: the aggregate number of material pending litigation and arbitrations involving the Bank as a plaintiff amounted to 17, with a total amount of approximately RMB1,427 million. The number of pending and material litigation and arbitrations involving the Bank as a defendant amounted to 5, totaling approximately RMB5,872.6 million (among these cases, the Bank was involved in one case as a third party, with an amount of approximately RMB3,398 million, in October 2025, the People's Court issued the judgment of first instance trial rejecting all of the plaintiff's claims). The Bank made full provisions for expected credit loss of loans involved in the cases above according to expected losses prudently, which will have no material adverse effect on the Bank's financial position and operating results.

5.19 ASSET ACQUISITION, DISPOSAL AND REORGANIZATION

During the Reporting Period, some assets of the Bank had been pledged to other banks and the Ministry of Finance of the PRC as collaterals for a sale and repurchase agreement and treasury deposits, details of which are set out in Note 43 to the financial statements. The banking regulatory authority approved the Bank's acquisition of 51% equity interest in Wuwei Huiyin, details of which are set out in section 4.3.1.3 "Subsidiaries and major companies in which the Bank has shareholdings" of this annual report.

Apart from the above, the Bank has no other asset acquisition, disposal or reorganization outside the normal scope of business.

As of the end of the Reporting Period, the Bank had no material investments that are required to be disclosed under Rule 32(4A) of Appendix D2 of the Hong Kong Listing Rules.

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5.20 USE OF FUNDS BY RELATED PARTIES (CONNECTED PERSONS)

During the Reporting Period, neither the major shareholders nor the related parties (connected persons) of the Bank used any funds of the Bank for non-operating purposes, and no proceeds of the Bank were used in any unfair related party (connected) transactions.

5.21 REVIEW OF ANNUAL RESULTS

The financial report of the Group prepared under IFRS has been audited by KPMG and a standard audit report with unqualified opinions has been issued. The Bank's Audit Committee of the Board has reviewed the results and the financial reports of the Group as of the end of the Reporting Period.

Any discrepancies between the total amount and percentages and the sum of items shown in the tables in this report are due to rounding. In case of any discrepancies between the Chinese and English versions of this report, the Chinese version shall prevail.

5.22 PROFIT AND DIVIDENDS

The Board is required to submit the proposals in respect of dividend payments to a shareholders' general meeting for approval. The Board will, according to the relevant laws, regulations and regulatory requirements, consider whether to pay dividends and the amount of dividend payments based on the Bank's results of operations, cash flow, financial condition, capital adequacy ratios, future business prospects, statutory and regulatory restrictions and other factors that the Board of Directors of the Bank deems relevant. The Bank may pay dividends in cash or shares. The Bank's dividend distribution conformed to the Articles of Association and the resolutions of the general meeting of the Bank.

In accordance with the resolutions passed at the 2024 annual general meeting held on 30 June 2025, the Bank declared a cash dividend of RMB2.1 (tax inclusive) per 10 shares to all shareholders based on the 2024 profit distribution plan, in an aggregate amount of approximately RMB2,916.86 million (tax inclusive), accounting for approximately 20% of the audited net profit of the Bank in 2024. On 22 August 2025, the final dividend for 2024 was paid to shareholders whose names were listed on the register of the Bank as of 10 July 2025. All cash dividends paid, which were denominated in RMB, were distributed to shareholders in RMB or Hong Kong Dollars, respectively. The exchange rate used for the calculation of dividends paid in Hong Kong Dollars was based on the average central parity rate of RMB against Hong Kong Dollars announced by the PBOC for the five working days before the 2024 annual general meeting of the Bank (i.e., 23, 24, 25, 26 and 27 June 2025).

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5.22 PROFIT AND DIVIDENDS (CONTINUED)

As to the 2025 profit distribution plan, the Board of Directors recommends a cash dividend of RMB2.5 (tax inclusive) per 10 shares to all shareholders, in an aggregate amount of approximately RMB3,472.45 million (tax inclusive), accounting for approximately 22% of the audited net profit of the Bank in 2025. The Board of Directors will submit the aforementioned profit distribution plan for approval at the 2025 annual general meeting. If the above profit distribution plan is approved at the 2025 annual general meeting, the Bank expects to complete such profit distribution within two months after the meeting. The Bank shall announce relevant arrangements on the 2025 annual general meeting in due course. The Bank shall also make an announcement in due course if there are any changes to the said expected dividend declaration

The Bank is not aware of any circumstances that any arrangements of waiver or agreed waiver of any dividends have been entered into by shareholders.

5.23 PUBLIC FLOAT

Based on the public information available to the Bank and to the knowledge of the Board of Directors, from April 2016 to the end of the Reporting Period, the Bank's H Share public float was below the Initial Prescribed Threshold (i.e., representing at least 25% of the Bank's total number of issued shares) as required in the Hong Kong Listing Rules. In view of the public float of the Bank's H Shares, after reviewed and approved at the Board meeting held on 6 February 2026, the Bank adopted an Alternative Threshold (as defined in the Hong Kong Listing Rules) for the public float with immediate effect. As at the Latest Practicable Date, the market capitalization of the Bank's H Shares held by the public, calculated in accordance with the Hong Kong Listing Rules, was approximately HK$7,888 million, and the public float of the Bank's H Shares was approximately 16.08%, satisfying the requirements of the Hong Kong Listing Rules regarding the Alternative Threshold. For details on the public float of the Bank's H Shares, please refer to the several announcements and circulars published by the Bank since 11 May 2016 in relation to, among others, the public float of the Bank's H Shares.

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5.24 TAX DEDUCTION

5.24.1 Overseas shareholders

According to the "Notice on the Collection of Personal Income Tax after the Expiration of National Tax Bureau Notice [1993] No. 045" (Guo Shui Han [2011] No. 348), which was released by the State Administration of Taxation on 28 June 2011, the responsible party should withhold personal income tax by law from overseas resident individual shareholders on their dividend income deriving from shares in domestic non-foreign invested companies issued in Hong Kong. However, the overseas resident individual shareholders who hold shares of domestic non-foreign invested companies issued in Hong Kong may be entitled to the relevant favorable tax treatments based on the tax treaties between the countries in which they are domiciled and China and the tax arrangements between Mainland China and Hong Kong (or Macau).

Based on the tax regulation mentioned above, the Bank will withhold personal income tax of the dividend at a 10% tax rate for the overseas individual H Shareholders. However, where there are different requirements otherwise specified in relevant tax regulations and tax agreements, the Bank will follow such requirements of the tax authorities.

The Bank will withhold a 10% enterprise income tax of the dividend for non-resident corporate overseas H Shareholders based on the "Law of the People's Republic of China on Enterprise Income Tax" and relevant implementation rules which have been effective since 1 January 2008.

If the overseas H Shareholders of the Bank have any queries regarding the tax arrangements mentioned above, please consult your tax consultants regarding the tax implications in Mainland China, Hong Kong and other countries (regions) for holding and disposing of the Bank's H Shares.

5.24.2 Mainland shareholders of Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect

Pursuant to the "Notice on the Tax Policies Concerning the Pilot Program of the Shanghai-Hong Kong Stock Connect" (Cai Shui [2014] No. 81) and the "Notice on the Tax Policies Concerning the Pilot Program of the Shenzhen-Hong Kong Stock Connect" (Cai Shui [2016] No. 127), which were jointly released by the Ministry of Finance, the State Administration of Taxation and the CSRC on 31 October 2014 and 5 November 2016, respectively, for dividends obtained by the mainland individual investors from H shares listed on the Hong Kong Stock Exchange invested by them through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, such H Share companies shall apply to China Securities Depository and Clearing Corporation Limited (hereinafter referred to as the "CSDC") for providing the register of mainland individual investors and withhold personal income tax at a 20% tax rate from mainland individual investors. For dividends obtained by the mainland individual investors from non-H Shares listed on the Hong Kong Stock Exchange invested by them through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, the CSDC will withhold personal income tax at 20% tax rate. Individual investors may, by producing valid tax payment certificates, apply to the competent tax authority under the CSDC for tax credits relating to the withholding tax already paid abroad.

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5.24 TAX DEDUCTION (CONTINUED)

5.24.2 Mainland shareholders of Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect (Continued)

For dividend income obtained by the mainland security investment funds from shares listed on the Hong Kong Stock Exchange invested by them through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, personal income tax shall be withheld according to the above regulations.

For dividend income obtained by the mainland corporate investors from shares listed on the Hong Kong Stock Exchange invested by them through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, such income shall be included in their total revenue and enterprise income tax shall be withheld by law. Meanwhile, for dividend income obtained by mainland resident enterprises from holding H shares for 12 consecutive months, enterprise income tax shall be exempted by law. H Share companies listed on the Hong Kong Stock Exchange shall apply to the CSDC for providing the register of mainland enterprise investors. The H-share companies shall not withhold income tax of dividends for mainland enterprise investors and such investors shall declare and pay relevant tax themselves.

The tax deduction mentioned above is a general tax requirement stipulated by the relevant laws and regulations. If the relevant profit distribution plan is considered and approved at the general meeting of the Bank, the Bank will make adjustments according to the actual condition and make further announcements on the specific tax requirements implemented pursuant to the prevailing valid tax regulations at that time.

5.25 PERMITTED INDEMNITY PROVISIONS

During the Reporting Period, the Bank has maintained appropriate liability insurance for directors, supervisors and senior management to indemnify the directors, supervisors and senior management for their corresponding liabilities arising from the Company's affairs.

5.26 DONATION

The Bank has continuously fulfilled its social responsibilities, earnestly committed itself to public welfare undertakings, actively helped the disadvantaged groups, and launched relief donations to disaster-affected areas, designated assistance areas or the socially disadvantaged groups in difficulty; launched public welfare donations for science, education, culture, health and sports undertakings, environmental protection, energy saving and emission reduction, the construction of social public facilities and other social public welfare undertakings; and launched donations to other social public and welfare undertakings that contribute to social development and progress. During the Reporting Period, the Bank made a total donation of approximately RMB1,705,000, providing great support to science, education, culture and health and the flood prevention and disaster relief as well as other public welfare undertakings.

5.27 MANAGEMENT CONTRACTS

Except for the service contracts of the management of the Bank, the Bank did not enter into any other contracts with any individual, company or body corporate to manage or deal with the whole part or any significant part of the Bank's business.

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5.28 STOCK-LINKED AGREEMENTS

The Bank did not enter into any stock-linked agreement during the Reporting Period, and there was no stock-linked agreement remaining effective by the end of the Reporting Period.

5.29 ISSUE OF DEBENTURES

To supplement the capital of the Group and expand the sources of liabilities to enhance the maturity matching of assets and liabilities, the Group issued various types of debentures, the details of which during the Reporting Period are presented as follows:

5.29.1 The Bank issued RMB8.0 billion of tier 2 capital bonds on 24 September 2020 in China's inter-bank bond market, with a maturity of 10 years and a fixed coupon rate of 4.50%, payable annually. The Bank has an option to redeem part or all of these bonds at nominal value on the last day of the fifth year of interest accrued of bonds, subject to the approval from relevant regulatory authorities. The bonds were fully redeemed on 28 September 2025 upon the exercise of the redemption right.

5.29.2 The Bank issued RMB6.0 billion of tier 2 capital bonds on 22 October 2021 in China's inter-bank bond market, with a maturity of 10 years and a fixed coupon rate of 4.09%, payable annually. The Bank has an option to redeem part or all of these bonds at nominal value on the last day of the fifth year of interest accrued of bonds, subject to the approval from relevant regulatory authorities.

5.29.3 The Bank issued RMB10.0 billion of financial bonds on 25 February 2022 in China's inter-bank bond market, with a maturity of 3 years and a fixed coupon rate of 2.83%, payable annually. The bonds were due for payment on 1 March 2025.

5.29.4 The Bank issued RMB5.0 billion of green financial bonds on 5 August 2022 in China's inter-bank bond market, with a maturity of 3 years and a fixed coupon rate of 2.53%, payable annually. The bonds were due for payment on 9 August 2025.

5.29.5 The Bank issued RMB20.0 billion of financial bonds on 10 July 2023 in China's inter-bank bond market, with a maturity of 3 years and a fixed coupon rate of 2.69%, payable annually.

5.29.6 The Bank issued RMB10.0 billion of perpetual bonds on 26 October 2023 in China's inter-bank bond market, with a coupon rate of 3.80%, payable annually. The coupon rate of the bonds may be adjusted at different intervals, subject to adjustment every five years. In any adjusted coupon rate period, the interest of the bonds will be paid at the same prescribed interest rate. The Bank may redeem the bonds in whole or in part on each distribution payment date after 5 years (including the distribution payment date of the fifth year) after the issuance date of the bonds.

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5.29 ISSUE OF DEBENTURES (CONTINUED)

5.29.7 The Bank issued RMB10.0 billion of special financial bonds for small and micro enterprises loans on 20 November 2023 in China's inter-bank bond market, with a maturity of 3 years and a fixed coupon rate of 2.78%, payable annually.

5.29.8 The Bank issued RMB20.0 billion of financial bonds on 22 May 2024 in China's inter-bank bond market, with a maturity of 3 years and a fixed coupon rate of 2.25%, payable annually.

5.29.9 The Bank issued RMB10.0 billion of perpetual bonds on 11 November 2024 in China's inter-bank bond market, with a coupon rate of 2.55%, payable annually. The coupon rate of the bonds may be adjusted at different intervals, subject to adjustment every five years. In any adjusted coupon rate period, the interest of the bonds will be paid at the same prescribed interest rate. The Bank may redeem the bonds in whole or in part on each distribution payment date after 5 years (including the distribution payment date of the fifth year) after the issuance date of the bonds.

5.29.10 The Group's subsidiary, Huishang Bank Financial Leasing, issued RMB1.5 billion of financial bonds on 14 November 2024 in China's inter-bank bond market, with a maturity of 3 years and a fixed coupon rate of 2.19%, payable annually.

5.29.11 The Group's subsidiary, Huishang Bank Financial Leasing, issued RMB2.0 billion of green financial bonds on 10 January 2025 in China's inter-bank bond market, with a maturity of 3 years and a fixed coupon rate of 1.80%, payable annually. On 31 December 2025, the actual amount issued by the Group to the public was RMB1.8 billion.

5.29.12 The Group's subsidiary, Huishang Bank Financial Leasing, issued RMB2.5 billion of financial bonds on 16 May 2025 in China's inter-bank bond market, with a maturity of 3 years and a fixed coupon rate of 1.90%, payable annually.

5.29.13 The Bank issued RMB5.0 billion of Sci-tech Innovation Bonds on 20 May 2025 in China's inter-bank bond market, with a maturity of 3 years and a fixed coupon rate of 1.67%, payable annually.

5.29.14 The Bank issued RMB15.0 billion of financial bonds on 28 May 2025 in China's inter-bank bond market, with a maturity of 3 years and a fixed coupon rate of 1.78%, payable annually.

5.29.15 The Bank issued RMB10.0 billion of tier 2 capital bonds on 5 December 2025 in China's inter-bank bond market, with a maturity of 10 years and a fixed coupon rate of 2.38%, payable annually. The Bank has an option to redeem part or all of these bonds at nominal value on the last day of the fifth year of interest accrued of these bonds, subject to the approval from relevant regulatory authorities.

Chapter V Report of the Board of Directors

5.29 ISSUE OF DEBENTURES (CONTINUED)

5.29.16 The Bank issued RMB10.0 billion of special financial bonds for small and micro enterprises loans on 10 December 2025 in China's inter-bank bond market, with a maturity of 3 years and a fixed coupon rate of 1.87%, payable annually.

5.29.17 In 2025, the Bank issued 235 zero-coupon interbank certificates of deposit with a total face value of RMB352,100 million, with maturities ranging from one month to one year. As of 31 December 2025, the aggregate face value of 184 undue interbank certificates of deposit amounted to RMB271,840 million.

By order of the Board
Kong Qinglong
Executive Director, President and
Chief Compliance Officer

Chapter VI Changes in Share Capital and Particulars of Shareholders

6.1 CHANGES IN ORDINARY SHARES OF THE BANK DURING THE REPORTING PERIOD

	31 December 2025		Changes during the Reporting Period	31 December 2024	
	shares (share)	Percentage (%)	shares (share)	shares (share)	Percentage (%)
Domestic Shares	**10,411,051,211**	**74.95**	0	10,411,051,211	74.95
H Shares	**3,478,750,000**	**25.05**	0	3,478,750,000	25.05
Total number of ordinary shares	**13,889,801,211**	**100.00**	0	13,889,801,211	100.00

Note: As of the end of the Reporting Period, the Bank had a total of 17,074 shareholders of ordinary shares, including 1,254 shareholders of H Shares and 15,820 shareholders of Domestic Shares; the Bank had no controlling shareholders or de facto controller. According to the trustee agency, a total of 6,000,000 pledged shares were under judicial freeze or other situations.

6.2 INFORMATION ON THE SHAREHOLDINGS OF THE TOP TEN HOLDERS OF ORDINARY SHARES

As of the end of the Reporting Period, the order of the top ten holders of ordinary shares of the Bank was sorted by: (1) for H Shares, the aggregate of the H Shares of the Bank held by investors which were deposited into the Central Clearing and Settlement System of the Hong Kong Stock Exchange and registered under the name of HKSCC NOMINEES LIMITED, a wholly-owned subsidiary of the Hong Kong Stock Exchange, representing 25.02% of the total share capital of ordinary shares and representing 99.90% of the total H Shares issued; and (2) for Domestic Shares, the order was based on the number of shares held directly under the domestic shareholders register kept by CSDC.

No.	Name of shareholder	Number of shares held as at the end of the Reporting Period (share)	Percentage to total share capital of ordinary shares (%)	Type of shares	Increase/ decrease during the Reporting Period (share)	Pledged or frozen (share)
1	HKSCC Nominees Limited	3,475,300,577	25.02	H Share	(3,701)	–[1]
2	Deposit Insurance Fund Management Co., Ltd.	1,559,000,000	11.22	Domestic Share	0	0
3	Anhui Province Energy Group Company Limited	843,363,819	6.07	Domestic Share	0	0
4	Anhui Guoyuan Financial Holding Group Co., Ltd.	837,810,695	6.03	Domestic Share	0	0
5	Anhui Credit Financing Guaranty Group Co., Ltd.	827,658,091	5.96	Domestic Share	0	0
6	Anhui Transportation Holding Group Co., Ltd.	705,349,937	5.08	Domestic Share	0	0
7	Zhongjing Sihai Co., Ltd.	506,102,476	3.64	Domestic Share	0	0
8	Hefei Xingtai Financial Holdings (Group) Co., Ltd.	378,395,999	2.72	Domestic Share	0	0
9	CCB Trust Co., Ltd.	313,672,053	2.26	Domestic Share	0	0
10	Wuhu Investment Holding Group Co., Ltd. (蕪湖市投資控股集團有限公司)[2]	294,012,833	2.12	Domestic Share	0	0

Notes: (1) The relevant information has not yet been obtained by the Bank, nor can it be verified based on the existing information.

(2) According to the public disclosure made by Wuhu Investment Holding Group Co., Ltd. and the information provided to the Bank, the name of the company has been changed from "Wuhu Construction Investment Co., Ltd." to "Wuhu Investment Holding Group Co., Ltd." on 17 January 2025.

Chapter VI Changes in Share Capital and Particulars of Shareholders

6.3 SUBSTANTIAL SHAREHOLDERS OF ORDINARY SHARES

According to the relevant requirements of the Interim Measures for the Equity Management of Commercial Banks, based on the register of members maintained by trustee agency of ordinary shares of the Bank and the information publicly disclosed and submitted by substantial shareholders to the Bank, etc., the substantial shareholders of ordinary shares of the Bank as of the end of the Reporting Period are as follows:

No.	Name of substantial shareholder	Number of shares	Individual shareholding ratio (%)	Joint shareholding ratio (%)	Increase/ decrease of shareholding during the Reporting Period (share)
1	Deposit Insurance Fund Management Co., Ltd.	1,559,000,000	11.22	11.22	0
2	Zhongjing Xinhua Asset Investment Management Co., Ltd.	224,781,227	1.62	10.59	0
	Wealth Honest Limited	631,871,000	4.55		0
	Golden Harbour Investments Management Limited	440,000,000	3.17		0
	Zhongjing Xinhua Property Management (Hong Kong) Co., Limited	173,993,400	1.25		0
3	Anhui Province Energy Group Company Limited	843,363,819	6.07	9.70	0
	An Hui Wenergy Company Limited	150,814,726	1.09		0
	Xing An Holdings Limited	329,973,600	2.38		0
	Anhui Natural Gas Development Co., Ltd.	23,579,472	0.17		0
4	Anhui Credit Financing Guaranty Group Co., Ltd.	827,658,091	5.96	7.65	0
	Anhui Guaranteed Asset Management Co., Ltd.	235,177,222	1.69		0
5	Wkland Finance Holding Company Limited	562,254,000	4.05	7.00	0
	Wkland Finance Holding II Company Limited	410,130,600	2.95		0
6	Anhui Guoyuan Financial Holding Group Co., Ltd.	837,810,695	6.03	6.29	0
	Anhui Guoyuan Trust Co., Ltd.	35,751,470	0.26		0
	Anhui Guoyuan Ma'anshan Asset Management Co., Ltd.	361,662	0.00		0
7	Anhui Transportation Holding Group Co., Ltd.	705,349,937	5.08	5.10	0
	Anhui Transportation Holding Group (H.K.) Limited	3,299,700	0.02		0
8	Hefei Xingtai Financial Holdings (Group) Co., Ltd.	378,395,999	2.72	4.98	0
	CCB Trust Co., Ltd.	313,672,053	2.26		0
9	Zhongjing Sihai Co., Ltd.	506,102,476	3.64	3.64	0
10	Wuhu Investment Holding Group Co., Ltd.	294,012,833	2.12	2.12	0

Chapter VI Changes in Share Capital and Particulars of Shareholders

6.3 SUBSTANTIAL SHAREHOLDERS OF ORDINARY SHARES (CONTINUED)

(1) Deposit Insurance Fund Management Co., Ltd. was established on 24 May 2019. It was registered in Beijing with a registered capital of RMB10 billion. Its legal representative is Wang Yuling. Its scope of business includes conducting investment in equity, debts, funds, etc.; managing relevant assets of the deposit insurance fund according to law; acquiring, operating, managing and disposing of assets directly or by entrustment; handling deposit insurance related businesses according to law; asset evaluation; as well as other businesses as approved by the relevant state departments. According to the information submitted by shareholders, its controlling shareholder is the People's Bank of China. It has no de facto controller. Its ultimate beneficiary is Deposit Insurance Fund Management Co., Ltd. and it does not have any persons acting in concert. As at the end of the Reporting Period, Deposit Insurance Fund Management Co., Ltd. did not pledge any shares of the Bank. Deposit Insurance Fund Management Co., Ltd. has appointed Ma Lingxiao to the Bank as a director.

(2) Zhongjing Xinhua Asset Investment Management Co., Ltd. was established on 14 June 2003. It was registered in Huangshan of Anhui Province with a registered capital of RMB2.875 billion. Its legal representative is LU JIAXIAN. Its scope of business includes enterprise investment management; enterprise management, enterprise mergers and acquisitions as well as asset restructuring planning; project investment consultation, economic information consultation, business information consultation, market information consultation and research, asset operation, industrial investment, investment consultation, technology consultation, and technical service. According to the information submitted by shareholders, its controlling shareholder is Jing'An Shanghai Silver Investment Co., Ltd., its de facto controller is Shanghai Soong Ching Ling Foundation. Its ultimate beneficiaries are women and children who received charitable donations from Shanghai Soong Ching Ling Foundation across the country and it does not have any persons acting in concert. As at the end of the Reporting Period, Zhongjing Xinhua Asset Investment Management Co., Ltd. did not pledge any shares of the Bank and 224,781,227 Domestic Shares of the Bank held by it were judicially frozen.

Wealth Honest Limited was incorporated in British Virgin Islands on 30 March 2006. Its legal representative is GAO YANG. Its scope of business includes investment. According to the information submitted by shareholders, its controlling shareholder is Zhongjing Xinhua Property Management (Hong Kong) Co., Limited, its de facto controller is Shanghai Soong Ching Ling Foundation, its ultimate beneficiaries are women and children who received charitable donations from Shanghai Soong Ching Ling Foundation across the country and it does not have any persons acting in concert. As at the end of the Reporting Period, Wealth Honest Limited did not pledge any shares of the Bank.

Golden Harbour Investments Management Limited was incorporated in British Virgin Islands on 28 October 2016. Its general manager is Hu Liang. Its scope of business includes investment. According to the information submitted by shareholders, its controlling shareholder is Wealth Honest Fund LP, its de facto controller is Shanghai Soong Ching Ling Foundation, its ultimate beneficiaries are women and children who received charitable donations from Shanghai Soong Ching Ling Foundation across the country and it does not have any persons acting in concert. As at the end of the Reporting Period, Golden Harbour Investments Management Limited did not pledge any shares of the Bank.

Chapter VI Changes in Share Capital and Particulars of Shareholders

6.3 SUBSTANTIAL SHAREHOLDERS OF ORDINARY SHARES (CONTINUED)

(2) (Continued)

Zhongjing Xinhua Property Management (Hong Kong) Co., Limited was incorporated in Hong Kong on 28 January 2014. Its legal representative is GAO YANG. Its scope of business includes investment. According to the information submitted by shareholders, its controlling shareholder is Zhongjing Xinhua Asset Investment Management Co., Ltd., its de facto controller is Shanghai Soong Ching Ling Foundation, its ultimate beneficiaries are women and children who received charitable donations from Shanghai Soong Ching Ling Foundation across the country and it does not have any persons acting in concert. As at the end of the Reporting Period, Zhongjing Xinhua Property Management (Hong Kong) Co., Limited did not pledge any shares of the Bank.

Meanwhile, according to the public information of the National Enterprise Credit Information Publicity System, as of the Latest Practicable Date, the registered shareholders of Zhongjing Industry (Group) Limited (中靜實業(集團)有限公司), the indirect controlling shareholder of Zhongjing Xinhua Asset Investment Management Co., Ltd. are Shanghai Gaoyang Youren Asset Management Co., Ltd. (上海高央友人資產經營管理有限公司), Shanghai Gaoyang Family Asset Management Co., Ltd. (上海高央家人資產經營管理有限公司) and Shanghai Gaoyang Colleague Asset Management Co., Ltd. (上海高央同事資產經營管理有限公司).

(3) Anhui Province Energy Group Company Limited was established on 9 April 1990. It was registered in Hefei of Anhui Province with a registered capital of RMB10.23 billion. Its legal representative is Li Ming. Its scope of business includes enterprise management; investment activities with its own funds; asset management services invested with its own funds; research and development of emerging energy technologies; technology development of carbon emission reduction, carbon conversion, carbon capture, utilization and storage; heat production and supply (except for licensed activities, the company may independently operate projects not prohibited or restricted by laws and regulations). Licensed items: power generation, transmission and supply (distribution) business; hydropower generation; gas operations. According to the information submitted by shareholders, its controlling shareholder is the State-owned Assets Supervision and Administration Commission of Anhui Provincial People's Government, its de facto controller is the State-owned Assets Supervision and Administration Commission of Anhui Provincial People's Government, its ultimate beneficiary is Anhui Province Energy Group Company Limited and it does not have any persons acting in concert. As at the end of the Reporting Period, Anhui Province Energy Group Company Limited did not pledge any shares of the Bank. Anhui Province Energy Group Company Limited has appointed Lu Hao to the Bank as a director.

Chapter VI Changes in Share Capital and Particulars of Shareholders

6.3 SUBSTANTIAL SHAREHOLDERS OF ORDINARY SHARES (CONTINUED)

(3) (Continued)

An Hui Wenergy Company Limited was established on 13 December 1993. It was registered in Hefei of Anhui Province with a registered capital of RMB2,266,863,331. Its legal representative is Li Ming. Its scope of business includes licensed items: power generation, transmission and supply (distribution) business; construction projects; hydropower generation; general items: heat production and supply; energy management contract; energy-saving management service; research and development of high-efficiency energy-saving technologies in the power industry; intelligent power transmission and distribution and sales of control equipment; technical services for solar power generation; technical services for wind power generation; research and development of wind farm related systems; research and development of emerging energy technologies; technology development of carbon emission reduction, carbon conversion, carbon capture, utilization and storage; research and development of new material technology; application system integration service for the artificial intelligence industry; energy storage technology service; industrial Internet data services; sales of coal and its products; technical service, technology development, technology consultation, technology exchange, technology transfer, technology promotion; investment activities with internal funds. According to the information submitted by shareholders, its controlling shareholder is Anhui Province Energy Group Company Limited, its de facto controller is the State-owned Assets Supervision and Administration Commission of Anhui Provincial People's Government, its ultimate beneficiary is An Hui Wenergy Company Limited and it does not have any persons acting in concert. As at the end of the Reporting Period, An Hui Wenergy Company Limited did not pledge any shares of the Bank.

Xing An Holdings Limited was incorporated in Hong Kong with a registered capital of HK$1,000,010,000 on 30 June 2004. Its legal representative is Li Ming. Its scope of business includes electricity investment. According to the information submitted by shareholders, its controlling shareholder is Anhui Province Energy Group Company Limited, its de facto controller is the State-owned Assets Supervision and Administration Commission of Anhui Provincial People's Government, its ultimate beneficiary is Anhui Province Energy Group Company Limited and it does not have any persons acting in concert. As at the end of the Reporting Period, Xing An Holdings Limited did not pledge any shares of the Bank.

Anhui Natural Gas Development Co., Ltd. was established on 14 February 2003. It was registered in Hefei of Anhui Province with a registered capital of RMB478,219,266. Its legal representative is Wu Hai. Its scope of business includes construction, operation and management of the natural gas trunk and branch pipeline network in the province; participation in the development, construction, operation and management of urban natural gas pipeline network; purchase of natural gas resources upstream on behalf of Anhui Province, and sale of natural gas to urban pipeline network and major users; development of natural gas and coal seam gas and other energy applications and related projects, including liquefied natural gas (LNG), compressed natural gas (CNG), natural gas vehicle refueling stations; engagement in other businesses related to or supporting the above. According to the information submitted by shareholders, its controlling shareholder is Anhui Province Energy Group Company Limited, its de facto controller is the State-owned Assets Supervision and Administration Commission of Anhui Provincial People's Government, its ultimate beneficiary is Anhui Natural Gas Development Co., Ltd. and it does not have any persons acting in concert. As at the end of the Reporting Period, Anhui Natural Gas Development Co., Ltd. did not pledge any shares of the Bank.

Chapter VI Changes in Share Capital and Particulars of Shareholders

6.3 SUBSTANTIAL SHAREHOLDERS OF ORDINARY SHARES (CONTINUED)

(4) Anhui Credit Financing Guaranty Group Co., Ltd. was established on 25 November 2005. It was registered in Hefei of Anhui Province with a registered capital of RMB27,566.0 million. Its legal representative is Wang Zhaohui. Its scope of business includes performance guarantee business such as loan guarantee, promissory notes guarantee, trade finance guarantee, project financing guarantee, letter of credit guarantee; re-guarantee and bond issuance guarantee business; procedural preservative guarantee, tender guarantee, prepayment guarantee, project performance guarantee, final payment guarantee, etc.; financing consultancy, financial advisory services and business information consultation relating to the provision of guarantee; investment with self-own capital. According to the information submitted by shareholders, its controlling shareholder is the People's Government of Anhui Province, its de facto controller is the People's Government of Anhui Province, its ultimate beneficiary is Anhui Credit Financing Guaranty Group Co., Ltd. and it does not have any persons acting in concert. As at the end of the Reporting Period, Anhui Credit Financing Guaranty Group Co., Ltd. did not pledge any shares of the Bank. Anhui Credit Financing Guaranty Group Co., Ltd. has appointed Wang Zhaohui to the Bank as a director.

Anhui Guaranteed Asset Management Co., Ltd. was established on 9 July 2015. It was registered in Hefei of Anhui Province with a registered capital of RMB1.5 billion. Its legal representative is Zhang Lunchao. Its scope of business includes entrusted disposal of guaranteed non-performing assets, acquisition of guaranteed non-performing assets, idle capital operation, house leasing, and guarantee business consulting. According to the information submitted by shareholders, its controlling shareholder is Anhui Credit Financing Guaranty Group Co., Ltd., its de facto controller is the People's Government of Anhui Province, its ultimate beneficiary is Anhui Guaranteed Asset Management Co., Ltd. and it does not have any persons acting in concert. As at the end of the Reporting Period, Anhui Guaranteed Asset Management Co., Ltd. did not pledge any shares of the Bank.

(5) Wkland Finance Holding Company Limited was incorporated in British Virgin Islands on 28 October 2013. It has two directors, namely Yip Hoi Man and Mo Fan. According to the information submitted by shareholders, its controlling shareholder is Wkland Limited, its de facto controller is China Vanke Co., Ltd., its ultimate beneficiary is China Vanke Co., Ltd. and it acts in concert with Wkland Finance Holding II Company Limited. As at the end of the Reporting Period, Wkland Finance Holding Company Limited did not pledge any shares of the Bank.

Wkland Finance Holding II Company Limited was incorporated in British Virgin Islands on 28 October 2013. It has two directors, namely Yip Hoi Man and Mo Fan. According to the information submitted by shareholders, its controlling shareholder is Wkland Limited, its de facto controller is China Vanke Co., Ltd., its ultimate beneficiary is China Vanke Co., Ltd. and it acts in concert with Wkland Finance Holding Company Limited. As at the end of the Reporting Period, Wkland Finance Holding II Company Limited did not pledge any shares of the Bank. Wkland Finance Holding II Company Limited has appointed Wang Wenjin to the Bank as a director.

Chapter VI Changes in Share Capital and Particulars of Shareholders

6.3 SUBSTANTIAL SHAREHOLDERS OF ORDINARY SHARES (CONTINUED)

(6) Anhui Guoyuan Financial Holding Group Co., Ltd. was established on 30 December 2000. It was registered in Hefei of Anhui Province with a registered capital of RMB6 billion. Its legal representative is Huang Linmu. Its scope of business includes the operation of all state-owned assets and state-owned shares of state-authorized group companies and their holding companies, capital operations, asset management, mergers and acquisitions, asset restructuring and investment consultation. According to the information submitted by shareholders, its controlling shareholder is the State-owned Assets Supervision and Administration Commission of Anhui Provincial People's Government, its de facto controller is the State-owned Assets Supervision and Administration Commission of Anhui Provincial People's Government, its ultimate beneficiary is the State-owned Assets Supervision and Administration Commission of Anhui Provincial People's Government and it does not have any persons acting in concert. As of the end of the Reporting Period, Anhui Guoyuan Financial Holding Group Co., Ltd. did not pledge any shares of the Bank or appoint any director, and Anhui Guoyuan Financial Holding Group Co., Ltd. has appointed Wei Lixiang to the Bank as a director.

Anhui Guoyuan Trust Co., Ltd. was established on 14 January 2004. It was registered in Hefei of Anhui Province with a registered capital of RMB4.2 billion. Its legal representative is Xu Zhi. Its scope of business includes fund trusts, movable property trusts, real estate trusts, negotiable securities trusts, other property or property rights trusts, as promoters of investment fund or fund management company to be engaged in investment fund business, restructuring, mergers and acquisitions and project financing of enterprise assets; financial management, financial advisory and other services for companies; entrusted to operate the securities underwriting business approved by the relevant departments of the State Council; handling intermediation, consulting, credit investigation and other business, custody service and safe deposit box service business, utilization of inherent property by way of deposits at banks and other financial institutions, call loans to banks and other financial institutions, loans, leasing and investments, providing guarantees for others with inherent property, engaged in interbank lending, and other business required by the laws and regulations or approved by the CBRC. According to the information submitted by shareholders, its controlling shareholder is Anhui Guoyuan Financial Holding Group Co., Ltd., its de facto controller is the State-owned Assets Supervision and Administration Commission of Anhui Provincial People's Government, its ultimate beneficiary is the State-owned Assets Supervision and Administration Commission of Anhui Provincial People's Government and it does not have any persons acting in concert. As at the end of the Reporting Period, Anhui Guoyuan Trust Co., Ltd. did not pledge any shares of the Bank.

Chapter VI Changes in Share Capital and Particulars of Shareholders

6.3 SUBSTANTIAL SHAREHOLDERS OF ORDINARY SHARES (CONTINUED)

(6) (Continued)

Anhui Guoyuan Ma'anshan Asset Management Co., Ltd. was established on 31 March 2004. It was registered in Ma'anshan of Anhui Province with a registered capital of RMB65 million. Its legal representative is Liu Xiaowei. Its scope of business includes general items: investment activities with self-owned funds; asset management services for investment of self-owned funds; supply chain management service; non-financial guarantee services; business management consulting; information technology consulting services; financial consulting; social and economic consulting services; hospital management; marketing planning; medical research and experimental development; leasing service (excluding licensed leasing service); non-residential real estate leasing; sales of agricultural products; wholesale of edible agricultural products; purchase of aquatic products; wholesale of aquatic products; retail of aquatic products; retail of fresh vegetables; wholesale of fresh fruits; sales of metal materials; sales of metal products; sales of machinery for construction; production of chemical products (excluding licensed chemical products); sales of oil produces (excluding hazardous chemicals); manufacturing of nonferrous metal alloys; sales of metal ore; sales of non-metallic minerals and products; sales of feed raw material; wholesale of auto components; sales of pulps; sales of renewable resources; sales of timber; sales of special equipment for environmental protection; sales of construction materials; sales of machinery for construction; wholesale of hardware products; retail of hardware products; manufacturing of household appliances; daily necessities sales; general cargo storage services (excluding items that require licensing and approval such as hazardous chemicals); internet sales (excluding sales of goods that require licensing); sales of coal and its products. According to the information submitted by shareholders, its controlling shareholder is Anhui GuoYuan Investment Co., Ltd., its de facto controller is the State-owned Assets Supervision and Administration Commission of Anhui Provincial People's Government, its ultimate beneficiary is the State-owned Assets Supervision and Administration Commission of Anhui Provincial People's Government and it does not have any persons acting in concert. As at the end of the Reporting Period, Anhui Guoyuan Ma'anshan Asset Management Co., Ltd. did not pledge any shares of the Bank.

(7) Anhui Transportation Holding Group Co., Ltd. was established on 27 April 1993. It was registered in Hefei of Anhui Province with a registered capital of RMB36 billion. Its legal representative is Sun Gexin. Its scope of business includes the general items: enterprise management; investment activities with its own funds, asset management services invested with its own funds; construction management services; maintenance of transportation facilities; automobile trailers, rescue, obstacle clearance service; housing leasing; non-residential real estate leasing; business training (excluding education training, vocational skills training and other training that require licensing) and the licensed item: highway management and maintenance. According to the information submitted by shareholders, its controlling shareholder is the State-owned Assets Supervision and Administration Commission of Anhui Provincial People's Government, its de facto controller is the State-owned Assets Supervision and Administration Commission of Anhui Provincial People's Government, its ultimate beneficiary is Anhui Transportation Holding Group Co., Ltd. and it does not have any persons acting in concert. As at the end of the Reporting Period, Anhui Transportation Holding Group Co., Ltd. did not pledge any shares of the Bank and has appointed Zuo Dunli as a director of the Bank.

Chapter VI Changes in Share Capital and Particulars of Shareholders

6.3 SUBSTANTIAL SHAREHOLDERS OF ORDINARY SHARES (CONTINUED)

(7) (Continued)

Anhui Transportation Holding Group (H.K.) Limited was incorporated in Hong Kong in September 2013 with a registered capital of US$92.1272 million. Its legal representative is Wu Changming. Its scope of business includes investment, planning, design, construction, supervision, operation, technical consultation and support services for high-class highways; investment, development and operation as well as sales of real estate, property management, house rental; import and export of construction materials, automobile spare parts, mechanical equipment and technology, trade agency, warehousing; equity investment, etc. According to the information submitted by shareholders, its controlling shareholder is Anhui Transportation Holding Group Co., Ltd., its de facto controller is the State-owned Assets Supervision and Administration Commission of Anhui Provincial People's Government, its ultimate beneficiary is Anhui Transportation Holding Group Co., Ltd. and it does not have any persons acting in concert. As at the end of the Reporting Period, Anhui Transportation Holding Group (H.K.) Limited did not pledge any shares of the Bank.

(8) Hefei Xingtai Financial Holdings (Group) Co., Ltd. was established on 18 January 1999. It was registered in Hefei of Anhui Province with a registered capital of RMB7 billion. Its legal representative is Chen Rui. Its scope of business includes operation of state-owned assets within the authorization, corporate planning, management consultation, financial advisory, corporate wealth management, and industrial investment as well as other approved operating activities. According to the information submitted by shareholders, its controlling shareholder is the State-owned Assets Supervision and Administration Commission of Hefei Municipal People's Government, its de facto controller is the State-owned Assets Supervision and Administration Commission of Hefei Municipal People's Government, its ultimate beneficiary is Hefei Xingtai Financial Holdings (Group) Co., Ltd. and it does not have any persons acting in concert. As at the end of the Reporting Period, Hefei Xingtai Financial Holdings (Group) Co., Ltd. did not pledge any shares of the Bank and has appointed He Zongan to the Bank as a supervisor.

CCB Trust Co., Ltd. was established on 31 December 2003. It was registered in Hefei of Anhui Province with a registered capital of RMB10,500 million. Its legal representative is Li Jun. Its scope of business includes fund trusts, movable property trusts, real estate trusts, negotiable securities trusts, other property or property rights trusts, as promoters of investment fund or fund management company to be engaged in investment fund business, restructuring, mergers and acquisitions and project financing of enterprise assets; financial management, financial advisory and other services for companies; entrusted to operate the securities underwriting business approved by the relevant departments of the State Council; handling intermediation, consulting, credit investigation and other business, custody service and safe deposit box service business, utilization of inherent property by way of deposits at banks and other financial institutions, call loans to banks and other financial institutions, loans, leasing and investments, providing guarantees for others with inherent property, engaged in interbank lending, and other business required by the laws and regulations or approved by the CBRC. According to the information submitted by shareholders, its controlling shareholder is China Construction Bank Corporation, its de facto controller is Central Huijin Investment Ltd., its ultimate beneficiary is CCB Trust Co., Ltd. and it does not have any persons acting in concert. As at the end of the Reporting Period, CCB Trust Co., Ltd. did not pledge any shares of the Bank.

Chapter VI Changes in Share Capital and Particulars of Shareholders

6.3 SUBSTANTIAL SHAREHOLDERS OF ORDINARY SHARES (CONTINUED)

(9) Zhongjing Sihai Co., Ltd. was established on 28 June 1995. It was registered in Huangshan of Anhui Province with a registered capital of RMB1,261.9757 million. Its legal representative is Wu Guoqin. Its scope of business includes industrial investment, asset management, investment operation management, and investment consultation service; sales of office supplies, hotel supplies, metal materials, and automobile and motorcycle accessories. According to the information submitted by shareholders, as at the end of the Reporting Period, its controlling shareholder is Shanshan Group Co., Ltd., its former de facto controller, Mr. Zheng Yonggang, passed away due to illness, and the relevant equities held by Mr. Zheng Yonggang are intended to enter the inheritance process in accordance with relevant laws and regulations, and the de facto controller and ultimate beneficiary will be re-identified according to the inheritance of his equities, and the other ultimate beneficiary is a natural person, Zhou Jiqing, and it does not have any persons acting in concert. On 12 February 2023, Shanshan Group Co., Ltd. disclosed the announcement in relation to the de facto controller. For details, please see the relevant announcement published by Shanshan Group Co., Ltd. on the SSE. As at the end of the Reporting Period, Zhongjing Sihai Co., Ltd. did not pledge any shares of the Bank. Zhongjing Sihai Co., Ltd. has appointed GAO YANG to the Bank as a director.

(10) Wuhu Investment Holding Group Co., Ltd. was established on 16 February 1998. It was registered in Wuhu of Anhui Province with a registered capital of RMB12,124.00 million. Its legal representative is Wang Jinhua. Its scope of business includes real estate development and operation; general projects of various engineering construction activities (for the matters requiring approvals in accordance with the law, operations are subject to the approval by the relevant authorities); investment activities with its own funds; asset management services invested with its own funds; management services for public utilities; management of municipal facilities; enterprise headquarters management; construction management services; non-residential real estate leasing; housing leasing; land use right leasing; car-parking services; property management; hotel management; commercial complex management services. According to the information submitted by shareholders, as at the end of the Reporting Period, its controlling shareholder is the State-owned Assets Supervision and Administration Commission of the People's Government of Wuhu Municipal, its de facto controller is the State-owned Assets Supervision and Administration Commission of the People's Government of Wuhu Municipal, its ultimate beneficiary is Wuhu Investment Holding Group Co., Ltd., and it does not have any persons acting in concert. As at the end of the Reporting Period, Wuhu Investment Holding Group Co., Ltd. did not pledge any equity interests of the Bank. Wuhu Investment Holding Group Co., Ltd. has appointed Wang Anning to the Bank as a supervisor.

Chapter VI Changes in Share Capital and Particulars of Shareholders

6.3 SUBSTANTIAL SHAREHOLDERS OF ORDINARY SHARES (CONTINUED)

Notes: 1 Particulars of substantial shareholders of ordinary shares are based on the information submitted to the Bank or the public disclosure information published by substantial shareholders.

2 The pledge of Domestic Shares of the Bank is based on the relevant information provided by CSDC and the pledge of H Shares is based on the information submitted by the shareholders.

3 For the detailed definitions of substantial shareholders, controlling shareholders, de facto controllers, parties acting in concert and ultimate beneficiaries, please see the relevant requirement of the Interim Measures for the Shareholding Management of Commercial Banks (《商業銀行股權管理暫行辦法》).

4 Pursuant to the Enterprise Accounting Standard No. 36 – Disclosure of Related Party, related parties refer to the enterprises controlled or jointly controlled by one party or exerting significant influence on the other party, or controlled, jointly controlled or significantly influenced by two or more parties under the same control of the same party, but the enterprises controlled by the state not only have related relationship because they are jointly controlled by the state; the Interim Measures for the Shareholding Management of Commercial Banks requires commercial banks to manage major shareholders, its controlling shareholders, de facto controllers, related parties, parties acting in concert and ultimate beneficiaries as related parties of commercial banks in accordance with the principle of penetration.

As at the end of the Reporting Period, according to the relevant information publicly disclosed and submitted to the Bank by substantial shareholders, the related legal entities and related natural persons of substantial shareholders of the Bank amounts to approximately 6,686 in aggregate. As at the end of the Reporting Period, details of the related parties of substantial shareholders and the related transactions under relevant accounting standards are set out in Note 48 to the financial statements. Due to limitations on space, this annual report does not provide the list of related parties of all substantial shareholders.

5 During the Reporting Period, Mr. Zhao Zongren, the original director appointed by Sunshine Life Insurance Corporation Limited, has resigned. For details of the changes in position of Mr. Zhao Zongren, please refer to Section 7.2 "Changes in Directors, Supervisors and Senior Management of the Bank" in this annual report. As of the end of the Reporting Period, Sunshine Life Insurance Corporation Limited no longer has any directors, supervisors, or senior management personnel dispatched to the Bank, and as its shareholding ratio has fallen below 5%, it is no longer a substantial shareholder of the Bank.

Chapter VI Changes in Share Capital and Particulars of Shareholders

6.4 SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES UNDER HONG KONG LAWS AND REGULATIONS

As of the end of the Reporting Period, the following persons (other than the directors, supervisors and chief executive (as defined in the Hong Kong Listing Rules) of the Bank) had interests and short positions in the shares of the Bank as recorded in the register required to be kept by the Bank pursuant to section 336 of the SFO. In view of the Bank's profit distribution plan for 2017, where bonus shares were issued to shareholders on the basis of 1 share for every 10 shares, implemented in 2018, the number of shares held by shareholders in the table below reflects the number of shares held by shareholders after the issue of bonus shares.

Name of shareholder	Type of share	Long/short position	Capacity	Number of shares (share)	Percentage of the underlying shares in issue (%)	Percentage of all issued ordinary shares (%)	Note
Deposit Insurance Fund Management Co., Ltd.	Domestic Share	Long	Beneficial owner	1,559,000,000	14.97	11.22	1
Anhui Province Energy Group Company Limited	H Share	Long	Interest of controlled corporation	329,973,600	9.49	2.38	2
	Domestic Share	Long	Interest of controlled corporation	174,394,198	1.68	1.26	2
	Domestic Share	Long	Beneficial owner	843,363,819	8.10	6.07	2
Xing An Holdings Limited	H Share	Long	Beneficial owner	329,973,600	9.49	2.38	2
Anhui Credit Financing Guaranty Group Co., Ltd.	Domestic Share	Long	Interest of controlled corporation	235,177,222	2.26	1.69	3
	Domestic Share	Long	Beneficial owner	827,658,091	7.95	5.96	3
Anhui Guoyuan Financial Holding Group Co., Ltd.	Domestic Share	Long	Beneficial owner	837,810,695	8.05	6.03	4
	Domestic Share	Long	Interest of controlled corporation	36,113,132	0.35	0.26	4
Anhui Transportation Holding Group Co., Ltd.	H Share	Long	Interest of controlled corporation	3,299,700	0.09	0.02	5
	Domestic Share	Long	Beneficial owner	705,349,937	6.78	5.08	5
China Vanke Co., Ltd.	H Share	Long	Interest of controlled corporation	972,384,600	27.95	7.00	6
Wkland Finance Holding Company Limited	H Share	Long	Beneficial owner	562,254,000	16.16	4.05	6
Wkland Finance Holding II Company Limited	H Share	Long	Beneficial owner	410,130,600	11.79	2.95	6
Sunshine Insurance Group Corporation Limited	H Share	Long	Interest of controlled corporation	306,386,200	8.81	2.21	7
Sunshine Life Insurance Corporation Limited	H Share	Long	Beneficial owner	306,386,200	8.81	2.21	7
Shanghai Soong Ching Ling Foundation	H Share	Long	Interest of controlled corporation	1,245,864,400	35.81	8.97	9, 10, 11, 13
	Domestic Share	Long	Interest of controlled corporation	224,781,227	2.16	1.62	8
Zhongjing Industry (Group) Limited	H Share	Long	Interest of controlled corporation	1,245,864,400	35.81	8.97	9, 10, 11, 13
	Domestic Share	Long	Interest of controlled corporation	224,781,227	2.16	1.62	8
Modern Innovation Holdings Co., Limited	H Share	Long	Interest of controlled corporation	1,245,864,400	35.81	8.97	9, 10, 11, 13
	Domestic Share	Long	Interest of controlled corporation	224,781,227	2.16	1.62	8
Qingtian Anyin Enterprise Management Consulting Co., Ltd.	H Share	Long	Interest of controlled corporation	1,245,864,400	35.81	8.97	9, 10, 11, 13
	Domestic Share	Long	Interest of controlled corporation	224,781,227	2.16	1.62	8
Jing'An Shanghai Silver Investment Co., Ltd.	H Share	Long	Interest of controlled corporation	1,245,864,400	35.81	8.97	9, 10, 11, 13
	Domestic Share	Long	Interest of controlled corporation	224,781,227	2.16	1.62	8
Zhongjing Xinhua Asset Investment Management Co., Ltd.	H Share	Long	Interest of controlled corporation	1,245,864,400	35.81	8.97	9, 10, 11, 13
	Domestic Share	Long	Beneficial owner	224,781,227	2.16	1.62	8

Chapter VI Changes in Share Capital and Particulars of Shareholders

6.4 SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES UNDER HONG KONG LAWS AND REGULATIONS (CONTINUED)

Name of shareholder	Type of share	Long/short position	Capacity	Number of shares (share)	Percentage of the underlying shares in issue (%)	Percentage of all issued ordinary shares (%)	Note
Chuangjian Group Co., Ltd.	H Share	Long	Interest of controlled corporation	1,245,864,400	35.81	8.97	9, 10, 11, 13
Zhongjing Xinhua Property Management (Hong Kong)	H Share	Long	Interest of controlled corporation	1,071,871,000	30.81	7.72	10, 11, 13
Co., Limited	H Share	Long	Beneficial owner	173,993,400	5.00	1.25	9
Wealth Honest Limited	H Share	Long	Interest of controlled corporation	440,000,000	12.65	3.17	11, 13
	H Share	Long	Beneficial owner	631,871,000	18.16	4.55	10
Wealth Honest Cayman Holdings Company Limited	H Share	Long	Interest of controlled corporation	440,000,000	12.65	3.17	11, 13
Qingdao State-owned Assets Supervision & Administration Commission (青島市國有資產管理委員會)	H Share	Long	Security interest	440,000,000	12.65	3.17	11
Qingdao City Construction Investment (Group) Limited (青島城市建設投資(集團)有限責任公司)	H Share	Long	Security interest	440,000,000	12.65	3.17	11
Qingdao City Construction Financial Holding Group Co., Ltd. (青島城投金融控股集團有限公司)	H Share	Long	Security interest	440,000,000	12.65	3.17	11
China Golden Harbour (Holdings) Group Limited (中國金港(控股)集團有限公司)	H Share	Long	Security interest	440,000,000	12.65	3.17	11
Golden Harbour Global Holdings Limited (金港國際控股有限公司)	H Share	Long	Security interest	440,000,000	12.65	3.17	11
Wealth Honest Fund LP	H Share	Long	Interest of controlled corporation	440,000,000	12.65	3.17	11
Golden Harbour Investments Management Limited	H Share	Long	Beneficial owner	440,000,000	12.65	3.17	11
Zheng Yonggang	Domestic Share	Long	Interest of controlled corporation	730,883,703	7.02	5.26	8, 12
Zhou Jiqing	Domestic Share	Long	Interest of controlled corporation	730,883,703	7.02	5.26	8, 12
Ningbo Qinggang Investment Co., Ltd.	Domestic Share	Long	Interest of controlled corporation	730,883,703	7.02	5.26	8, 12
Shanshan Holdings Co., Ltd.	Domestic Share	Long	Interest of controlled corporation	506,102,476	4.86	3.64	12
	Domestic Share	Long	Beneficial owner	224,781,227	2.16	1.62	8
	H Share	Long	Interest of acting in concert	1,245,864,400	35.81	8.97	14
Shanshan Group Co., Ltd.	Domestic Share	Long	Interest of controlled corporation	506,102,476	4.86	3.64	12
Zhongjing Sihai Co., Ltd.	Domestic Share	Long	Beneficial owner	506,102,476	4.86	3.64	12
DRAGON SOUND INVESTMENT LIMITED	Domestic Share	Long	Interest of acting in concert	730,883,703	7.02	5.26	14
	H Share	Long	Beneficial owner	273,449,000	7.86	1.97	13

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6.4 SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES UNDER HONG KONG LAWS AND REGULATIONS (CONTINUED)

Name of shareholder	Type of share	Long/short position	Capacity	Number of shares (share)	Percentage of the underlying shares in issue (%)	Percentage of all issued ordinary shares (%)	Note
JOY GLORY HOLDINGS LIMITED	Domestic Share	Long	Interest of acting in concert	730,883,703	7.02	5.26	14
	H Share	Long	Beneficial owner	532,415,400	15.30	3.83	13
SUPERIOR LOGIC INVESTMENTS LIMITED	Domestic Share	Long	Interest of acting in concert	730,883,703	7.02	5.26	14
	H Share	Long	Beneficial owner	440,000,000	12.65	3.17	13
Wang Wenyin	H Share	Long	Interest of controlled corporation	1,245,864,400	35.81	8.97	9, 10, 11, 16
	Domestic Share	Long	Interest of controlled corporation	224,781,227	2.16	1.62	15
Liu Jiehong	H Share	Long	Interest of the Spouse	1,245,864,400	35.81	8.97	9, 10, 11, 16
	Domestic Share	Long	Interest of the Spouse	224,781,227	2.16	1.62	15
Amer Holdings Group Limited (正威控股集團有限公司)	H Share	Long	Interest of controlled corporation	1,245,864,400	35.81	8.97	9, 10, 11, 16
	Domestic Share	Long	Interest of controlled corporation	224,781,227	2.16	1.62	15
Shenzhen Amer (Group) Limited	H Share	Long	Beneficial owner	1,245,864,400	35.81	8.97	9, 10, 11, 16
(深圳正威(集團)有限公司)	Domestic Share	Long	Beneficial owner	224,781,227	2.16	1.62	15
Guotai Haitong Securities Co., Ltd.	H Share	Long	Interest of controlled corporation	486,980,600	14.00	3.51	17
Guotai Junan International Holdings Limited	H Share	Long	Interest of controlled corporation	273,606,600	7.87	1.97	17

Notes:

(1) Deposit Insurance Fund Management Co., Ltd. directly holds 1,559,000,000 Domestic Shares (long position) of the Bank.

(2) Xing An Holdings Limited holds 329,973,600 H Shares (long position) of the Bank. Xing An Holdings Limited is a wholly-owned subsidiary directly controlled by Anhui Province Energy Group Company Limited. As such, Anhui Province Energy Group Company Limited is deemed to be interested in the shares of the Bank held by Xing An Holdings Limited.

At the same time, Anhui Province Energy Group Company Limited directly holds 843,363,819 Domestic Shares (long position) of the Bank. In addition, Anhui Province Energy Group Company Limited is deemed to be interested in 150,814,726 Domestic Shares (long position) and 23,579,472 Domestic Shares (long position) of the Bank that were held by its controlling subsidiaries, An Hui Wenergy Company Limited and Anhui Natural Gas Development Co., Ltd., respectively.

(3) 235,177,222 Domestic Shares (long position) of the Bank held by Anhui Guarantee Asset Management Co., Ltd. Anhui Guarantee Asset Management Co., Ltd. is a wholly-owned subsidiary of Anhui Credit Financing Guaranty Group Co., Ltd. Anhui Credit Financing Guaranty Group Co., Ltd. is deemed to be interested in the shares of the Bank held by Anhui Guarantee Asset Management Co., Ltd. Meanwhile, Anhui Credit Financing Guaranty Group Co., Ltd. directly holds 827,658,091 Domestic Shares (long position) of the Bank.

(4) Anhui Guoyuan Ma'anshan Asset Management Co., Ltd. and Anhui Guoyuan Trust Co., Ltd. hold 361,662 Domestic Shares (long position) and 35,751,470 Domestic Shares (long position) of the Bank, respectively. Anhui Guoyuan Financial Holding Group Co., Ltd. is deemed to be interested in the Domestic Shares of the Bank that were held by its controlling subsidiaries, Anhui Guoyuan Ma'anshan Asset Management Co., Ltd. and Anhui Guoyuan Trust Co., Ltd. At the same time, Anhui Guoyuan Financial Holding Group Co., Ltd. directly holds 837,810,695 Domestic Shares (long position) of the Bank.

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6.4 SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES UNDER HONG KONG LAWS AND REGULATIONS (CONTINUED)

Notes: (Continued)

(5) Anhui Transportation Holding Group (H.K.) Limited holds 3,299,700 H Shares (long position) of the Bank. Anhui Transportation Holding Group (H.K.) Limited is a wholly-owned subsidiary directly controlled by Anhui Transportation Holding Group Co., Ltd. As such, Anhui Transportation Holding Group Co., Ltd. is deemed to be interested in the shares of the Bank held by Anhui Transportation Holding Group (H.K.) Limited. At the same time, Anhui Transportation Holding Group Co., Ltd. directly holds 705,349,937 Domestic Shares (long position) of the Bank.

(6) China Vanke Co., Ltd. is deemed to be interested in a total of 972,384,600 H Shares (long position) of the Bank by virtue of its control over the following corporations that directly hold interests in the Bank:

6.1 Wkland Finance Holding Company Limited holds 562,254,000 H Shares (long position) of the Bank. Wkland Finance Holding Company Limited is a wholly-owned subsidiary indirectly controlled by China Vanke Co., Ltd.

6.2 Wkland Finance Holding II Company Limited holds 410,130,600 H Shares (long position) of the Bank. Wkland Finance Holding II Company Limited is a wholly-owned subsidiary indirectly controlled by China Vanke Co., Ltd.

(7) According to the information submitted by shareholders, Sunshine Life Insurance Corporation Limited held 306,386,200 H Shares (long position) of the Bank as of the end of the Reporting Period and did not hold any shares of the Bank as of the Latest Practicable Date. Sunshine Life Insurance Corporation Limited is a subsidiary directly controlled by Sunshine Insurance Group Corporation Limited. Sunshine Insurance Group Corporation Limited is deemed to be interested in the shares of the Bank held by Sunshine Life Insurance Corporation Limited.

(8) Zhongjing Xinhua Asset Investment Management Co., Ltd. ("Zhongjing Xinhua") directly holds 224,781,227 Domestic Shares (long position) of the Bank. Zhongjing Xinhua is a subsidiary directly controlled by Jing'An Shanghai Silver Investment Co., Ltd. ("Jing'An Silver"). Jing'An Silver is a wholly-owned subsidiary controlled by Qingtian Anyin Enterprise Management Consulting Co., Ltd. (青田安銀企業管理諮詢有限公司, "Qingtian Anyin"). Qingtian Anyin is a wholly-owned subsidiary controlled by Modern Innovation Holdings Co., Limited ("Modern Innovation"). Modern Innovation is a subsidiary directly controlled by Zhongjing Industry (Group) Limited ("Zhongjing Industry"). 97.5% of shares of Zhongjing Industry are held by the Shanghai Soong Ching Ling Foundation ("Shanghai Soong Ching Ling Foundation"). Shanghai Soong Ching Ling Foundation, Zhongjing Industry, Modern Innovation, Qingtian Anyin and Jing'An Silver are deemed to be interested in the shares of the Bank held by Zhongjing Xinhua.

Meanwhile, according to the public information of the National Enterprise Credit Information Publicity System, as of the Latest Practicable Date, the registered shareholders of Zhongjing Industry, the indirect controlling shareholder of Zhongjing Xinhua, are Shanghai Gaoyang Youren Asset Management Co., Ltd. (上海高央友人資產經營管理有限公司), Shanghai Gaoyang Family Asset Management Co., Ltd. (上海高央家人資產經營管理有限公司) and Shanghai Gaoyang Colleague Asset Management Co., Ltd. (上海高央同事資產經營管理有限公司).

Chapter VI Changes in Share Capital and Particulars of Shareholders

6.4 SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES UNDER HONG KONG LAWS AND REGULATIONS (CONTINUED)

Notes: (Continued)

(8) (Continued)

Shanshan Holdings Co., Ltd. ("Shanshan Holdings") entered into an agreement with Zhongjing Xinhua on 20 August 2019, pursuant to which Shanshan Holdings acquired 224,781,227 Domestic Shares of Huishang Bank held by Zhongjing Xinhua, which have not been transferred. Both parties subsequently had disputes on equity transfer matters and resorted such matters to the court. According to the 2022 Interim Report on Corporate Bonds of Zhongjing Xinhua Asset Investment Management Co., Ltd. disclosed by Zhongjing Xinhua on the SSE on 30 August 2022, "In the Case (1) and Case (2) regarding disputes on disposal of equity in Zhongjing Sihai, the two cases involve two unlisted equity claims, namely Zhongjing Xinhua's prosecution against Shanshan Holdings for the return of 51.6524% equity in Zhongjing Sihai, and Shanshan Holdings's request to acquire 225,000,000 unlisted domestic shares of Huishang Bank held by Zhongjing Xinhua, which has been withdrawn by Shanshan Holdings due to its adjustment to such request". According to the 2022 Annual Report on Corporate Bonds of Zhongjing Xinhua Asset Investment Management Co., Ltd. disclosed by Zhongjing Xinhua on the SSE on 28 April 2023, the lawsuit status is that "the judgment of first instance trial has been pronounced and both parties have lodged their appeals; the second instance trial will be heard on 17 May 2023". According to the 2023 Audit Report of Zhongjing Xinhua Asset Investment Management Co., Ltd. disclosed by Zhongjing Xinhua on the SSE on 30 April 2024, "Shanghai High People's Court made a second instance judgment on 22 September 2023, and upheld the first instance judgment". Shanshan Holdings and Shanshan Group have applied for enforcement, respectively, and the Shanghai Financial Court has accepted the case. On 21 March 2024, Zhongjing Xinhua applied for a retrial of the two cases to the Third Circuit Court of the Supreme People's Court. The review opinion of the Supreme People's Court was "meeting the conditions for retrial and recommending filing for review". For details, please refer to the announcements published by Zhongjing Xinhua on the SSE. Based on the information provided to the Bank by Zhongjing Xinhua, the Supreme People's Court issued two civil rulings in July 2024, respectively, and rejected the application of Zhongjing Xinhua for retrial.

According to the "Announcement of Shanshan Group Co., Ltd. Regarding Progress of the Company's Material Litigations" issued by Shanshan Group on the SSE on 20 January 2023, "On 17 January 2023, Shanghai Financial Court issued the first instance judgements on the two cases regarding the dispute on transfer of equity interests, namely ① the case involving Zhongjing Xinhua v. Shanshan Holdings, Shanshan Group, and Zhongjing Sihai for the dispute on equity transfer contract ([2020] Hu 74 Min Chu No. 1715), and ② the case involving Shanshan Holdings v. Zhongjing Xinhua for the dispute on equity transfer contract ([2020] Hu 74 Min Chu No. 1254) (hereinafter collectively referred to as the "Judgements"), and served the Judgements to Shanshan Holdings, Shanshan Group, and Zhongjing Sihai. Shanshan Group received the Judgements on 18 January 2023. The main content of the two Judgements are summarised as follows: (1) the Framework Agreement on the Transfer of Shares of Huishang Bank Corporation Limited and Equity Interests in Zhongjing Sihai Co., Ltd. entered into by Zhongjing Xinhua and Shanshan Holdings, the Agreement on Transfer of Equity in Zhongjing Sihai Co., Ltd. entered into by Zhongjing Xinhua and Shanshan Group, the Equity Transfer Contract entered into by Zhongjing Xinhua and Shanshan Holdings were terminated on 2 June 2020; (2) Zhongjing Xinhua shall return the amount equal to the consideration paid by Shanshan Holdings for the equity transfer; (3) Shanshan Group shall return 51.6524% equity interests in Zhongjing Sihai registered under the name of Shanshan Group, and Zhongjing Xinhua shall return the corresponding amount of equity transfer consideration; (4) other claims were rejected." According to the "Announcement Regarding Progress of the Company's Material Litigations" published by Shanshan Group on the SSE on 25 September 2023, "On 22 September 2023, Shanghai High People's Court issued the second instance judgements on the above two disputes on transfer of equity interests respectively. Contents of the judgments: the appeals were dismissed and the original judgments were upheld". According to the 2023 Annual Report on Corporate Bonds published by Shanshan Group on 25 April 2024, "in order to safeguard the legitimate rights and interests of the company, the company has applied for enforcement". During the enforcement period, both parties reached a consensus and signed a settlement agreement (the "Settlement Agreement") on 30 November 2023, which came into effect on 6 December 2023. Accordingly, the enforcement procedures of the above two enforcement cases have been concluded on 13 March 2024. For details, please refer to the announcements published by Shanshan Group on the SSE. Based on the information provided to the Bank by Shanshan Holdings, due to Zhongjing Xinhua's failure to execute the Settlement Agreement, Shanshan Holdings and Shanshan Group have applied to the Shanghai Financial Court for the resumption of enforcement procedures.

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6.4 SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES UNDER HONG KONG LAWS AND REGULATIONS (CONTINUED)

Notes: Continued)

(8) (Continued)

According to the disclosure of interests forms submitted by Zhongjing Xinhua to the Hong Kong Stock Exchange, "Zhongjing Xinhua Asset Investment Management Co., Ltd. (hereinafter referred to as "Zhongjing Xinhua"), as considered and approved by its board of directors, agreed to enter into a Letter of Intent for the Transfer of Shares of Huishang Bank Corporation Limited (hereinafter referred to as the "Letter of Intent") with OCI International Holdings Limited (hereinafter referred to as "OCI International") in respect of the disposal of all H Shares and Domestic Shares of Huishang Bank Corporation Limited (hereinafter referred to as "Huishang Bank") held directly and indirectly by the company on 25 June 2021. The Letter of Intent is valid for six months from the date of execution". According to the 2021 Annual Report on Corporate Bonds of Zhongjing Xinhua Asset Investment Management Co., Ltd. published on the SSE by Zhongjing Xinhua on 28 April 2022, "Since the Company has not reached any binding agreement with OCI International on the sale of shares in Huishang Bank within the validity period, the Letter of Intent hereby lapsed."

According to the "Announcement of Zhongjing Xinhua Asset Investment Management Co., Ltd. Regarding the Disposal of Asset" issued by Zhongjing Xinhua on the SSE on 9 November 2021, "Zhongjing Xinhua Asset Investment Management Co., Ltd. (on behalf of all sellers) entered into an Agreement with Shenzhen Amer (Group) Limited (深圳正威(集團)有限公司) (on behalf of all purchasers) on 6 November 2021, pursuant to which, the sellers shall sell around 1.977 billion shares of Huishang Bank Corporation Limited to the purchasers".

According to relevant disclosure of interests forms on the Hong Kong Stock Exchange, it has entered into an agreement to sell the shares it was interested in, which do not need to be delivered within 4 trading days, involving 1,245,864,400 H Shares of the interest of corporation controlled by Zhongjing Xinhua. According to the information available to the Bank, as of the end of the Reporting Period, the delivery of these shares has not yet been completed.

(9) Zhongjing Xinhua Property Management (Hong Kong) Co., Limited ("Zhongjing Xinhua Hong Kong") holds 173,993,400 H Shares (long position) of the Bank. Zhongjing Xinhua Hong Kong is a wholly-owned subsidiary directly controlled by Chuangjian Group Co., Ltd. (創見集團有限公司, "Chuangjian Group"), which in turn is a wholly-owned subsidiary directly controlled by Zhongjing Xinhua. Shanghai Soong Ching Ling Foundation, Zhongjing Industry, Modern Innovation, Qingtian Anyin, Jing'An Silver, Zhongjing Xinhua and Chuangjian Group are deemed to be interested in the shares of the Bank held by Zhongjing Xinhua Hong Kong.

According to relevant disclosure of interests forms on the Hong Kong Stock Exchange, it has entered into an agreement to sell the shares it was interested in, which do not need to be delivered within 4 trading days, involving 215,249,000 H Shares held directly by and 1,030,615,400 H Shares of the interest of corporation controlled by Zhongjing Xinhua Hong Kong. According to the information available to the Bank, as of the end of the Reporting Period, the delivery of these shares has not yet been completed.

(10) Wealth Honest Limited ("Wealth Honest") holds 631,871,000 H Shares (long position) of the Bank. Wealth Honest is a wholly-owned subsidiary directly controlled by Zhongjing Xinhua Hong Kong. Shanghai Soong Ching Ling Foundation, Zhongjing Industry, Modern Innovation, Qingtian Anyin, Jing'An Silver, Zhongjing Xinhua, Chuangjian Group and Zhongjing Xinhua Hong Kong are deemed to be interested in the shares of the Bank held by Wealth Honest.

According to relevant disclosure of interests forms on the Hong Kong Stock Exchange, it has entered into an agreement to sell the shares it was interested in, which do not need to be delivered within 4 trading days, involving 590,615,400 H Shares held directly by and 440,000,000 H Shares of the interest of corporation controlled by Wealth Honest. According to the information available to the Bank, as of the end of the Reporting Period, the delivery of these shares has not yet been completed.

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6.4 SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES UNDER HONG KONG LAWS AND REGULATIONS (CONTINUED)

Notes: (Continued)

(11) Golden Harbour Investments Management Limited ("Golden Harbour") holds 440,000,000 H Shares (long position) of the Bank. The Bank was further informed by Zhongjing Xinhua by email that Wealth Honest Fund LP (a limited partnership established in the Cayman Islands) holds 100% equity interests in Golden Harbour; and Wealth Honest Cayman Holdings Company Limited (a direct wholly-owned subsidiary of Wealth Honest) is the sole general partner of Wealth Honest Fund LP and has absolute control over the operations of the partnership. Wealth Honest can 100% indirectly control Golden Harbour. For information about Wealth Honest, please refer to note (10) above. Shanghai Soong Ching Ling Foundation, Zhongjing Industry, Modern Innovation, Qingtian Anyin, Jing'An Silver, Zhongjing Xinhua, Chuangjian Group, Zhongjing Xinhua Hong Kong, Wealth Honest, Wealth Honest Cayman Holdings Company Limited and Wealth Honest Fund LP are deemed to be interested in the shares of the Bank held by Golden Harbour.

According to the disclosure of interests forms submitted to the Hong Kong Stock Exchange by the Qingdao State-owned Assets Supervision & Administration Commission and its subsidiaries, Golden Harbour Global Holdings Limited, a wholly-owned subsidiary directly controlled by China Golden Harbour (Holdings) Group Limited, holds 70% equity interests in Wealth Honest Fund LP; China Golden Harbour (Holdings) Group Limited is a wholly-owned subsidiary directly controlled by Qingdao City Construction Financial Holding Group Co., Ltd.; Qingdao City Construction Financial Holding Group Co., Ltd. is a wholly-owned subsidiary directly controlled by Qingdao City Construction Investment (Group) Limited; Qingdao City Construction Investment (Group) Limited is wholly-owned by the Qingdao State-Owned Assets Supervision & Administration Commission. The Qingdao State-owned Assets Supervision & Administration Commission, Qingdao City Construction Investment (Group) Limited, Qingdao City Construction Financial Holding Group Co., Ltd., China Golden Harbour (Holdings) Group Limited and Golden Harbour Global Holdings Limited are deemed to be interested in the shares of the Bank held by Golden Harbour.

According to relevant disclosure of interests forms on the Hong Kong Stock Exchange, it has entered into an agreement to sell the shares it was interested in, which do not need to be delivered within 4 trading days, involving 440,000,000 H Shares held directly by Golden Harbour. According to the information available to the Bank, as of the end of the Reporting Period, the delivery of these shares has not yet been completed.

(12) Zhongjing Sihai Co., Ltd. ("Zhongjing Sihai") holds 506,102,476 Domestic Shares (long position) of the Bank. According to the relevant shareholding table from the Hong Kong Stock Exchange and business registration information publicly disclosed by Zhongjing Sihai:

In August 2019, Zhongjing Xinhua transferred its equity interests of 51.6524% in Zhongjing Sihai to Shanshan Group, upon which Shanshan Group owned 100% equity interests in Zhongjing Sihai. Shanshan Group is the subsidiary of Shanshan Holdings which owns its equity interests of 54.81%, which in turn is the subsidiary of Ningbo Qinggang which holds its equity interests of 40.54%. Zheng Yonggang and Zhou Jiqing hold equity interests of 51% and 49% in Ningbo Qinggang, respectively. As such, Zheng Yonggang, Zhou Jiqing, Ningbo Qinggang, Shanshan Holdings and Shanshan Group are deemed to be interested in the shares of the Bank held by Zhongjing Sihai. According to the information submitted by shareholders, Mr. Zheng Yonggang, passed away due to illness, and the relevant equities held by Mr. Zheng Yonggang are intended to enter the inheritance process in accordance with relevant laws and regulations, and the de facto controller and the ultimate beneficiary will be re-identified according to the inheritance of his equities, and the other ultimate beneficiary is a natural person, Zhou Jiqing.

Chapter VI Changes in Share Capital and Particulars of Shareholders

6.4 SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES UNDER HONG KONG LAWS AND REGULATIONS (CONTINUED)

Notes: (Continued)

(12) (Continued)

According to the "Announcement of Shanshan Group Co., Ltd. Regarding Progress of the Company's Material Litigations" issued by Shanshan Group on the SSE on 20 January 2023, "On 17 January 2023, Shanghai Financial Court issued the first instance judgements on the two cases regarding the dispute on transfer of equity interests, namely ① the case involving Zhongjing Xinhua v. Shanshan Holdings, Shanshan Group, and Zhongjing Sihai for the dispute on equity transfer contract ([2020] Hu 74 Min Chu No. 1715), and ② the case involving Shanshan Holdings v. Zhongjing Xinhua for the dispute on equity transfer contract ([2020] Hu 74 Min Chu No. 1254) (hereinafter collectively referred to as the "Judgements"), and served the Judgements to Shanshan Holdings, Shanshan Group, and Zhongjing Sihai. Shanshan Group received the Judgements on 18 January 2023. The main content of the two Judgements are summarised as follows: (1) the Framework Agreement on the Transfer of Shares of Huishang Bank Corporation Limited and Equity Interests in Zhongjing Sihai Co., Ltd. entered into by Zhongjing Xinhua and Shanshan Holdings, the Agreement on Transfer of Equity in Zhongjing Sihai Co., Ltd. entered into by Zhongjing Xinhua and Shanshan Group, the Equity Transfer Contract entered into by Zhongjing Xinhua and Shanshan Holdings were terminated on 2 June 2020; (2) Zhongjing Xinhua shall return the amount equal to the consideration paid by Shanshan Holdings for the equity transfer; (3) Shanshan Group shall return 51.6524% equity interests in Zhongjing Sihai registered under the name of Shanshan Group, and Zhongjing Xinhua shall return the corresponding amount of equity transfer consideration; (4) other claims were rejected." According to the "Announcement Regarding Progress of the Company's Material Litigations" published by Shanshan Group on the SSE on 25 September 2023, "On 22 September 2023, Shanghai High People's Court issued the second instance judgements on the above two disputes on transfer of equity interests respectively. ⋯ contents of the judgments: the appeals were dismissed and the original judgments were upheld". According to the 2023 Annual Report on Corporate Bonds published by Shanshan Group on 25 April 2024, "in order to safeguard the legitimate rights and interests of the company, the company has applied for enforcement". During the enforcement period, both parties reached a consensus and signed a settlement agreement (the "Settlement Agreement") on 30 November 2023, which came into effect on 6 December 2023. Accordingly, the enforcement procedures of the above two enforcement cases have been concluded on 13 March 2024. For details, please refer to the announcements published by Shanshan Group on the SSE. Based on the information provided to the Bank by Shanshan Holdings, due to Zhongjing Xinhua's failure to execute the Settlement Agreement, Shanshan Holdings and Shanshan Group have applied to the Shanghai Financial Court for the resumption of enforcement procedures.

(13) According to the disclosure of interests forms submitted by DRAGON SOUND INVESTMENT LIMITED, JOY GLORY HOLDINGS LIMITED, and SUPERIOR LOGIC INVESTMENTS LIMITED to the Hong Kong Stock Exchange, related parties acquired 273,449,000, 532,415,400 and 440,000,000 H Shares of the Bank, respectively. According to the form of disclosure interest submitted by Zhongjing Xinhua Hong Kong, Wealth Honest and Golden Harbour to the Hong Kong Stock Exchange, related parties entered into an agreement in relation to the disposal of shares in which they were interested. The transfer of such share interests has not been completed. Pursuant to relevant requirements of the SFO, during the period from the entering of the agreement to prior to the completion of the transfer of shares, related purchasers and vendors shall be deemed to be interested in such shares they have purchased or disposed of and all of them are beneficial owners.

According to the disclosure of interests forms submitted by Zhongjing Xinhua Hong Kong, Wealth Honest and Golden Harbour to the Hong Kong Stock Exchange, "Zhongjing Xinhua Asset Investment Management Co., Ltd., on behalf of all vendors, issued a written notice to Shanshan Holdings Co., Ltd. on 1 June 2020, announcing the termination of the Framework Agreement signed by the parties on 20 August 2019. In this regard, the relevant vendors are not required to transfer the underlying H Shares to Shanshan Holdings Co., Ltd⋯".

Chapter VI Changes in Share Capital and Particulars of Shareholders

6.4 SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES UNDER HONG KONG LAWS AND REGULATIONS (CONTINUED)

Notes: (Continued)

(13) (Continued)

According to the "Announcement of Zhongjing Xinhua Asset Investment Management Co., Ltd. Regarding the Company's Material Litigations" issued by Zhongjing Xinhua on the SSE on 9 July 2020, "… On 1 June 2020, the Company issued to Shanshan Holdings the "Notice on the Termination of the Framework Agreement between Shanshan Holdings Co., Ltd. and Zhongjing Xinhua Asset Investment Management Co., Ltd. on the Transfer of Shares of Huishang Bank Corporation Limited and Zhongjing Sihai Co., Ltd."… The Company has recently filed a lawsuit with the Intermediate People's Court of Huangshan City, Anhui Province and has been accepted. The filing for the case has now been completed." According to the 2020 Annual Report on Corporate Bonds of Zhongjing Xinhua Asset Investment Management Co., Ltd. published on the SSE by Zhongjing Xinhua on 28 April 2021, "Progress of the dispute on transfer of equity interests in Huishang Bank with Shanshan Holdings Co., Ltd.: the Company has filed a lawsuit with the Intermediate People's Court of Huangshan City, Anhui Province. As Shanshan Holdings Co., Ltd. prosecuted first, the two cases have been consolidated to Shanghai Financial Court for trial…" According to the 2022 Interim Report on Corporate Bonds of Zhongjing Xinhua Asset Investment Management Co., Ltd. disclosed by Zhongjing Xinhua on the SSE on 30 August 2022, "In the Case (1) and Case (2) regarding disputes on disposal of equity in Zhongjing Sihai, two claims of unlisted equity are involved, namely Zhongjing Xinhua's prosecution against Shanshan Holdings for the return of 51.6524% equity in Zhongjing Sihai, and Shanshan Holdings' request to acquire 225,000,000 unlisted domestic shares of Huishang Bank held by Zhongjing Xinhua, which has been withdrawn by Shanshan Holdings due to its adjustment to such request." According to the 2022 Annual Report on Corporate Bonds of Zhongjing Xinhua Asset Investment Management Co., Ltd. disclosed by Zhongjing Xinhua on the SSE on 28 April 2023, the lawsuit status is that "the judgment of first instance trial has been pronounced and both parties have lodged their appeals; the second instance trial will be heard on 17 May 2023." According to the 2023 Audit Report of Zhongjing Xinhua Asset Investment Management Co., Ltd. disclosed by Zhongjing Xinhua on the SSE on 30 April 2024, "Shanghai High People's Court made a second instance judgment on 22 September 2023, and upheld the first instance judgment." Shanshan Holdings and Shanshan Group have applied for enforcement, respectively, and the Shanghai Financial Court has accepted the case. On 21 March 2024, Zhongjing Xinhua applied for a retrial of the two cases to the Third Circuit Court of the Supreme People's Court. The review opinion of the Supreme People's Court was "meeting the conditions for retrial and recommending filing for review". For details, please refer to the announcements issued by Zhongjing Xinhua on the SSE. Based on the information provided to the Bank by Zhongjing Xinhua, the Supreme People's Court issued two civil rulings in July 2024, respectively, and rejected the application of Zhongjing Xinhua for retrial.

(14) According to the disclosure of interests forms submitted by companies including Shanshan Holdings to the Hong Kong Stock Exchange, Shanshan Holdings entered into an acting in concert agreement with SUPERIOR LOGIC INVESTMENTS LIMITED, DRAGON SOUND INVESTMENT LIMITED, JOY GLORY HOLDINGS LIMITED, respectively.

(15) According to the disclosure of interests forms submitted by Shenzhen Amer (Group) Limited ("Amer Group") to the Hong Kong Stock Exchange, Amer Group purchased 224,781,227 Domestic Shares. Amer Group is a wholly-owned subsidiary of Amer Holdings Group Limited (正威控股集團有限公司) ("Amer Holdings"), which in turn is owned as to 90% by Wang Wenyin. Liu Jiehong is the spouse of Wang Wenyin. Wang Wenyin, Liu Jiehong and Amer Holdings therefore are deemed to be interested in the Shares of the Bank held by Amer Group. According to the information available to the Bank, as of the end of the Reporting Period, the delivery of these shares has not yet been completed.

(16) According to the disclosure of interests forms submitted by Amer Group to the Hong Kong Stock Exchange, Amer Group purchased 1,245,864,400 H Shares. Wang Wenyin, Liu Jiehong and Amer Holdings are deemed to be interested in the Shares of the Bank held by Amer Group. According to the information available to the Bank, as of the end of the Reporting Period, the delivery of these shares has not yet been completed.

Chapter VI Changes in Share Capital and Particulars of Shareholders

6.4 SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES UNDER HONG KONG LAWS AND REGULATIONS (CONTINUED)

Notes: (Continued)

(17) Guotai Junan Securities (Hong Kong) Limited holds security interests in 273,606,600 H Shares (long position). According to the relevant disclosure of interests forms on the Hong Kong Stock Exchange, Guotai Junan International Holdings Limited is indirectly owned as to 73.92% by Guotai Haitong Securities Co., Ltd., and Guotai Junan Securities (Hong Kong) Limited is directly owned as to 100% by Guotai Junan International Holdings Limited. Guotai Haitong Securities Co., Ltd. and Guotai Junan International Holdings Limited, therefore, are deemed to be interested in such shares.

Haitong International Securities (Singapore) Pte. Ltd. holds security interests in 210,000,000 H Shares (long position). According to the relevant disclosure of interests forms on the Hong Kong Stock Exchange, Guotai Junan Securities Co., Ltd. acquired the control of Haitong International Holdings Limited and its subsidiaries. Specifically, Haitong International Holdings Limited is owned as to 100% by Guotai Haitong Securities Co., Ltd.; Haitong International Securities Group Limited is owned as to 100% by Haitong International Holdings Limited; Haitong International Securities (Singapore) Pte. Ltd. is indirectly owned as to 100% by Haitong International Securities Group Limited. Guotai Junan Securities Co., Ltd., Haitong International Holdings Limited and Haitong International Securities Group Limited, therefore, are deemed to be interested in such shares.

Guotai Junan Investments (Hong Kong) Limited holds 3,374,000 H Shares (long position) of the Bank. According to the relevant disclosure of interests forms on the Hong Kong Stock Exchange, Guotai Junan Investments (Hong Kong) Limited is indirectly owned as to 100% by Guotai Haitong Securities Co., Ltd. Guotai Haitong Securities Co., Ltd., therefore, is deemed to be interested in such shares.

(18) The information disclosed above is based on the information available on the website of the Hong Kong Stock Exchange as of the end of the Reporting Period and the information available to the Bank as of the Latest Practicable Date. Pursuant to Section 336 of the SFO, shareholders of the Bank are required to file a disclosure of interests form when certain criteria are fulfilled. When a shareholding in the Bank changes, it is not necessary for the shareholder to notify the Bank and the Hong Kong Stock Exchange unless several criteria have been fulfilled, therefore the shareholder's latest shareholding in the Bank may be different from the shareholding filed with the Hong Kong Stock Exchange.

Save as disclosed above, the Bank is not aware of any other person (other than the directors, supervisors and chief executives (as defined in the Hong Kong Listing Rules) of the Bank) having any interests or short positions in the shares and underlying shares of the Bank as at the end of the Reporting Period as recorded in the register required to be kept by the Bank pursuant to section 336 of the SFO.

Chapter VI Changes in Share Capital and Particulars of Shareholders

6.5 INITIAL PUBLIC OFFERING OF A SHARES

The 2018 annual general meeting was convened by the Bank on 30 June 2019, at which, among others, the resolution for initial public offering and listing of A shares ("A Share Offering") was considered and approved. The Bank proposed issuing no more than 1.5 billion A shares. The Resolution on the extension of the validity period of the A Share Offering Plan of the Bank and Resolution on the extension of the validity period of the authorization of the Board to deal with specific matters in respect of the A Share Offering were considered and approved at the 2019 annual general meeting held on 30 June 2020, the 2020 annual general meeting held on 30 June 2021, the 2021 annual general meeting held on 30 June 2022, the 2022 annual general meeting held on 30 June 2023, the 2023 annual general meeting held on 29 June 2024 and the 2024 annual general meeting held on 30 June 2025 of the Bank. The Bank would extend the validity period of A Share Offering Plan and the Authorization Resolution for twelve months from the next day immediately after the expiration of original validity period (namely, the extended period would be from 30 June 2025 to 29 June 2026). Please refer to the circulars of the Bank dated 15 May 2019, 15 May 2020, 25 May 2021, 25 May 2022, 6 June 2023, 14 May 2024 and 16 May 2025 for the details of the resolution on the aforesaid A Share Offering.

The Bank will publish announcements, in due course, to give the shareholders and potential investors updates on the A Share Offering. The A Share Offering may or may not be completed, and the shareholders and potential investors are advised to exercise caution when dealing in the shares of the Bank.

Chapter VII Profile of Directors, Supervisors, Senior Management, Employees and Institutions

7.1 DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name of current directors	Gender	Date of birth	Position held	First appointment date	Date of appointment for the current term	Total remuneration from the Bank during the Reporting Period before tax (RMB10 thousand)[2]
Kong Qinglong	Male	May 1976	Executive Director	May 2023	May 2023	90.02
			President	April 2023	April 2023	
			Chief Compliance Officer	February 2026	February 2026	
Ma Lingxiao	Male	July 1978	Non-executive Director	November 2021	November 2021	–
Lu Hao	Male	November 1970	Non-executive Director	September 2024	September 2024	–
Wang Zhaohui	Male	December 1970	Non-executive Director	November 2023	November 2023	–
Wei Lixiang	Male	January 1971	Non-executive Director	December 2025	December 2025	–
Zuo Dunli	Male	October 1971	Non-executive Director	January 2023	January 2023	–
Gao Yang	Male	June 1966	Non-executive Director	March 2010	November 2018	–
Wang Wenjin	Male	December 1966	Non-executive Director	December 2018	December 2018	–
Dai Peikun	Male	April 1953	Independent Non-executive Director	December 2018	December 2018	–
Zhou Yana	Female	January 1954	Independent Non-executive Director	August 2018	November 2018	24
Liu Zhiqiang	Male	September 1956	Independent Non-executive Director	December 2018	December 2018	–
Yin Jianfeng	Male	December 1969	Independent Non-executive Director	December 2018	December 2018	24
Huang Aiming	Female	December 1969	Independent Non-executive Director	January 2019	January 2019	24
Xu Jiabin	Male	March 1966	Independent Non-executive Director	June 2022	June 2022	24

Name of current supervisor	Gender	Date of birth	Position held	Start of term of office	Total remuneration from the Bank during the Reporting Period before tax (RMB10 thousand)[2]
He Jiehua	Male	March 1966	Employee Supervisor	July 2020	84.53
			Chairman of the Board of Supervisors	July 2020	
			Chairman of the Labor Union Committee	December 2025	
Zhong Qiushi	Male	February 1965	Employee Supervisor	October 2018	30.16
Sun Zhen	Male	September 1976	Employee Supervisor	July 2020	179.88
			President of Huaibei Branch	December 2022	
He Zongan	Male	July 1969	Shareholder Supervisor	June 2024	–
Wang Anning	Male	December 1969	Shareholder Supervisor	June 2023	–
Dong Xiaolin	Female	September 1963	External Supervisor	November 2018	18.5
Zhou Zejiang	Male	November 1983	External Supervisor	June 2020	18.5
Han Dongya	Male	October 1975	External Supervisor	June 2023	17

Chapter VII Profile of Directors, Supervisors, Senior Management, Employees and Institutions

7.1 DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)

Name of current senior management	Gender	Date of birth	Position held	Start of term of office	Total remuneration from the Bank during the Reporting Period before tax (RMB10 thousand)[2]
Kong Qinglong	Male	May 1976	Executive Director President Chief Compliance Officer	May 2023 April 2023 February 2026	90.02
Zhang Juzhong	Male	March 1969	Vice President	May 2021	69.98
Xu Guangcheng	Male	August 1969	Vice President	November 2022	69.98
Huang Xiaoyan	Female	December 1971	Director of Investment and Wealth	January 2019	143.96
Liu Fei	Male	March 1966	Assistant to President	March 2022	142.26
Wang Yong	Male	August 1971	Chief Information Officer	August 2023	141.48
Zhang Jianping	Male	October 1974	Director of Human Resources Head of the Party Committee Organization Department, General Manager of the Human Resources Department	August 2023 July 2020	141.48

Name of resigned personnel	Gender	Date of birth	Position held	Start and end of term of office	Total remuneration from the Bank during the Reporting Period before tax (RMB10 thousand)[2]
Yan Chen	Male	August 1972	Former Non-executive Director Former Executive Director Former Chairman of the Board	December 2019 – April 2021 April 2021 – July 2025 July 2021 - July 2025	56.67
Zhao Zongren	Male	February 1956	Former Non-executive Director	November 2018 – July 2025	–
Lian Baohua	Male	August 1965	Former Secretary to the Board of Directors	January 2019 – November 2025	132.94

Notes: (1) The above descriptions of the positions of directors, supervisors and senior management are the conditions as at the Latest Practicable Date. For details of the changes in positions, please refer to Section 7.2 "Changes in Directors, Supervisors and Senior Management of the Bank" in this annual report.

(2) Pursuant to the requirements of the relevant PRC authorities, the remuneration payable to the above is still subject to final confirmation. Further disclosure will be made after the confirmation of the final remuneration. The total remuneration before tax from the Bank during the Reporting Period includes the "five insurances and housing provident fund" and the portion of corporate contribution to enterprise annuity.

Chapter VII Profile of Directors, Supervisors, Senior Management, Employees and Institutions

7.2 CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE BANK

1. The Bank announced on 29 April 2025 that the Board of the Bank resolved on the same date to propose the appointment of Mr. Wei Lixiang as a non-executive director of the fourth session of the Board of the Bank. The Bank announced on 30 June 2025 that the Bank held the 2024 annual general meeting on the same day to consider and approve the election of Mr. Wei Lixiang as a non-executive director of the fourth session of the Board of the Bank. The Bank announced on 24 December 2025 that the qualification of Mr. Wei Lixiang as a director of the Bank was approved by the National Financial Regulatory Administration Anhui Office.

2. The Bank announced on 15 July 2025 that the Bank received the resignation of Mr. Zhao Zongren, a non-executive director of the Bank, on 14 July 2025, resigning as a non-executive director, member of the Development Strategy and Consumer Rights Protection Committee and member of the Related Party Transaction Control Committee of the Bank. His resignation took effect on the same date.

3. The Bank announced on 31 July 2025 that Mr. Yan Chen, resigned as the Chairman, executive director, chairman and member of the Development Strategy and Consumer Rights Protection Committee, chairman and member of the Risk Management Committee, and member of the Personnel Nomination and Remuneration Committee of the Bank on 30 July 2025. His resignation took effect on the same date.

4. The Bank announced on 8 August 2025 that Mr. Kong Qinglong, an executive director, would perform the duties in place of the chairman of the Development Strategy and Consumer Rights Protection Committee under the Board, and Mr. Lu Hao, a non-executive director, would perform the duties in place of the chairman of the Risk Management Committee under the Board.

5. On 24 November 2025, Mr. Lian Baohua resigned as the Secretary to the Board of Directors of the Bank due to reaching statutory retirement age. His resignation took effect on the same date.

6. On 6 February 2026, the Board of the Bank resolved on the same date to appoint Mr. Kong Qinglong, the executive director and President as the Chief Compliance Officer of the Bank. His appointment took effect on the same date.

7.2 CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE BANK (CONTINUED)

7. Save as disclosed above, pursuant to the requirement of Rule 13.51B(1) of the Hong Kong Listing Rules, the changes in the information of directors, supervisors and senior management of the Bank during the Reporting Period and as of the Latest Practicable Date are as follows:

(1) Mr. Lu Hao, a non-executive director of the Bank, ceased to serve as a director of Huaibei Guoan Power Co., Ltd., a director of Anhui New Energy Venture & Investment Co., Ltd. and the legal representative, executive director and general manager of Anhui Wenergy Energy Materials Co., Ltd.

(2) Mr. Gao Yang, a non-executive director of the Bank, serves as a restructuring advisor of Zhongjing Xinhua Asset Investment Management Co., Ltd.

(3) Ms. Zhou Yana, an independent non-executive director of the Bank, serves as an independent director of Circuit Fabology Microelectronics Equipment Co., Ltd.

(4) Mr. Yin Jianfeng, an independent non-executive director of the Bank, ceased to serve as the chief economist of China Zheshang Bank Co., Ltd. and an independent director of Bank of Wenzhou Co., Ltd.

(5) Mr. Xu Jiabin, an independent non-executive director of the Bank, ceased to serve as an independent director of Inner Mongolia First Machinery Group Co., Ltd., while he serves as an expert member of the China Council for the Promotion of International Trade.

(6) Mr. He Jiehua, the Chairman of the Board of Supervisors of the Bank, serves as the chairman of the Labor Union Committee of the Bank.

(7) Mr. Wang Anning, a shareholder supervisor of the Bank, ceased to serve as the chairman of Wuhu Yuanheng Assets Operation Co., Ltd., while he serves as the chairman of Anhui Changjiang Equity Exchange Company Limited and a director of Anhui Changjiang Agriculture and Forestry Equity Exchange Co., Ltd. The name of his former employer, Wuhu City Construction Investment Co., Ltd., has been changed to Wuhu Investment Holding Group Co., Ltd.

(8) Ms. Dong Xiaolin, an external supervisor of the Bank, ceased to serve as an external supervisor of Wuxi Rural Commercial Bank Co., Ltd.

(9) Mr. Han Dongya, an external supervisor of the Bank, serves as a member of the Academic Committee of Anhui University.

(10) Mr. Xu Guangcheng, the vice president of the Bank, also serves as the vice chairman of Chery Huiyin Motor Finance Service Co., Ltd.

Save as disclosed above, during the Reporting Period and as of the Latest Practicable Date, the Bank was not aware of any change in the information of directors, supervisors or senior management which required to be disclosed pursuant to the requirements of the Rule 13.51B(1) of the Hong Kong Listing Rules.

Chapter VII Profile of Directors, Supervisors, Senior Management, Employees and Institutions

7.3 PROFILE OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Directors

Mr. Kong Qinglong, joined the Bank in January 2023, and is currently an executive director, the President and Chief Compliance Officer of the Bank. Mr. Kong previously served as a business assistant of the Investment Banking Department (Shanghai) and a senior business director (at deputy general manager level) of the Bonds Department of Huaxia Securities Co., Ltd. (華夏證券股份有限公司), the deputy head officer of the board office, the general manager of the Research and Development Center, the assistant to the president, the vice president of China Minzu Securities Co., Ltd. (中國民族證券有限責任公司), a director and the general manager of Great Wall Pan Asia International Investment Co. Ltd. (Hong Kong), a wholly-owned subsidiary of China Great Wall Asset Management Co., Ltd., the deputy general manager of the Investment Banking Department of the Head Office of Industrial and Commercial Bank of China Limited and the general manager of the Private Banking Department of the Head Office and the president of Hefei Branch of China Minsheng Banking Corp., Ltd. He holds a doctorate degree in economics from Renmin University of China, and is a member of the Standing Committees of the 13th All-China Youth Federation and a member of the Standing Committee of the 3rd National Financial Youth Federation.

Mr. Ma Lingxiao, joined the Bank in November 2021, and is currently a non-executive director of the Bank. He was formerly the section chief of the financial stabilization division, the director of the financial research division of the People's Bank of China (during the period from August 2009 to July 2012, he joined the Post-Doctoral Mobile Station of the Institute of Finance of the People's Bank of China), the deputy researcher of the deposit insurance division of the operation management office of the People's Bank of China, and the deputy director of the early correction department of Deposit Insurance Fund Management Co., Ltd. (存款保險基金管理有限責任公司). He is currently the director of the Information Statistics Department (Research Department) of Deposit Insurance Fund Management Co., Ltd. Mr. Ma, a researcher associate, obtained a doctorate degree in economics from Xi'an Jiaotong University.

Mr. Lu Hao, joined the Bank in September 2024, and is currently a non-executive director of the Bank. He served as the director and deputy general manager of Anhui Kaiyuan Development Co., Ltd. (安徽開元發展有限責任公司); general manager (legal representative) of Hepu Company of Shanghai Anhui Yu'an Industrial Corporation (上海安徽裕安實業總公司合浦公司); officer of marketing section of Research and Development Center of Anhui Trust and Investment Company (安徽省信託投資公司研究發展中心); secretary to the general manager of Anhui Guoyuan Holding (Group) Co., Ltd. (安徽國元控股(集團)有限責任公司); deputy general manager of Anhui Guoyuan Construction Investment Co., Ltd. (安徽國元建設投資有限公司); director of strategic development department, director of strategic planning department, assistant to the general manager and concurrently director of strategic planning department, chief economist and concurrently director of strategic planning department and the dean of industrial research institute of Anhui Province Energy Group Co., Ltd.; chairman of Anhui Wenergy Capital Investment Co., Ltd. (安徽省皖能資本投資有限公司); chief economist and concurrently dean of industrial research institute, chief economist of Anhui Province Energy Group Co., Ltd.; vice chairman of Anhui Natural Gas Development Co., Ltd. (安徽省天然氣開發股份有限公司); vice chairman of Beijing Dingtian Software Co., Ltd. (北京鼎天軟件有限公司); director of Huaibei Guoan Power Co., Ltd. (淮北國安電力有限公司); director of Anhui New Energy Venture & Investment Co., Ltd. (安徽省新能創業投資有限責任公司); legal representative, executive director and general manager of Anhui Wenergy Energy Materials Co., Ltd. (安徽省皖能能源物資有限公司). He is currently the deputy general manager of Anhui Energy Group Co., Ltd. (安徽省能源集團有限公司), vice chairman of Anhui Wenergy Company Limited (安徽省皖能股份有限公司), director of Inner Mongolia Intelligent Coal Co., Ltd. (內蒙古智能煤炭有限責任公司), and director and general manager of Xing An Holding Limited (興安控股有限公司). He holds a doctorate in financial engineering from the University of Science and Technology of China and is a senior economist.

7.3 PROFILE OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)

Directors (Continued)

Mr. Wang Zhaohui, joined the Bank in November 2023, and is currently a non-executive director of the Bank. He served as the director of the Office and deputy director of Anhui Provincial Local Taxation Bureau; member of the Standing Committee of Municipal Party Committee, director of the Organization Department and director of the United Front Work Department of Fuyang, Anhui Province; and deputy director of Anhui Provincial Department of Finance. He is currently the chairman and general manager of Anhui Credit Financing Guaranty Group Co., Ltd. He is a postgraduate in economic management from Party School of the Central Committee.

Mr. Wei Lixiang, joined the Bank in December 2025, and is currently a non-executive director of the Bank. He previously served as a secretary and an assistant translator of Hejiu Railway Company (合九鐵路公司), a staff member of the project department of Anhui Railway Construction Investment Company (安徽省鐵路建設投資公司), a secretary of the office, the deputy director of the office, the deputy director (person in-charge) of the Financing Office Specialized in China Development Bank Affairs, the manager of the capital operation department, the secretary to the board of directors, and the chief economist of Anhui Provincial Investment Group Holding Co., Ltd. (安徽省投資集團控股有限公司). He is currently the deputy general manager of Anhui Guoyuan Financial Holding Group Co., Ltd. and the chairman of Guoyuan Agricultural Insurance Co., Ltd. (國元農業保險股份有限公司). He is a postgraduate with a master's degree in world economics from the School of Economics of Fudan University and is a senior economist.

Mr. Zuo Dunli, joined the Bank in January 2023, and is currently a non-executive director of the Bank. He served as a secretary of Navigation Management Authority of Mingguang City, a secretary of Chuzhou Shipping Bureau, a secretary of the Water Transport Service Centre of Anhui Province, a secretary, a deputy head of general affairs department, a deputy head of office, a deputy head of office (person-in-charge), a deputy minister of construction management department, a head of chief engineer office of Anhui Provincial Communications Investment Group Co., Ltd. (安徽省交通投資集團有限責任公司), a head of chief engineer office of Anhui Transportation Construction Management Co., Ltd. (安徽省交控建設管理有限公司) (Highway Construction Division), a minister of investment development department, an assistant to general manager and a minister of investment development department, an assistant to general manager and the head of strategic investment department of Anhui Transportation Holding Group Co., Ltd. (安徽省交通控股集團有限公司), and the director of Anhui High-way Real Estate Group Limited (安徽省高速地產集團有限公司). Mr. Zuo currently serves as the chief economist of Anhui Transportation Holding Group Co., Ltd., the chairman of Wanjiang Financial Leasing Co., Ltd. (皖江金融租賃股份有限公司). He holds an Executive Master of Business Administration degree from Tianjin University and is a senior economist.

Chapter VII Profile of Directors, Supervisors, Senior Management, Employees and Institutions

7.3 PROFILE OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)

Directors (Continued)

Mr. Gao Yang, joined the Bank in December 2009, and is currently a non-executive director of the Bank. Mr. Gao was the chairman of the board of directors of China Strategic Holdings Limited in Hong Kong, and the chairman of Zhongjing Sihai Co., Ltd. (中靜四海實業有限公司), Guosheng Huaxing Investment Co., Ltd. and Zhongjing Xinhua Asset Investment Management Co., Ltd. He is currently the chairman of Zhongjing Industry (Group) Co., Ltd. , the director of WEALTH HONEST LIMITED, the director of Zhongjing Xinhua Asset Investment Management (Hong Kong) Co., Ltd. and a restructuring advisor of Zhongjing Xinhua Asset Investment Management Co., Ltd. Mr. Gao studied hotel management at Meinl Vocational School in Vienna from March 1985 to March 1987 as a guest student.

Mr. Wang Wenjin, joined the Bank in December 2018, and is currently a non-executive director of the Bank. Mr. Wang was the general manager of financial management department, the financial controller, the executive vice chairman, the chief financial officer, the chief risk officer, a director and a group partner of China Vanke Co., Ltd. He is currently the chairman of Shenzhen Yingda Investment Fund Management Co., Ltd., a member of Vanke. Mr. Wang, a non-practising member of the Chinese Institute of Certified Public Accountants, obtained a master's degree from Zhongnan University of Economics and Law.

Mr. Dai Peikun, joined the Bank in December 2018, and is currently an independent non-executive director of the Bank. His primary working experience includes: the deputy director (deputy director-level) of industrial economics research division of Anhui Economic and Cultural Research Center, the deputy head, the head, an assistant to the director, the deputy director and an inspector (department level) of the Finance and Trade Economics Division and International Economics Division of the Development Research Center of Anhui Provincial Government. He obtained a master's degree in economics from Peking University.

Ms. Zhou Yana, joined the Bank in August 2018, and is currently an independent non-executive director of the Bank. Ms. Zhou was a lecturer, an associate professor and a professor, and the department head, the vice president, the executive vice president of the School of Economics of Anhui University and the dean of the School of Business Administration of Anhui University, a professor of the School of Business of Anhui University, independent directors of Anhui Gourgen Traffic Construction Co., Ltd., Hefei Urban Construction Development Co., Ltd. and Anhui Landun Photoelectron Co., Ltd. She is currently independent directors of Anhui Transport Consulting & Design Institute Co., Ltd. and QuantumCTek Co., Ltd. and an independent director of Circuit Fabology Microelectronics Equipment Co., Ltd. (合肥芯碁微電子裝備股份有限公司). She obtained a master's degree in accounting from Anhui University.

7.3 PROFILE OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)

Directors (Continued)

Mr. Liu Zhiqiang, joined the Bank in December 2018, and is currently an independent non-executive director of the Bank. His primary working experience includes: the deputy director and the director of the planning bureau and the statistics and analysis department of the PBOC, and the director of Hong Kong-Macau-Taiwan financial affair office of the PBOC, the deputy head of the economics department of Xinhua News Agency, Hong Kong Branch, the deputy general manager of Guangdong International Trust Investment Corporation, the president of Guangdong Development Bank, the vice president of China CITIC Bank, a director and the vice president of CITIC Holdings Co., Ltd., a director of CITIC Group Corporation, the chairman of CITIC Asset Management Corporation Ltd. and the chairman of CITIC Xinbang Asset Management Corporation Ltd. He obtained a doctorate degree in economics from Zhongnan University of Economics and Law.

Mr. Yin Jianfeng, joined the Bank in December 2018, and is currently an independent non-executive director of the Bank. Mr. Yin was the executive vice president of CEIBS Lujiazui Institute of International Finance, the deputy director of the Finance Institute of Chinese Academy of Social Sciences, the chief economist of China Zheshang Bank Co., Ltd. and an independent director of Bank of Wenzhou Co., Ltd. He is currently a professor of the finance department and an instructor of doctorate students (entitled to the "special government allowance" granted by the State Council) at the University of International Business and Economics. He obtained a doctorate degree in finance from Chinese Academy of Social Sciences.

Ms. Huang Aiming, joined the Bank in January 2019, and is currently an independent non-executive director of the Bank. She had worked for Agricultural Bank of China, Shenzhen Branch and Shenzhen Zhuojun Wangcai Investment Management Co., Ltd. She is currently the president of China International Capital Limited and the chairman of Shenzhen Huichuang Equity Investment Fund Management Co., Ltd. She obtained a master's degree in economics at the Department of Political Science of Xiamen University and a Finance EMBA degree from Cheung Kong Graduate School of Business.

Mr. Xu Jiabin, joined the Bank in June 2022, and is currently an independent non-executive director of the Bank. Previously, Mr. Xu served as a lecturer, an associate professor and a professor at the School of Business Administration, Renmin University of China, and independent directors of Sinotrans Air Transportation Development Co., Ltd. and Inner Mongolia First Machinery Group Co., Ltd. He is currently a professor and a doctoral supervisor at the School of Business, Renmin University of China, an independent director of Jiangsu Haimen Rural Commercial Bank Co., Ltd., a member of the National Manufacturing Strategy Advisory Committee, a member of the National Industrial Base Expert Committee, and an expert member of the China Council for the Promotion of International Trade. He holds a doctorate in industrial economics from Renmin University of China.

7.3 PROFILE OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)

Supervisors

Mr. He Jiehua, joined the Bank in March 2019, and is currently an employee supervisor, chairman of the Board of Supervisors, and chairman of the Labor Union Committee of the Bank. He held various positions in the Audit Department of Anhui Province, including the deputy section chief and section chief of the treasury division, the assistant to director (section-chief grade) and deputy director of the finance division, director of the finance and audit division, director of the human resources and education division, and chief of retired cadre office, chief auditor and deputy director-general. He was an executive director of the Bank. He obtained a master's degree in management from Hefei University of Technology. He is a senior auditor and certified public accountant.

Mr. Zhong Qiushi, joined the Bank in January 2002, is currently an employee supervisor of the Bank and serves as the director of HSBank Wealth Management Co., Ltd. He once served as the vice president of Feixi County Sub-branch, vice president (in charge of operations) and person-in-charge of the credit operation department of Hefei branch of China Construction Bank, presidents of the Sipailou Branch and the Youth Road Branch of Hefei City Commercial Bank, the general manager of the corporate banking department of the Hefei Branch of the Bank, an assistant to the president of the Huaibei Branch, and the deputy general manager and deputy general manager (in charge of operations), the general manager of the credit assessment department of the Head Office, the president of the Bengbu Branch, the general manager of risk management department of the Head Office and a supervisor of Huishang Bank Financial Leasing Co., Ltd. Mr. Zhong, a senior economist, obtained an Executive Master of Business Administration (EMBA) degree from the University of Science and Technology of China.

Mr. Sun Zhen, joined the Bank in March 1999, and is currently an employee supervisor and the president of Huaibei Branch of the Bank. He held various positions, including an assistant to the president of Huangshan Road Sub-branch of Wuhu City Commercial Bank, the deputy manager and manager of remuneration and benefits management of the Human Resources Department of the Bank, an assistant to the president of Huainan Branch, the vice president of Huainan Branch and the secretary of the discipline inspection committee of Chizhou Branch, the general manager of the Compliance Department of the Head Office of the Bank and a director of Huishang Bank Financial Leasing Co., Ltd. Mr. Sun, a senior economist, obtained a master's degree in business administration from Anhui University.

7.3 PROFILE OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)

Supervisors (Continued)

Mr. He Zongan, joined the Bank in June 2024, and is currently a shareholder supervisor of the Bank. He served as an accountant in charge and deputy section chief of the finance division of Anhui Mechanical and Electrical Equipment Corporation, the deputy manager of the finance department of Anhui Materials Group (now known as Anhui Huishang Group) Mechanical and Electrical Equipment Co., Ltd., the deputy manager and manager of the finance department of Anhui Huishang Group Mechanical and Electrical Equipment Co., Ltd., the manager of the finance department of Anhui Huishang Electric Co., Ltd., the deputy manager of the financial audit department of Anhui Huishang Metal Co., Ltd., and the senior manager and deputy general manager of the planning and finance department of Hefei Xingtai Financial Holding (Group) Co., Ltd. Mr. He is currently the general manager of the planning and finance department of Hefei Xingtai Financial Holdings (Group) Co., Ltd., and concurrently serves as a director of Hefei Xingtai Equity Investment Management Co., Ltd., a director of Hefei Xingtai Asset Management Co., Ltd., and a director of Hefei Binhu Financial Town Management Co., Ltd. He holds a bachelor's degree in accounting from Hangzhou College of Commerce and is an intermediate accountant.

Mr. Wang Anning, joined the Bank in June 2023, and is currently a shareholder supervisor of the Bank. He served as the chief of comprehensive section and the chief of fiscal and financial audit section of Fanchang County Audit Bureau, the director (deputy section level) of Fanchang County Economic Responsibility Audit Bureau, the deputy director of Fanchang County Finance Bureau, manager of Fanchang County Construction and Investment Company, the director of Fanchang County Development and Reform Commission, the director of Fanchang District Audit Bureau, and the general manager and chairman of Wuhu Yuanheng Assets Operation Co., Ltd. (蕪湖遠恒資產運營有限公司). He is currently a deputy general manager of Wuhu Investment Holding Group Co., Ltd.(蕪湖市投資控股集團有限公司), as well as serves concurrently as an executive director and the general manager of Wuhu Huicheng Squatter Settlement and Construction Co., Ltd. (蕪湖市惠城棚改建設有限公司), the chairman and general manager of Wuhu Binjiang Construction and Development Co., Ltd. (蕪湖市濱江建設發展有限公司), the chairman of Anhui Changjiang Assets and Equity Exchange Co., Ltd.(安徽長江產權交易所有限公司), and directors of Wuhu Minqiang Financing Guarantee (Group) Co., Ltd. (蕪湖市民強融資擔保(集團)有限公司), Wuhu Jincai Pawn Co., Ltd. (蕪湖金財典當有限責任公司), Wuhu Jincai Business Information Consulting Co., Ltd. (蕪湖金財商務信息諮詢有限責任公司) and Anhui Changjiang Agriculture and Forestry Equity Exchange Co., Ltd. (安徽長江農林產權交易所有限公司). He is a postgraduate from Party School of Anhui Provincial Committee, an auditor and a registered appraiser.

7.3 PROFILE OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)

Supervisors (Continued)

Ms. Dong Xiaolin, joined the Bank in November 2018, and is currently an external supervisor of the Bank. Her primary working experience includes: a teaching assistant, a lecturer and an associate professor of Nanjing Agricultural University and independent directors of Jiangsu Gaochun Rural Commercial Bank Co., Ltd., Jiangsu Donghai Rural Commercial Bank Co., Ltd., Jiangsu Lishui Rural Commercial Bank Co., Ltd., Anhui Langxi Rural Commercial Bank Co., Ltd., and Nanjing Securities Co., Ltd., a member of the Finance Institute of Nanjing City, and an external supervisor of Wuxi Rural Commercial Bank Co., Ltd. She is currently a professor and an instructor of doctorate students in the college of finance in Nanjing Agricultural University, and is concurrently a director of Key Research Base of Philosophy and Society Science in Jiangsu Province, namely, Rural Financial Development Research Center of Jiangsu Province in Nanjing Agricultural University, and she is a member of Expert Committee of Nanjing Finance Promotion Council. She obtained a doctorate degree majoring in the management of agricultural economy from Nanjing Agricultural University.

Mr. Zhou Zejiang, joined the Bank in June 2020, and is currently an external supervisor of the Bank. He served as independent directors of Anhui Annada Titanium Industry Co., Ltd., Anhui Anke Biotechnology (Group) Co., Ltd., Ankai Automobile Co., Ltd., Wuhu Conch Profiles and Science Co., Ltd., Guoyuan Securities Co., Ltd., EarthPanda Advance Magnetic Material Co., Ltd., Anhui Jiuhuashan Tourism Development Co., Ltd. and Anhui Xinhua Media Co., Ltd. He is currently the dean and a professor of School of Business, a director of Accounting and Finance Research Center, an instructor of postgraduates in accounting, and an instructor of doctoral students in accounting of Anhui University, and concurrently a communication evaluation expert of projects under the National Natural Science Foundation of China and the National Philosophy and Social Science Foundation, and a member of the review committee of senior accountants of Anhui Province. He holds a doctorate degree in Accounting from Xiamen University.

Mr. Han Dongya, joined the Bank in June 2023, and is currently an external supervisor of the Bank. He served as the deputy director of the Ethnic Affairs Commission of Hefei (deputy director of the Religious Affairs Bureau), the deputy head of Feidong County, and the general manager and director of Anhui Public Resources Trading Group. He is currently a researcher of Anhui University, the executive dean of the Research Institute of China (Anhui) Pilot Free Trade Zone, the director of the Digital Economy Research Center, a member of the academic committee, and an instructor of doctoral students of Anhui University and the president of Anhui Digital Economics Association, as well as the vice chairman of China Society of Logistics, and independent directors of HF Logistics Group Co., Ltd. and HuaAn Securities Co., Ltd. He holds a doctorate degree in management from the University of Science and Technology of China.

7.3 PROFILE OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)

Senior management

Mr. Kong Qinglong is an executive Director, the President and the Chief Compliance Officer of the Bank. For the details of his biography, please see the "Directors" section of this chapter.

Mr. Zhang Juzhong, joined the Bank in January 2021, and is currently a vice president of the Bank. Mr. Zhang previously served as vice president (in charge of work) of Suixi Road Sub-branch of Hefei Branch of the Bank of China, vice president of Anhui Chaohu Branch of the Bank of China, vice president of Hefei Chengnan Subbranch of the Bank of China, president of Anhui Suzhou Branch of the Bank of China, general manager of the SMEs Department of Anhui Branch of the Bank of China, president of Anhui Maanshan Branch of the Bank of China. Mr. Zhang, an accountant and a certified public accountant, obtained a bachelor's degree in economics from Anhui Institute of Finance & Economics (安徽財貿學院).

Mr. Xu Guangcheng, joined the Bank in September 2022, and is currently a vice president of the Bank and concurrently serves as the vice chairman of Chery Huiyin Motor Finance Service Co., Ltd. Mr. Xu previously served as vice president of Tianchang Sub-branch of Chuzhou Branch of Industrial and Commercial Bank of China (ICBC), the manager of Corporate Business Department and the manager of International Business Department of Chuzhou Branch of the ICBC, the director of Small Enterprise Business Division under the Second Business Division of Anhui Branch of the ICBC, the vice president of Huainan Branch of the ICBC, the vice general manager of Settlement and Cash Management Department of Anhui Branch of the ICBC, the general manager of Credit Card Center of Anhui Branch of the ICBC, the president of Suzhou Branch of the ICBC and the president of Wuhu Branch of the ICBC. Mr. Xu, a senior economist, obtained a bachelor's degree in economics from Anhui Institute of Finance & Economics (安徽財貿學院).

Ms. Huang Xiaoyan, joined the Bank in February 1997, is currently the director of investment and wealth management of the Bank. She previously served as the general manager of the capital operation department of Hefei City Commercial Bank; deputy general manager in charge of the work of the capital operation department of the Bank, general manager of the financial market department, general manager of the asset and liability management department and general manager of the financial market department, general manager of the asset and liability management department, and director of investment and wealth management and general manager of the asset and liability management department of the Bank. Ms. Huang, a senior economist, obtained an executive master of business administration (EMBA) degree from the University of Science and Technology of China.

7.3 PROFILE OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)

Senior management (Continued)

Mr. Liu Fei, joined the Bank in December 2001, and is currently the assistant to president of the Bank. He previously served as deputy officer of accounting division, deputy director of business department and director of planning and financial department of Wuhu Construction Bank; deputy general manager of planning and financial department and general manager of Wuhu Commercial Bank; deputy general manager of human resources department, general manager of financial market department, president of Huainan Branch, general manager of asset and liability management department, the assistant to president of the Bank, the assistant to president of the Bank and the president of Hefei Branch. He obtained a master's degree in economic management from Party School of Anhui Provincial Committee.

Mr. Wang Yong, joined the Bank in September 2002, and is currently the chief information officer of the Bank. He previously served as the deputy manager and manager of the Technical Support Department of Xuancheng Branch of ICBC, deputy chief engineer and general manager of the Technology Department of Wuhu City Commercial Bank, deputy general manager and general manager of the Technology and Information Department, general manager of the Information Technology Department and general manager of the System Development Department, general manager of the System Development Department, general manager of Credit Card Centre and general manager of the System Development Department, the chief information officer and general manager of the System Development Department of the Bank. Mr. Wang, a senior engineer, obtained a master's degree in business administration from Hefei University of Technology.

Mr. Zhang Jianping, joined the Bank in April 2002, and is currently the director of Human Resources and head of the Party Committee Organization Department, and general manager of the Human Resources Department of the Bank. He previously held various positions in Hefei Branch of the Bank, including the vice president (in charge of work) of Lujiang Road Sub-branch, vice president (in charge of work) of Sanxiaokou Sub-branch, president of Sanxiaokou Sub-branch, assistant to the president, and vice president. He also served as the deputy minister of the Party Committee Organization Department and deputy general manager of the Human Resources Department, deputy minister (in charge of work) of the Party Committee Organization Department and deputy general manager (in charge of work) of the Human Resources Department, and head of the Party Committee Organization Department and general manager of the Human Resources Department of the Bank. Mr. Zhang, a senior economist, obtained a master's degree in engineering from Dalian University of Technology.

7.4 THE ASSESSMENT INCENTIVE MECHANISM AND ANNUAL REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The Bank provides remunerations to independent non-executive directors and external supervisors according to the Proposals on Subsidies to Independent Directors of the Bank and Subsidies to External Supervisors of the Bank, and provides remuneration to executive directors, employee supervisors and senior management according to the "Measures of Huishang Bank on Senior Management's Remuneration", the "Measures of Huishang Bank on Performance Appraisal of Senior Management", and the "Measures of Huishang Bank on Performance Appraisal of Supervisors".

The non-executive directors and shareholder supervisors do not receive any remuneration from the Bank.

According to the "Performance Appraisal Measures of Huishang Bank on the Board of Directors and Directors", the "Performance Appraisal Measures on the Board of Supervisors and Supervisors of Huishang Bank" and the "Performance Appraisal Measures of the Board of Supervisors of Huishang Bank on Senior Management and its Members (Amended)", the Board of Supervisors of the Bank assesses annually the duties performance by directors, supervisors and the senior management.

Mr. Dai Peikun and Mr. Liu Zhiqiang, independent non-executive directors of the Bank, voluntarily give up the remuneration from the Bank. Other than Mr. Dai Peikun and Mr. Liu Zhiqiang, no director of the Bank gave up or agreed to give up any remuneration from the Bank during the Reporting Period as described in Rule 24A of Appendix D2 to the Hong Kong Listing Rules. The details of directors', supervisors' and senior management's remunerations received from the Bank for the year are stated in section 7.1 "Directors, Supervisors and Senior Management" of this annual report. The top five highest paid individuals of the year are listed in Note 13 of the financial statements.

7.5 EMPLOYEES

During the Reporting Period, the Group had 13,995 employees. Academic distribution: The number of employees with master's degrees or above was 3,809, accounting for 27.22%. The number of employees with full-time bachelor's degrees was 6,897, accounting for 49.28%. The number of employees with part-time bachelor's degrees was 2,625, accounting for 18.76%. The number of employees with junior college degrees or below was 664, accounting for 4.74%. Gender ratio of employees (including senior management) was 48.79% (6,828) of male employees and 51.21% (7,167) of female employees. The Bank attaches great importance to the construction of employee diversity, adheres to the principle of fairness and justice regardless of age, gender, nationality and education background, and effectively guarantees employees to have equal rights in at all stages, such as recruitment and employment, position adjustment, training and development, and occupational promotion. The Bank fully respects individual differences in the working place and is committed to creating a professional, standardized, open, inclusive, diverse and integrated working environment.

Staff remuneration policy

The Bank follows the principle of "prioritizing efficiency while balancing fairness", comprehensively standardizing its remuneration management system through a unified framework of rules. With the core strategies of supporting strategic goals, enhancing core competitiveness, empowering talent development, and strengthening risk control, the remuneration management system continuously optimizes the incentive and restraint mechanism, fully leveraging the strategic guiding role of remuneration in business management and risk control, and promoting steady operations and sustainable development of the Bank.

7.5 EMPLOYEES (CONTINUED)

Staff remuneration policy (Continued)

The Bank manages remuneration through three levels, namely the Board of Directors, senior management, and head office and branches. The Board of Directors manages the total amount of remuneration and senior management's remuneration. Under the Board's request, the senior management allocates the total amount of remuneration and drafts policy management of all branches. All branches manage employee salary within the scope of unified rules and framework.

The Bank established the deferred payment and recourse and recovery mechanism for performance-based remuneration of senior management and personnel in key positions. During their tenure, the deferred payment ratio for annual performance-based remuneration shall not be less than 40% for relevant personnel, with the deferred payment ratio for senior management not less than 50%. For employees who have not incurred circumstances requiring recourse and recovery and met the Bank's deferred payment management requirements, the deferred portion shall be returned in equal installments starting from the year following the deferral, within the risk mitigation period. The risk mitigation period is generally three years, with certain positions eligible for extension up to five years. During the Reporting Period, for employees who violated regulations or incurred abnormal exposure to risks within their responsibilities, the Bank implemented measures such as deductions, suspension, and clawback of performance-based remuneration based on the severity of the circumstances in accordance with relevant regulations. The implementation details for 2024 have been submitted to the Board for review.

Staff training plan

The Bank consistently adheres to the principle of "talent-driven development and training first" to implement systematic planning and targeted measures, with the aim of enhancing the comprehensive quality and professional capabilities of its cadres and employees, and with a focus on supporting business transformation and growth. Leveraging its three major training platforms, namely the "training center", the "Huiyin Internet School" and the "Huiyin Academy", the Bank has established a comprehensive learning and training system that integrates online and offline approaches, covering both PC and mobile terminals, organized and implemented multi-channel, multi-tiered, and differentiated educational and training activities, and continuously optimized our practice-oriented training mechanisms to ensure that talent development aligns with the Bank's business strategy, and injects a steady stream of talent momentum into the Bank's sustainable and high-quality development. During the Reporting Period, the Bank organized a total of 1,222 centralized training project programs, of which 227 were developed by each department of the head office and 995 by branches of the Bank, covering cadres and employees within and outside the Party, of various business lines, and at all levels.

7.5 EMPLOYEES (CONTINUED)

Staff training plan (Continued)

The Bank continued to strengthen the leadership of Party building and organized special trainings. During the Reporting Period, the Bank conducted various training initiatives including joint study sessions on the *Selected Economic Writings of Xi Jinping* (《習近平經濟文選》), online learning of *Xi Jinping: The Governance of China* (《習近平談治國理政》), and study sessions on thoroughly implementing the spirit of the eight-point decision of the Central Committee of the CPC to promote the internalization of political theory learning. Over 40 key offline programs were conducted, including the "Huizhuo Plan (徽卓計劃)" middle and senior management training course, the "Huiyang Plan (徽揚計劃)" training for all senior managers of the Bank, the "Huiying Plan (徽英計劃)" training for secondary team leaders of our headquarters, the "Huihang Plan (徽航計劃)" training for new hires recruited through the campus recruitment, and training for organizational work cadres, reaching approximately 4,600 participants. The new employee program was granted the "Brand Learning Project Award" by *Training Magazine*. The Bank explored the application of AI large models, piloting intelligent test generation and scoring, and AIGC-powered smart coaching functions at Hefei branch and the customer service center. The online platform has launched nearly 2,000 courses, with 2,177,600 participants and 1,837,300 study hours; conducted 386 live training sessions with 482,600 participants; and organized 780 online exams with 364,700 participants.

Chapter VII Profile of Directors, Supervisors, Senior Management, Employees and Institutions

7.6 BRANCHES

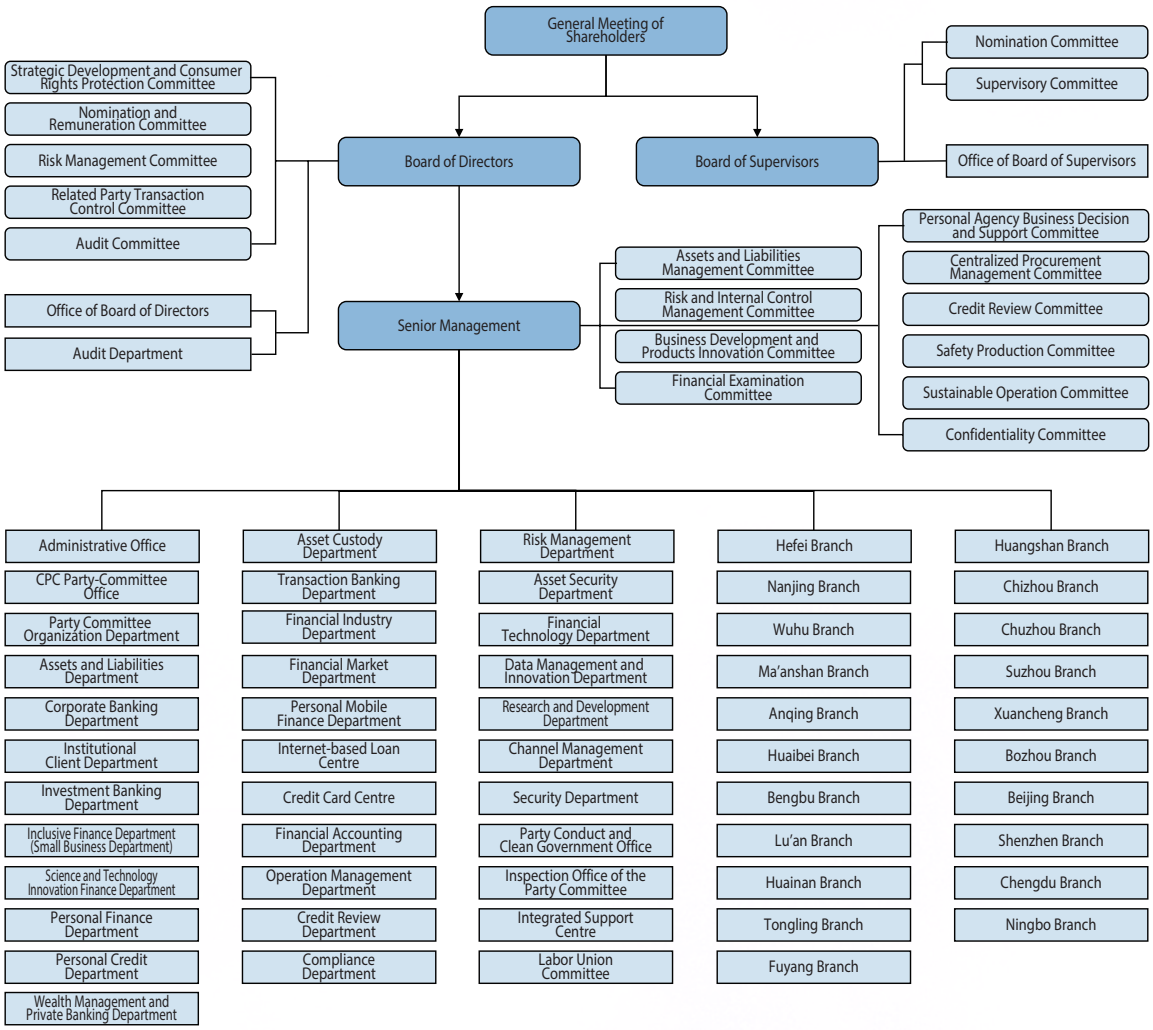
As of the end of the Reporting Period, the composition of branches of the Bank is as follows:

Region	Name of the Institution	Address (China)	Post Code	Number of Institution
Head Office	Head Office	Huishang Bank Building, No. 1699 Yungu Road, Hefei	230092	1
Anhui Province	Hefei Branch	No. 626, Huangshan Road, Gaoxin District, Hefei	230001	89
	Wuhu Branch	No. 1, Beijing Road, Wuhu	241000	38
	Ma'anshan Branch	No. 3663, Taibai Road, Yushan District, Ma'anshan	243000	28
	Anqing Branch	No. 528, Renmin Road, Anqing	246000	30
	Huaibei Branch	No. 253, Renmin Zhong Road, Xiangshan District, Huaibei	235000	22
	Bengbu Branch	Floor 2-9, Block B, Financial Center Building, No. 1699 Tushan East Road, Bengbu	233000	25
	Liu'an Branch	No. 31, Meishan Middle Road, Yu'an District, Liu'an	237000	33
	Huainan Branch	Huishang Bank Huainan Branch Office Building, Shungeng West Road, Tianjia'an District, Huainan	232000	22
	Tongling Branch	No.999, Yangjiashan Road, Tongling	244000	15
	Fuyang Branch	Business Office Building #65, Highway Times City, No. 766 Liulin Road, Yingzhou District, Fuyang	236000	31
	Huangshan Branch	No. 2, Tunguang Avenue, Tunxi District, Huangshan	245000	12
	Chizhou Branch	No. 515, Changjiang Zhong Road, Chizhou	247000	12
	Chuzhou Branch	No. 95, Longpan Main Road, Chuzhou	239000	20
	Suzhou Branch	No. 238, Shengli West Road, Suzhou	234000	22
	Xuancheng Branch	No. 109, Meiyuan Road, Xuanzhou District, Xuancheng	242000	16
	Bozhou Branch	2# Building, Dongming Plaza, Intersection of Tangwang Avenue and Yaodu Road, Qiaocheng District, Bozhou	236000	18
Jiangsu Province	Nanjing Branch	No. 231, Zhongyang Road, Nanjing	210000	12
Beijing	Beijing Branch	Floors 3-4 South and 2/F South of Haitai Building, Room 05, 5/F and Room 01, 1/F (South Annex Building of Haitai Building), No. 229, North Fourth Ring Middle Road, Haidian District, Beijing	100101	11
Guangdong Province	Shenzhen Branch	33-35/F, Building 2, North Central One (Chuangxiang Building), intersection of Mintang Road and Baisong 2nd Road, Longhua District, Shenzhen	518000	11
Sichuan Province	Chengdu Branch	No. 365, Jiaozi Avenue, Hi-tech Zone, Chengdu	910095	16
Zhejiang Province	Ningbo Branch	No. 676, Zhongxing Road, No. 787, No. 799 and No. 809 Baizhang East Road, Yinzhou District, Ningbo	315100	10
Total				494

Chapter VIII Corporate Governance Report

8.1 CORPORATE GOVERNANCE STRUCTURE

As of the end of the Reporting Period, the corporate governance structure of the Bank is as follows:



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8.2 CORPORATE GOVERNANCE PRACTICES

The Bank has established a relatively robust corporate governance structure, clearly clarifies the boundaries of responsibilities of the general meetings of shareholders, the Board of Directors, the Board of Supervisors and senior management, and continuously promotes the deep integration of the leadership of the CPC with corporate governance, refining the Bank's decision-making, execution and supervision mechanisms to forge the independent operation, effective checks and balances and collaborative cohesion of all entities. The Bank continuously advances the improvement and optimization of its corporate governance mechanisms to enhance its governance standards and actively references and adheres to international and domestic best practices in corporate governance to effectively protect shareholders' rights and interests, thereby contributing to the enhancement of corporate value.

During the Reporting Period, the Bank strictly complied with the code provisions as well as most of the recommended best practices of the Corporate Governance Code, except for the following circumstances:

According to the code provision B.2.2 of the Corporate Governance Code, each director (including directors with a specified term) shall be subject to retirement by rotation at least once every three years. The term of office of the fourth session of the Board of the Bank has expired in January 2022, while the current directors shall continue to perform their duties until the completion of the re-election.

The term of office of the fourth session of the Board of Supervisors of the Bank has expired in December 2021, until the banking regulatory authority approves the relevant amendment to the Articles of Association of the Bank regarding the abolishment of the Board of Supervisors, the current supervisors shall continue to perform their duties.

The tenure of the Bank's independent non-executive directors, Dai Peikun, Zhou Yana, Liu Zhiqiang, Yin Jianfeng, and Huang Aiming, has exceeded 6 years. The Bank will continue to diligently carry out the election for independent non-executive directors.

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8.2 CORPORATE GOVERNANCE PRACTICES (CONTINUED)

The Board of Directors of the Bank held a meeting on 25 November 2025, and considered and approved the resolutions on the proposed abolishment of the board of supervisors of the Bank, the proposed amendments to the Articles of Association of Huishang Bank Corporation Limited (Revised), the Rules of Procedure of the Shareholders' General Meeting of Huishang Bank Corporation Limited (Revised) and the Rules of Procedure of the Board of Directors of Huishang Bank Corporation Limited respectively. The Bank convened the First Extraordinary General Meeting of the Bank for 2026 on 2 February 2026, and considered and approved the above resolutions respectively. The revised Articles of Association are subject to approval by the banking regulatory authority before becoming effective. Concurrently, from the effective date of the revised Articles of Association, the Bank will abolish the Board of Supervisors, with the Audit Committee under the Board exercising the powers of the Board of Supervisors as stipulated in the Company Law and regulatory systems; each specialized committees under the Board of Supervisors shall be abolished simultaneously; the current supervisors shall no longer serve as supervisors of the Bank; and the Rules of Procedure of the Board of Supervisors of Huishang Bank Corporation Limited and other relevant corporate governance documents pertaining to the Board of Supervisors, shall be repealed accordingly. The Bank will make further announcement in relation to the approval of the amendments to the Articles of Association and the abolishment of the Board of Supervisors as and when appropriate. For details, please refer to the Bank's announcement dated 25 November 2025, in relation to the proposed abolishment the Board of Supervisors of the Bank, the notice, the circular of the First Extraordinary General Meeting for 2026 of the Bank dated 19 December 2025, and the poll results announcement of the First Extraordinary General Meeting for 2026 of the Bank dated 2 February 2026.

The Bank has incorporated the principles set out in the Corporate Governance Code and the Corporate Governance Standards of Banking and Insurance Institutions into the Bank's governance structure and policies. The general meeting, Board of Directors, Board of Supervisors and senior management of the Bank performed their respective duties, and formed good corporate governance structure. The Bank ensured regulated operation through this governance structure.

The Bank has also strictly complied with the management of inside information required by the relevant laws and regulations and the Hong Kong Listing Rules.

The Bank will continuously review and strengthen its corporate governance practices to ensure compliance with the Corporate Governance Code and meet the higher expectations from the shareholders and investors.

For details about the Bank's corporate culture basis for generating or retaining value in the long term and its strategies to achieve the Bank's goals, please refer to Chapter IV "Management Discussion and Analysis" of this annual report.

Nomination of directors and Board diversity policy

It is critical to have a diversified Board of Directors for the Bank to achieve sustainable development, meet its strategic objectives and maintain a good corporate governance. In respect of determining the composition of the Board of Directors, the Bank is committed to promoting the diversity of the members of the Board in several aspects, covering dimensions such as gender, age, culture, education background, region, professional experience, skills, knowledge, service term and other regulatory requirements.

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8.2 CORPORATE GOVERNANCE PRACTICES (CONTINUED)

Nomination of directors and Board diversity policy (Continued)

The Nomination and Remuneration Committee of the Board is responsible for evaluating the structure, number of members, and composition of the Board of Directors. In addition, the Committee makes recommendations to the Board relating to the size and structure of the Board of Directors. Meanwhile, the Nomination and Remuneration Committee of the Board is also responsible for reviewing the selection criteria, the nomination and appointment process of the directors, and formulating specific proposal for consideration and approval by the Board of Directors.

The Nomination and Remuneration Committee of the Board is responsible for ensuring the implementation and oversight of the policy, as well as conducting periodic reviews and assessments to maintain its continuous suitability and effectiveness. If revisions are required, the Committee will discuss the specific adjustments, formulate proposed amendments and submit them to the Board of Directors for consideration. The amendments shall be implemented upon approval.

As of the end of the reporting period, the Bank's Board of Directors adheres to the relevant nomination policy. The composition of Board members all embodies the principle of diversity in terms of gender, age, geographical location, professional background, education, and expertise field. Currently, the Board of Directors consists of 2 females and 12 males, ranging in age from 48 to 73. The directors' residences are located in Hefei, Beijing, Shenzhen, Hong Kong and other places. Their professional backgrounds span multiple fields such as corporate management, colleague teaching, and think tank research, while their educational and professional experiences cover management, economics, finance, accounting, and other aspects. The Board has achieved a well-balanced diversified composition, and the current nomination policy will continue to ensure the effective continuation of the diversity structure.

In addition to the Board of Directors level, the Bank also attaches great importance to employee diversity at all levels (including gender diversity). For details on the diversity of all employees (including senior management), please refer to Section 7.5 "Employees" in this annual report. Currently, the Bank is not aware of any factors or circumstances that would make achieving gender diversity of employees more challenging or less relevant for the Bank. The Board of Directors believes that the Bank has achieved gender diversity in employees in all levels.

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8.3 GENERAL MEETING OF SHAREHOLDERS

The general meeting of shareholders is the body of authority of the Bank and shall exercise the following powers in accordance with the laws: (I) to decide on business policies and major investment plans of the Bank; (II) to elect and replace directors and supervisors who are not employee representatives and to decide on matters relating to the remuneration of directors and supervisors; (III) to consider and approve the reports of the Board of Directors; (IV) to consider and approve the reports of the Board of Supervisors; (V) to consider and approve the annual financial budgets and final accounts of the Bank; (VI) to consider and approve the profit distribution plan and loss recovery plan of the Bank; (VII) to adopt resolutions on the increase or reduction of the registered capital of the Bank; (VIII) to adopt resolutions on the issuance and listing of corporate bonds or other negotiable securities; (IX) to adopt resolutions on the merger, division, dissolution, liquidation or change of corporate form of the Bank; (X) to amend the Articles of Association of the Bank and to consider and approve the rules of procedure of the general meeting of shareholders, the rules of procedure of the Board of Directors and the rules of procedure of the Board of Supervisors; (XI) to resolve on the appointment, dismissal or non-reappointment of accounting firms of the Bank; (XII) to consider proposals put forward by shareholders who individually or jointly hold more than 3% of the voting shares of the Bank (the "Proposing Shareholders"); (XIII) to review matters relating to the purchase or disposal of material assets by the Bank within one (1) year exceeding 30% of the latest audited total assets of the Bank; (XIV) to review external guarantees specified in Article 68 of the Articles of Association of the Bank; (XV) to review related party transactions which shall be considered and approved by the general meeting of shareholders as stipulated by the laws, administrative regulations, departmental rules, regulatory documents, the regulations of the relevant regulatory authorities and the Articles of Association of the Bank; (XVI) to consider and approve the changes in the use of proceeds; (XVII) to consider the share incentive plan and employee stock ownership plan; (XVIII) to decide on the issuance of preference shares; to decide or authorize the Board to decide on matters relating to the preference shares issued by the Bank, including but not limited to redemption, conversion and distribution of dividends; (XIX) to consider other matters which shall be decided by the general meeting of shareholder as stipulated by the laws, administrative regulations, departmental rules, the regulations of the relevant regulatory authorities and the Articles of Association of the Bank.

From 1 January 2025 to the Last Practicable Date, the Bank held 2 general meetings of shareholder in total.

On 30 June 2025, the Bank held the 2024 annual general meeting in Hefei, Anhui Province, at which the following resolutions were considered and approved:

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8.3 GENERAL MEETING OF SHAREHOLDERS (CONTINUED)

To consider and approve the final financial accounts for 2024 of the Bank, To consider and approve the capital expenditure budget for 2025 of the Bank, To consider and approve the profit distribution plan for 2024 of the Bank, To consider and approve the appointment of external auditors of the Bank for 2025, To consider and approve the Work Report of the Board of Directors of the Bank for 2024, To consider and approve the Work Report of the Board of Supervisors of the Bank for 2024, To determine the remuneration standards for executive director of the Bank for 2022, To determine the remuneration standards for certain supervisors of the Bank for 2022, To determine the remuneration standards for executive director of the Bank for 2023, To determine the remuneration standards for certain supervisors of the Bank for 2023, To elect Mr. Wei Lixiang as an non-executive director of the fourth session of the Board of Directors; To consider and approve the resolution on the general mandate for the issuance of shares of the Bank, To consider and approve the resolution on the extension of the validity period of the plan on the initial public offering and listing of A shares of the Bank, To consider and approve the resolution on the extension of the validity period of the authorization of the Board of Directors to deal with specific matters in respect of the A Share Offering, To consider and approve the resolution on the issuance of Tier 2 capital bonds, To consider and approve the Ordinary Resolution on the Proposal on Amendments to the Articles of Association of Huishang Bank (Concerning Proposing Shareholders).

On 2 February 2026, the Bank held the First Extraordinary General Meeting of the Bank for 2026 in Hefei, Anhui Province, at which the following resolutions were considered and approved:

To consider and approve the matter related to the abolishment of the Board of Supervisors, To consider and approve the Articles of Association of Huishang Bank Corporation Limited (Revised), To consider and approve the Rules of Procedure of the Shareholders' General Meeting of Huishang Bank Corporation Limited (Revised), To consider and approve the Rules of Procedure of the Board of Directors of Huishang Bank Corporation Limited (Revised).

The notification, convening, holding and voting procedures of the 2024 annual general meeting and the First Extraordinary General Meeting for 2026 of the Bank are in compliance with the Company Law of the PRC, the Articles of Association of the Bank and the Hong Kong Listing Rules. For the details of attendance, main topics, voting and other related matters of the above general meeting, please see the announcements in relation to the poll results of the 2024 annual general meeting dated 30 June 2025 and the poll results of the First Extraordinary General Meeting for 2026 dated 2 February 2026, which were published by the Bank on the websites of the Hong Kong Stock Exchange and the Bank, respectively.

8.4 THE BOARD OF DIRECTORS

The Board is core to the corporate governance and the independent decision-making body of the Bank, which is responsible for implementing the resolution of the general meetings of shareholders, formulating the Bank's major strategy, policy and development plan, approving the Bank's operation plan, investment plan, formulating the annual financial budget, final accounts and profit distribution plan, appointing the senior management. The senior management has the rights to make decision in daily operation independently and the Board of Directors will not intervene in specific matters.

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8.4 THE BOARD OF DIRECTORS (CONTINUED)

With respect to the establishment of the Board's structure, the Bank continuously promotes the diversity of the board structure to enhance the scientific and reasonable decision-making of the Board. Concurrently, it fully leverages the functions of various special committees to effectively improve the efficiency of the Board's decision-making and operations. During the Reporting Period, the Board held 13 meetings in total and reviewed 79 proposals and reports, in relation to strategic planning, risk management, capital allocation, performance compensation, and audit supervision, etc. Through the systematic implementation of the above efforts, the Board provides a solid foundation for the sustainable, rapid, and healthy development of the Bank's business.

8.4.1 Members of the Board of Directors

The Bank elects its directors based on the qualification requirements and election procedures set out in the Articles of Association. As of the Latest Practicable Date, the Board of Directors consists of 14 directors, including 1 executive Director, namely Kong Qinglong; 7 non-executive Directors, namely Ma Lingxiao, Lu Hao, Wang Zhaohui, Wei Lixiang, Zuo Dunli, GAO YANG and Wang Wenjin; 6 independent non-executive Directors, namely Dai Peikun, Zhou Yana, Liu Zhiqiang, Yin Jianfeng, Huang Aiming and Xu Jiabin. The number of directors and the composition of the Board are in compliance with relevant laws and regulations. The decision making, authorization and voting procedures and other related matters of the Board strictly follow the relevant rules and regulations of regulatory authorities and the Bank's Articles of Association. During the Reporting Period, the Board of Directors discharged its duties diligently, continuously improved the Board operation mechanism, strengthened the corporate governance framework, facilitated scientific decision making, ensured financial stability and protected the interests of the Bank and its shareholders.

8.4.2 Appointment, re-election and removal of directors

According to the Bank's Articles of Association, directors shall be elected or removed from office by shareholders at a general meeting. The term of office of a director shall be three (3) years. A director (including non-executive directors) may be re-elected and re-appointed upon expiry of his/her term of office, provided that such term of office of independent non-executive directors shall not be more than six (6) years on an accumulative basis. Subject to the relevant laws and administrative regulations, a director whose term of office has not expired may be removed by the general meeting, without prejudice to any claim which may be instituted under any contract.

The directors' appointment, re-election and removal procedures of the Bank are set forth in the Articles of Association of the Bank. The Nomination and Remuneration Committee of Board of Directors of the Bank is responsible for discussing and reviewing the qualification and experience of each candidate and recommending the suitable candidates to the Board of Directors. After the resolution on nominating the selected candidates obtaining the approval from the Board of Directors, the selected candidates will be recommended for further consideration and approval by the general meeting of shareholders. Except for the independent non-executive directors who have to be treated separately due to the expiration of office, the other new directors will be re-elected by general meeting at the expiration of the term of that Board session, instead of being elected during the first general meeting after his/her appointment.

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8.4 THE BOARD OF DIRECTORS (CONTINUED)

8.4.2 Appointment, re-election and removal of directors (Continued)

During the Reporting Period, the Bank newly appointed Mr. Wei Lixiang as a non-executive director. Mr. Wei Lixiang has confirmed that he has received legal advice set out in Rule 3.09D of Hong Kong Listing Rules on 12 December 2025 and understood his responsibility as the Bank's director.

8.4.3 Responsibility of directors

During the Reporting Period, all the Bank's directors adhere to their duty of diligence, devote sufficient time and energy to the performance of their duties and the exercise of their powers, and diligently exercise their rights granted by the Bank and domestic and overseas regulatory authorities. The directors ensure that the Bank's operational activities are conducted in accordance with legal and regulatory requirements and economic policies, treat all shareholders equally, continuously monitor the Bank's business operations and management conditions, and faithfully fulfill the duties as stipulated by laws, regulations, departmental rules, and the Bank's Articles of Association. Meanwhile, all directors also confirm their assumption of responsibilities for the Bank's annual financial reports as of the end of the Reporting Period.

All the independent non-executive directors of the Bank make full use of their respective professional expertise and leverage the professional knowledge and independent judgments, to provide objective and professional and independent advices on the corporate governance, operation and management of the Bank in various Board committees, including the Strategic Development and Consumer Rights Protection Committee, Nomination and Remuneration Committee, Risk Management Committee, Related Party Transaction Control Committee and Audit Committee, ensuring that scientific and effective decision-making could be made by the Board of Directors. The Bank has a multi-tiered mechanism in place to protect that the Board has access to independent views and professional opinions, including maintaining a reasonable and diversified Board structure, providing full support and necessary conditions for independent non-executive directors to perform their functions and powers, and requiring independent non-executive directors to issue written independent opinions on the proposals regarding material related party transactions considered by the Board. The Board considers that the aforementioned mechanism operates smoothly and has achieved significant practical results.

The Bank pays attention to the ongoing training of directors, to make sure they have proper understanding of the operation and business of the Bank and the duties and responsibilities conferred by the relevant laws, regulations, supervision and systems of the National Financial Regulatory Administration, the CSRC, the Hong Kong Stock Exchange and the Articles of Association of the Bank. The Bank has bought the director liability insurance for all directors, details of which are set out in section 5.25 "Permitted Indemnity Provisions" of this annual report.

During the Reporting Period, the Bank carried out evaluation of the performance of Board of Directors and directors by the Board of Supervisors, evaluation of the performance of senior management and its members by the Board of Supervisors, evaluation of the performance of supervisors by the Board of Supervisors.

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8.4 THE BOARD OF DIRECTORS (CONTINUED)

8.4.4 The chairman and president

In strict compliance with the relevant requirements of the Hong Kong Listing Rules, the responsibilities of the Chairman and President of the Bank are held by different individuals, with their respective roles and duties clearly defined. The Chairman of the Bank is responsible for leading the Board of Directors, ensuring that the Board of Directors is fully informed of relevant matters during its deliberations, and for the effective functioning of the Board. To ensure that all important matters are discussed by the Board of Directors in a timely manner, the Chairman maintains close communication with senior management, so as to ensure that all Directors are provided with comprehensive, accurate and reliable information in a timely manner for their consideration. Mr. Yan Chen, the former Chairman of the Bank, resigned on 30 July 2025. As at the Latest Practicable Date, the Bank has not appointed a new Chairman. The President of the Bank is primarily responsible for the day-to-day operations of the Bank and for the implementation of the Bank's strategies and operating plans. Mr. Kong Qinglong, an executive Director, serves as the President of the Bank.

8.4.5 Summary of the directors attending the general meetings, board meetings and board committee meetings during the Reporting Period

Directors		General Meeting	Board of Directors[1]	Committees under the Board of Directors				
		2024 annual general meeting		Strategic Development and Consumer Rights Protection Committee	Nomination and Remuneration Committee	Risk Management Committee	Related Party Transaction Control Committee	Audit Committee
				Actual attendance/Required attendance				
Executive Directors	Kong Qinglong	✓	13/13	6/7[2]	2/3[2]		6/6	
Non-executive Directors	Ma Lingxiao		13/13	6/7[2]				
	Lu Hao	✓	12/13[2]	5/7[2]		3/5[2]		
	Wang Zhaohui		12/13[2]	6/7[2]				
	Wei Lixiang[4]		1/1[5]					
	Zuo Dunli		12/13[2]	6/7[2]		4/5[2]		3/3
	GAO YANG	✓	7/13[3]	4/7[3]	1/3[3]			
	Wang Wenjin		13/13		3/3			3/3
Independent Non-executive Directors	Dai Peikun	✓	13/13		3/3			3/3
	Zhou Yana		13/13		3/3			3/3
	Liu Zhiqiang		13/13			4/5[2]	6/6	
	Yin Jianfeng		13/13	7/7	3/3		6/6	
	Huang Aiming		13/13		3/3		6/6	3/3
	Xu Jiabin		13/13		3/3	5/5		
Former Executive Directors	Yan Chen[4]	✓	7/8[2]	4/4	3/3	2/2		
Former Non-executive Directors	Zhao Zongren[4]		7/7	3/4[3]			4/4	

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8.4 THE BOARD OF DIRECTORS (CONTINUED)

8.4.5 Summary of the directors attending the general meetings, board meetings and board committee meetings during the Reporting Period (Continued)

Notes:

(1) During the Reporting Period, the Bank held 13 Board meetings in total, of which 2 regular Board meetings were held in total. The notification, convening, holding and voting procedures of the Board meetings of the Bank are in compliance with the Company Law of the PRC, the Articles of Association of the Bank and the Hong Kong Listing Rules.

(2) If the actual attendance is lower than required attendance, it represents the proxy attendance when the above directors are absented from Board meeting in person.

(3) If the actual attendance is less than required attendance, it means the director is absented from Board meeting. In particular, Mr. GAO YANG was absented from 6 Board meetings, 3 Strategic Development and Consumer Rights Protection Committee meetings and 2 Nomination and Remuneration Committee meetings, Mr. Zhao Zongren was absented from 1 Board Strategic Development and Consumer Rights Protection Committee meeting.

(4) For details of the changes in the positions held by Mr. Yan Chen, Mr. Zhao Zongren and Mr. Wei Lixiang, please refer to Section 7.2 "Changes in Directors, Supervisors and Senior Management of the Bank" in this annual report.

(5) After the approval of the appointment of Mr. Wei Lixiang as non-executive director of the Bank, the Bank held 1 Board meeting during the Reporting Period.

8.4.6 Securities transaction by directors, supervisors and senior management

The Bank has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Hong Kong Listing Rules as its codes of conduct regulating securities transactions by the directors, the supervisors and the related employees (having the same meaning as defined in Corporate Governance Code) of the Bank. Having made specific enquiry of all directors, supervisors and the staff of senior management, the Bank confirmed that they had complied with the Model Code during the Reporting Period.

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8.4 THE BOARD OF DIRECTORS (CONTINUED)

8.4.7 Performance of the independent non-executive directors

The Bank's Board of Directors currently has 6 independent non-executive directors and the qualification, number and proportion are in accordance with the regulations of the banking regulatory authority and the Hong Kong Stock Exchange. The 6 independent non-executive directors of the Bank are not involved in any conflict with the independence issue described in the Rule 3.13 of the Hong Kong Listing Rules. The Bank has received from each of the independent non-executive director the annual independence confirmation in accordance with the Rule 3.13 of the Hong Kong Listing Rules. The Bank confirms that all the independent non-executive directors complied with the Hong Kong Listing Rules in respect of their independence.

During the Reporting Period, independent non-executive directors represent the majority of the Bank's Audit Committee, Nomination and Remuneration Committee and Related Party Transaction Control Committee under the Board and serve as chairmen of these committees. During the Period, the independent non-executive directors kept in close touch with the Bank through various means such as attending the meetings and symposiums. They duly attended the meetings of the Board of Directors and special committees, and actively gave their professional opinions and emphasized on the interests of minority shareholders, effectively fulfilling their functions of independent oversight and decision-making support. Concurrently, during the Reporting Period, the independent non-executive directors also issued relevant independent opinions on the Bank's related party transactions, further strengthening corporate governance and risk control.

8.5 COMMITTEES UNDER THE BOARD OF DIRECTORS

The Bank's Board of Directors has delegated some of its responsibilities to the different Board committees. The Bank has set up 5 specialised committees under the Board, namely the Strategic Development and Consumer Rights Protection Committee, Nomination and Remuneration Committee, Risk Management Committee, Related Party Transaction Control Committee and Audit Committee in accordance with the relevant PRC laws, regulations, the Bank's Articles of Association and the Hong Kong Listing Rules.

During the Reporting Period, each special committee of the Board of the Bank exercised their own responsibilities in an independent, standardized and effective manner. During the Period, they held a total of 24 meetings, at which 111 resolutions and reports in relation to the sustainable development of the Bank, improvement of corporate governance and other important areas. The execution of these related works effectively improved the decision-making efficiency and scientific decision-making level of the Board while effectively promoting the sound development of the businesses of the Bank.

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8.5 COMMITTEES UNDER THE BOARD OF DIRECTORS (CONTINUED)

8.5.1 Strategic Development and Consumer Rights Protection Committee

As of the end of the Reporting Period, our Strategic Development and Consumer Rights Protection Committee consists of 1 executive director, namely Kong Qinglong; 5 non-executive directors, namely Ma Lingxiao, Lu Hao, Wang Zhaohui, Zuo Dunli and Gao Yang; and 1 independent non-executive director, namely Yin Jianfeng. Kong Qinglong temporarily performs the duties of the chairman.

The principal responsibilities of the Strategic Development and Consumer Rights Protection Committee include: (I) formulating operational and management goals, medium to long-term development strategy and listing plans of the Bank and making recommendations to the Board; (II) reviewing the strategic capital allocation and management objectives of assets and liabilities and making recommendations to the Board; (III) preparing plans for the overall development of various financial businesses and making recommendations to the Board; (IV) reviewing strategic development plans for human resources and making recommendations to the Board; (V) supervising and examining the implementation of annual operating plans and investment proposals; (VI) reviewing annual financial budgets and final reports and making recommendations to the Board; (VII) considering plans for significant institutional restructuring and re-organization and making recommendations to the Board; (VIII) reviewing the design of significant investment and financing plans and relevant proposals submitted by the senior management, and making recommendations to the Board; (IX) reviewing the design of merger and acquisition plans and relevant proposals submitted by the senior management, and making recommendations to the Board; (X) reviewing plans for information technology development and other special strategic development plans and making recommendations to the Board; (XI) supervising and evaluating the implementation of green finance development strategy and making recommendations to the Board; (XII) reviewing and evaluating the effectiveness of corporate governance structure so as to ensure that the financial reporting, risk management and internal control meet our standards for corporate governance; (XIII) formulating the strategy, policy and objective for protection of consumer rights and interests across the whole Bank, and making recommendations to the Board; (XIV) reviewing the organizational structure and operating mechanism of works on protection of consumer rights and interests across the whole Bank, as well as the internal control system, and making recommendations to the Board; (XV) guiding the senior management in conducting works on protection of consumer rights and interests from the perspective of overall planning, supervising and evaluating the comprehensiveness, promptness and effectiveness of the works on protection of consumer rights and interests across the whole Bank and relevant duty performance of senior management, listening to special reports of senior management in respect of the progress of works on protection of consumer rights and interests on regular basis, and treating relevant works as an important part of information disclosure; (XVI) other issues as required by law, regulation and other regulatory documents; and (XVII) other issues authorized by the Board.

During the Reporting Period, our Strategic Development and Consumer Rights Protection Committee held 7 meetings in total, at which resolutions on the 2024 annual final financial report, the work report of green loans development for 2024, 2024 ESG report, 2025 capital expenditure budget plan, 2025 comprehensive business operation plan and 2025-2027 capital management plan were considered and approved.

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8.5 COMMITTEES UNDER THE BOARD OF DIRECTORS (CONTINUED)

8.5.2 Nomination and Remuneration Committee

As of the end of the Reporting Period, our Nomination and Remuneration Committee consists of 1 executive director, namely Kong Qinglong; 2 non-executive directors, namely Gao Yang and Wang Wenjin; and 5 independent non-executive directors, namely Dai Peikun, Zhou Yana, Yin Jianfeng, Huang Aiming and Xu Jiabin. Dai Peikun is the chairman of the committee.

The principal responsibilities of the Nomination and Remuneration Committee include:

(I) determining the selection and appointment process and standard of directors and senior managements, and making recommendations to the Board; (II) preliminarily reviewing the qualifications of candidates for directors and candidates for senior management, and making recommendations to the Board; (III) making recommendations to the Board on the structure, number, size and composition (including the skills, knowledge and experience) of the Board based on our business operation, asset scale and shareholding structure; (IV) identifying candidates with suitable qualifications to serve as directors and senior management, and establishing a mechanism for key talents pool; (V) evaluating the independence of independent directors; (VI) developing appraisal criteria for directors and senior management, organizing performance appraisals for directors and senior management on a regular basis, and submitting the appraisal results to the Board; (VII) reviewing the basic remuneration system of all employees of the Bank, preparing the appraisal and remuneration proposals for directors and senior management, making recommendations to the Board, and monitoring the implementation of such plans; (VIII) making recommendations to the Board on the remuneration package of executive directors and senior management; (IX) reviewing compensation payable to executive directors and senior management for any loss or termination of office or appointment, and making recommendations to the Board; (X) reviewing compensation arrangements relating to dismissal or removal of directors for misconduct, and making recommendations to the Board; (XI) ensuring that no director or any of his or her associates (defined under the Hong Kong Listing Rules) is involved in deciding his or her own job fulfillment assessment and remuneration except for the self-assessment on job fulfillment; (XII) other issues as required by law, regulation and other regulatory documents; and (XIII) other issues authorized by the Board.

During the Reporting Period, our Nomination and Remuneration Committee held 3 meetings in total, at which resolutions on the performance report of directors and senior management for 2024 by the Board, the annual performance results of executive directors and senior management for 2024, the recovery of performance-based remuneration in 2024, the proposal of senior management's performance in 2025, and review of candidate's qualifications for director, etc. were considered and approved.

8.5.3 Risk Management Committee

As of the end of the Reporting Period, our Risk Management Committee consists of 2 non-executive directors, namely Lu Hao and Zuo Dunli; and 2 independent non-executive directors, namely Liu Zhiqiang and Xu Jiabin. Lu Hao temporarily performs the duties of the chairman.

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8.5 COMMITTEES UNDER THE BOARD OF DIRECTORS (CONTINUED)

8.5.3 Risk Management Committee (Continued)

The principal responsibilities of the Risk Management Committee include: (I) reviewing our risk management policies to ensure they are in line with our overall strategy, supervising and evaluating their implementation and effectiveness, and making recommendations to the Board. Risk management policies include but are not limited to: 1. risk scope intended or confined to involve by the Bank; 2. risk limitations and overall risk tolerance standard, including market risks, credit risks, liquidity risks, operation risks, compliance risks and reputation risks, etc.; 3. risk management skills intended to adopt by the Bank; 4. procedures and standards of risk authorization of the Bank. (II) providing guidance on establishing our risk management systems; (III) supervising and evaluating the establishment, organizational structure, working procedures and effects of the risk management department, and making suggestions for improvement; (IV) considering our risk report, conducting regular assessments on risk policy, management status and risk tolerance of the Bank, and making suggestions on improving our risk management and internal control; (V) supervising and assessing the risk control by our senior management in respect of credit, market and operation risks; (VI) examining and approving significant risk management matters or transaction items that are beyond the license rights of the president or submitted by the president to the Risk Management Committee for consideration, in accordance with the authorization of the Board; (VII) other issues as required by law, regulation and other regulatory documents; and (VIII) other issues authorized by the Board.

During the Reporting Period, our Risk Management Committee held 5 meetings in total, at which issues related to asset quality analysis report for 2024, comprehensive risk management report for 2024, liability quality management and assessment report for 2024, the guide opinion on risk management policy for 2025 and risk preference statement for 2025 were studied.

8.5.4 Related Party Transaction Control Committee

As of the end of the Reporting Period, our Related Party Transaction Control Committee consists of 1 executive director, namely Kong Qinglong, 3 independent non-executive directors, namely Huang Aiming, Liu Zhiqiang, and Yin Jianfeng. Huang Aiming is the chairwoman of the committee.

The principal responsibilities of the Related Party Transaction Control Committee include: (I) identifying related parties, related party relationships and related party transactions, and controlling risks of related party transactions, timely making announcement on related parties recognized; (II) identifying and reviewing significant related party transactions and submitting the same to the Board for consideration; (III) recording common related party transactions; (IV) formulating our rules for the management of related party transactions, submitting to the Board for consideration and supervising its implementation; (V) submitting to the Board, upon completion of each year, a detailed report on the implementation of related party transaction management system of the Bank for the year and our related party transactions (including overall status, risk analysis and structure) that occurred in the year shall be submitted to the Board; (VI) laws, administrative regulations, department regulations and other regulatory documents, and other issues as required by securities supervision authority on which the shares of the Bank listed or as authorized by the Board.

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8.5 COMMITTEES UNDER THE BOARD OF DIRECTORS (CONTINUED)

8.5.4 Related Party Transaction Control Committee (Continued)

During the Reporting Period, our Related Party Transaction Control Committee held 6 meetings in total, at which it considered resolutions including ordinary non-credit business plans related to ordinary related party transactions for 2025, significant related party transactions and status report of the related party transactions, etc.

8.5.5 Audit Committee

As of the end of the Reporting Period, our Audit Committee consists of 2 non-executive directors, namely Zuo Dunli and Wang Wenjin; and 3 independent non-executive directors, namely Zhou Yana, Dai Peikun and Huang Aiming. Zhou Yana is the chairwoman of the committee.

The principal responsibilities of the Audit Committee include: (I) examining our financial statements, annual report and accounting records, interim report and quarterly reports (if drafted for publication), reviewing significant opinion on financial reporting contained in accounting statements and financial reports and other information related to our business operation, and conducting an audit on our operating efficiency, profit distribution and capital utilization; (II) checking the letter of recommendations for management (or any equivalent document) given by an external auditor to the senior management and ensuring that the Board responds to it in a timely manner, and reviewing any major questions raised by the external auditor to the senior management with respect to our accounting records, financial accounts or monitoring system, and any responses given by the senior management; (III) reviewing our disclosure made at the general meeting and to the public, and verifying the truthfulness, legality, completeness, and accuracy of our financial reports, capital utilization reports and major events; (IV) reviewing our internal control and financial control systems, and auditing our significant related party transactions, monitoring the implementation of our risk management system and its compliance, discussing the internal control system with the senior management and reporting it to the Board. Reviewing major investigation findings on matters relating to the internal control system as delegated by the Board or on its own initiative and the senior management's response to these findings; (V) overseeing the implementation of our internal audit system; (VI) organizing and guiding the internal audit under the authorization of the Board; (VII) taking in charge of our annual audit, making recommendations to the Board on the appointment, reappointment or removal of the external auditor, and preparing reports confirming the truthfulness, accuracy, completeness and timeliness of information contained in the audited financial statements based on its own judgment, and submitting them to the Board for discussion and consideration. The Audit Committee should require the appointed external auditor to give an explanation on their services provided, terms of appointment, fees charged and other relationships and matters that may affect the independence of such external auditor, make an evaluation on the independence of external auditor and submit it to the Board for approval. The Audit Committee should deal with any issue related to the resignation or removal of the external auditor; (VIII) reviewing our financial and accounting policies and practice; (IX) taking charge of the communication and coordination between the internal auditor and external auditor, and ensuring that the internal audit function is adequately resourced and has appropriate standing within the Bank; (X) evaluating the mechanisms for our employees to make whistle blowing on financial statements, internal control or other irregularities, and conducting independent and fair investigations on matters relating to whistle blowing by us, and adopting any mechanism for appropriate actions; (XI) other issues as required by law, regulation and other regulatory documents; (XII) other issues authorized by the Board.

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8.5 COMMITTEES UNDER THE BOARD OF DIRECTORS (CONTINUED)

8.5.5 Audit Committee (Continued)

During the Reporting Period, our Audit Committee held 3 meetings in total, at which it considered resolutions on the 2024 annual report, the 2024 annual profit distribution plan, the 2024 Internal Control Assessment Report, the 2025 interim report, the 2025 internal audit plan, the internal audit reports, etc. The Audit Committee considered the 2024 annual report and the 2025 interim report, discussed the key accounting policies, accounting estimates and internal control with the senior management. Besides, it also communicated with the external auditors and the senior management regarding the audit opinion and suggestions for internal control as proposed by the external auditors, reviewed and approved the 2024 annual report and the 2025 interim report of the Bank and then submitted them to the Board for consideration.

8.6 CORPORATE GOVERNANCE FUNCTION

During the Reporting Period, the Board of Directors took the responsibilities of corporate governance, which include:

improving the Bank's corporate governance-related systems, such as Articles of Association, the Rules of Procedure of the Shareholders' General Meeting and the Rules of Procedure of the Board, and making necessary revisions to ensure the effectiveness of the policy; supervising the training of directors and senior management and their sustained performance; supervising the policies and practice of the Bank with respect to the compliance with laws and regulations; supervising the code of conduct and compliance manual applicable to directors and employees; reviewing the Bank's compliance with the Corporate Governance Code and the disclosures set out in the Corporate Governance Report.

8.7 SENIOR MANAGEMENT

The Bank shall have one president and may have several vice presidents and other members of senior management identified by the regulatory authorities. They shall be appointed or dismissed by the Board of Directors. The president shall be accountable to the Board of Directors.

The major functions and powers performed and exercised by the president of the Bank include: take charge of the daily operation and management of the Bank, organize the implementation of the resolutions of the Board of Directors and report the work to the Board of Directors; submit annual business plans and investment proposals to the Board of Directors and organize the implementation upon approval by the Board of Directors; draft proposals on the establishment of the Bank's internal management entities; draft the Bank's basic management system; formulate the Bank's specific regulations; propose to the Board of Directors to engage or dismiss the vice presidents of the Bank and other members of senior management identified by the regulatory authorities; engage or dismiss persons in charge of the internal departments and branches of the Bank other than those to be engaged or dismissed by the Board of Directors; authorize members of senior management and persons in charge of internal departments and branches to conduct operational activities; draw up the Bank's proposals on annual financial budgets and final accounts, profit distribution plan and loss remedial plan, increase or reduction of registered capital, issue and listing of bonds or negotiable securities, and put forward the proposals to the Board of Directors; review and approve general related transactions; decide on the appointment and dismissal of the Bank's staff, and approve proposals on their wages, benefits, rewards and punishment; formulate plans on emergency treatment and risk prevention; adopt emergency measures when any major emergency arises and promptly report them to the Board of Directors, the Board of Supervisors and the banking regulatory authority; and other powers and rights conferred by the laws, administrative regulations, departmental rules, the regulations of the relevant regulatory authorities, the Articles of Association and by the Board of Directors.

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8.8 BOARD OF SUPERVISORS

The Board of Supervisors, our supervisory body, aims to guarantee the legitimate interests of the Bank, shareholders, employees, creditors and other stakeholders and has the obligation to oversee our financial activities, risk management and internal control, discharge of duties by the Board, Directors and the senior management and its members, and is accountable to the general meeting of shareholders.

8.8.1 Composition of the Board of Supervisors

As of the Latest Practicable Date, our Board of Supervisors consisted of 8 supervisors, of whom 3 are employee supervisors, 2 are shareholder supervisors and 3 are external supervisors. The proportion of employee supervisors and external supervisors at the Board of Supervisors meets the regulatory requirements. The supervisors of the Bank are sufficiently professional and independent to ensure that the Board of Supervisors effectively performs its supervisory role.

During the Reporting Period, the Board of Supervisors fulfilled its duties diligently, supervised the legal compliance of performance of duties by directors and the senior management. They also performed performance audit to the executive directors and the senior management as required. They audited and supervised the financial activities, risk management and internal control and investigated the operation and management.

8.8.2 Responsibilities and operating model of the Board of Supervisors

The principal responsibilities of our Board of Supervisors include: reviewing periodic reports of the Bank prepared by the Board and providing written review opinions; supervising the discharge of duties by the Board of Directors and the senior management; monitoring the due diligence of directors and the senior management and their violation of laws, administrative regulations as well as the Articles of Association when discharging their duties; conducting resignation audits of our executive directors and the senior management when necessary; requesting directors and the senior management to rectify any acts that are detrimental to the interest of the Bank; examining and supervising financial activities of the Bank; supervising and examining our capital management, business decision-making, risk management and internal control and monitoring rectification of the deficiencies; proposing to remove, or instituting proceedings according to laws, against directors and the senior management who are in violation of laws, administrative regulations or the Articles of Association or any resolutions adopted by shareholders' general meetings; proposing for an extraordinary meeting of shareholders; convening and presiding over shareholders' general meetings when the Board of Directors fails to perform its duties in accordance with the Company Law; putting forward proposals to shareholders' general meetings; proposing for an extraordinary meeting of the Board; reviewing the financial report, business report and profit distribution plans and other financial information submitted to shareholders' general meetings. The Board of Supervisors may conduct investigation when any question or abnormal operation of the Bank is identified; it may, at the expenses of the Bank, hire an accounting firm, law firm or other professional personnel to assist its investigation when necessary; making remuneration arrangement of supervisors; other functions and powers granted by laws, administrative regulations, departmental rules, relevant regulators and the Articles of Association, as well as the shareholders' general meetings.

Chapter VIII Corporate Governance Report

8.8 BOARD OF SUPERVISORS (CONTINUED)

8.8.2 Responsibilities and operating model of the Board of Supervisors (Continued)

Our Board of Supervisors fulfils their supervisory responsibilities mainly in the following manners: convening regular supervisor meetings, attending shareholders' general meetings, attending the Board meetings and some Board committee meetings, attending the relevant meetings of the senior management, reviewing various kinds of documents and materials from the senior management, listening to work report and project report of the senior management, evaluating the annual performance of directors and the senior management, conducting performance audits of our executive directors and the senior management, conducting supervision and inspection of or research on the operation and management of the Bank and its subsidiary institutions. Through the above work, the Board of Supervisors monitors and evaluates our operation and management, risk management and internal control, as well as the performance of directors and the senior management.

During the Reporting Period, the Board of Supervisors assessed the annual performance of the Board of Directors, directors, the senior management and its members and supervisors of the Bank, organized and convened a symposium with shareholder representatives and certain branches and conducted on-site evaluations, extensively solicited the evaluation opinions of the heads of the head office, heads of branches and sub-branch offices. Based on the foregoing, the Board of Supervisors prepared a performance evaluation report for the Board of Directors and the senior management as well as relevant banking regulatory bodies.

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8.8 BOARD OF SUPERVISORS (CONTINUED)

8.8.3 Meetings of the Board of Supervisors during the Reporting Period

During the Reporting Period, the Board of Supervisors duly fulfilled its duties under the Articles of Association of the Bank and held 10 meetings, including 3 physical meetings and 7 meetings by way of circulating written documents, at which 32 resolutions in relation to annual reports, profit distribution plans, performance of duties report, strategic implementation reports etc. were considered, and 43 special reports on annual business plans, capital replenishment plans, liability quality management, asset quality, related party transactions, reputation risk and case prevention and control, etc. were reviewed.

During the Reporting Period, there was no objection to the matters concerning the supervision of the Board of Supervisors.

The attendance of supervisors at meetings of the Board of Supervisors during the Reporting Period

	Supervisors	No. of Required Attendance	Attendance in Person	Attendance through Proxy
Employee Supervisors	He Jiehua	10	10	0
	Zhong Qiushi	10	10	0
	Sun Zhen	10	10	0
Shareholder Supervisors	He Zongan	10	10	0
	Wang Anning	10	10	0
External Supervisors	Dong Xiaolin	10	10	0
	Zhou Zejiang	10	10	0
	Han Dongya	10	9	1

8.8.4 Attendance at the general meetings during the Reporting Period

During the Reporting Period, the Board of Supervisors designated representatives to attend the general meeting of the Bank. The Board of Supervisors presented its annual report on work and results of performance appraisal of the Board of Directors, directors, supervisors, senior management and its members, and relevant resolutions were approved at the shareholders' general meeting.

8.8.5 Attendance at the meetings of the Board and the senior management

During the Reporting Period, the Board of Supervisors designated representatives to attend on-site meetings of the Board of Directors of the Bank, and supervised legal compliance of the meetings, procedures of voting, as well as the attendance, speech and voting of directors. The Board of Supervisors also designated representatives to attend the relevant meetings of the senior management and supervised the execution of Board resolutions by the senior management and the operating management activities conducted according to the Articles of Association and the authorization by the Board of Directors.

Chapter VIII Corporate Governance Report

8.8 BOARD OF SUPERVISORS (CONTINUED)

8.8.6 Operation of the committees of the Board of Supervisors

The Board of Supervisors has a Nomination Committee and a Supervisory Committee. As of the Latest Practicable Date, compositions of committees of the Board of Supervisors of the Bank were as follows:

No.	Committees of the Board of Supervisors	Chairman	Members
1	Nomination Committee	Dong Xiaolin	He Jiehua, Zhou Zejiang, Wang Anning
2	Supervisory Committee	Han Dongya	He Jiehua, Zhong Qiushi, Sun Zhen, He Zongan

Nomination Committee of the Board of Supervisors

The principal responsibilities of the Nomination Committee include: formulating the selection standards and procedures of supervisors, and making recommendations to the Board of Supervisors; preliminarily reviewing the qualifications and conditions of candidates for supervisors and making recommendations to the Board of Supervisors; improving market-oriented selection and appointment mechanism, and making reservation of candidates for supervisors; conducting a comprehensive assessment and evaluation of duties performance of directors and senior management, and reporting it to the Board of Supervisors; supervising the process of election and appointment of directors; supervising the scientificity and reasonableness of the remuneration management system and policies of the Bank and the remuneration proposal for its senior management; determining the remuneration standards for supervisors and subsidy standards for external supervisors, and making recommendations to the Board of Supervisors in respect thereof; establishing and improving the incentive and control system, conducting an assessment and evaluation of duties performance of supervisors, and making recommendations to the Board of Supervisors in respect thereof; ensuring that supervisors shall not participate in the decision-making process in connection with the evaluation of their duties performance and remuneration (or subsidies), save for the self-assessment in the evaluation of duties performance; other matters authorized by the Board of Supervisors.

The Nomination Committee held a total of 4 meetings during the Reporting Period, at which 8 resolutions were considered and approved.

Supervisory Committee of the Board of Supervisors

The principal responsibilities of the Supervisory Committee include: formulating plans for supervision of duties performance of Board of Directors and the senior management of the Bank, and supervising the adoption by the Board of Directors of prudent business philosophy, value standards and formulating development strategies that are in line with the actual situations of the Bank; formulating plans for supervision of the due diligence of directors and the senior management of the Bank; formulating plans for resignation audits of executive directors and the senior management of the Bank; formulating plans for the inspection and supervision of financial activities of the Bank; formulating plans for supervision and inspection of the business decision-making, risk management and internal control of the Bank; formulating plans for assessing the scientificity, reasonableness and effectiveness of development strategies set by the Board of Directors; taking charge of the organization and implementation of the above plans; other matters authorized by the Board of Supervisors.

Chapter VIII Corporate Governance Report

8.8 BOARD OF SUPERVISORS (CONTINUED)

8.8.6 Operation of the committees of the Board of Supervisors (Continued)

***Supervisory Committee of the Board of Supervisors** (Continued)*

During the Reporting Period, the Supervisory Committee held 6 meetings in total, at which 21 resolutions were considered.

8.8.7 External supervisors work report

Chairman of the Board of Supervisors committees are served by external supervisors, which strengthens the role of external supervisors in performance assessment, internal control and other aspects of independent oversight functions, and plays a positive role in improving the management quality and governance structure of the Bank.

During the Reporting Period, external supervisors can exercise the independent supervision function. In performing their duties, the external supervisors took the initiative to know about the Bank's operation and management situations by attending meetings of the Board of Supervisors, convening meetings of the specialised committees under the Board of Supervisors, being present at the general meetings and Board meetings, participating in regulatory consultations, special research or supervision and inspection by the Board of Supervisors and participating in discussions on the performance of shareholder representatives and branch offices. Meanwhile, external supervisors carefully studied and actively participated in discussions and decision-making of each issue, considered each issue from the perspective of the sustainable development of the Bank and protection of all parties' interests, carefully and objectively gave independent opinions, and fulfilled the responsibilities of external supervisors according to laws.

8.9 TRAINING AND RESEARCH OF DIRECTORS AND SUPERVISORS DURING THE REPORTING PERIOD

Training and research of directors

During the Reporting Period, some directors of the Bank took part in online trainings on relevant policy documents and notices issued by the Central Committee of the CPC and the State Council, and the People's Government of Anhui Province, along with online trainings on the interpretation of the Anti-money Laundering Law; online trainings on the analysis of anti-money laundering situations and policy interpretations for city commercial banks and private banks of the China Banking Association in April 2025; the supervisory prudential conference held by the Anhui Office of the National Administration of Financial Regulation in May 2025; online trainings on ESG in November 2025; and online training on the "Regulatory Expectations for Financial Institutions' Anti-money Laundering Performance (2025)" issued by the Anti-Money Laundering Bureau of the PBOC in December 2025.

All directors have participated in the aforesaid trainings during the Reporting Period.

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8.9 TRAINING AND RESEARCH OF DIRECTORS AND SUPERVISORS DURING THE REPORTING PERIOD (CONTINUED)

Investigation, research and training of the Board of Supervisors

During the Reporting Period, the Board of Supervisors focused on key and difficult points in risk management, conducted a special investigation into anti-money laundering work. By interviewing the departments at head office and conducting on-site research on some branches, it produced an investigation report based on the good practices of peers and put forward targeted optimization suggestions, providing strong support for the Bank's anti-money laundering work.

During the Reporting Period, all supervisors of the Bank took part in anti-money laundering regulatory policy trainings provided by the Compliance Department in March 2025, and some supervisors took part in the supervisory prudential conference held by the Anhui Office of the National Administration of Financial Regulation in May 2025, and their capability to fulfill their duties as supervisors therefore continued to be improved.

8.10 COMPANY SECRETARY UNDER HONG KONG LISTING RULES

Dr. Ngai Wai Fung is the Bank's company secretary under the Hong Kong Listing Rules. Dr. Ngai Wai Fung is a director and the chief executive officer of SWCS Corporate Services Group (Hong Kong) Limited. Dr. Ngai Wai Fung took part in relevant professional trainings for no less than 15 hours during the Reporting Period. Mr. Lian Baohua, the former secretary to the Board of the Bank, was the primary contact person of Dr. Ngai Wai Fung during the Reporting Period. Mr. Lian Baohua, the former secretary to the Board of the Bank, retired on November 24, 2025. As of the Latest Practicable Date, the Bank has not appointed a new secretary to the Board.

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8.11 COMMUNICATION WITH SHAREHOLDERS

Investors relationship

We place great importance to the Bank's shareholders' opinions and suggestions. We actively take part in all kinds of communication activities with investors and analysts in order to maintain a good relationship, and meet reasonable requirements by the shareholders in a timely manner. The Bank has established communication channels for investors, including telephone, email and mailing address, to continuously keep the channels smooth, transmit regulatory requirements, listen to suggestions and opinions from stakeholders, and protect the information right of investors and stakeholders. During the Reporting Period, the Bank has reviewed the implementation and effectiveness of its shareholder communication policy and believes that investor communication was smooth and effective.

For investors inquiries, please contact the Board of Directors at:

The Office of the Board of Directors of Huishang Bank Corporation Limited Huishang Bank Building, No. 1699 Yungu Road, Hefei, Anhui Province, PRC Telephone: +86-551-62667806/65195721
Fax: +86-551-62667661
E-mail: 96588@hsbank.com.cn
Investors can read this annual report from our website (www.hsbank.com.cn) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk).

Information disclosure

The Board of Directors and senior management of the Bank place great importance to the information disclosure. They rely on good corporate governance and sound internal control to provide timely, accurate and fair information for the investors. During the Reporting Period, no insider dealing of the Bank's shares was identified.

In accordance with relevant requirements stipulated by laws, regulations and supervisory provisions, such as the Corporate Governance Standards of Banking and Insurance Institutions, Measures for the Information Disclosure of Commercial Banks and the Hong Kong Listing Rules, the Bank carries out information disclosure in accordance with the laws and regulations, continuously improved the timeliness, accuracy and completeness of the information disclosure. During the Reporting Period, the full texts of the annual report and interim report in both English and Chinese are available on the website of the Bank. Meanwhile, the Chinese and English versions of the annual report and interim report are available for review by the investors and stakeholders in the Board of Directors' office of the Bank.

Chapter VIII Corporate Governance Report

8.12 SHAREHOLDERS' RIGHTS

Convening extraordinary general meetings

When individual or joint shareholders of the Bank who have more than 10% of the total voting right present a written request, the Board of Directors shall hold an extraordinary general meeting within 2 months from the date of the request.

The shareholders who presented such requests shall put forward proposals to the Board in writing. The Board of Directors shall, in accordance with laws, administrative regulations and the Articles of Association of the Bank, give a written feedback expressing an opinion of agreements or disagreements with the convening of an extraordinary general meeting or a class shareholders' meeting within 10 days from the date of receiving the proposal.

If the Board of Directors agrees to convene an extraordinary general meeting or class shareholders' meeting, it should issue a notice to call for a shareholders' general meeting within 5 days from the date on which the relevant Board resolution is made. Any amendments to the original proposal in the notice should obtain the consent from the shareholders of the Bank who initiated such proposals.

Proposing resolutions at shareholders' general meeting

Shareholders individually or jointly holding more than 3%[1] of the voting shares of the Bank may make provisional proposal to the shareholders' general meeting and submit written request to the convener 10 days before the meeting. The convener shall issue a supplementary notice of the shareholders' general meeting within 2 days after receiving the proposal. The contents of the provisional proposal shall be announced.

Shareholders individually or jointly holding more than 3% of the total issued voting shares of the Bank may propose candidates for directors to the Board of Directors or propose candidates for supervisors to the Board of Supervisors.

Shareholders individually or jointly holding more than 1% of the total outstanding voting shares of the Bank may nominate candidates for independent directors to the Board, who can be elected at shareholders' general meeting as independent directors. Those shareholders who have nominated directors shall not nominate independent directors.

Shareholders individually or jointly holding more than 1% of the total outstanding voting shares of the Bank may nominate candidates for external supervisors, who will be elected at shareholders' general meeting as external supervisors.

Convening extraordinary Board meetings

When shareholders individually or jointly holding more than 10% of the total voting shares of the Bank raise a proposal, the chairman of the Board of Directors shall, within 10 days after receiving the proposal, calls for and presides over an extraordinary Board meeting.

[1] As approved by a special resolution at the annual general meeting for 2024, Article 67(12) of the Bank's Articles of Association has been amended as: to examine and approve proposals raised by shareholders who individually or jointly hold 1% or more of the total voting shares of the Bank. This amendment is currently subject to approval from the banking regulatory authorities.

Chapter VIII Corporate Governance Report

8.12 SHAREHOLDERS' RIGHTS (CONTINUED)

Making inquiries to the Board

Our shareholders are entitled to supervise the business activities of the Bank, make recommendations or inquiries.

Shareholders of the Bank are entitled to access to the following information in accordance with the laws, administrative regulations, departmental rules, normative documents, relevant regulations of the securities regulatory authorities of the place(s) where the shares of the Bank are listed, and the provisions of the Articles of Association of the Bank, including: 1. obtaining the Articles of Association of the Bank upon the payment of costs; 2. inspecting, free of charge, or having the right to inspect and copy the following documents upon the payment of reasonable costs: (1) the register of all shareholders; (2) personal information of directors, supervisors and the senior management of the Bank; (3) the Bank's share capital; (4) report showing the total nominal value, quantity, highest and lowest prices of each class of shares repurchased by the Bank since the previous financial year and all costs paid by the Bank in this regard; (5) minutes of shareholders' general meetings; (6) the latest audited financial statements, and reports of the Board of Directors, auditors and the Board of Supervisors of the Bank.

Shareholders who request to inspect or obtain any such information shall provide written documentation to the Bank, certifying the type of shares they held in the Bank as well as the number of their shareholdings. The Bank shall provide such documentation as required by shareholders after their identities are verified.

8.13 APPOINTMENT OF ACCOUNTING FIRMS

Upon completion of the audit work of the Bank for the year 2024, Ernst & Young Hua Ming LLP (Special General Partnership) and Ernst & Young have provided audit services to the Bank for eight consecutive years, which is the maximum term of consecutive engagement of an accounting firm as stipulated. The Bank is required to change its external auditors in 2025. Based on the evaluation results of public tender, and as considered and approved by the Audit Committee of the Board and the Board, the Board proposes to appoint KPMG Huazhen LLP (Special General Partnership) as our domestic auditor for the year of 2025 and to appoint KPMG as our international auditor for the year of 2025, with their terms of office commencing from the date of approval at the general meeting of the Bank and ending on the date of conclusion of the 2025 annual general meeting of the Bank. The Bank held the 2024 annual general meeting on 30 June 2025, and considered and approved the Resolution on the Appointment of External Auditors of Huishang Bank for 2025. The above proposed appointment of external auditors has taken effect following the consideration and approval of the shareholders of the Bank at the general meeting. For details of the above change of accounting firms, please refer to the announcement dated 30 December 2024, the circular dated 16 May 2025, and the announcement on the poll results of the 2024 annual general meeting dated 30 June 2025 of the Bank. Save as disclosed above, the Bank has not been involved in any other matters regarding changes of accounting firms over the past three years.

Chapter VIII Corporate Governance Report

8.13 APPOINTMENT OF ACCOUNTING FIRMS (CONTINUED)

In 2025, the signing certified public accountants from the Bank's domestic accounting firm were Xue Chenjun and Zhao Zhuoxun and the audit engagement partner from the overseas accounting firm was Chan Siu Tung. Each of these three individuals has provided audit services to the Bank for one year. The Bank agreed to pay KPMG Huazhen LLP (Special General Partnership) and KPMG a total fee of RMB4,300,000 for the review of interim financial statements and the annual financial statement audit. Additionally, a total fee of RMB250,000 has been paid for other non-audit services.

8.14 AMENDMENTS TO THE ARTICLES OF ASSOCIATION, THE RULES OF PROCEDURE OF THE GENERAL MEETING OF SHAREHOLDERS AND THE RULES OF PROCEDURE OF THE BOARD OF DIRECTORS OF THE BANK

The Bank has considered and approved the Ordinary Resolution on the Proposal on Amendments to the Articles of Association of Huishang Bank (Concerning Proposing Shareholders) at the 2024 annual general meeting held on 30 June 2025. The amended Articles of Association pursuant to the resolution remain subject to approval by the banking regulatory authority. For details, please refer to the supplementary circular dated 12 June 2025, the second supplementary circular dated 15 June 2025 and the announcement on the poll results of the 2024 annual general meeting dated 30 June 2025 of the Bank.

In order to further improve the corporate governance system, the Bank has considered and approved the following resolutions: to consider and approve the matter related to the abolishment of the Board of Supervisors; to consider and approve the Articles of Association of Huishang Bank Corporation Limited (Revised); to consider and approve the Rules of Procedure of the Shareholders' General Meeting of Huishang Bank Corporation Limited (Revised); to consider and approve the Rules of Procedure of the Board of Directors of Huishang Bank Corporation Limited (Revised) at the 2026 first extraordinary general meeting held on 2 February 2026. The amended Articles of Association pursuant to the resolution remain subject to approval by the banking regulatory authority. For details, please refer to the announcement dated 25 November 2025, the circular dated 19 December 2025, and the announcement on the poll results of the 2026 first extraordinary general meeting dated 2 February 2026 of the Bank.

Chapter VIII Corporate Governance Report

8.15 COMPLIANCE AND RISK MANAGEMENT

1. Procedures for identification, evaluation and management of material risks

The Bank has established and improved sound risk management procedures that match its own scale and business complexity, and has made overall identification and measurement of a series of potential quantifiable and non-quantifiable risks arising from the coupled effect of business strategies, product mix, clients' needs and external macro-economy environment and conducted the corresponding control and mitigation.

Firstly, it established a framework for identifying and determining major risks, and carried out identification work of major risks annually. Secondly, it formulated corresponding policies, determined different methods or models to calculate various quantifiable risks and evaluate other risks which are difficult to quantify. Thirdly, it adopted strategies such as diversification, hedging, transfer, avoidance and compensation, as well as qualified risk mitigation tools for effective management and control. Fourthly, it established business continuity management and major risk emergency management mechanisms, and prepared recovery and disposal plans, continuously improving the emergency management level of major risks.

2. Key features of risk management system of the Bank

(I) Systemic structure

The Bank has established a technology framework for a risk management system that enables collaboration and coordination across multiple systems, covering all aspects and areas of risk management. This system mainly comprises of three layers, namely business application, risk analysis and basic data, which mainly include: 1. the business application layer: the credit risk management system, market risk management system, operational risk management system and risk mitigation management system; 2. the risk analysis layer: the internal rating system on corporate clients, portfolio risk quota management system, debt rating system and tools for measuring associated risks among the systems, etc; 3. the base data layer: corporate data warehouse and big data platform, etc.

Chapter VIII Corporate Governance Report

8.15 COMPLIANCE AND RISK MANAGEMENT (CONTINUED)

2. Key features of risk management system of the Bank (Continued)

(II) Key features

The risk management system of the Bank was designed and developed by customizing practices of advanced domestic banks based on its strategic development planning and practical circumstances, with key features as follows: 1. open and synergistic system architecture with clearly defined functional divisions and unified data standards which enables the digitalization and closed-loop management of risk control processes across the front, middle and back offices; 2. collection, records and storage of relevant data and integration of various types of internal and external basic data to support internal rating system, risk measurement and calculation of capital and relevant management and regulatory reporting of the Bank; 3. through the integration of multi-system data and the application of models, enhancing the accuracy and timeliness of risk identification, measurement, monitoring, and early warning. Adhering to a principle of stringent control and compliance orientation, it effectively supports internal management and external regulatory reporting requirements, thereby providing stable and efficient technological support for the Bank's comprehensive risk management.

3. Key features of internal control system of the Bank

The Bank attaches great importance to the implementation of the "Basic Norms of Internal Control for Enterprises" and its relevant guidelines and the "Guidelines for Internal Control of Commercial Banks" in a consistent manner, starting from the five elements, and dividing into three levels of corporate governance, business line management and procedural operation – which horizontally cover our business processes and management activities of various business lines and vertically cover the managing bodies of the head office, branches and sub-branches and all employees. Through the continuous construction of the internal control management system, the internal control management structure was equipped with well-defined and reasonable duties and responsibilities which clarified internal control management duties of the Board of Directors, the Board of Supervisors and senior management and three defense lines. The Board of Directors was responsible for ensuring the Bank to establish and implement adequate and effective internal control system, the Board of Supervisors was responsible for overseeing the establishment and implementation of internal control by the Board of Directors and senior management, and the senior management was responsible for organizing the day-to-day internal control operation of the Bank. During the Reporting Period, the Bank strengthened the operation and management of the internal control, organized the optimization of internal control and balances indicators and carried out the internal control operation evaluation, timely found the problems and deficiencies in the internal control design and implementation, and continuously improved its internal control system through the internal control rectification and correction so as to safeguard its high-quality development. In order to ensure the operation of the internal control system and promote the digital transformation of internal control compliance, the Bank continues to optimize the new generation of internal control compliance risk management system, complete the optimization of over 50 functions, including policy inquiry and download, issue register export, and compliance testing. Meanwhile, the Bank has added a mobile office system interface, enabling some functions such as policy inquiry and task management on mobile devices, which greatly improves the system's convenience and operability.

Chapter VIII Corporate Governance Report

8.15 COMPLIANCE AND RISK MANAGEMENT (CONTINUED)

4. Risk management and internal control duties of the Board

In compliance with the "Guidelines for the Overall Risk Management of Banking Financial Institutions", the "Guidelines for Internal Control of Commercial Banks" and other laws and regulations as well as the provisions of the Hong Kong Stock Exchange, the Board of the Bank has established and operated a "Risk + Internal Control" dual-track system across all levels of the Bank, conducted regular annual effectiveness "health check". Based on comprehensive internal and external audits and regulatory feedbacks, the Board of Directors has assessed that the system was comprehensive and operated effectively during the Reporting Period. It should be noted no system can completely eliminate risk, it can only prevent material misstatements or losses to a reasonable extent, rather than provide absolute assurance. For details on the specific arrangements of the Bank's internal audit, please refer to Chapter IX "Internal Control" in this annual report.

8.16 PROCEDURES AND SUPERVISORY MEASURES FOR HANDLING INSIDE INFORMATION

The Bank places great importance on inside information management. In order to strengthen relevant confidentiality of inside information and protect the legitimate interests of investors by maintaining fairness with regard to information disclosure, the Bank formulated relevant management systems on inside information and inside management as well as information disclosure according to domestic and overseas laws, regulations and other normative documents, strictly complied with domestic and offshore regulatory requirements, kept strengthening system management and promptly and appropriately disclosed relevant information.

The Inside Information Management System of the Bank expressly provides for the scope of operational, financial or other information that may have a material impact on the market price of securities of the Bank but has not yet been made available on any media for information disclosure designated by securities regulating authorities and the definition of insiders in connection thereof, as well as detailed requirements on management of insiders, confidentiality of such information and punishment measures for divulgence thereof.

Chapter IX Internal Control

9.1 INTERNAL CONTROL

9.1.1 Internal control system and operation

Following the operation philosophy of compliant and steady development, the Bank has established a system of factors on internal balanced control from six dimensions, namely, the decision-making and approval process, hierarchical authorization management and control, separation of department positions, system and procedure control, information system control and internal supervision and rectification, defined the key control points for internal control and implemented dynamic adjustment and optimization according to the provisions under laws and regulations such as the Basic Norms of Internal Control for Enterprises and its relevant guidelines, the Guidelines for Internal Control of Commercial Banks, the relevant requirements of the Hong Kong Stock Exchange as well as the relevant system requirements of the Bank. The Bank has exerted full control over the whole process of various operations and management of the Bank so as to ensure the compliant and steady development of the Bank.

The Bank has established a mechanism covering standard segregation of duties and scientific and effective control and balances. In particular, the Board of the Bank takes ultimate responsibility for the establishment of the internal control system as well as the effectiveness of its implementation. The Board of Supervisors is in charge of overseeing the Board and senior management to establish and improve the internal control system; and overseeing the Board and its directors, senior management and senior officers to perform their duties on internal control. Senior management is responsible for the execution of internal control system and policies approved by the Board of Directors. Each functional department of the head office and branches, outlets and the audit department form the "third-line defense of internal control" of the Bank based on the principle of mutual checks and balances and the separation of front, middle and back offices of banking business, building a complete and effective internal control system with clear responsibilities, mutual checks and balances.

During the Reporting Period, the Bank continued to optimize the factors on internal balanced control, established a system of factors on internal balanced control with 11 business lines, 44 business types and 9,992 control points, clarified the key control points of various business activities, and continued to promote the use throughout the Bank.

9.1.2 Implementation of the Basic Norms of Internal Control for Enterprises and its relevant guidelines in a consistent manner

The Bank places great importance to the implementation of the Basic Norms of Internal Control for Enterprises and its relevant guidelines in a consistent manner. During the Reporting Period, firstly, it has defined internal control and management systems and internal control and management duties of the operational department, business lines management department and compliance department. Secondly, it improved its internal control rules and regulations system. Through regularly reviewing its directory of effective and abolished rules, the Bank has clarified the hierarchy of each rule, the business types and the superior-subordinate relations among systems, and developed a correspondence between internal rules and regulations, laws and regulations and regulatory policies, thus forming a complete set of departmental rules for the Bank. Thirdly, it organized and implemented the internal control operation appraisal throughout the Bank, and developed evaluation indicators and evaluation models from six dimensions, including asset quality, regulation appraisal, implementation of systems, behaviors of employees, information exchange and internal supervision, to measure the internal control operation of branch offices from multiple dimensions, through which, the Bank can not only point out the problems of various business types, but also analyze the causes. The Bank then proposed corresponding improvement measures and tracked and supervised rectification thereof, so as to continue to improve the internal control system of the Bank.

Chapter IX Internal Control

9.2 INTERNAL AUDIT

The Bank has implemented an internal audit system, set up an internal audit department which consists of seven audit divisions by region, and established an independent and vertical management system for audit as well as the suitable reporting system and lines for internal audit, which enabled the establishment of a complete internal audit system based on the internal audit charters, including specific standards, internal requirements, guide manual, among others. We have established an audit model which combines on-site audit with off-site monitoring, developed annual working plans on auditing and implemented such plans upon consideration and approval by the Board of Directors.

The internal audit department investigated, evaluated and facilitated the business activities, risk profile, internal control and compliance and corporate governance status of the Bank through systematic and standardised methods with a view to promoting its sound development and value enhancement.

The internal audit department is under the leadership of the Board of Directors of the Bank, and shall be accountable to the Board of Directors and report the work to it. It is also subject to the guidance and supervision of the national audit offices, the National Financial Regulatory Administration and the Board of Supervisors of the Bank. The Board of Directors has established the Audit Committee, which is authorized by the Board of Directors to guide, supervise and evaluate the audit work. The senior management fully supports the internal audit department to perform its duties independently and ensures adequate internal audit resources.

During the Reporting Period, the internal audit department of the Bank aimed to serve the high-quality development of the Bank, focused on key areas of operation and management, actively carried out audit projects, audit verification, internal control evaluation, off-site special analysis and other activities, and continued to expand the breadth and depth of audits. Meanwhile, the Bank continuously promoted the digital transformation of auditing, increased the supervision and rectification of auditing, and fully leveraged the positive role of internal auditing in revealing risks and hidden dangers, improving internal controls and promoting the Bank to realize its high-quality development.

9.3 EVALUATION ON INTERNAL CONTROL

During the Reporting Period, in accordance with relevant requirements on internal control assessment of commercial banks under the Guidelines for Internal Control of Commercial Banks and other systems and provisions, the Bank organized and carried out the annual assessment on internal control. The assessment focused on five elements, namely internal environment, risk assessment, control measures, information and communication and internal supervision to carry out a comprehensive evaluation on the business, institutions, and risk management policies of the Bank. The evaluation results show that during the reporting period of internal control evaluation, the Bank established internal controls for the businesses and matters included in the evaluation scope, and such businesses and matters can be implemented in accordance with the internal control systems, achieving internal control objectives of the Bank.

Chapter X Report of the Board of Supervisors

During the Reporting Period, the Board of Supervisors supervised the Bank's internal control, risk management, financial activities, legal compliance of operations, as well as the performance of duties of the Board of Directors and senior management in accordance with the Company Law of the People's Republic of China, the Corporate Governance Standards for Banking and Insurance Institutions, the Guidelines for the Work of the Board of Supervisors in Commercial Banks and the responsibilities defined by the Bank's Articles of Association.

The Board of Supervisors has expressed an independent opinion on following matters:

(I) The operation in compliance with laws. During the Reporting Period, the Board of Directors and senior management of the Bank continued legal compliance of operations and the decision-making procedures complied with laws and regulations and the Articles of Association of the Bank. Directors, Supervisors and senior management faithfully performed the responsibilities defined by the Bank's Articles of Association, and there was no circumstance where their performance of duties was in violation of the laws and regulations or harmed the interests of the Bank.

(II) Preparation of financial report. Preparation and review procedures of annual reports of the Bank were in compliance with laws, regulations and regulatory requirements. The contents of the report reflected the Bank's operation in a true, accurate and complete manner. The Board of Supervisors has no objection to the standard unqualified audit report audited and issued by KPMG in accordance with the ISAs.

(III) Related party transactions. During the Reporting Period, related party transactions of the Bank complied with national laws and regulations, regulatory systems and the Articles of Association of the Bank and the Board of Supervisors did not identify any related transactions that harmed the interests of the Bank.

(IV) Internal control. During the Reporting Period, the Bank strived to put internal control as its priority, proactively improved and implemented the system of factors on internal balanced control, earnestly implemented regulatory requirements and continued to strengthen and improve internal control. The Board of Supervisors reviewed the 2025 Internal Control Assessment Report of the Bank, and had no objection to the same.

(V) Risk management. During the Reporting Period, the Bank accelerated the improvement of the comprehensive risk management system, focused on building a full-process digital risk control mechanism, enhanced the level of integrated risk management and control of the Group, and actively prevented and defused risks in key areas. The asset quality continued to improve, major risk regulatory indicators continued to optimize, and overall risks were controllable.

(VI) Implementation of resolutions of shareholders' general meetings. The Board of Supervisors supervised the implementation of the resolutions of the shareholders' general meetings, and was of the view that the Board of Directors and senior management had well implemented the relevant resolutions of shareholders' general meetings.

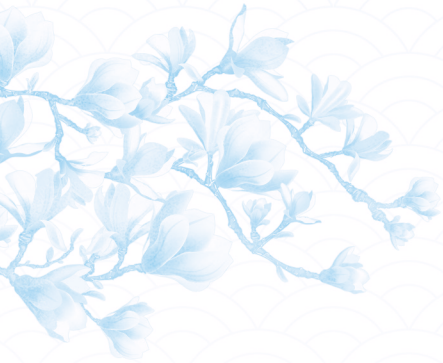
(VII) Implementation of information disclosure systems. During the Reporting Period, the Bank performed information disclosure obligations and carefully implemented information disclosure management systems in accordance with regulatory requirements. No non-compliance with laws and regulations was identified in information disclosure.

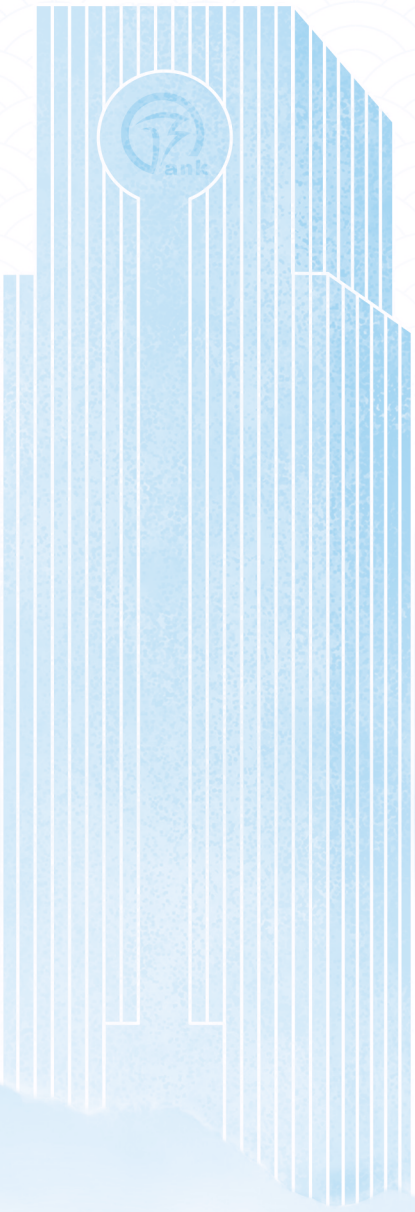
Save as disclosed above, the Board of Supervisors had no objection to any other matters during the Reporting Period.

By Order of the Board of Supervisors
He Jiehua
Chairman of the Board of Supervisors

26 March 2026

Chapter XI
Financial Report





Independent Auditor's Report

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To the Shareholders of Huishang Bank Corporation Limited
(Incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Huishang Bank Corporation Limited (the "Bank") and its subsidiaries (the "Group") set out on pages 169 to 308, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statement of changes in shareholders' equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, comprising material accounting policies and other explanatory information.

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

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("the 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 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 judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report

KEY AUDIT MATTERS (CONTINUED)

Expected credit impairment allowance of loans and advances to customers and financial investments at amortised cost

Refer to the accounting policy in "Note 2(10)(g) Impairment measurement for losses on financial assets, Note 2(30) Material accounting judgements and estimates – Impairment loss on financial assets", and "Note 20 Loans and advances to customers, Note 21 Financial investments, Note 12 Impairment losses on credits, Note 50(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 of loans and advances to customers and financial investments at amortised cost in accordance with International Financial Reporting Standard 9, Financial instruments. The determination of ECL allowance of loans and advances to customers and financial investments at amortised cost is subject to the application of a number of key parameters and assumptions, including the credit risk staging, probability of default, loss given default, exposures at default, adjustments for forward-looking information and other adjustment factors. Extensive management judgment is involved in the selection of those parameters and the application of the assumptions.	Our audit procedures to assess ECL allowance of loans and advances to customers and financial investments at amortised cost included the following: • with the assistance of KPMG's IT specialists, understanding and assessing the design, implementation and operating effectiveness of key internal controls of financial reporting over credit approval, recording, monitoring, credit risk staging, ECL model update and measurement of ECL allowance of loans and advances to customers and financial investments at amortised cost. • with the assistance of KPMG's financial risk management specialists, assessing the appropriateness of the ECL model used to determine the ECL 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 adjustment factors, and assessing the appropriateness of related key management judgment.

Independent Auditor's Report

KEY AUDIT MATTERS (CONTINUED)

Expected credit impairment allowance of loans and advances to customers and financial investments at amortised cost (Continued)

Refer to the accounting policy in "Note 2(10)(g) Impairment measurement for losses on financial assets, Note 2(30) Material accounting judgements and estimates – Impairment loss on financial assets", and "Note 20 Loans and advances to customers, Note 21 Financial investments, Note 12 Impairment losses on credits, Note 50(1) Credit risk" to the consolidated financial statements.

The Key Audit Matter	How the matter was addressed in our audit
The determination of the ECL allowance is heavily dependent on the external macro environment and the Group's internal credit risk management strategy. The ECL allowance of corporate loans and advances and financial investments at amortised cost are derived from estimates including historical loss experiences, internal and external credit grading and other factors. The ECL allowance for personal loans and advances are derived from estimates whereby management takes into consideration historical overdue data, historical loss experience and other factors.	• for key parameters involving judgement, critically assessing input parameters by seeking evidence from external sources and comparing it to the Group's internal records. As part of these procedures, we inquired the reasons for management's revisions to estimates and input parameters, compared with prior period and considered the consistency of 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. • assessing the completeness and accuracy of key data used in the ECL model. For key internal data, we compared the total balance of the loans and advances to customers and financial investments at amortised cost used by management to assess the ECL allowance with the general ledger to check the completeness of the data. We also selected samples to compare information of individual loan and advance to customers and financial investment at amortised cost with the underlying agreements and other related documentation. In addition, we checked the accuracy of key external data used by management by comparing them with public sources.

Independent Auditor's Report

KEY AUDIT MATTERS (CONTINUED)

Expected credit impairment allowance of loans and advances to customers and financial investments at amortised cost (Continued)

Refer to the accounting policy in "Note 2(10)(g) Impairment measurement for losses on financial assets, Note 2(30) Material accounting judgements and estimates – Impairment loss on financial assets", and "Note 20 Loans and advances to customers, Note 21 Financial investments, Note 12 Impairment losses on credits, Note 50(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 type of guarantee, the seniority of the claim, the recoverable amount of any collaterals, and repayment sources of the borrower. Management refers to valuation reports of collaterals issued by qualified third party valuers and considers the impact of various factors including the market price, status and use when assessing the value of collaterals. The enforceability, timing and means of realisation of the collateral also have an impact on the recoverable amount of the collateral.	• with the assistance of KPMG's IT specialists, assessing the compilation logics of the overdue information of the loans and advances to customers and financial investments at amortised cost. • evaluating, on a sample basis, the reasonableness of management's assessment on whether the credit risk of loans and advances to customers and financial investments at amortised cost has increased significantly since initial recognition and whether the financial instruments are credit-impaired. We selected samples from industries more vulnerable to the current economic situation and samples which met specific risk criteria. For the selected samples, we made enquiries of the credit managers about the borrowers' overdue status, business operations, inspected borrowers' financial information and performed market research on the borrowers' businesses, to assess the credit risk of the borrowers, and the reasonableness of the credit risk staging.

Independent Auditor's Report

KEY AUDIT MATTERS (CONTINUED)

Expected credit impairment allowance of loans and advances to customers and financial investments at amortised cost (Continued)

Refer to the accounting policy in "Note 2(10)(g) Impairment measurement for losses on financial assets, Note 2(30) Material accounting judgements and estimates – Impairment loss on financial assets", and "Note 20 Loans and advances to customers, Note 21 Financial investments, Note 12 Impairment losses on credits, Note 50(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 allowance of loans and advances to customers and financial investments at amortised cost as a key audit matter because of the inherent uncertainty and management judgment involved and because of its significance to the financial results and capital of the Group.	• selecting samples and assessing the accuracy of the Group's calculation for the ECL allowance of loans and advances to customers and financial investments at amortised cost. • assessing the reasonableness of the disclosures in the financial statements in relation to the ECL allowances for loans and advances to customers and financial investments at amortised cost with reference to the requirements of the applicable accounting standards.

Independent Auditor's Report

KEY AUDIT MATTERS (CONTINUED)

Consolidation assessment of structured entities

Refer to the accounting policy in "Note 2(6) Structured entities, Note 2(30) Material accounting judgements and estimates – Judgement in assessing control over structured entities", and "Note 45 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, managing and/or investing in asset management plans, trust investment plans, funds and wealth management products ("WMPs"). The Group is required to consider the power it possesses, its exposure to variable returns, and its ability to use its power to affect returns to determine whether the Group retain any partial interests in a structured entity or should consolidate a structured entity. These factors are not purely quantitative and need to be considered collectively in the overall substance of the transactions.	Our audit procedures to assess the consolidation assessment of structured entities included the following: • 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 entity;

Independent Auditor's Report

KEY AUDIT MATTERS (CONTINUED)

Consolidation assessment of structured entities (Continued)

Refer to the accounting policy in "Note 2(6) Structured entities, Note 2(30) Material accounting judgements and estimates – Judgement in assessing control over structured entities", and "Note 45 Structured entities" to the consolidated financial statements.

The Key Audit Matter	How the matter was addressed in our audit
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.	– inspecting management's analysis of the structured entity, including qualitative analysis of the Group's substantive rights and quantitative analysis 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 with reference to the requirements of the prevailing accounting standards.

Independent Auditor's Report

KEY AUDIT MATTERS (CONTINUED)

Impairment assessment of goodwill

Refer to the accounting policy in "Note 2(4) Business Combinations, Note 2(30) Material accounting judgements and estimates – Impairment of goodwill", and "Note 26 Goodwill" to the consolidated financial statements.

The Key Audit Matter	How the matter was addressed in our audit
On 23 November 2020, the Bank completed the acquisition of selected businesses of Baoshang Bank, which included certain assets, liabilities and employee of four branches of Baoshang Bank. The Group recognised goodwill of RMB14,567,826 thousand as a result of this acquisition. The Group assessed and determined that provision for the impairment losses of goodwill is RMB4,252,050 thousand as at 31 December 2025. The management of the Group engaged an independent external valuer to assist in the good will impairment testing. Management compared the carrying value of the cash-generating unit ("CGU") with allocated goodwill to their recoverable amount to determine whether an impairment loss should be recognized. The recoverable amount is determined by the higher of the fair value less cost of disposal of the CGU or the value-in-use based on discounted cash flow forecasts. The discounted cash flow forecasts involves significant judgement and estimates from the management, particularly concerning the growth rates and interest rates of deposits and loans, the forecasted cash flow period, and the discount rate. We identified impairment assessment of goodwill as a key audit matter due to the valuation parameters used in assessing goodwill impairment. These parameters involve significant management judgements and estimation, which is inherently uncertain and possibly biased.	Our audit procedures to impairment assessment of goodwill included the following: • assessing the competence, capabilities and objectivity of the external valuer engaged by management in assessing the impairment of goodwill; • involving KPMG valuation specialists to assist us in performing the following procedures: – assessing the appropriateness of the methodology adopted by management and the external valuer in preparing discounted cash flow forecasts with reference to the requirements of the applicable accounting standards; – evaluating the reasonableness of the growth rates and interest rates of deposit and loan, forecasted cash flow period and discount rates used in discounted cash flow forecasts; • assessing the reasonableness of the disclosures in the consolidated financial statements in respect of impairment assessment of goodwill, including the key assumptions adopted, with reference to the requirements of the applicable accounting standards.

Independent Auditor's Report

OTHER INFORMATION

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.

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

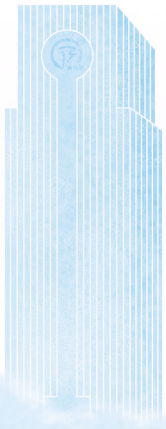
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.



Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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 Chan Siu Tung.

Certified Public Accountants

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10 Chater Road
Central, Hong Kong
26 March 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

	Note	2025	2024
Interest income	4	**65,533,327**	66,334,148
Interest expense	4	**(36,620,326)**	(37,743,115)
Net interest income		**28,913,001**	28,591,033
Fee and commission income	5	**3,095,843**	3,194,763
Fee and commission expense	5	**(360,950)**	(346,075)
Net fee and commission income		**2,734,893**	2,848,688
Net trading gains	6	**1,872,572**	3,220,434
Net gains on financial investments	7	**3,302,214**	2,104,866
Including: Net gains on derecognition of financial assets measured at amortised cost		**1,743,935**	326,816
Dividend income		**5,168**	4,624
Net gains on investments in associates		**380,682**	103,300
Other operating income, net	8	**461,217**	358,795
Operating income		**37,669,747**	37,231,740
Operating expenses	9	**(11,407,043)**	(10,694,824)
Impairment losses on credits	12	**(6,752,199)**	(7,678,568)
Impairment losses on assets		**(325,208)**	(869,506)
Profit before income tax		**19,185,297**	17,988,842
Income tax	13	**(2,258,801)**	(2,071,874)
Net profit for the year		**16,926,496**	15,916,968
Net profit attributable to:			
Shareholders of the Bank		**16,524,600**	15,414,392
Non-controlling interests		**401,896**	502,576
Earnings per share attributable to ordinary shareholders of the Bank (expressed in RMB per share)			
Basic and diluted	14	**1.14**	1.05

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

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

	Note	2025	2024
Net profit for the year		**16,926,496**	15,916,968
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
– Net gains on investment in equity instruments designated at fair value through other comprehensive income	40	**46,637**	65,607
– Other comprehensive income that cannot be transferred to profit or loss under the equity method		**43,788**	6,600
Less: associated impact of income tax	40	**(11,659)**	(16,402)
Sub-total		**78,766**	55,805
Items that may be reclassified subsequently to profit or loss:			
– Net gains or loss on investment in debt instruments measured at fair value through other comprehensive income	40	**(3,727,308)**	2,493,725
– Other comprehensive income that can be transferred to profit or loss under the equity method		**(107,224)**	22,896
Less: associated impact of income tax	40	**931,242**	(622,906)
Sub-total		**(2,903,290)**	1,893,715
Other comprehensive income for the year, net of tax		**(2,824,524)**	1,949,520
Total comprehensive income for the year		**14,101,972**	17,866,488
Total comprehensive income attributable to:			
Shareholders of the Bank		**13,701,483**	17,362,651
Non-controlling interests		**400,489**	503,837

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

Consolidated Statement of Financial Position

As at 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

	Note	31 December 2025	31 December 2024
Assets			
Cash and balances with the central bank	15	**83,382,541**	92,452,685
Deposits with banks and other financial institutions	16	**12,344,226**	14,676,207
Placements with banks and other financial institutions	17	**53,933,774**	48,012,448
Derivative financial assets	18	**46,191**	154,242
Financial assets held under resale agreements	19	**5,635,914**	11,904,017
Loans and advances to customers	20	**1,101,574,607**	975,949,136
Financial investments			
– Financial assets at fair value through profit or loss	21	**191,102,469**	168,109,461
– Financial assets at amortised cost	21	**547,647,768**	429,603,806
– Financial assets at fair value through other comprehensive income	21	**212,620,441**	173,959,298
Investments in associates	22	**5,831,362**	5,261,079
Investment property		**3,761**	4,002
Property, plant and equipment	23	**4,314,402**	4,339,577
Right-of-use assets	24	**1,271,835**	1,166,778
Lease receivables	25	**69,679,957**	57,958,411
Goodwill	26	**10,315,776**	10,670,776
Deferred income tax assets	27	**17,959,691**	15,380,607
Other assets	28	**8,420,126**	4,150,544
Total assets		**2,326,084,841**	2,013,753,074
Liabilities			
Borrowings from the central bank		**176,513,548**	139,579,603
Deposits from banks and other financial institutions	30	**95,333,839**	175,718,955
Placements from banks and other financial institutions	31	**60,770,825**	49,518,618
Financial liabilities at fair value through profit or loss	32	**2,022,423**	–
Derivative financial liabilities	18	**44,177**	131,083
Financial assets sold under repurchase agreements	33	**130,200,850**	18,806,136
Deposits from customers	34	**1,295,670,859**	1,166,920,648
Taxes payable	35	**2,016,491**	2,035,748
Bonds issued	36	**373,040,929**	282,946,293
Other liabilities	37	**17,974,534**	16,428,829
Total liabilities		**2,153,588,475**	1,852,085,913

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

Consolidated Statement of Financial Position

As at 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

	Note	31 December 2025	31 December 2024
Shareholders' equity			
Share capital	38	**13,889,801**	13,889,801
Other equity instruments	38	**19,999,128**	19,999,128
Capital reserve	38	**15,515,607**	15,233,380
Surplus reserve	39	**24,209,758**	22,755,489
General reserve	39	**21,294,189**	19,271,977
Other comprehensive income	40	**1,249,609**	4,072,726
Retained earnings	39	**71,724,024**	62,227,763
Equity attributable to shareholders of the Bank		**167,882,116**	157,450,264
Non-controlling interests		**4,614,250**	4,216,897
Total shareholders' equity		**172,496,366**	161,667,161
Total liabilities and shareholders' equity		**2,326,084,841**	2,013,753,074

The consolidated financial statements were approved and authorised for issuance by the Board of Directors of Huishang Bank Corporation Limited on 26 March 2026 and signed on its behalf by:

Kong Qinglong	Liu Fei	Fang Lixin
President	Assistant President	Head of the Finance Department

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

Consolidated Statement of Changes in Shareholders' Equity

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

	Equity attributable to shareholders of the Bank								
	Share capital Note 38	Other equity instruments Note 38	Capital reserve Note 38	Surplus reserve Note 39	General reserve Note 39	Other comprehensive income Note 40	Retained earnings Note 39	Non-controlling interests	Total
Balance at 1 January 2025	**13,889,801**	**19,999,128**	**15,233,380**	**22,755,489**	**19,271,977**	**4,072,726**	**62,227,763**	**4,216,897**	**161,667,161**
(1) Comprehensive income	**–**	**–**	**–**	**–**	**–**	**(2,823,117)**	**16,524,600**	**400,489**	**14,101,972**
(2) Other changes in shareholder equity									
The impact of changes in other shareholders' equity of the invested entity under the equity method	**–**	**–**	**282,227**	**–**	**–**	**–**	**–**	**–**	**282,227**
(3) Profit distribution									
Distribution of dividends	**–**	**–**	**–**	**–**	**–**	**–**	**(3,551,858)**	**(3,136)**	**(3,554,994)**
Appropriation to surplus reserve	**–**	**–**	**–**	**1,454,269**	**–**	**–**	**(1,454,269)**	**–**	**–**
Appropriation to general reserve	**–**	**–**	**–**	**–**	**2,022,212**	**–**	**(2,022,212)**	**–**	**–**
Balance at 31 December 2025	**13,889,801**	**19,999,128**	**15,515,607**	**24,209,758**	**21,294,189**	**1,249,609**	**71,724,024**	**4,614,250**	**172,496,366**
Balance at 1 January 2024	13,889,801	19,999,357	15,230,704	19,948,581	17,584,011	2,124,467	54,206,156	3,743,765	146,726,842
(1) Comprehensive income	–	–	–	–	–	1,948,259	15,414,392	503,837	17,866,488
(2) Changes in share capital									
Increase in capital of subsidiaries	–	–	2,865	–	–	–	–	(26,785)	(23,920)
Capital contribution by other equity instruments holders	–	9,999,582	–	–	–	–	–	–	9,999,582
Capital reduction by other equity instruments holders	–	(9,999,811)	(189)	–	–	–	–	–	(10,000,000)
(3) Profit distribution									
Distribution of dividends	–	–	–	–	–	–	(2,897,911)	(3,920)	(2,901,831)
Appropriation to surplus reserve	–	–	–	2,806,908	–	–	(2,806,908)	–	–
Appropriation to general reserve	–	–	–	–	1,687,966	–	(1,687,966)	–	–
Balance at 31 December 2024	13,889,801	19,999,128	15,233,380	22,755,489	19,271,977	4,072,726	62,227,763	4,216,897	161,667,161

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

Consolidated Cash Flow Statement

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

	Note	2025	2024
Cash flows from operating activities:			
Profit before income tax		**19,185,297**	17,988,842
Adjustments:			
Impairment losses on credits		**6,752,199**	7,678,568
Impairment losses on assets		**325,208**	869,506
Depreciation and amortisation		**1,146,440**	1,080,594
Provisions for outstanding litigations and outstanding compensations		**44,805**	41,835
Net (gains)/losses from disposal of assets		**(102,698)**	41,887
Interest income from financial investments		**(18,731,691)**	(19,287,658)
Changes in fair value and net exchange losses		**1,377,106**	954,532
Net gains on investments in associates		**(380,682)**	(103,300)
Net gains on financial investments		**(3,302,214)**	(2,104,866)
Interest expense from lease liabilities		**33,780**	31,079
Interest expense from bonds issued		**6,626,554**	5,139,108
Sub-total		**12,974,104**	12,330,127
Net changes in operating assets:			
Net (increase)/decrease in balances with the central bank		**(1,691,665)**	3,429,478
Net increase in deposits and placements with banks and other financial institutions		**(6,664,247)**	(10,991,235)
Net (increase)/decrease in financial assets held for trading		**(19,342,808)**	4,550,551
Net decrease in financial assets held under resale agreements		**12,072,768**	12,826,768
Net increase in loans and advances to customers		**(134,010,074)**	(133,058,511)
Net increase in lease receivables		**(12,881,968)**	(104,357)
Net increase in other assets		**(3,476,381)**	(3,081,104)
Net changes in operating liabilities:			
Net (decrease)/increase in deposits and placements from banks and other financial institutions		**(68,444,613)**	14,403,825
Net increase in borrowings from the central bank		**36,777,138**	1,692,383
Net increase/(decrease) in financial assets sold under repurchase agreements		**111,471,295**	(47,850,016)
Net increase in deposits from customers		**127,234,992**	118,807,833
Net increase in other liabilities		**4,645,039**	5,182,235
Income tax paid		**(3,963,556)**	(3,794,928)
Net cash flows generated/(used) from operating activities		**54,700,024**	(25,656,951)

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

Consolidated Cash Flow Statement

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

	Note	2025	2024
Cash flows from investing activities:			
Proceeds from disposal of property, plant, equipment and other long-term assets		**133,679**	92,636
Payment for purchase of property, plant, equipment, intangible assets and other long-term assets		**(887,962)**	(568,839)
Dividends received		**5,168**	4,624
Interest income received from purchasing financial investments		**19,404,984**	19,425,524
Proceeds from disposal of financial investments		**753,202,717**	577,902,310
Cash paid for acquisition of non-controlling interests		**–**	(23,920)
Payment for purchase of financial investments		**(913,705,687)**	(665,828,214)
Net cash flows used from investing activities		**(141,847,101)**	(68,995,879)
Cash flows from financing activities:			
Proceeds from issuance of bonds		**396,206,393**	330,470,029
Cash received from issuance of other equity instruments		**–**	9,999,582
Cash paid for redemption of other equity instruments		**–**	(10,000,000)
Dividends and interest paid on bonds issued		**(10,221,433)**	(3,267,608)
Repayments of lease liabilities		**(412,204)**	(384,554)
Repayments of borrowings		**(306,305,364)**	(233,010,473)
Net cash flows generated from financing activities		**79,267,392**	93,806,976
Effect of foreign exchange rate changes on cash and cash equivalents		**(31,759)**	(9,922)
Net decrease in cash and cash equivalents		**(7,911,444)**	(855,776)
Cash and cash equivalents at the beginning of the year		**42,701,809**	43,557,585
Cash and cash equivalents at the end of the year	46	**34,790,365**	42,701,809
Net cash flows from operating activities include:			
Interest received		**55,271,016**	52,960,986
Interest paid		**29,175,594**	27,466,088

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

1 GENERAL INFORMATION

Huishang Bank Corporation Limited (the "Bank") is a joint-stock commercial bank registered in Anhui Province. The Bank was formerly known as Hefei City Cooperatives Bank, which was established on 4 April 1997, and was renamed as Hefei Commercial Bank Co., Ltd. on 28 July 1998. The Bank was further renamed as Huishang Bank Corporation Limited on 30 November 2005 with the approval of the general office of the former China Banking Regulatory Commission Anhui Branch ("former CBRC Anhui Branch"). As approved by the former CBRC Anhui Branch, the Bank acquired five former city commercial banks in Wuhu, Ma'anshan, Anqing, Huaibei and Bengbu and seven city credit cooperatives in Lu'an, Huainan, Tongling and Fuyang Technology, Fuyang Xinying, Fuyang Yinhe and Fuyang Jinda on 28 December 2005. The Bank holds the financial institution licence (B0162H234010001) from former CBRC Anhui Branch and the business licence of legal enterprise with unified social credit code No.913400001489746613. The registered address of the Bank is Huishang Bank Building, No.1699 Yungu Road, Hefei, Anhui Province, China. The Bank was listed on the Hong Kong Stock Exchange in November 2013 and issued the H shares to foreign investors (Stock Code: 3698). As at 31 December 2025, the total share capital of the Bank was RMB13.89 billion.

The principal activities of the Bank and its subsidiaries (collectively, the "Group") include the provision of Renminbi ("RMB") and foreign currency deposits, loans, clearing and settlement services, asset custodian services, finance leasing services, wealth management and other services as approved by the respective regulators.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

(1) Statement of compliance

These financial statements have been prepared in accordance with all applicable IFRS Accounting Standards and Interpretations issued by the International Accounting Standards Board (the "IASB") and the disclosure requirement of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Material accounting policies adopted by the Group are disclosed below.

The IASB has issued certain new and amended IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2(3) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(2) Basis of preparation of the financial statements

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value.

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(2) Basis of preparation of the financial statements (Continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 2(30).

These financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

(3) Changes in accounting policies

(a) Standards and amendments effective in 2025 relevant to and adopted by the Group

In 2025, the Group has adopted the following amendment issued by the IASB, that are mandatorily effective for the current reporting period.

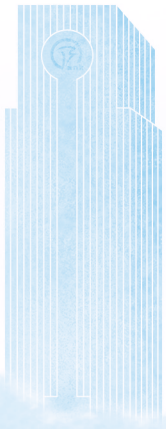
		Notes
Amendments to IAS 21	Lack of exchangeability	(i)

(i) Amendments to IAS 21: Lack of exchangeability

The amendments specify when a currency is exchangeable into another currency and when it is not, and how an entity determines a spot rate when a currency lacks exchangeability.

Under the amendments, entities are required to provide additional disclosures to help users evaluate how a currency's lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows.

The adoption of this amendment does not have a significant impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
(All amounts expressed in thousands of RMB unless otherwise stated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(3) Changes in accounting policies (Continued)

(b) Standards and amendments relevant to the Group that are not yet effective in the current reporting period and have not been adopted before their effective dates by the Group

The Group has not adopted the following new or amended standards and interpretations issued by the IASB and the International Financial Reporting Interpretations Committee, that have been issued but are not yet effective.

		Effective for annual periods beginning on or after	Notes
Amendments to IFRS 9 and IFRS 7	Amendments to the classification and measurement of financial instruments	1 January 2026	(i)
Amendments to IFRS 9 and IFRS 7	Contracts referencing nature-dependent electricity	1 January 2026	(i)
Annual improvements to IFRS Accounting Standards	Volume 11	1 January 2026	(ii)
IFRS 18	Presentation and disclosure in financial statements	1 January 2027	(iii)
IFRS 19	Subsidiaries without public accountability: Disclosures	1 January 2027	(iv)
Amendments to IAS 21	Translation of presentation currency in hyperinflationary economies	1 January 2027	(v)
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an Investor and Its associate or joint venture	The effective date has now been deferred.	(vi)

(i) Amendments to IFRS 9 and IFRS 7: Amendments to the classification and measurement of financial instruments and Contracts referencing nature-dependent electricity

The amendments on May 2024 concerned the requirements of classification and measurement of financial instruments. The amendments include clarification on the classification of financial assets with ESG and slimier features, new requirements on settlement of financial liabilities through electronic payment system and additional disclosure requirements regarding investment in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent feature.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(3) Changes in accounting policies (Continued)

(b) Standards and amendments relevant to the Group that are not yet effective in the current reporting period and have not been adopted before their effective dates by the Group *(Continued)*

The amendments on December 2024 targeted contracts referencing nature-dependent electricity. The amendments include guidance on clarifying the application of the "own-use" requirements, permitting hedge accounting if these contracts are used as hedging instruments and adding new disclosure requirements for specific power purchase agreements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The Group anticipates that the adoption of above amendments will not have a significant impact on the consolidated financial statements.

(ii) Annual improvements to IFRS Accounting Standards – Volume 11

On 18 July 2024, the IASB published the Annual Improvements to IFRS Accounting Standards Volume 11 which contains narrow amendments to IFRS Accounting Standards and accompanying guidance as part of its regular maintenance of the Standards.

The amended standards and guidance are:

- IFRS 1 First time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash Flows

The amendments are effective for annual periods beginning on or after 1 January 2026, with earlier application permitted.

The Group anticipates that the adoption of the amendment will not have a significant impact on the consolidated financial statements.

(iii) IFRS 18: Presentation and disclosure in financial statements

On April 2024, the IASB published its new standard IFRS 18: Presentation and Disclosure in Financial Statements. The main changes in IFRS 18 compared with the previous requirements in IAS 1 comprise a more structured income statement, disclosures on management defined performance measures and enhanced aggregation and disaggregation of information etc.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
(All amounts expressed in thousands of RMB unless otherwise stated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(3) Changes in accounting policies (Continued)

(b) Standards and amendments relevant to the Group that are not yet effective in the current reporting period and have not been adopted before their effective dates by the Group *(Continued)*

The Group has not completed its assessment of the impact on the Group's consolidated financial statements of adopting IFRS 18.

(iv) IFRS 19: Subsidiaries without public accountability: Disclosures

On 9 May 2024, the IASB issued a new IFRS Accounting Standard-IFRS 19 Subsidiaries without Public Accountability: Disclosures, which allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements.

A subsidiary may elect to apply IFRS 19 in its consolidated, separate or individual financial statements provided that, at the reporting date: it does not have public accountability; and its parent produces consolidated financial statements that are available for public use under IFRS Accounting Standards.

A subsidiary applying IFRS 19 is required to clearly state in its explicit and unreserved statement of compliance with IFRS Accounting Standards that IFRS 19 has been adopted. IFRS 19 is effective for reporting periods beginning on or after 1 January 2027.

Earlier application is permitted.

The Group anticipates that the adoption of the standard will not have a significant impact on the consolidated financial statements.

(v) Amendments to IFRS 21: Translation of presentation currency in hyperinflationary economies

To reduce diversity in practice and improve the usefulness of information for investors, the International Accounting Standards Board (IASB) has amended IAS 21 The Effects of Changes in Foreign Exchange Rates to clarify that:

A company with a non-hyperinflationary functional currency uses the closing rate at the latest reporting date when translating all the financial statement amounts (including comparatives) into its presentation currency. A company uses the closing rate at the latest reporting date when translating all amounts (except comparatives) of a foreign operation with a non-hyperinflationary functional currency and applies the general price index to restate the comparatives.

The amendments are effective for annual periods beginning on or after 1 January 2027, and shall be applied retrospectively, with earlier application permitted. The Group anticipates that the adoption of the amendment will not have a significant impact on the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(3) Changes in accounting policies (Continued)

(b) Standards and amendments relevant to the Group that are not yet effective in the current reporting period and have not been adopted before their effective dates by the Group *(Continued)*

(vi) Amendments to IFRS 10 and IAS 28: Sale or contribution of assets between an investor and Its Associate or Joint Venture

The amendments address an inconsistency between IFRS 10 and IAS 28 in the sale and contribution of assets between an investor and its associate or joint venture.

A full gain or loss is recognised when a transaction involves a business. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if those assets are in a subsidiary.

The Group anticipates that the adoption of the amendment will not have a significant impact on the consolidated financial statements.

(4) Business Combinations

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. If there is any indication that goodwill is impaired, recoverable amount is estimated and the difference between carrying amount and recoverable amount is recognised as an impairment charge. Impairment losses on goodwill are not reversed. Gains or losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
(All amounts expressed in thousands of RMB unless otherwise stated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(5) Subsidiaries

Subsidiaries are all entities (including corporates, divided parts of the invested entity, and structured entities controlled by corporates) over which the Group has control. That is the Group controls an entity when it is exposed, 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. The existence and effect of potential voting rights that are currently exercisable or convertible and rights arising from other contractual arrangements are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. If the changes of the relevant facts and circumstances resulting in the definition of control involved in the changes of relevant elements, the Group will re-evaluate whether subsidiaries are controlled.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. Where necessary, in the preparation of the financial statements, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

In the Bank's statement of financial position, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments, but does not include acquisition-related costs, which are expensed as incurred. The dividends or profits declared to distribute by the invested entity shall be recognised by the Bank as the current investment income from subsidiaries. The Group assesses at each financial reporting date whether there is objective evidence that investments in subsidiaries are impaired. An impairment loss is recognised for the amount by which the investments in subsidiaries' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the investments in subsidiaries' fair value less costs to sell and the present value of the asset's expected future cash flow.

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in the income statement. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income related to the investee are reclassified to the income statement.

Notes to the Consolidated Financial Statements

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2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(6) Structured entities

Structured entities are entities that have been designed so that voting or similar rights are not the dominant factor in deciding who controls the entities, for example when any voting rights relate to administrative tasks only, and key activities are directed by contractual agreement. Structured entities often have restricted activities and a narrow and well-defined objective. Examples of structured entities include investment funds, trusts, securitisation vehicles and asset backed financings. Involvement with consolidated and unconsolidated structured entities is disclosed in Notes 45.

(7) Associates and joint ventures

Associates are all entities over which the Group has significant influence but no control or joint control, generally accompanying a shareholding between 20% and 50% of the voting rights.

Joint ventures exist where the Group has a contractual arrangement with one or more parties to undertake economic activities which are subject to joint control.

Investments in associates and joint ventures are initially recognised at cost and are accounted for using the equity method of accounting. The Group's "Investments in associates and joint ventures" includes goodwill.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates; unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. In the preparation of the financial statements, accounting policies of associates and joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group assesses at each financial reporting date whether there is objective evidence that investments in associates and joint ventures are impaired. The Group evaluates the impairment when any impairment indication exists. Impairment losses are recognised for the amounts by which the investments in associates and joint ventures' carrying amounts exceed its recoverable amounts. The recoverable amounts are the higher of investments in associates and joint ventures' fair value less costs to sell and the present value of the asset's expected future cash flow.

(8) Foreign currency translations

The consolidated financial statements of the Group are presented in RMB, being the functional and presentation currency of the Bank and its subsidiaries.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions, or the exchange rates that approximate the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the income statement.

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2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(8) Foreign currency translations (Continued)

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rates ruling at that date. Changes in the fair value of monetary securities denominated in foreign currency classified as financial assets at fair value through other comprehensive income are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in the income statement, and other changes in the carrying amount are recognised in other comprehensive income. Translation differences on all other monetary assets and liabilities are recognised in the income statement.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates as at the date when the fair value is determined. Translation differences on non-monetary financial assets at fair value through other comprehensive income are recognised in other comprehensive income. Translation differences on non-monetary financial assets and financial liabilities at fair value through profit or loss are recognised in exchange gains of the income statement.

(9) Cash and cash equivalents

Cash and cash equivalents refer to short-term and highly liquid assets, which are readily convertible into known amounts of cash and subject to an insignificant risk of changes in value. Cash and cash equivalents include cash and assets with original maturity of three months or less under cash and balances with central banks, deposits with banks and other financial institutions, placements with banks and other financial institutions and financial assets held under resale agreements.

(10) Financial instruments

(a) Initial recognition and measurement

An entity shall recognise a financial asset or a financial liability when the entity becomes a party to the contractual provisions of the instrument, which is the trade date.

At initial recognition, an entity shall measure a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. For a financial asset or financial liability at fair value through profit or loss, transaction costs are directly recognised in profit or loss.

The fair value of a financial instrument at initial recognition is normally the transaction price. If an entity determines that the fair value at initial recognition differs from the transaction price, and if that fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, the entity shall recognise the difference between the fair value at initial recognition and the transaction price as a gain or loss.

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(All amounts expressed in thousands of RMB unless otherwise stated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(10) Financial instruments (Continued)

(b) Classification and subsequent measurement

(i) Financial assets

Based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, the Group has classified its financial assets in the following three categories: Financial assets at amortised cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit or loss.

Business models

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 financial assets are not held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, the business model for the financial assets is 'other'. The entity's assessment of the business model is performed on a financial asset portfolio basis, and determined on a reasonable expected scenario, taking into account: how to generate cash flows in the past, how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel; the risks that affect the performance of the business model and, in particular, the way in which those risks are managed; and how managers of the business are compensated.

The contractual cash flow characteristics

The assessment of contractual cash flow characteristics is to identity whether the cash flows are solely payments of principal and interest on the principal amount outstanding. Principal is the fair value of the financial asset at initial recognition. However, that principal amount may change over the life of the financial asset (for example, if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period and for other basic lending risks and costs, as well as a profit margin.

Financial assets at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(10) Financial instruments (Continued)

(b) Classification and subsequent measurement *(Continued)*

(i) Financial assets (Continued)

The contractual cash flow characteristics (Continued)

Such financial assets that the Group hold mainly include loans and advances to customers, cash and due from banks and other financial institutions, Placements with and loans to banks and other financial institutions and debt securities are subsequently measured at amortised cost.

The amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that the initial amount and the maturity amount and adjusted for any loss allowance.

Financial assets at fair value through other comprehensive income

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets that the Group hold mainly include bills discounted and debt securities are subsequently measured at fair value. A gain or loss on a financial asset measured at fair value through other comprehensive income shall be recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss. Expected credit losses of such financial assets shall be recognised in other comprehensive income. The impairment gain or loss shall not adjust the carrying amount of such financial assets and be recognised in profit or loss.

Financial assets at fair value through profit or loss

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income, which includes financial assets held for trading, financial assets designated as at fair value through profit or loss and other financial assets at fair value through profit or loss in accordance with IFRS.

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For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(10) Financial instruments (Continued)

(b) Classification and subsequent measurement *(Continued)*

(i) Financial assets (Continued)

The contractual cash flow characteristics (Continued)

Such financial assets that the Group hold mainly include debt securities and fund investments are subsequently measured at fair value. A gain or loss on a financial asset that is measured at fair value shall be recognised in profit or loss unless it is part of a hedging relationship. Qualified dividends generated by such equity instruments, which the Group is entitled to collect, shall be recognised in the income statement.

Equity instruments

The Group may, at initial recognition, irrevocably designate an equity instrument except trading equity instrument as financial asset measured at fair value through other comprehensive income when it meets the definition of equity instruments under IAS 32 *Financial Instruments: Presentation*. When the equity instrument is derecognised, the cumulative gain or loss previously recognised in other comprehensive income shall be reclassified from other comprehensive income to undistributed profits under equity. Qualified dividends generated by such equity instruments, which the Group is entitled to collect, shall be recognised in the income statement. Such equity instruments do not recognise impairment losses.

Only if the Group changes the business model for financial assets, the Group shall reclassify the affected financial assets. The reclassification shall be effective from the first day of the first reporting period after the change of its business model and be applied prospectively of accounting to account.

(ii) Financial liabilities

An entity shall classify all financial liabilities as subsequently measured at amortised cost, except for:

- financial liabilities at fair value through profit or loss. Such liabilities, including financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss.
- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies.
- Financial guarantee contracts and loan commitments which rates are lower than market's.

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2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(10) Financial instruments (Continued)

(b) Classification and subsequent measurement *(Continued)*

(ii) Financial liabilities (Continued)

Such financial liabilities measured at amortised cost that the Group hold mainly include due to customers, placements from banks and other financial institutions and bonds issued and are subsequently measured at amortised cost.

Such financial liabilities at fair value through profit or loss that the Group hold mainly include Interbank certificates of deposit issued and rental of precious mental and are subsequently measured at fair value. A gain or loss on a financial asset or financial liability that is measured at fair value shall be recognised in profit or loss unless:

- it is part of a hedging relationship; or
- it is a financial liability designated as at fair value through profit or loss and the entity is required to present the effects of changes in the liability's credit risk in other comprehensive income; When the financial liability is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified from the other comprehensive income to undistributed profits under equity.

An entity shall not reclassify any financial liability.

(iii) Financial assets and financial liabilities held for trading

An entity shall classify financial assets or liabilities as financial assets or financial liabilities held for trading if one of the following conditions are met:

A financial asset or financial liability that:

- is acquired or incurred principally for the purpose of selling or repurchasing in the near term; or
- on initial recognition, is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

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2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(10) Financial instruments (Continued)

(b) Classification and subsequent measurement *(Continued)*

(iv) Financial assets and financial liabilities designated as at fair value through profit or loss

An entity may, at initial recognition, irrevocably designate a financial instrument as measured at fair value through profit or loss when doing so results in more relevant information, because either:

- it eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'an accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or

- a Group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Group is provided internally on that basis to the entity's key management personnel; or

- if a contract contains one or more embedded derivatives unless the embedded derivative(s) do(es) not significantly modify the cash flows that otherwise would be required by the contract; or separation of the embedded derivative(s) is prohibited.

According to the above conditions, the financial assets and financial liabilities designated by the Group mainly include debt securities, due to and placements from banks and other financial institutions and bonds issued valued at fair value.

(c) Financial guarantees and loan commitments

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and other bodies to secure customer loans, overdrafts and other banking facilities.

Financial guarantees are initially recognised at fair value on the date the guarantees were given. Subsequent to initial recognition, the Group's liabilities under such guarantees are measured at the higher of the initial measurement less amortisation calculated and the expenditure determined by the expected credit loss model that is required to settle any financial obligation arising at the financial reporting date, and any increase in the liability relating to guarantees is taken to the income statement.

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2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(10) Financial instruments (Continued)

(c) Financial guarantees and loan commitments *(Continued)*

Loan commitment is a commitment provided by the Group to the customers to grant loans under the established contract terms during certain period. The Group generally shall not commit to issuing loans with an interest rate lower than market or providing customers with a loan commitment to pay cash or to settle on a net basis through delivery or issuance of other financial instruments. The impairment losses on loan commitments are measured using the expected credit loss model.

The Group discloses the impairment allowances for financial guarantee contracts and loan commitments in the contingent "Provision".

(d) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position if, and only if, the Group has a legally enforceable right to offset such amounts with the same counterparty and an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(e) Determination of fair value

The 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. The fair values of quoted financial assets and financial liabilities in active markets are based on current bid prices and ask prices, as appropriate. If there is no active market, the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analysis and option pricing models, and other valuation techniques commonly used by market participants.

The Group uses the valuation techniques commonly used by market participants to price financial instruments and techniques which have been demonstrated to provide reliable estimates of prices obtained in actual market transactions. The Group makes use of all factors that market participants would consider in setting a price and incorporates these into its chosen valuation techniques and tests for validity using prices from any observable current market transactions in the same instruments.

(f) De-recognition of financial instruments

Financial assets are de-recognised when the rights to receive cash flows from the investments have expired, or when the Group has transferred substantially all risks and rewards of ownership, or when the Group neither transfers nor retains substantially all risks or rewards of ownership of the financial asset but has not retained control of the financial asset.

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2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(10) Financial instruments (Continued)

(f) De-recognition of financial instruments *(Continued)*

On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in equity through other comprehensive income is recognised in the income statement.

Financial liabilities are de-recognised when they are extinguished – that is, when the obligation is discharged, cancelled or expires. The difference between the carrying amount of a financial liability de-recognised and the consideration paid is recognised in the income statement.

(g) Impairment measurement of financial asset

On the financial reporting date, the Group evaluates and confirms the relevant impairment provisions for financial assets measured at amortised cost, measured at fair value with changes taken to other comprehensive income, and loan commitments and financial guarantee contracts on the basis of expected credit losses. See Note 50(1) for specific information.

(h) Modification of financial asset contracts

In certain circumstances (such as loan restructuring), the Group may modify or renegotiate financial asset contracts. The Group evaluates whether there have been any material changes to the contract terms after modification or renegotiation.

If there are substantial changes to the contract terms after modification, the Group will derecognize the original financial asset and simultaneously recognize a new financial asset in accordance with the modified terms.

If the revised contract terms do not undergo substantial changes but result in changes to the contract's cash flows, the Group recalculates the carrying amount of the financial asset and recognizes the related gains or losses in the current period profit and loss. The carrying amount of the financial asset, after recalculation, shall be determined based on the present value of the modified or renegotiated contract cash flows, discounted at the financial asset's original effective interest rate (or the credit-adjusted effective interest rate for financial assets that have incurred credit impairment upon purchase or origination). For all costs or expenses incurred from modifying or renegotiating the contract, the Group adjusts the carrying value of the modified financial asset and amortizes it over the remaining term of the modified financial asset. When assessing whether the credit risk of the relevant financial instrument has significantly increased, the Group compares the risk of default on the balance sheet date based on the revised contract terms with the risk of default at initial recognition based on the original contract terms.

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For the year ended 31 December 2025
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2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(10) Financial instruments (Continued)

(h) Modification of financial asset contracts *(Continued)*

(i) 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 below are met:

- 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;
- If the financial instrument will or may be settled in the Group's own equity instruments, it is a non-derivative instrument that includes no contractual obligations for the Group to deliver a variable number of its own equity instruments; or a derivative that will be settled only by the Group exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

Equity instruments issued by the Group are recorded at the fair value of proceeds received, net of direct issuance expenses.

(11) Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow analysis and option pricing models, as appropriate. The Group adjusts to credit risk of over-the-counter derivatives to reflect credit risk of counterparties and the Group itself. The relevant adjustments are determined based on the expected future exposure, default rate and other factors of each counterparty. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

(12) Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the hybrid (combined) instrument vary in a way similar to a stand-alone derivative.

If a hybrid contract contains a host that is an asset within the scope of this Standard, the Group applies the requirements of classification and measurement to the entire hybrid contract. If a hybrid contract contains a host that is not an asset within the scope of this Standard, the Group separates embedded derivatives from the host contract and accounts for these as derivatives, if, and only if:

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2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(12) Embedded derivatives (Continued)

- the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- The hybrid (combined) instrument is not measured at fair value with changes in fair value recognised in the income statement.

These embedded derivatives separated from the host contract are measured at fair value with changes in fair value recognised in the income statement.

The Group will regard entire hybrid instrument which cannot be separately measured initially, or subsequently as financial assets or financial liabilities recognised at fair value in profit or loss.

(13) Precious metals and precious metals swaps

Precious metals comprise gold, silver and other precious metals. The Group retains all risks and rewards of ownership related to precious metals deposited with the Group as precious metals deposits, including the right to freely pledge or transfer, and it records the precious metals received as an asset. A liability to return the amount of precious metals deposited is also recognised. Precious metals that are not related to the Group's precious metal market making and trading activities are initially measured at acquisition cost and subsequently measured at the lower of cost and net realisable value. Precious metals that are related to the Group's market making and trading activities are initially recognised at fair value and subsequent changes in fair value included in "Net trading gains" are recognised in the income statement.

Consistent with the substance of the transaction, if the precious metal swaps are for financing purposes, they are accounted for as precious metals subject to collateral agreements. Precious metals collateralised are not de-recognised and the related counterparty liability is recorded in "Placements from banks and other financial institutions". If precious metal swaps are for trading purposes, they are accounted for as derivative transactions.

(14) Repurchase and reverse repurchase transactions

Repurchase financial assets refer to the funds leased out from the financial assets which are purchased by the Group under agreements and sold at a fixed price. Reverse repurchase financial assets refer to the funds arise from the financial assets which are sold by the Group under agreements and repurchased at a fixed price. The actual payments or cash received in repurchase and reverse repurchase transactions are recognised in consolidated statement of financial position. The target assets purchased in repurchase transactions are not recognised; the target assets sold in reverse repurchase transactions are recognised in consolidated statement of financial position.

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2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(14) Repurchase and reverse repurchase transactions (Continued)

The difference between purchase and sale price in repurchase and reverse repurchase transactions is recognised as "Interest expense" or "Interest income" in the income statement over the life of the agreements using the effective interest method.

(15) Property, plant and equipment

Fixed assets refer to the tangible assets held by the Group for business management and whose useful life exceeds one fiscal year. Construction in progress refers to the houses, buildings, machinery and equipment that are under construction or being installed, and when they are ready for their intended use, they are transferred to the corresponding fixed assets.

(a) Cost of fixed assets

Fixed assets are initially recognised at cost. The cost of purchased fixed assets includes the purchase price, related taxes and fees, and the costs attributable to the asset before the asset is ready for its intended use. The cost of self-constructed fixed assets consists of the necessary expenses incurred before the construction of the asset reaches its intended usable condition.

Subsequent expenses for fixed assets, including expenses related to the replacement of a component of fixed assets, are included in the cost of fixed assets when the conditions for recognition of fixed assets are met; at the same time, the carrying amount of the replaced portion is deducted. Expenditure related to the routine maintenance of fixed assets is recognised in profit or loss when incurred.

(b) Depreciation and impairment of fixed assets

The Group's amount of the original asset's estimated net residual value (if any) is depreciated on the straight-line method over the estimated useful lives of the assets and is recognised in profit or loss. For fixed assets that have been withdrawn for impairment, the accumulated amount of provision for impairment of fixed assets is deducted when depreciation is provided. Construction in progress is not depreciated.

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2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(15) Property, plant and equipment (Continued)

(b) Depreciation and impairment of fixed assets *(Continued)*

The estimated useful lives, depreciation rates and estimated residual value rate of fixed assets are as follows:

	Estimated useful lives	Estimated residual value rate	Annual depreciation rate
Plant and buildings	20 years	3%	4.85%
Motor vehicles	5 years	3%	19.40%
Electronic and other equipment	5-10 years	3%	9.70%-19.40%
Property, plant and equipment held under operating lease	25 years	0%	4.00%

The estimated useful lives, estimated residual values and depreciation method of Group's fixed assets are reviewed at least annually.

The impairment of the Group's fixed assets is treated in accordance with the accounting policy in Note 2(18).

(c) Disposal of fixed assets

The gain or loss arising from the retirement or disposal of the fixed assets is the difference between the net disposal proceeds and the carrying amount of the assets and is recognised in profit or loss on the date of retirement or disposal.

(d) Construction in progress

The cost of construction in progress is determined based on actual project expenditure, including all necessary engineering expenses incurred during construction and other related expenses.

Construction in progress is transferred to fixed assets when it is ready for its intended use.

(16) Intangible assets

Intangible assets mainly include computer software, which is initially recognised at cost. The Group's amount of the intangible asset's estimated net residual value (if any) is amortised on the straight-line method and recognised in profit or loss. When it is amortised, the intangible assets that have been withdrawn for impairment are deducted from the accumulated amount of impairment provision.

The impairment of the Group's intangible assets is treated as described in Note 2(18).

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2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(17) Repossessed assets

Repossessed assets are initially recognised at fair value plus related costs when they are obtained as the compensation for the loans, advances and interest receivable. When there are indicators that the recoverable amount is lower than carrying amount, the carrying amount is written down immediately to its recoverable amount.

(18) Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset may be impaired. The recoverable amount is estimated for assets with signs of impairment. If there are indications that an asset is impaired, but it is difficult to estimate the recoverable amount of the individual asset, the Group will assess the recoverable amount based on cash-generating units ("CGU"s) that the asset belongs to. The CGU is the smallest portfolio of assets that the Group can identify, and the cash flow generated is essentially independent of other assets or portfolios of assets.

The recoverable amount refers to the higher value between the fair value of the assets (or CGU, groups of CGUs) minus the disposal expenses and the present value of the estimated future cash flows of the assets. When estimating the present value of future cash flows of the assets, the Group considers factors such as the estimated future cash flows, useful life spans and discount rates.

(19) Employee benefits

Employee benefits refer to the various forms of remuneration and other relevant payments given to employees due to the services they provide. The Group recognises the wages payable in operation and management fees during the employees provide service.

(a) Defined contribution plans and defined benefit plans

In accordance with the policies of relevant state and local governments, employees in Mainland China participate in various defined contribution retirement schemes administered by local labour and social security bureaus. Operations in Chinese mainland contribute to pension and insurance schemes administered by the local pension and insurance agencies using applicable contribution rates stipulated in the relevant local regulations. Above pension and insurance expenses are recognised in current profits and losses in accordance with accrual basis principle. Upon retirement, the local labour and social security bureaus are responsible for the payment of the basic retirement benefits to the retired employees.

In addition to these basic staff pension schemes, employees in Mainland China who retired can also voluntarily participate in a defined contribution plan established by the Bank ("the Annuity Plan"). The Bank contributes to the Annuity Plan based on certain percentages of the employees' gross salaries.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(19) Employee benefits (Continued)

(b) Housing funds and other social insurance expenses

The Group pays housing funds, basic medical insurances, unemployment insurances, employment injury insurances and maternity insurance etc. for in-service employees pursuant to relevant laws, regulations and policies. The Group pays housing funds and above social insurance expense monthly based on a certain proportion of payment basis to relevant departments and recognises them in current profits and losses in accordance with accrual basis principle.

The Group participates social security schemes established by government, such as medical insurances, housing funds and other social security schemes. The Group has also participated medical insurance schemes issued by commercial insurance companies since October 2012.

(c) Early retirement benefits

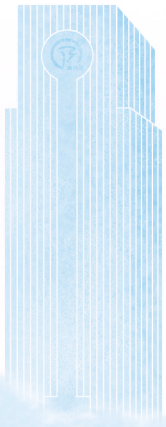
Early retirement benefits have been paid to those employees who accept voluntary retirement before the normal retirement date, as approved by management. The related benefit payments are made from the date of early retirement to the normal retirement date. The differences arise from changes in evaluation assumptions and adjustments to benefits standards are recognised in current profits and losses when they occur.

(20) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The amount initially recognised as a provision should be the best estimate of the expenditure required to settle the present obligation.

(21) Contingent liabilities

A contingent liability is a possible obligation that arises from past transactions or events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required, or the amount of obligation cannot be measured reliably.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
(All amounts expressed in thousands of RMB unless otherwise stated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(22) Fiduciary activities

The asset custody services of the Group refer to the service that the Group signs custody agreements with clients such as commercial banks, securities companies, fund companies, insurance companies, and annuity plans, etc. and manage assets for clients as trustee. Since the group gets paid in return of its job as stated by the fiduciary agreement but is not involved with the risk and revenue resulted by the management of the asset being custodied, fiduciary activities of the Group are treated as an off-balance-sheet item. The entrusted loans services refer to the service that the Group signs entrusted loans agreements with clients, and the clients provide fund ("entrusted loans fund") to the Group, and the Group issues loans ("entrusted loans") to the third parties according to the instructions of clients. The assets under custody are recorded as off-balance sheet items as the Group merely fulfils the responsibility as trustee and charges fees in accordance with these agreements without retaining any risks or rewards of the assets under custody.

(23) Dividends

Dividends are recognised as a liability and deducted from equity when they are approved by the Bank's shareholders in general meetings and declared. Interim dividends are deducted from equity when they are approved and declared, and no longer at the discretion of the Bank. Dividend for the year that is approved after the end of the reporting period is disclosed as an event after the reporting period.

(24) Income

(a) Interest income

For all financial assets measured at amortized cost and financial assets measured at fair value with changes recognized in other comprehensive income, interest income is measured at the effective interest rate. The effective interest rate refers to the rate that discounts estimated future cash inflows or outflows through the expected life of the financial instrument to the carrying amount of the financial asset or the amortized cost of the financial liability. The calculation of the effective interest rate takes into account the contractual terms of the financial instrument (such as prepayment rights) and includes all fees that are part of the effective interest rate and all transaction costs, but excludes expected credit losses.

The Group calculates, recognizes and discloses "interest income" by multiplying the carrying amount of financial assets by the effective interest rate, except for the following circumstances:

- For financial assets that are purchased or originated and have experienced credit impairment, interest income is determined from initial recognition based on the amortized cost of the financial asset and the credit-adjusted effective interest rate.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(24) Income (Continued)

(a) Interest income *(Continued)*

- For financial assets that are purchased or originated without experiencing credit impairment but become impaired during subsequent periods, interest income is determined based on the amortized cost of the financial asset (i.e., the net amount after deducting the expected credit loss provision from the book balance) and the effective interest rate. If, during subsequent periods, the credit risk of the financial instrument improves and it no longer experiences credit impairment, and this improvement can objectively be linked to an event that occurs after the application of the aforementioned provisions, then interest income is determined by multiplying the effective interest rate by the book balance of the financial asset.

(b) Fee and commission income

The Group generates income from service fees and commissions by providing various services to customers. The income from service fees and commissions is recognized when the Group fulfills its performance obligations under the contract, that is, at the point or during the period when the customer obtains control over the relevant services.

When one of the following conditions is met, the Group is fulfilling its performance obligation within a certain period; otherwise, it is fulfilling its performance obligation at a certain point in time:

- The customer obtains and consumes the economic benefits brought by the Group's performance while the Group is fulfilling its obligations;
- The customer has control over the services provided during the Group's performance;
- The goods produced during the Group's performance have irreplaceable uses, and the Group has the right to collect payments for the performance completed to date throughout the contract period.

(c) Dividend income

Dividend income from equity instruments is recognized in the current profit and loss when the Group's right to receive dividends is established.

(25) Expense

(a) Interest expense

The interest expense on financial liabilities is calculated using the effective interest method based on the amortized cost of the financial liabilities and the time the funds are utilized, and is recognized in the corresponding period.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
(All amounts expressed in thousands of RMB unless otherwise stated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(25) Expense (Continued)

(b) Other expenses

Other expenses are recognized on an accrual basis.

(26) Income tax

Income tax represents the sum of the tax currently payable and deferred tax.

(a) Current income 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 and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes 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.

(b) Deferred income tax

Deferred tax is recognised 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 recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax is not recognised for temporary differences arising from the initial recognition of assets or liabilities in a single transaction that is not a business combination, affects neither accounting profit nor taxable profit (or deductible loss) and does not give rise to equal taxable and deductible temporary differences. Deferred tax is also not recognised for taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(26) Income tax (Continued)

(b) Deferred income tax *(Continued)*

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 is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Current and deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income, in which case the current and deferred tax are also recognised in 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 and 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.

(27) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In order to determine whether the contract transfers the right to control the use of the identified assets within a certain period of time, the Group assesses whether the customers in the contract are entitled to receive almost all of the economic benefits arising from the use of the identified assets and have the right to dominate the use of identified assets during the period of use.

(a) Recognition of individual leases

When a contract contains several separate leases, the Group splits the contract and accounts for each lease separately. The right to use an identified asset constitutes a separate lease under the contract if the following conditions are met simultaneously.

- The lessee can profit from the use of the asset alone or in conjunction with other resources that are readily available
- The asset is not highly dependent or highly related to other assets in the contract.

(b) Spin-off of leased and non-leased parts

For a contract that is, or contains, a lease, the Group account for each lease component within the contract as a lease separately from non-lease components of the contract.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
(All amounts expressed in thousands of RMB unless otherwise stated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(27) Leases (Continued)

(c) Evaluation of lease term

The lease term is the non-cancellable period during which the Group has the right to use the leased asset. The lease term also includes the period covered by the option to renew the lease if the Group has the option to renew the lease of the asset and is reasonably certain to exercise the option. The lease term includes the period covered by the option to terminate the lease if the Group has the option to terminate the lease of the asset but is reasonably certain that it will not exercise the option. If a significant event or change within the Group's control occurs that affects whether the Group is reasonably certain to exercise the corresponding option, the Group reassesses whether it is reasonably certain to exercise the renewal option, the purchase option or not to exercise the termination option.

(d) The Group as a lessee

Right-of-use assets

The Group's right-of-use assets consist of buildings, transportation vehicles, electronic and other equipment and land use rights.

The Group recognizes the right to use lease assets as the right-of-use asset during the lease term, include:

- The initial measurement of the lease liability;
- Lease payments made at or before the commencement date less any lease incentives received;
- The initial direct costs incurred by the lessee;
- The cost of a right-of-use asset also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, or restoring the lease assets to the state agreed upon in the lease terms.

Right-of-use assets are depreciated on a straight-line basis. The leased asset is depreciated over its remaining useful life if the Group could reasonably determine to obtain the ownership at the expiration of the lease term; if it is unsure whether the ownership of the leased asset can be obtained at the expiration of the lease term, the right-of-use asset is depreciated over the shorter of its remaining useful life and the lease term.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(27) Leases (Continued)

(d) ***Group as a lessee*** *(Continued)*

Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term, except short-term leases and leases of low-value assets. In calculating the present value of lease payments, the Group uses internal interest rate, or incremental borrowing rate when internal interest rate is not obtainable. The Group uses fixed interest rate to calculate interest expense on lease liabilities and recognises profit or loss. Variable lease payments, not included in lease liabilities, are recognised as profit or loss when made.

After the commencement date, the carrying amount of lease liabilities is remeasured if there is a change in lease payments, estimated payable amounts of guarantee residual value, discount rate, or situations that influence the Group's decision whether to exercise purchase options, extension options, or termination options.

Changes in leases

Changes in lease are the changes in the lease scope, lease consideration, and lease duration. Lease changes include the addition or termination of the right to use one or more leased assets, and the extension or shortening of the lease term in the contract.

When the following conditions are met, the Group regards the change as a separate lease change in the process of accounting treatment.

- The lease change expands the scope of the lease by adding the right to use one or more leased assets;
- The increase in consideration is equivalent to the price of the additional part of the lease scope.

If the lease change is not regarded as a separate change, on the effective date of the lease change, the Group re-determines the lease term and calculates the present value of the lease payment to remeasure the lease liability. In the process of calculating the present value of lease payments after the change, the Group refers to the interest rate implicit in lease in the remaining lease period as the discount rate. If the leased interest rate is not available, the Group adopts incremental borrowing rate to calculate the present value of lease payment.

Based on the above lease adjustment, the Group distinguishes the following situations for accounting treatment:

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
(All amounts expressed in thousands of RMB unless otherwise stated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(27) Leases (Continued)

(d) Group as a lessee *(Continued)*

Changes in leases (Continued)

- If the lease change leads to a short lease term or small lease scope, the Group reduces the book value of right-of-use assets to represent the partial or complete termination of lease. The Group recognised the gain or loss relating to the partial or full termination of the lease in current profits and losses.

- In terms of other lease changes, the Group adjusts the book value of the right-of-use asset accordingly.

Short-term leases and leases of low-value assets

For short-term leases with a lease term shorter than 12 months and leases of asset with low value when it is new, the Group recognises relevant rental expenses on a straight-line basis in profit or loss or in the related asset costs in each lease period rather than recognising the right-of-use assets or lease liabilities.

(e) The Group as a lessor

A lease that essentially transfers almost all the risks and returns associated with the ownership of the leased asset on the start date of the lease is a finance lease. All other leases are operating leases.

As a lessor of financial leases

Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the income statement due to its operating nature. Contingent rentals are recognised in profit or loss when incurred.

(28) Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(28) Related parties (Continued)

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or an associate or joint venture of fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate venture of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in Note 2(28)(a);

(vii) a person identified in Note 2(28)(a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);

(viii) The entity or any member of its affiliated group provides key management personnel services to the Group or its parent company.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(29) Segment reporting

The Group determines the operating divisions based on the internal organizational structure, management requirements and internal reporting system, and determines the reporting divisions based on the operating divisions and discloses the information of the divisions.

The operating divisions are components in the Group where all of the following conditions apply:

- the division generates income and expense in daily activities;
- the management of the Group decides the resources allocation to the division and assessment of division's performance by regularly evaluating the operating performance;
- the Group has access to relevant accounting information such as financial situation, operating performance, cash flow, etc.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
(All amounts expressed in thousands of RMB unless otherwise stated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(29) Segment reporting (Continued)

Two or more operating divisions are able to aggregate if they have similar economic characteristics and satisfy certain conditions.

(30) Material accounting judgements and estimates

In the process of applying the Group's accounting policies, management has used its judgements and made assumptions of the effects of uncertain future events on the financial statements. The most significant use of judgements and key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are described below.

Impairment loss on financial assets

The Group measures the impairment losses on all financial assets in accordance with IFRS 9 including many estimates and judgments in the process, especially in determining the amount of impairment losses, estimating future contractual cash flows, the value of collateral and judging the significant increase in credit risk. The Group is affected by various factors in the measurement of impairment, which will result in different levels of impairment provision.

The Group's expected credit loss calculation is the result of model output, which contains many model assumptions and parameter inputs.

The accounting judgments and estimates used in the expected credit loss model include:

- Criteria for judging significant increases in credit risk
- Definition of credit-impaired financial asset
- Parameters for measuring ECLs
- Forward-looking information
- Modification of contractual cash flows

Impairment of non-financial assets (Except goodwill)

The Group judges whether there are indications of impairment of non-financial-and-non-current assets at the end of reporting period. Besides annual impairment tests, additional impairment tests will be carried out for intangible assets with indefinite operational life spans where exist indications of impairments. Other non-current assets are tested for impairment when there is an indication that the carrying amounts are not recoverable. When estimating the present value of future cash flows, management must estimate the future cash flows of the asset or asset group and select an appropriate discount rate to determine the present value of future cash flows.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(30) Material accounting judgements and estimates (Continued)

Business combinations and goodwill

The identifiable assets, liabilities and contingent liabilities of the acquiree obtained in the business combination not under the same control are measured at fair value on the combination date. The combination date refers to the date on which the acquirer obtains control of the acquiree's business. The fair value of the acquired assets, the liabilities to be undertaken, the consideration for merger and acquisition, and the estimation should be used when allocating the consideration for merger and acquisition of identifiable assets and liabilities. The fair value of the acquired identifiable assets and liabilities is determined by valuation techniques (including discounted cash flow model). The data used in the model is obtained from the observable market when possible, and judgement and estimation are required to determine the fair value only when it is not feasible. The group shall estimate the future cash flow and discount rate to calculate the fair value.

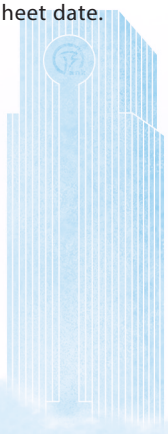
Impairment of goodwill

The Group tests goodwill for impairment at least annually. This requires that the present value of the future cash flow of the CGU or CGUs to which goodwill is allocated be estimated. When predicting the present value of future cash flow, the group needs to predict the cash flow generated by the future CGU or CGUs, and select the appropriate discount rate to determine the present value of future cash flow. See Note 26 for details.

Fair value of derivatives and other financial instruments

The Group establishes the fair value of financial instruments with reference to a quoted market price in an active market or, if there is no active market, using valuation techniques. These valuation techniques include the use of recent arm's length transactions, observable prices for similar instruments, discounted cash flow analysis using risk-adjusted interest rates, and commonly used market pricing models. Whenever possible, these models use observable market inputs and data including, for example, interest rate yield curves, foreign exchange rates and option volatilities. The results of using valuation techniques are calibrated against industry practice and observable current market transactions in the same or similar instruments.

The Group assesses assumptions and estimates used in valuation techniques including review of valuation model assumptions and characteristics, changes to model assumptions, the quality of market data, whether markets are active or inactive, other fair value adjustments not specifically captured by models and consistency of application of techniques between reporting periods as part of its normal review and approval processes. Valuation techniques are validated and periodically reviewed and, where appropriate, have been updated to reflect market conditions at the balance sheet date.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
(All amounts expressed in thousands of RMB unless otherwise stated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(30) Material accounting judgements and estimates (Continued)

Early retirement benefit obligations

The Bank has established liabilities in connection with benefits payable to early retired employees. These amounts of employee benefit expense and these liabilities are dependent on assumptions used in calculating such amounts. These assumptions include discount rates, inflation rates, and other factors. Actual results that differ from the assumptions are recognised immediately and, therefore, affect recognised expense in the year in which the differences arise. While management believes that its assumptions are appropriate, differences in actual experience or changes in assumptions may affect the Bank's expense related to its employee early retirement benefit obligations.

Income tax

Determining income tax provisions requires the Group to estimate the future tax treatment of certain transactions. The Group carefully evaluates tax implications of transactions in accordance with prevailing tax regulations and makes tax provisions accordingly. In addition, deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. This requires significant estimation on the tax treatments of certain transactions and also significant assessment on the probability that whether adequate future taxable profits will be available for the deferred income tax assets to be recovered.

Provisions

The Group uses judgement to assess whether the Group has a present legal or constructive obligation as a result of past events at each financial reporting date, and judgement is used to determine if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and to determine a reliable estimate of the amount of the obligation and relevant disclosure in the consolidated financial statements.

Business model

The classification of financial assets at the time of initial recognition depends on the business model of the Group in managing financial assets. When judging the business model, the Group considers the ways of enterprise evaluation and reporting the performance of financial assets to key management personnel, the risks affecting the performance of financial assets and their management methods, as well as the ways of relevant business management personnel getting remuneration, etc. When evaluating whether the target is to collect the contract cash flow, the Group needs to analyse and judge the reason, time, frequency and value of the sale of financial assets before the maturity date.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(30) Material accounting judgements and estimates (Continued)

Characteristics of the contractual cash flow

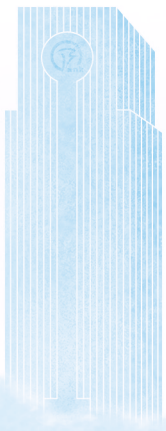
The classification of financial assets at initial recognition depends on the contractual cash flow characteristics of financial assets. When it is necessary to judge whether the contractual cash flow is only the payment of principal and interest based on outstanding principal, including the correction of time value of money, it is necessary to judge whether there is a significant difference compared with the benchmark cash flow. For financial assets with prepayment characteristics, it is necessary to judge whether the fair value of prepayment characteristics is very small.

Judgement in assessing control over structured entities

For the structured entities in normal business course, the Group determines whether or not to consolidate those structured entities depending on whether the Group has control over them. When assessing control over structured entities, the Group takes account of power arising from rights it directly owns or indirectly owns through subsidiaries (including controlled structured entities), variable returns, and link between power and returns.

The variable returns the Group is exposed to from its involvement with structured entities include decision makers' remuneration (such as management fees and performance-related fees), as well as other benefits (such as direct investment income, remuneration and exposure to loss from providing credit enhancement or liquidity support, and variable returns from transactions with structured entities). When assessing whether it controls a structured entity, the Group not only considers applicable legal or regulatory requirements and contractual agreements, but also other circumstances where the Group may have obligation to absorb any loss of the structured entity.

The Group reassesses whether it controls a structured entity if facts and circumstances indicate that there are changes to one or more of the relevant elements of control.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

3 THE BANK'S STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	31 December 2025	31 December 2024
Assets		
Cash and balances with the central bank	**82,084,777**	92,052,902
Deposits with banks and other financial institutions	**5,429,222**	8,585,254
Placements with banks and other financial institutions	**54,986,009**	49,113,914
Derivative financial assets	**46,191**	154,242
Financial assets held under resale agreements	**5,453,897**	11,362,485
Loans and advances to customers	**1,098,388,609**	972,469,927
Financial investments		
– Financial assets at fair value through profit or loss	**167,012,178**	165,208,873
– Financial assets at amortised cost	**477,763,702**	429,340,229
– Financial assets at fair value through other comprehensive income	**209,221,693**	169,066,465
Investments in subsidiaries	**3,833,053**	3,833,053
Investments in associates	**5,831,362**	5,261,079
Investment property	**3,761**	4,002
Property, plant and equipment	**4,020,796**	4,151,312
Right-of-use assets	**1,257,784**	1,149,450
Goodwill	**10,315,776**	10,670,776
Deferred income tax assets	**16,166,808**	13,941,081
Other assets	**7,945,923**	3,807,818
Total assets	**2,149,761,541**	1,940,172,862
Liabilities		
Borrowings from the central bank	**176,513,548**	139,519,571
Deposits from banks and other financial institutions	**97,749,785**	176,832,422
Placements from banks and other financial institutions	**6,986,307**	1,993,303
Derivative financial liabilities	**44,177**	131,083
Financial assets sold under repurchase agreements	**38,549,673**	16,184,221
Deposits from customers	**1,289,563,225**	1,160,709,256
Taxes payable	**1,801,611**	1,753,872
Bonds issued	**367,176,301**	281,442,333
Other liabilities	**9,855,531**	9,937,780
Total liabilities	**1,988,240,158**	1,788,503,841
Shareholders' equity		
Share capital	**13,889,801**	13,889,801
Other equity instruments	**19,999,128**	19,999,128
Capital reserve	**15,503,338**	15,221,111
Surplus reserve	**24,209,758**	22,755,489
General reserve	**19,870,680**	17,906,940
Other comprehensive income	**1,277,841**	3,935,734
Retained earnings	**66,770,837**	57,960,818
Total shareholders' equity	**161,521,383**	151,669,021
Total liabilities and shareholders' equity	**2,149,761,541**	1,940,172,862

Kong Qinglong	Liu Fei	Fang Lixin
President	Assistant President	Head of the Finance Department

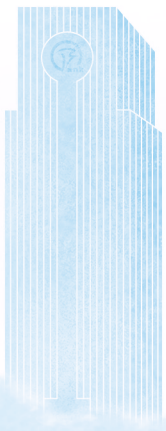
Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

3 THE BANK'S STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

	Share capital	Other equity instruments	Capital reserve	Surplus reserve	General reserve	Other comprehensive income	Retained earnings	Total
Balance at 1 January 2025	**13,889,801**	**19,999,128**	**15,221,111**	**22,755,489**	**17,906,940**	**3,935,734**	**57,960,818**	**151,669,021**
(1) Comprehensive income	**–**	**–**	**–**	**–**	**–**	**(2,657,893)**	**15,779,886**	**13,121,993**
(2) Other changes in shareholder equity								
The impact of changes in other shareholders' equity of the invested entity under the equity method	**–**	**–**	**282,227**	**–**	**–**	**–**	**–**	**282,227**
(3) Profit distribution								
Distribution of dividends	**–**	**–**	**–**	**–**	**–**	**–**	**(3,551,858)**	**(3,551,858)**
Appropriation to surplus reserve	**–**	**–**	**–**	**1,454,269**	**–**	**–**	**(1,454,269)**	**–**
Appropriation to general reserve	**–**	**–**	**–**	**–**	**1,963,740**	**–**	**(1,963,740)**	**–**
Balance at 31 December 2025	**13,889,801**	**19,999,128**	**15,503,338**	**24,209,758**	**19,870,680**	**1,277,841**	**66,770,837**	**161,521,383**
Balance at 1 January 2024	13,889,801	19,999,357	15,221,300	19,948,581	16,297,460	2,091,404	50,732,427	138,180,330
(1) Comprehensive income	–	–	–	–	–	1,844,330	14,542,690	16,387,020
(2) Changes in share capital								
Capital contribution by other equity instruments holders	–	9,999,582	–	–	–	–	–	9,999,582
Capital reduction by other equity instruments holders	–	(9,999,811)	(189)	–	–	–	–	(10,000,000)
(3) Profit distribution								
Distribution of dividends	–	–	–	–	–	–	(2,897,911)	(2,897,911)
Appropriation to surplus reserve	–	–	–	2,806,908	–	–	(2,806,908)	–
Appropriation to general reserve	–	–	–	–	1,609,480	–	(1,609,480)	–
Balance at 31 December 2024	13,889,801	19,999,128	15,221,111	22,755,489	17,906,940	3,935,734	57,960,818	151,669,021



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

4 NET INTEREST INCOME

	2025	2024
Interest income		
Balances with the central bank	**1,161,986**	1,165,834
Deposits and placements with banks and other financial institutions	**1,908,590**	1,894,288
Loans and advances to customers	**40,096,644**	40,024,504
Financial investments	**18,731,691**	19,287,658
Others	**3,634,416**	3,961,864
Sub-total	**65,533,327**	66,334,148
Interest expense		
Borrowings from the central bank	**(2,984,286)**	(2,399,728)
Deposits and placements from banks and other financial institutions	**(4,669,281)**	(7,471,811)
Deposits from customers	**(22,340,205)**	(22,732,468)
Bonds issued	**(6,626,554)**	(5,139,108)
Sub-total	**(36,620,326)**	(37,743,115)
Net interest income	**28,913,001**	28,591,033

5 NET FEE AND COMMISSION INCOME

	2025	2024
Fee and commission income		
Custodian fees	**782,070**	724,265
Agency fees	**746,598**	780,235
Investment banking fees	**682,106**	688,967
Guarantee and commitment fees	**457,983**	639,175
Payment and settlement fees	**210,447**	206,557
Bank card fees	**109,876**	55,268
Acquiring business fees	**27,654**	31,495
Others	**79,109**	68,801
Sub-total	**3,095,843**	3,194,763
Fee and commission expense	**(360,950)**	(346,075)
Net fee and commission income	**2,734,893**	2,848,688

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

6 NET TRADING GAINS

	2025	2024
Net gains from interest rate products	**1,092,717**	3,115,374
Net gains from funds and other transactions	**712,361**	21,093
Net gains from foreign exchange	**67,494**	83,967
Total	**1,872,572**	3,220,434

Net gains from interest rate instruments mainly include gains arising from fair value changes of financial assets and liabilities at fair value through profit or loss.

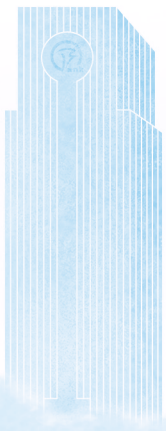
7 NET GAINS ON FINANCIAL INVESTMENTS

	2025	2024
Net gains on derecognition of financial assets at amortised cost	**1,743,935**	326,816
Net gains on derecognition of financial assets at fair value through other comprehensive income	**1,301,844**	917,108
Net gains on derecognition of financial assets at fair value through profit or loss	**227,468**	849,802
Others	**28,967**	11,140
Total	**3,302,214**	2,104,866

All the net gains recognised from the derecognition of financial assets measured at amortised cost are resulted from trading for the year ended 31 December 2025.

8 OTHER OPERATING INCOME, NET

	2025	2024
Gains from asset disposals	**227,406**	12,527
Government grants	**161,000**	310,367
Net gains on bills dealing	**13,690**	24,557
Others	**59,121**	11,344
Total	**461,217**	358,795



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

9 OPERATING EXPENSES

	2025	2024
Staff costs	**6,844,704**	6,469,741
General operating and administrative expenses	**2,654,032**	2,527,143
Depreciation and amortisation	**1,141,183**	1,080,534
Taxes and surcharges	**457,524**	408,444
Operating lease rental expenses	**22,091**	36,140
Others	**287,509**	172,822
Total	**11,407,043**	10,694,824

10 STAFF COSTS

	2025	2024
Salaries, bonuses, allowances and subsidies	**3,986,809**	4,302,964
Deferred compensation and risk reserve	**914,225**	298,061
Post-employment benefits – defined contribution plans	**857,700**	805,088
Other social insurance and welfare costs	**1,085,970**	1,063,628
Total	**6,844,704**	6,469,741

The five highest paid individuals

The five highest paid individuals of the Group are all employees of the Bank, none of whom are directors or supervisors as disclosed in Note 11(1). Their remuneration is determined by reference to the prevailing market levels in the regions where the Bank operates. Details of the remuneration of the five highest paid individuals during the year are set out below:

	2025	2024
Salaries, allowances and other welfare costs	**6,863**	8,173
Contribution to pension schemes	**295**	300
Discretionary bonuses	**4,137**	3,808
Total	**11,295**	12,281

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

10 STAFF COSTS (CONTINUED)

The five highest paid individuals (Continued)

The remuneration of such individuals falls within the following ranges:

	2025	2024
RMB 0-1,000,000	**–**	–
RMB 1,000,001-1,500,000	**–**	–
RMB 1,500,001-2,000,000	**–**	–
RMB 2,000,001-2,500,000	**5**	4
RMB 2,500,001-3,000,000	**–**	1
RMB 3,000,001-3,500,000	**–**	–
Total	**5**	5

The Group has not paid any bonuses for inducing the directors, supervisors and the five highest paid individuals to join the Group or any compensation for their loss of office to any of them.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

11 EMOLUMENTS OF DIRECTORS AND SUPERVISORS

(1) Details of the directors' and supervisors' emoluments are as follows:

	2025					
Name	Fees	Salaries, allowances and benefits in kind	Contribution to pension schemes	Discretionary bonuses	Other	Total
Executive Directors						
Yan Chen[(h)] [(*)]	–	503	64	–	–	567
Kong Qinglong[(*)]	–	804	96	–	–	900
Non-executive Directors						
Ma Lingxiao	–	–	–	–	–	–
Zhou Yana	240	–	–	–	–	240
Gao Yang	–	–	–	–	–	–
Wang Wenjin	–	–	–	–	–	–
Zhao Zongren[(g)]	–	–	–	–	–	–
Dai Peikun	–	–	–	–	–	–
Liu Zhiqiang	–	–	–	–	–	–
Yin Jianfeng	240	–	–	–	–	240
Huang Aiming	240	–	–	–	–	240
Xu Jiabin	240	–	–	–	–	240
Zuo Dunli	–	–	–	–	–	–
Wang Zhaohui	–	–	–	–	–	–
Lu Hao[(d)]	–	–	–	–	–	–
Wei Lixiang[(i)]	–	–	–	–	–	–
Supervisors						
He Jiehua[(*)]	–	749	96	–	–	845
Zhong Qiushi [(f)] [(*)]	–	287	15	–	–	302
Sun Zhen[(*)]	–	1,739	60	–	–	1,799
Dong Xiaolin	185	–	–	–	–	185
Zhou Zejiang	185	–	–	–	–	185
Wang Anning	–	–	–	–	–	–
Han Dongya	170	–	–	–	–	170
He Zongan[(c)]	–	–	–	–	–	–
Total	1,500	4,082	331	–	–	5,913

(*) The total compensation packages for executive directors and supervisors for the year of 2025 including discretionary bonuses have not yet been finalised in accordance with the relevant regulations of the PRC authorities, and further disclosure will be made after the confirmation of the final remuneration. The amount of the compensation not provided for is not expected to have any significant impact on the Group's 2025 financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

11 EMOLUMENTS OF DIRECTORS AND SUPERVISORS (CONTINUED)

(1) Details of the directors' and supervisors' emoluments are as follows: (Continued)

	2024					
Name	Fees	Salaries, allowances and benefits in kind	Contribution to pension schemes	Discretionary bonuses	Other	Total
Executive Directors						
Yan Chen[(h)]	–	745	96	–	–	841
Kong Qinglong	–	800	96	–	–	896
Non-executive Directors						
Ma Lingxiao	–	–	–	–	–	–
Zhou Yana	240	–	–	–	–	240
Wu Tian[(e)]	–	–	–	–	–	–
Gao Yang	–	–	–	–	–	–
Wang Wenjin	–	–	–	–	–	–
Zhao Zongren[(g)]	–	–	–	–	–	–
Dai Peikun	–	–	–	–	–	–
Liu Zhiqiang	–	–	–	–	–	–
Yin Jianfeng	240	–	–	–	–	240
Huang Aiming	240	–	–	–	–	240
Xu Jiabin	240	–	–	–	–	240
Shao Dehui[(b)]	–	–	–	–	–	–
Zuo Dunli	–	–	–	–	–	–
Wang Zhaohui	–	–	–	–	–	–
Lu Hao[(d)]	–	–	–	–	–	–
Supervisors						
He Jiehua	–	745	96	–	–	841
Zhong Qiushi[(f)]	–	951	100	196	–	1,247
Sun Zhen	–	1,729	100	5	–	1,834
Chen Rui [(a)]	–	–	–	–	–	–
Dong Xiaolin	200	–	–	–	–	200
Zhou Zejiang	200	–	–	–	–	200
Wang Anning	–	–	–	–	–	–
Han Dongya	200	–	–	–	–	200
He Zongan[(c)]	–	–	–	–	–	–
Total	1,560	4,970	488	201	–	7,219

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
(All amounts expressed in thousands of RMB unless otherwise stated)

11 EMOLUMENTS OF DIRECTORS AND SUPERVISORS (CONTINUED)

(1) Details of the directors' and supervisors' emoluments are as follows: (Continued)

(a) On 29 February 2024, Chen Rui, Shareholder Supervisor of our Bank, resigned from his positions as Shareholder Supervisor and member of the Supervisory Committee due to work relocation.

(b) On 22 April 2024, Ms. Shao Dehui, Non-Executive Director of the Bank, resigned from her positions as Non-Executive Director, member of the Development Strategy and Consumer Protection Committee, and member of the Risk Management Committee due to reaching the statutory retirement age.

(c) On 29 June 2024, Mr. He Zongan was elected as a Shareholder Supervisor of the Bank at the Annual General Meeting of Shareholders.

(d) On 13 September 2024, upon the approval of Anhui Regulatory Bureau of the National Financial Regulatory Administration, Mr. Lu Hao assumed the position of Non-Executive Director of the Bank.

(e) On 30 December 2024, Mr. Wu Tian, Non-Executive Director of the Bank, resigned from the positions of Non-Executive Director, Member of the Development Strategy and Consumer Rights Protection Committee, and Member of the Risk Management Committee upon reaching the statutory retirement age, with the resignation taking effect immediately.

(f) On 31 March 2025, Mr Zhong Qiushi tenderd his resignation from his position within the Bank upon reaching the statutory retirement age, but remains to serve as an employee supervisor of the Bank.

(g) On 15 July 2025, Mr. Zhao Zongren, Non-Executive Director of the Bank, tendered his resignation from the positions of Non-Executive Director, Member of the Development Strategy and Consumer Rights Protection Committee, and Member of the Connected Transactions Control Committee upon reaching the statutory retirement age, with the resignation taking effect immediately.

(h) On 30 July 2025, Mr. Yan Chen, Chairman of the Bank, resigned from the positions of Chairman, Chairman of the Development Strategy and Consumer Rights Protection Committee, Chairman of the Risk Management Committee, and Member of the Nomination and Remuneration Committee due to a work relocation, with the resignation taking effect immediately.

(i) On 24 December 2025, upon the approval of Anhui Regulatory Bureau of the National Financial Regulatory Administration, Mr. Wei Lixiang assumed the position of Non-Executive Director of the Bank.

(j) On 25 November 2025, the Bank adopted a proposal on recommending the dissolution of the Board of Supervisors at the meeting of the Board of Directors. On February 2, 2026, the resolution to dissolve the Board of Supervisors was passed at the General Meeting of Shareholders.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

11 EMOLUMENTS OF DIRECTORS AND SUPERVISORS (CONTINUED)

(2) Retirement benefits for directors and supervisors

For the year ended 31 December 2025, no retirement benefits were paid to the directors or supervisors by a defined benefit pension plan operated by the Group (2024: none).

(3) Termination benefits for directors and supervisors

For the year ended 31 December 2025, no early termination compensations were paid to the directors or supervisors by the Group (2024: none).

(4) Consideration provided to third parties

For the year ended 31 December 2025, no consideration was paid to third parties that previously hired the Group's current directors and supervisors (2024: none).

(5) Material interests in transactions, arrangements or contracts with directors and supervisors

For the year ended 31 December 2025, the Group has not entered into any significant transactions, arrangements or contracts in which the directors and supervisors of the Group have material interests directly or indirectly in the Group's business (2024: none).

12 IMPAIRMENT LOSSES ON CREDITS

	2025	2024
Deposits with banks and other financial institutions	**18,981**	4,266
Placements with banks and other financial institutions	**53,514**	74,789
Financial assets held under resale agreements	**(108,100)**	29,444
Loans and advances to customers		
– At amortised cost	**8,419,560**	3,590,770
– At fair value through other comprehensive income	**(10,612)**	(48,992)
Financial investments		
– Financial assets at amortised cost	**(2,281,487)**	3,409,873
– Financial assets at fair value through other comprehensive income	**166,154**	(75,695)
Lease receivables	**750,152**	864,260
Other assets	**170,488**	44,406
Credit commitments and financial guarantees	**(426,451)**	(214,553)
Total	**6,752,199**	7,678,568

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

13 INCOME TAX

	2025	2024
Current income tax		
– Mainland China income tax	**3,918,302**	3,853,466
Deferred income tax	**(1,659,501)**	(1,781,592)
Total	**2,258,801**	2,071,874

The provision for Mainland China income tax includes income tax based on the statutory tax rate of 25% of the taxable income of the Group as determined in accordance with the relevant PRC income tax rules and regulations.

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the taxation rate of 25%. The major reconciliation items are as follows:

	Note	2025	2024
Profit before tax		**19,185,297**	17,988,842
Tax calculated at the applicable statutory tax rate of 25%		**4,796,324**	4,497,211
Tax effect of non-deductible expenses	(1)	**469,090**	683,695
Tax effect arising from tax-exempt and halved income	(2)	**(3,071,462)**	(3,108,209)
Tax filing differences		**10,906**	5,333
Effect of deductible temporary differences or deductible losses for which no deferred tax asset was recognised this year		**53,943**	–
Available deductible loss from previous years		**–**	(6,156)
Income tax expense		**2,258,801**	2,071,874

(1) The Group's non-deductible expenses primarily represent non-deductible assets write-offs and related expenses.

(2) Non-taxable income mainly represents interest income arising from PRC treasury bonds and local government bonds as well as income from mutual funds.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

14 EARNINGS PER SHARE (BASIC AND DILUTED)

(1) Basic earnings per share was calculated by dividing the net profit attributable to the ordinary shareholders of the Bank by the weighted average number of ordinary shares in issue during the year.

	2025	2024
Net profit attributable to shareholders of the Bank	**16,524,600**	15,414,392
Less: Interest on perpetual bonds declared during the year	**(635,000)**	(870,000)
Net profit attributable to holders of ordinary shares of the parent company	**15,889,600**	14,544,392
Weighted average number of ordinary shares in issue (in thousands) at the end of the year	**13,889,801**	13,889,801
Basic earnings per share (in RMB)	**1.14**	1.05

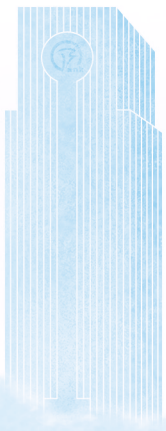
When calculating basic earnings per share for ordinary shares, the dividend of perpetual bonds issued in the current year shall be deducted from the net profit attributable to the shareholders of the Bank. For the year 2025, the Bank declared to pay interest of RMB635,000 thousand on the perpetual bonds. (For the year 2024, RMB870,000 thousand.)

(2) Diluted earnings per share

For the year ended 31 December 2025 and 31 December 2024, there was no difference between basic and diluted earnings per share as there were no potentially dilutive shares outstanding.

15 CASH AND BALANCES WITH THE CENTRAL BANK

	Note	**31 December 2025**	31 December 2024
Cash		**1,120,781**	1,110,290
Statutory reserves	(1)	**68,773,776**	67,636,272
Excess reserves	(2)	**12,895,158**	22,156,572
Fiscal deposits with the central bank		**554,161**	1,511,207
Sub-total		**83,343,876**	92,414,341
Accrued interest		**38,665**	38,344
Total		**83,382,541**	92,452,685



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
(All amounts expressed in thousands of RMB unless otherwise stated)

15 CASH AND BALANCES WITH THE CENTRAL BANK (CONTINUED)

(1) The Group deposits statutory reserves with the central bank. The statutory reserves are not available for use in the Group's daily business.

As at the end of the reporting period, the statutory reserve rates of the Bank were as follows:

	31 December 2025	31 December 2024
Statutory reserve rate for RMB deposits	**5.50%**	6.00%
Statutory reserve rate for foreign currency deposits	**4.00%**	4.00%

As at 31 December 2025, statutory reserve rates for Jinzhai Huiyin Village and Township Bank Co., Ltd. and Wuwei Huiyin Village and Township Bank Co., Ltd. were 5.00% and 5.00% (31 December 2024: 5.00% and 5.00%).

(2) Excess reserves deposit with the central bank are mainly for clearing purposes.

16 DEPOSITS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	31 December 2025	31 December 2024
Banks in Mainland China	**11,272,505**	13,976,437
Non-banking financial institutions in Mainland China	**265,608**	131,684
Banks outside Mainland China	**834,948**	566,199
Sub-total	**12,373,061**	14,674,320
Accrued interest	**7,515**	19,256
Less: Provision for impairment	**(36,350)**	(17,369)
Total	**12,344,226**	14,676,207

As at 31 December 2025 and 31 December 2024, deposits with banks and other financial institutions of the Group included pledged deposits, risk reserves deposits and other deposits. The use of such deposits is restricted.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

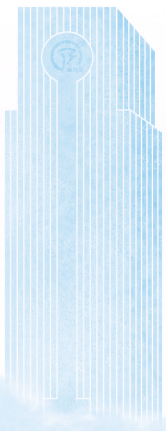
17 PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	31 December 2025	31 December 2024
Banks in Mainland China	**1,000,000**	3,290,550
Non-banking financial institutions in Mainland China	**52,957,200**	44,550,000
Sub-total	**53,957,200**	47,840,550
Accrued interest	**133,640**	275,450
Less: Provision for impairment	**(157,066)**	(103,552)
Total	**53,933,774**	48,012,448

18 DERIVATIVE FINANCIAL INSTRUMENTS

	31 December 2025		
	Nominal amount	**Fair value**	
		Assets	**Liabilities**
Derivative financial instruments held for trading:			
Foreign exchange contracts	**8,262,113**	**21,304**	**(13,181)**
Interest rate contracts	**16,160,000**	**24,887**	**(30,996)**
Total	**24,422,113**	**46,191**	**(44,177)**

	31 December 2024		
	Nominal amount	Fair value	
		Assets	Liabilities
Derivative financial instruments held for trading:			
Foreign exchange contracts	5,786,008	63,851	(33,906)
Interest rate contracts	14,970,000	90,391	(97,177)
Total	20,756,008	154,242	(131,083)



Notes to the Consolidated Financial Statements

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(All amounts expressed in thousands of RMB unless otherwise stated)

19 FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS

	31 December 2025	31 December 2024
By collateral type:		
Bonds	**5,699,542**	12,072,768
Sub-total	**5,699,542**	12,072,768
Accrued interest	**208**	3,185
Less: Provision for impairment	**(63,836)**	(171,936)
Total	**5,635,914**	11,904,017

20 LOANS AND ADVANCES TO CUSTOMERS

(1) Loans and advances to customers by measurement attributes are as follows:

	31 December 2025	31 December 2024
Loans and advances at amortised cost		
– Corporate loans	**701,680,591**	627,583,388
– Personal loans	**331,108,970**	297,953,979
Sub-total	**1,032,789,561**	925,537,367
Loans and advances at fair value through other comprehensive income		
– Discounted bills	**97,701,989**	76,629,055
Sub-total	**97,701,989**	76,629,055
Total	**1,130,491,550**	1,002,166,422
Accrued interest	**2,069,613**	2,020,974
Less: Provision for impairment of loans and advances at amortised cost	**(30,986,556)**	(28,238,260)
Carrying amount of loans and advances	**1,101,574,607**	975,949,136

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

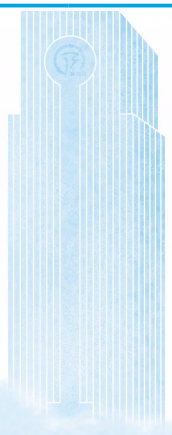
20 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(2) Reconciliation of provision for impairment of loans and advances to customers:

(a) Reconciliation of provision for impairment of loans at amortised cost are as follows:

	2025			
	Stage 1 (12-month ECL)	**Stage 2 (Lifetime ECL)**	**Stage 3 (Lifetime ECL – Impaired)**	**Total**
Balance at the beginning of the year	**11,857,777**	**8,371,590**	**8,008,893**	**28,238,260**
(Reversal)/charge for the year	**(1,493,413)**	**4,300,448**	**5,612,525**	**8,419,560**
Stage transfer				
Transfer to Stage 1	**2,110,395**	**(1,881,018)**	**(229,377)**	**–**
Transfer to Stage 2	**(253,045)**	**710,877**	**(457,832)**	**–**
Transfer to Stage 3	**(142,584)**	**(1,960,957)**	**2,103,541**	**–**
Write-off and transfer out	**–**	**–**	**(7,932,522)**	**(7,932,522)**
Recovery of loans written off	**–**	**–**	**2,400,318**	**2,400,318**
Other changes	**–**	**–**	**(139,060)**	**(139,060)**
Balance at the end of the year	**12,079,130**	**9,540,940**	**9,366,486**	**30,986,556**

	2024			
	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Lifetime ECL – Impaired)	Total
Balance at the beginning of the year	13,688,290	6,869,967	9,310,644	29,868,901
(Reversal)/charge for the year	(1,131,818)	893,370	3,829,218	3,590,770
Stage transfer				
Transfer to Stage 1	389,076	(283,338)	(105,738)	–
Transfer to Stage 2	(1,029,900)	1,128,407	(98,507)	–
Transfer to Stage 3	(57,871)	(236,816)	294,687	–
Write-off and transfer out	–	–	(6,901,660)	(6,901,660)
Recovery of loans written off	–	–	1,786,976	1,786,976
Other changes	–	–	(106,727)	(106,727)
Balance at the end of the year	11,857,777	8,371,590	8,008,893	28,238,260



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

20 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(2) Reconciliation of provision for impairment of loans and advances to customers: (Continued)

(b) Reconciliation of provision for impairment of loans at fair value through other comprehensive income are as follows:

	2025			
	Stage 1 (12-month ECL)	**Stage 2 (Lifetime ECL)**	**Stage 3 (Lifetime ECL – Impaired)**	**Total**
Balance at the beginning of the year	**50,824**	**3,580**	**–**	**54,404**
Reversal during the year	**(7,032)**	**(3,580)**	**–**	**(10,612)**
Stage transfer				
Transfer to Stage 1	**–**	**–**	**–**	**–**
Transfer to Stage 2	**–**	**–**	**–**	**–**
Transfer to Stage 3	**–**	**–**	**–**	**–**
Balance at the end of the year	**43,792**	**–**	**–**	**43,792**

	2024			
	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Lifetime ECL – Impaired)	Total
Balance at the beginning of the year	101,820	1,576	–	103,396
(Reversal)/charge for the year	(50,996)	2,004	–	(48,992)
Stage transfer				
Transfer to Stage 1	–	–	–	–
Transfer to Stage 2	–	–	–	–
Transfer to Stage 3	–	–	–	–
Balance at the end of the year	50,824	3,580	–	54,404

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

20 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(3) Concentration of credit risks of loans and advances to customers analyzed by industry sectors (excluding accrued interest):

	31 December 2025		31 December 2024	
	Amount	**%**	Amount	%
Corporate loans				
Public utilities	**227,791,339**	**20**	226,469,436	23
Commerce and service	**162,029,153**	**14**	124,826,986	12
Manufacturing	**148,535,759**	**13**	123,932,931	12
Construction	**44,650,353**	**4**	43,095,148	4
Energy and chemistry	**37,544,032**	**3**	36,302,767	3
Real estate	**34,213,489**	**3**	36,945,452	3
Transportation	**14,323,081**	**1**	11,625,513	1
Financial services	**8,512,673**	**1**	6,928,557	1
Education and media	**7,670,218**	**1**	4,784,003	1
Catering and travelling	**1,992,551**	**1**	1,187,576	1
Others	**14,417,943**	**1**	11,485,019	1
Discounted bills	**97,701,989**	**9**	76,629,055	8
Total corporate loans	**799,382,580**	**71**	704,212,443	70
Personal loans				
Residential mortgage loans	**136,547,811**	**12**	130,716,159	13
Credit cards	**18,374,699**	**1**	15,185,512	2
Others	**176,186,460**	**16**	152,052,308	15
Total personal loans	**331,108,970**	**29**	297,953,979	30
Total loans and advances	**1,130,491,550**	**100**	1,002,166,422	100

(4) The contractual amounts of loans and advances to are analysed by security type as follows (excluding accrued interest):

	31 December 2025	31 December 2024
Unsecured loans	**291,318,165**	229,719,448
Guaranteed loans	**376,721,375**	320,165,826
Loans secured by collateral	**228,479,022**	228,495,677
Pledged loans	**233,972,988**	223,785,471
Total	**1,130,491,550**	1,002,166,422

Notes to the Consolidated Financial Statements

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(All amounts expressed in thousands of RMB unless otherwise stated)

20 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(5) Concentration of credit risks of loans and advances to analyzed by geographical area (excluding accrued interest):

	31 December 2025			31 December 2024		
	Total loans	**%**	**Proportion of impaired loans**	Total loans	%	Proportion of impaired loans
Anhui Province	**968,461,932**	**85.67%**	**0.88%**	890,596,530	88.87%	0.89%
Jiangsu Province	**77,443,662**	**6.85%**	**1.71%**	59,569,734	5.94%	2.15%
Other regions	**84,585,956**	**7.48%**	**2.83%**	52,000,158	5.19%	1.33%
Total	**1,130,491,550**	**100.00%**	**1.08%**	1,002,166,422	100.00%	0.99%

(6) Overdue loans analysed by overdue days and security type are as follows (excluding accrued interest):

	31 December 2025				
	Over 1 to 90 days (inclusive)	**Over 90 days to 1 year (inclusive)**	**Over 1 year to 3 years (inclusive)**	**Overdue over 3 years**	**Total**
Unsecured loans	**2,509,382**	**3,144,577**	**1,011,335**	**31,305**	**6,696,599**
Guaranteed loans	**1,264,844**	**493,495**	**262,823**	**281,394**	**2,302,556**
Loans secured by collateral	**2,278,605**	**2,039,820**	**1,398,790**	**115,515**	**5,832,730**
Pledged loans	**2,710**	**32,302**	**4,000**	**39,890**	**78,902**
Total	**6,055,541**	**5,710,194**	**2,676,948**	**468,104**	**14,910,787**

	31 December 2024				
	Over 1 to 90 days (inclusive)	Over 90 days to 1 year (inclusive)	Over 1 year to 3 years (inclusive)	Overdue over 3 years	Total
Unsecured loans	1,648,967	1,994,736	734,662	151,905	4,530,270
Guaranteed loans	681,696	1,240,553	306,271	258,739	2,487,259
Loans secured by collateral	2,521,774	1,672,223	1,178,310	92,772	5,465,079
Pledged loans	60,545	37,926	37,560	39,890	175,921
Total	4,912,982	4,945,438	2,256,803	543,306	12,658,529

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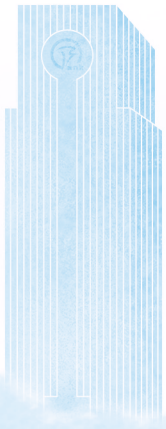
(All amounts expressed in thousands of RMB unless otherwise stated)

21 FINANCIAL INVESTMENTS

Financial assets at fair value through profit or loss	Note	**31 December 2025**	31 December 2024
Listed in Mainland China	(1)		
– Bonds		**81,403,013**	28,258,110
– Interbank certificates of deposits		**36,944,205**	1,631,675
– Equity investments		**–**	98,814
Sub-total		**118,347,218**	29,988,599
Listed in Hong Kong			
– Interbank certificates of deposits		**–**	697,452
Sub-total		**–**	697,452
Unlisted			
– Mutual funds		**64,641,898**	77,522,637
– Non-guaranteed wealth management products managed by financial institutions		**4,938,602**	4,047,306
– Asset management plans, trust schemes and others		**3,049,792**	55,723,246
– Equity investments		**124,959**	130,221
Sub-total		**72,755,251**	137,423,410
Total	(2)	**191,102,469**	168,109,461

Financial assets at amortised cost	Note	**31 December 2025**	31 December 2024
Listed in Mainland China	(1)		
– Bonds		**532,167,842**	305,669,612
Listed in Hong Kong			
– Bonds		**9,683,606**	9,927,855
Unlisted			
– Asset management plans, trust schemes and others		**7,621,799**	116,346,379
Sub-total		**549,473,247**	431,943,846
Accrued interest		**6,052,261**	7,805,009
Less: Provision for impairment		**(7,877,740)**	(10,145,049)
Total		**547,647,768**	429,603,806



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

21 FINANCIAL INVESTMENTS (CONTINUED)

Financial assets at fair value through other comprehensive income	Note	**31 December 2025**	31 December 2024
Debt instruments			
Listed in Mainland China	(1)		
– Bonds		**208,191,706**	166,890,692
– Interbank certificates of deposits		**1,589,867**	4,444,849
Sub-total		**209,781,573**	171,335,541
Equity instruments			
Unlisted			
– Equity investments	(3)	**416,935**	370,297
Sub-total		**416,935**	370,297
Accrued interest		**2,421,933**	2,253,460
Total		**212,620,441**	173,959,298

(1) Bonds traded in the Mainland China Interbank Bond Market are included in "Listed in Mainland China".

(2) Financial investments at fair value through profit or loss include financial assets held for trading and financial assets that cannot pass the solely payments of principal and interest test ("SPPI test").

(3) The Group designates part of non-trading equity investments as financial investments at fair value through other comprehensive income.

Financial investments analysed by issuer are as follows:

Financial assets at fair value through profit or loss	**31 December 2025**	31 December 2024
Analysed by issuers		
– Governments	**3,271,029**	4,283,352
– Banks and other financial institutions	**174,697,951**	148,378,308
– Corporate entities	**13,046,330**	15,177,690
– Others	**87,159**	270,111
Total	**191,102,469**	168,109,461

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(All amounts expressed in thousands of RMB unless otherwise stated)

21 FINANCIAL INVESTMENTS (CONTINUED)

Financial assets at amortised cost	**31 December 2025**	31 December 2024
Analysed by issuers		
– Governments	**354,476,229**	287,368,622
– Banks and other financial institutions	**183,504,388**	129,286,139
– Corporate entities	**11,492,630**	15,289,085
Sub-total	**549,473,247**	431,943,846
Accrued interest	**6,052,261**	7,805,009
Less: Provision for impairment	**(7,877,740)**	(10,145,049)
Total	**547,647,768**	429,603,806

Financial assets at fair value through other comprehensive income	**31 December 2025**	31 December 2024
Debt instruments		
Analysed by issuers		
– Governments	**58,766,928**	78,080,830
– Banks and other financial institutions	**45,158,631**	28,581,329
– Corporate entities	**105,856,014**	64,673,382
Sub-total	**209,781,573**	171,335,541
Equity instruments	**416,935**	370,297
Accrued interest	**2,421,933**	2,253,460
Total	**212,620,441**	173,959,298

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(All amounts expressed in thousands of RMB unless otherwise stated)

21 FINANCIAL INVESTMENTS (CONTINUED)

Reconciliation of provision for impairment of financial assets at amortised cost are as follows:

	2025			
	Stage 1 (12-month ECL)	**Stage 2 (Lifetime ECL)**	**Stage 3 (Lifetime ECL – Impaired)**	**Total**
Balance at the beginning of the year	**2,254,582**	**335,082**	**7,555,385**	**10,145,049**
Reversal for the year	**(1,358,966)**	**(157,263)**	**(765,258)**	**(2,281,487)**
Stage transfer				
Transfer to Stage 1	**88,910**	**(88,910)**	**–**	**–**
Transfer to Stage 2	**–**	**–**	**–**	**–**
Transfer to Stage 3	**–**	**–**	**–**	**–**
Write-off and transfer out	**–**	**–**	**(40,059)**	**(40,059)**
Recovery of assets written off	**–**	**–**	**54,237**	**54,237**
Balance at the end of the year	**984,526**	**88,909**	**6,804,305**	**7,877,740**

	2024			
	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Lifetime ECL – Impaired)	Total
Balance at the beginning of the year	2,864,918	403,058	6,005,731	9,273,707
(Reversal)/charge for the year	(610,336)	(67,976)	4,088,185	3,409,873
Stage transfer				
Transfer to Stage 1	–	–	–	–
Transfer to Stage 2	–	–	–	–
Transfer to Stage 3	–	–	–	–
Write-off and transfer out	–	–	(2,555,000)	(2,555,000)
Recovery of assets written off	–	–	16,469	16,469
Balance at the end of the year	2,254,582	335,082	7,555,385	10,145,049

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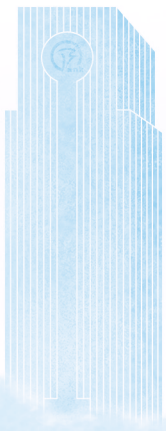
(All amounts expressed in thousands of RMB unless otherwise stated)

21 FINANCIAL INVESTMENTS (CONTINUED)

Reconciliation of provision for impairment of debt instruments of financial assets at fair value through other comprehensive are as follows:

	2025			
	Stage 1 (12-month ECL)	**Stage 2 (Lifetime ECL)**	**Stage 3 (Lifetime ECL – Impaired)**	**Total**
Balance at the beginning of the year	**650,034**	**188,289**	**171,450**	**1,009,773**
Charge for the year	**166,154**	**–**	**–**	**166,154**
Stage transfer				
Transfer to Stage 1	**–**	**–**	**–**	**–**
Transfer to Stage 2	**–**	**–**	**–**	**–**
Transfer to Stage 3	**–**	**–**	**–**	**–**
Balance at the end of the year	**816,188**	**188,289**	**171,450**	**1,175,927**

	2024			
	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Lifetime ECL – Impaired)	Total
Balance at the beginning of the year	812,964	101,054	171,450	1,085,468
(Reversal)/charge for the year	(162,930)	87,235	–	(75,695)
Stage transfer				
Transfer to Stage 1	–	–	–	–
Transfer to Stage 2	–	–	–	–
Transfer to Stage 3	–	–	–	–
Balance at the end of the year	650,034	188,289	171,450	1,009,773



Notes to the Consolidated Financial Statements

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(All amounts expressed in thousands of RMB unless otherwise stated)

22 SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES

(1) Information about subsidiaries of the Bank

	Note	Principal place of business	Registered place	Business nature	Registered capital	Shareholding percentage	Percentage of voting rights
Jinzhai Huiyin Village and Township Bank Co., Ltd.	(a)	Jinzhai County	Jinzhai County	Financial services	RMB 80,000	51%	51%
Wuwei Huiyin Village and Township Bank Co., Ltd.	(b)	Wuwei County	Wuwei County	Financial services	RMB 100,000	40%	40%
Huiyin Financial Leasing Co., Ltd.	(c)	Hefei	Hefei	Financial services	RMB 3,000,000	54%	54%
Huiyin Wealth Management Co., Ltd.	(d)	Hefei	Hefei	Financial services	RMB 2,000,000	100%	100%

(a) The Bank established Jinzhai Huiyin Village and Township Bank Co., Ltd. with a capital contribution ratio of 41% on 28 June 2013. The Bank has entered into a concerted action agreement with three shareholders with an aggregate capital contribution of 30%, and these shareholders agreed to act in concert with the Bank when voting for material decisions regarding financial and operation policies of the investee. Since the Bank has effective control over the investee, the investee was included in the scope of the consolidated financial statements.

In May 2017, one of the three concert party shareholders transferred its shareholding to an external shareholder, which invalidated the shareholder's original concert action agreement, and the Bank constituted a concert party with the two shareholders who contributed 20% of the capital, and these shareholders agreed to act in concert with the Bank when voting for material decisions regarding financial and operation policies of the investee. Since the Bank has effective control over the investee, the investee was included in the scope of the consolidated financial statements.

In December 2024, the Bank acquired a 10% equity interest in Jinzhai Huiyin Village and Township Bank Co., Ltd. with a capital contribution of RMB24 million, increasing the Bank's shareholding to 51%.

(b) The Bank established Wuwei Huiyin Village and Township Bank Co., Ltd. in 2010 with a registered capital of RMB100 million, of which the Group contributed RMB40 million, accounting for 40% of the registered capital. Wuwei Huiyin Village and Township Bank Co., Ltd. officially commenced its business on 8 August 2010 with the approval of the former CBRC Anhui Branch. Although the Bank has no absolute controlling interest in Wuwei Huiyin Village and Township Bank Co., Ltd., after taking into account various circumstances, the past operating activities have shown that the Bank has the ability to dominate the relevant operating activities of Wuwei Huiyin Village and Township Bank Co., Ltd., and there is a situation of de facto control, and the Group has included Wuwei Huiyin Village and Township Bank Co., Ltd. in the scope of consolidation as at 31 December 2014 onwards.

Notes to the Consolidated Financial Statements

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(All amounts expressed in thousands of RMB unless otherwise stated)

22 SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES (CONTINUED)

(1) Information about subsidiaries of the Bank (Continued)

(c) The Bank established Huiyin Financial Leasing Co., Ltd. with a capital contribution ratio of 51% on 29 April 2015. Since the Bank has effective control over the investee, the investee was included in the scope of the consolidated financial statements. In March 2018, the Bank invested RMB687 million to participate in the capital increase of Huiyin Financial Leasing Co., Ltd. and the registered capital of Huiyin Financial Leasing Co., Ltd. increased from RMB2 billion to RMB3 billion, and the Bank's shareholding increased to 54%.

(d) The Bank established Huiyin Wealth Management Co., Ltd. on 26 April 2020 with a full capital contribution of RMB2 billion, which is included in the scope of the consolidated financial statements as the Bank has 100% control over it.

(2) Investments in associates

Investments in associates of the Group comprising ordinary shares of unlisted companies are as follows:

	Principal place of business and registered office	**Business nature**	**Registered capital**	**Shareholding percentage**	**Percentage of voting rights**
Chery Huiyin Motor Finance Service Co., Ltd.	Anhui Province	Auto financing	RMB5,000,000	20%	20%
MengShang Bank Co., Ltd.	Inner Mongolia Autonomous Region	Commercial banking	RMB20,000,000	15%	15%

Analysis of movements in the Group's investments in associates is as follows:

Investments in associates	**31 December 2025**	31 December 2024
Balance at the beginning of the year	**5,261,079**	5,151,471
Additions during year	**–**	–
Cash dividends received	**(29,190)**	(23,188)
Net gains on investments in associates	**380,682**	103,300
Other changes in equity	**218,791**	29,496
Total	**5,831,362**	5,261,079

The carrying amount of investments in associates is as follows:

	31 December 2025	31 December 2024
Chery Huiyin Motor Finance Service Co., Ltd.	**2,599,465**	2,305,550
MengShang Bank Co., Ltd.	**3,231,897**	2,955,529
Total	**5,831,362**	5,261,079

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(All amounts expressed in thousands of RMB unless otherwise stated)

23 PROPERTY, PLANT AND EQUIPMENT

	Plant and buildings	Motor vehicles	Electronic and other equipment	Construction in progress	Property, plant and equipment held under operating lease	Total
Cost						
As at 1 January 2025	**5,387,789**	**44,469**	**2,095,944**	**284,188**	**–**	**7,812,390**
Additions	**10,043**	**8,237**	**280,161**	**130,870**	**120,524**	**549,835**
Transfer in/(out)	**–**	**–**	**60,375**	**(144,839)**	**–**	**(84,464)**
Decreases	**(294,037)**	**(2,796)**	**(155,855)**	**–**	**–**	**(452,688)**
As at 31 December 2025	**5,103,795**	**49,910**	**2,280,625**	**270,219**	**120,524**	**7,825,073**
Accumulated depreciation						
As at 1 January 2025	**(1,848,699)**	**(26,105)**	**(1,598,009)**	**–**	**–**	**(3,472,813)**
Depreciation	**(232,422)**	**(4,906)**	**(216,980)**	**–**	**(5,257)**	**(459,565)**
Decreases	**278,864**	**2,711**	**140,132**	**–**	**–**	**421,707**
As at 31 December 2025	**(1,802,257)**	**(28,300)**	**(1,674,857)**	**–**	**(5,257)**	**(3,510,671)**
Total	**3,301,538**	**21,610**	**605,768**	**270,219**	**115,267**	**4,314,402**

	Plant and buildings	Motor vehicles	Electronic and other equipment	Construction in progress	Total
Cost					
As at 1 January 2024	5,383,985	43,533	2,115,826	249,955	7,793,299
Additions	15,041	8,436	169,900	126,548	319,925
Transfer in/(out)	–	–	55,721	(92,315)	(36,594)
Decreases	(11,237)	(7,500)	(245,503)	–	(264,240)
As at 31 December 2024	5,387,789	44,469	2,095,944	284,188	7,812,390
Accumulated depreciation					
As at 1 January 2024	(1,624,135)	(31,878)	(1,598,371)	–	(3,254,384)
Depreciation	(235,407)	(1,502)	(211,204)	–	(448,113)
Decreases	10,843	7,275	211,566	–	229,684
As at 31 December 2024	(1,848,699)	(26,105)	(1,598,009)	–	(3,472,813)
Total	3,539,090	18,364	497,935	284,188	4,339,577

The recoverable amount of the Group's property, plant and equipment was not less than its carrying amount during the reporting period, and therefore, no provision for impairment of property, plant and equipment was recognised.

As at 31 December 2025, the Group has plant and buildings that have not yet received certificates of ownership, with the cost of RMB30.98 million (31 December 2024: RMB30.98 million). The management believes that there are no significant difficulties for the Group to obtain the certificates of ownership on the above plant and buildings, and such matter will not have any significant adverse impact on the Group's overall financial position.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

24 RIGHT-OF-USE ASSETS

	Plant and buildings	Motor vehicles	Electronic and other equipment	Land use rights	Total
Cost					
As at 1 January 2025	**1,989,307**	**11,627**	**556**	**170,863**	**2,172,353**
Additions	**501,330**	**514**	**–**	**–**	**501,844**
Disposals and transfers out	**(353,454)**	**(8,400)**	**–**	**–**	**(361,854)**
As at 31 December 2025	**2,137,183**	**3,741**	**556**	**170,863**	**2,312,343**
Accumulated depreciation					
As at 1 January 2025	**(929,638)**	**(8,821)**	**(399)**	**(66,717)**	**(1,005,575)**
Depreciation	**(375,392)**	**(2,680)**	**(110)**	**(3,636)**	**(381,818)**
Transfers out	**338,641**	**8,244**	**–**	**–**	**346,885**
As at 31 December 2025	**(966,389)**	**(3,257)**	**(509)**	**(70,353)**	**(1,040,508)**
Total	**1,170,794**	**484**	**47**	**100,510**	**1,271,835**

	Plant and buildings	Motor vehicles	Electronic and other equipment	Land use rights	Total
Cost					
As at 1 January 2024	1,918,457	15,740	1,555	170,863	2,106,615
Additions	379,541	953	–	–	380,494
Disposals and transfers out	(308,580)	(5,066)	(999)	–	(314,645)
Revaluation of lease liabilities	(111)	–	–	–	(111)
As at 31 December 2024	1,989,307	11,627	556	170,863	2,172,353
Accumulated depreciation					
As at 1 January 2024	(884,957)	(8,027)	(1,145)	(63,081)	(957,210)
Depreciation	(332,292)	(5,823)	(253)	(3,636)	(342,004)
Transfers out	287,611	5,029	999	–	293,639
As at 31 December 2024	(929,638)	(8,821)	(399)	(66,717)	(1,005,575)
Total	1,059,669	2,806	157	104,146	1,166,778

All right-of-use plant and buildings of the Group are located in Mainland China.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

25 LEASE RECEIVABLES

	31 December 2025	31 December 2024
Lease receivables	**73,497,735**	61,386,056
Accrued interest	**888,913**	888,987
Less: Provision for impairment	**(4,706,691)**	(4,316,632)
Carrying amount	**69,679,957**	57,958,411

(1) Movements of provision for impairment of lease receivables are as follows:

	2025			
	Stage 1 (12-month ECL)	**Stage 2 (Lifetime ECL)**	**Stage 3 (Lifetime ECL – Impaired)**	**Total**
As at 1 January 2025	**589,955**	**3,142,585**	**584,092**	**4,316,632**
Charge for the year	**103,442**	**607,749**	**38,961**	**750,152**
Stage transfer				
Transfer to Stage 1	**–**	**–**	**–**	**–**
Transfer to Stage 2	**(25,729)**	**25,729**	**–**	**–**
Transfer to Stage 3	**(115)**	**(1,126,158)**	**1,126,273**	**–**
Write-off and transfer out	**–**	**–**	**(525,189)**	**(525,189)**
Recovery of assets written off	**–**	**–**	**165,096**	**165,096**
Balance at the end of the year	**667,553**	**2,649,905**	**1,389,233**	**4,706,691**

	2024			
	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Lifetime ECL – Impaired)	Total
Balance at the beginning of the year	595,425	2,695,675	521,675	3,812,775
Charge for the year	30,883	786,556	46,821	864,260
Stage transfer				
Transfer to Stage 1	–	–	–	–
Transfer to Stage 2	(36,344)	36,344	–	–
Transfer to Stage 3	(9)	(375,990)	375,999	–
Write-off and transfer out	–	–	(426,484)	(426,484)
Recovery of assets written off	–	–	66,081	66,081
Balance at the end of the year	589,955	3,142,585	584,092	4,316,632

The Group's lease receivables are all managed by its subsidiary, Huishang Bank Financial Leasing Co., Ltd. For the year ended 31 December 2025, the principal of the Group's five largest lease receivables and the related allowance were RMB1,561.67 million and RMB32.92 million, respectively, which accounted for 2.12% and 0.70% of the total balance, respectively (31 December 2024: the principal of the Group's five largest lease receivables and the related allowance were RMB1,646.17 million and RMB218.38 million, respectively, which accounted for 2.68% and 5.06% of the total balance, respectively).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

26 GOODWILL

	31 December 2025	31 December 2024
Balance at the beginning of the year	**14,567,826**	14,567,826
Additions/(decreases) during the year	**–**	–
Balance at the end of the year	**14,567,826**	14,567,826
Provision for impairment	**(4,252,050)**	(3,897,050)
Net amount at the end of the year	**10,315,776**	10,670,776

The Group completed a business combination not under common control in November 2020 with resultant goodwill of RMB14,567.83 million.

The Group conducted impairment testing on goodwill at each year-end. As at 31 December 2025, the Group made provisions for impairment of goodwill of RMB4,252 million.

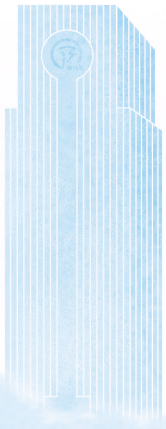
The Group calculated the recoverable amount of the CGU using the higher of its value in use calculated as cash flow projections based on financial forecasts and the fair value of the CGU less costs of disposal approved by management covering a eight-year period. The discount rate used in the cash flow forecast is 10.04% and the growth rate to extrapolate cash flows beyond the budget period is 2.00%. The management of the Group considers this growth rate to be reasonable.

The key assumptions made by management in determining the cash flow forecast for the purpose of the goodwill impairment test are described below:

Growth rates and interest rates of deposit and loan – Management sets growth rates and interest rates based on the cash generating units, past performance of regional peers and expectations for market developments.

Forecasted cash flow period – The number of years that management anticipates for the CGU to enter a period of sustainable growth after achieving stable operations.

Discount rate – The discount rate used is before tax after reflecting specific risks of the relevant businesses.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

27 DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Deferred income taxes for transactions in PRC are calculated on all temporary differences using an effective tax rate of 25% for the year ended 31 December 2025 (for the year ended 31 December 2024: 25%).

	For the year ended 31 December 2025	For the year ended 31 December 2024
Balance at the beginning of the year	**15,380,607**	14,238,323
Charged to the income statement in the current year	**1,659,501**	1,781,592
Credited to other comprehensive income	**919,583**	(639,308)
Balance at the end of the year	**17,959,691**	15,380,607

Deferred tax assets and deferred tax liabilities before any offsetting:

	31 December 2025		31 December 2024	
	Deductible/ (taxable) temporary differences	**Deferred tax assets/ (deferred tax liabilities)**	Deductible/ (taxable) temporary differences	Deferred tax assets/ (deferred tax liabilities)
Provision for impairment of assets	**62,940,865**	**15,735,216**	57,502,083	14,377,003
Changes in fair value of derivative financial liabilities	**44,177**	**11,044**	131,083	32,771
Employee benefits payable	**3,569,083**	**892,271**	3,226,215	806,554
Changes in fair value of financial assets at fair value through profit or loss (FVTPL)	**4,480,762**	**1,120,191**	4,196,985	1,049,246
Fair value changes in loans and advances to customers at fair value through other comprehensive	**188,715**	**47,179**	137,244	34,310
Fair value changes in financial assets at fair value through other comprehensive income	**451,325**	**112,831**	9,936	2,484
Provisions	**985,511**	**246,378**	1,368,618	342,155
Others	**1,969,599**	**492,400**	2,216,629	554,157
Sub-total	**74,630,037**	**18,657,510**	68,788,793	17,198,680
Amount offset		**(697,819)**		(1,818,073)
Deferred income tax assets after offsetting		**17,959,691**		15,380,607
Changes in fair value of derivative financial assets	**(46,191)**	**(11,548)**	(154,242)	(38,561)
Changes in fair value of financial assets at fair value through profit or loss (FVTPL)	**(395,011)**	**(98,753)**	(1,443,724)	(360,931)
Fair value changes in financial assets at fair value through other comprehensive income	**(1,187,248)**	**(296,812)**	(4,528,254)	(1,132,064)
Others	**(1,162,826)**	**(290,706)**	(1,146,074)	(286,517)
Sub-total	**(2,791,276)**	**(697,819)**	(7,272,294)	(1,818,073)
Amount offset		**697,819**		1,818,073
Deferred income tax liabilities after offsetting		**–**		–

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

28 OTHER ASSETS

	Note	31 December 2025	31 December 2024
Funds to be settled		**3,636,102**	–
Long-term deferred expenses		**1,849,031**	1,145,097
Continued involvement in assets		**907,419**	998,506
Other receivables	(1)	**694,904**	998,588
Intangible assets	(2)	**659,815**	512,980
Prepayments		**412,591**	78,044
Foreclosed assets	(3)	**55,973**	234,785
Others		**204,291**	182,544
Total		**8,420,126**	4,150,544

(1) Other receivables

The ageing analysis of the Group's other receivables is as follows:

31 December 2025	Within 1 year	1 to 3 years	Over 3 years	Total
Other receivables	**548,362**	**157,734**	**447,671**	**1,153,767**
Provision for impairment	**(65,095)**	**(78,843)**	**(314,925)**	**(458,863)**
Net amount	**483,267**	**78,891**	**132,746**	**694,904**

31 December 2024	Within 1 year	1 to 3 years	Over 3 years	Total
Other receivables	605,735	102,208	421,311	1,129,254
Provision for impairment	(2,884)	(45,847)	(81,935)	(130,666)
Net amount	602,851	56,361	339,376	998,588

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

28 OTHER ASSETS (CONTINUED)

(2) Intangible assets

Intangible assets of the Group are mainly computer software.

	31 December 2025	31 December 2024
Cost		
Balance at the beginning of the year	**1,646,092**	1,427,224
Additions	**269,900**	212,395
Transfers from construction in progress	**64,011**	13,240
Disposals	**(22,107)**	(6,767)
Balance at the end of the year	**1,957,896**	1,646,092
Accumulated amortisation		
Balance at the beginning of the year	**(1,133,112)**	(941,476)
Amortisation during year	**(187,076)**	(198,116)
Disposals	**22,107**	6,480
Balance at the end of the year	**(1,298,081)**	(1,133,112)
Net book value	**659,815**	512,980

(3) Foreclosed assets

	31 December 2025	31 December 2024
Real estate and land use rights	**19,749**	203,356
Others	**92,974**	117,971
Total	**112,723**	321,327
Provision for impairment	**(56,750)**	(86,542)
Net amount	**55,973**	234,785

Foreclosed assets are sold as soon as practicable with the proceeds used to reduce the outstanding indebtedness. The Group does not generally occupy foreclosed assets for its own business use.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

29 PROVISION FOR IMPAIRMENT OF ASSETS

	As at 1 January 2025	Charge for/ (reversal) for the year	Write-offs and transfers out	Recovery of assets written off	Other changes	As at 31 December 2025
Deposits with banks and other financial institutions	**17,369**	**18,981**	**–**	**–**	**–**	**36,350**
Placements with banks and other financial institutions	**103,552**	**53,514**	**–**	**–**	**–**	**157,066**
Financial assets held under resale agreements	**171,936**	**(108,100)**	**–**	**–**	**–**	**63,836**
Loans and advances to customers						
– Loans and advances at amortised cost	**28,238,260**	**8,419,560**	**(7,932,522)**	**2,400,318**	**(139,060)**	**30,986,556**
– Loans and advances at fair value through other comprehensive income	**54,404**	**(10,612)**	**–**	**–**	**–**	**43,792**
Financial investments						
– Financial assets at amortised cost	**10,145,049**	**(2,281,487)**	**(40,059)**	**54,237**	**–**	**7,877,740**
– Financial assets at fair value through other comprehensive income	**1,009,773**	**166,154**	**–**	**–**	**–**	**1,175,927**
Lease receivables	**4,316,632**	**750,152**	**(525,189)**	**165,096**	**–**	**4,706,691**
Other financial assets	**282,648**	**170,488**	**(56,877)**	**62,532**	**72**	**458,863**
Foreclosed assets	**86,542**	**(29,792)**	**–**	**–**	**–**	**56,750**
Goodwill	**3,897,050**	**355,000**	**–**	**–**	**–**	**4,252,050**
Total	**48,323,215**	**7,503,858**	**(8,554,647)**	**2,682,183**	**(138,988)**	**49,815,621**

	As at 1 January 2024	Charge for/ (reversal) for the year	Write-offs and transfers out	Recovery of assets written off	Other changes	As at 31 December 2024
Deposits with banks and other financial institutions	13,103	4,266	–	–	–	17,369
Placements with banks and other financial institutions	28,763	74,789	–	–	–	103,552
Financial assets held under resale agreements	139,492	29,444	–	3,000	–	171,936
Loans and advances to customers						
– Loans and advances at amortised cost	29,868,901	3,590,770	(6,901,660)	1,786,976	(106,727)	28,238,260
– Loans and advances at fair value through other comprehensive income	103,396	(48,992)	–	–	–	54,404
Financial investments						
– Financial assets at amortised cost	9,273,707	3,409,873	(2,555,000)	16,469	–	10,145,049
– Financial assets at fair value through other comprehensive income	1,085,468	(75,695)	–	–	–	1,009,773
Lease receivables	3,812,775	864,260	(426,484)	66,081	–	4,316,632
Other financial assets	239,372	44,406	(24,947)	23,817	–	282,648
Foreclosed assets	93,649	(7,107)	–	–	–	86,542
Goodwill	3,020,437	876,613	–	–	–	3,897,050
Total	47,679,063	8,762,627	(9,908,091)	1,896,343	(106,727)	48,323,215

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

30 DEPOSITS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	31 December 2025	31 December 2024
Banks in Mainland China	**1,679,425**	2,398,853
Other financial institutions in Mainland China	**92,998,365**	172,128,813
Accrued interest	**656,049**	1,191,289
Total	**95,333,839**	175,718,955

31 PLACEMENTS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	31 December 2025	31 December 2024
Banks in Mainland China	**60,318,612**	49,017,455
Banks Outside Mainland China	**104,106**	–
Accrued interest	**348,107**	501,163
Total	**60,770,825**	49,518,618

32 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Note	**31 December 2025**	31 December 2024
Non controlling interests under the consolidated structured-entities	(1)	**2,022,423**	–

(1) The Group designates the equity of other shareholders of structured entities included in the scope of consolidated financial statements as financial liabilities at fair value through profit or loss. As at December 31 2025, there were no significant changes in fair value due to changes in credit risk.

33 FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS

	31 December 2025	31 December 2024
Securities sold under repurchase agreements	**125,702,305**	12,607,385
Precious metals sold under repurchase agreements	**2,456,712**	6,071,991
Bills sold under repurchase agreements	**1,991,654**	–
Accrued interest	**50,179**	126,760
Total	**130,200,850**	18,806,136

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

34 DEPOSITS FROM CUSTOMERS

	31 December 2025	31 December 2024
Demand deposits		
– Corporate customers	**237,940,185**	223,493,546
– Personal customers	**98,918,436**	92,137,559
Time deposit (including call deposits)		
– Corporate customers	**301,277,788**	277,098,659
– Personal customers	**628,064,790**	546,236,443
Accrued interest	**29,469,660**	27,954,441
Total	**1,295,670,859**	1,166,920,648

35 TAXES PAYABLE

	31 December 2025	31 December 2024
Income tax	**1,327,204**	1,305,195
Value-added tax (VAT)	**571,233**	624,393
Others	**118,054**	106,160
Total	**2,016,491**	2,035,748

36 BONDS ISSUED

	Note	31 December 2025	31 December 2024
20 Tier 2 capital bonds 01	(1)	**–**	8,000,000
21 Tier 2 capital bonds 01	(2)	**6,000,000**	6,000,000
22 Special financial bonds for small and micro enterprises loans 01	(3)	**–**	10,000,000
22 Green bonds	(4)	**–**	5,000,000
23 Financial Bonds	(5)	**20,000,000**	20,000,000
23 Special financial bonds for small and micro enterprises loans 01	(6)	**10,000,000**	10,000,000
24 Financial bonds 01	(7)	**20,000,000**	20,000,000
24 Huiyin Financial leasing bonds 01	(8)	**1,500,000**	1,500,000
25 Huiyin Financial Leasing green bonds	(9)	**1,800,000**	–
25 Huiyin Financial Leasing bonds 01	(10)	**2,500,000**	–
25 Sci-Tech Innovation Corporation bonds 01	(11)	**5,000,000**	–
25 Financial bonds 01	(12)	**15,000,000**	–
25 Tier 2 capital bonds 01	(13)	**10,000,000**	–
25 Special financial bonds for small and micro enterprises loans	(14)	**10,000,000**	–
Inter-bank certificate of deposits issued	(15)	**270,340,526**	201,456,918
Accrued interest		**900,403**	989,375
Total		**373,040,929**	282,946,293

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

36 ISSUANCE OF BONDS (CONTINUED)

(1) The Bank issued financial bonds of RMB8 billion on 24 September 2020 in China Interbank Bond Market, with a maturity of 10 years and a fixed coupon rate of 4.50%, interest is paid annually. The Bank has an option to redeem part or all of the bonds at face value at the end of the fifth interest-bearing year of this bond, subject to regulatory approval. Claims on Tier 2 capital bonds are subordinate to depositors and ordinary debts and are superior to equity, other tier 1 capital instruments and mixed capital debts. This bond was fully redeemed upon the exercise of the redemption right on 28 September 2025.

(2) The Bank issued financial bonds of RMB6 billion on 22 October 2021 in China Interbank Bond Market, with a maturity of 10 years and a fixed coupon rate of 4.09%, interest is paid annually. The Bank has an option to redeem part or all of the bonds at face value at the end of the fifth interest-bearing year of this bond, subject to regulatory approval. Claims on Tier 2 capital bonds are subordinate to depositors and ordinary debts and are superior to equity, other tier 1 capital instruments and mixed capital debts.

(3) The Bank issued special financial bonds for small and micro enterprises loans of RMB10 billion on 25 February 2022 in China Interbank Bond Market, with a maturity of 3 years and a fixed coupon rate of 2.83%, interest is paid annually. The bond was redeemed upon maturity on 1 March 2025.

(4) The Bank issued green financial bonds of RMB5 billion on 5 August 2022 in China Interbank Bond Market, with a maturity of 3 years and a fixed coupon rate of 2.53%, interest is paid annually. The bond was redeemed upon maturity on 9 August 2025.

(5) The Bank issued financial bonds of RMB20 billion on 10 July 2023 in China Interbank Bond Market, with a maturity of 3 years and a fixed coupon rate of 2.69%, interest is paid annually.

(6) The Bank issued special financial bonds for small and micro enterprises loans of RMB10 billion on 20 November 2023 in China Interbank Bond Market, with a maturity of 3 years and a fixed coupon rate of 2.78%, interest is paid annually.

(7) The Bank issued financial bonds of RMB20 billion on 22 May 2024 in China Interbank Bond Market, with a maturity of 3 years and a fixed coupon rate of 2.25%, interest is paid annually.

(8) Huiyin Financial Leasing Co., Ltd., a subsidiary of the Group, issued financial bonds of RMB1.5 billion on 14 November 2024 in China Interbank Bond Market, with a maturity of 3 years and a fixed coupon rate of 2.19%, interest is paid annually.

(9) Huiyin Financial Leasing Co., Ltd., a subsidiary of the Group, issued green financial bonds of RMB2 billion on 10 January 2025 in China Interbank Bond Market, with a maturity of 3 years and a fixed coupon rate of 1.80%, interest is paid annually. As at 31 December 2025, the aggregate principal amount of bonds actually issued by the Group was RMB1.8 billion.

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(All amounts expressed in thousands of RMB unless otherwise stated)

36 ISSUANCE OF BONDS (CONTINUED)

(10) Huiyin Financial Leasing Co., Ltd., a subsidiary of the Group, issued financial bonds of RMB2.5 billion on 16 May 2025 in China Interbank Bond Market, with a maturity of 3 years and a fixed coupon rate of 1.90%, interest is paid annually.

(11) The Bank issued the Sci-Tech Innovation bonds of RMB5 billion on 20 May 2025 in China Interbank Bond Market, with a maturity of 3 years and a fixed coupon rate of 1.67%, interest is paid annually.

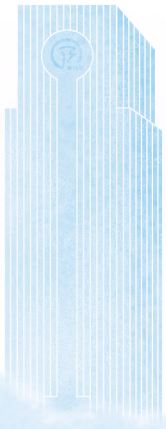
(12) The Bank issued financial bonds of RMB15 billion on 28 May 2025 in China Interbank Bond Market, with a maturity of 3 years and a fixed coupon rate of 1.78%, interest is paid annually.

(13) The Bank issued financial bonds of RMB10 billion on 5 December 2025 in China Interbank Bond Market, with a maturity of 10 years and a fixed coupon rate of 2.38%, interest is paid annually. The Bank has an option to redeem part or all the bonds at fact value at the end of the fifth interest-bearing year of this bond, subject to regulatory approval. Claims on Tier 2 capital bonds are subordinate to depositors and ordinary debts and are superior to equity, other tier 1 capital instruments and mixed capital debts.

(14) The Bank issued special financial bonds for Small and Micro Enterprise Loans of RMB10 billion on 10 December 2025 in China Interbank Bond Market, with a maturity of 3 years and a fixed coupon rate of 1.87%, interest is paid annually.

(15) As at 31 December 2025, the total number of immature interbank certificates of deposits was 184, with a total face value of RMB271.84 billion (as at 31 December 2024, the total number of immature interbank certificates of deposits was 144, with a total face value of RMB203.15 billion).

For the year ended 31 December 2025, there were no defaults on principal and interest or other breaches to the agreements with respect to these bonds.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

37 OTHER LIABILITIES

	Note	31 December 2025	31 December 2024
Unearned rent and deposits under lease arrangements	(1)	**6,458,580**	5,680,688
Employee benefits and welfare payable	(2)	**4,208,016**	3,670,403
Other payables		**1,693,379**	943,038
Funds to be settled		**1,446,165**	1,593,501
Lease liabilities		**1,104,165**	995,714
Provisions		**985,511**	1,369,604
– Provision for impairment of credit commitments and financial guarantees	(3)	**547,991**	974,442
– Provisions for expected litigation losses		**428,791**	383,986
– Others		**8,729**	11,176
Continued involvement in liabilities		**907,419**	998,506
Accrued expenses		**487,780**	370,642
Deferred income		**226,864**	296,560
Dividends payable		**173,697**	177,554
Others		**282,958**	332,619
Total		**17,974,534**	16,428,829

(1) Unearned rent and deposits under lease arrangements

As at 31 December 2025 and 2024, all of the Group's unearned rent and deposits under lease arrangements were unearned rent and deposits received by Huishang Bank Financial Leasing Co., Ltd., a subsidiary of the Group.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

37 OTHER LIABILITIES (CONTINUED)

(2) Employee benefits and welfare payable

	1 January 2025	Additions during the year	Decreases during the year	31 December 2025
Short-term employee benefits				
Salaries, bonuses, allowances and subsidies	**2,907,184**	**3,986,809**	**(4,065,964)**	**2,828,029**
Staff welfare	**–**	**280,425**	**(280,425)**	**–**
Social insurance	**3,434**	**302,381**	**(255,222)**	**50,593**
– Medical and maternity insurance	**3,369**	**296,265**	**(249,108)**	**50,526**
– Work-related injury insurance	**65**	**6,116**	**(6,114)**	**67**
Housing fund	**804**	**380,515**	**(380,499)**	**820**
Labour union fee, staff and workers' education fee	**109,531**	**119,548**	**(135,453)**	**93,626**
Other short-term employee benefits	**313,768**	**85**	**(5,103)**	**308,750**
Subtotal	**3,334,721**	**5,069,763**	**(5,122,666)**	**3,281,818**
Long-term employee benefits				
Deferred compensation and risk reserve	**232,281**	**914,225**	**(353,814)**	**792,692**
Subtotal	**232,281**	**914,225**	**(353,814)**	**792,692**
Post-employment benefits				
Basic pension insurance	**5,084**	**461,181**	**(460,884)**	**5,381**
Unemployment insurance	**285**	**14,885**	**(14,875)**	**295**
Annuity	**85,305**	**381,634**	**(352,046)**	**114,893**
Subtotal	**90,674**	**857,700**	**(827,805)**	**120,569**
Early retirement benefits payable	**12,727**	**3,016**	**(2,806)**	**12,937**
Total	**3,670,403**	**6,844,704**	**(6,307,091)**	**4,208,016**

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

37 OTHER LIABILITIES (CONTINUED)

(2) Employee benefits and welfare payable (Continued)

	1 January 2024	Additions during the year	Decreases during the year	31 December 2024
Short-term employee benefits				
Salaries, bonuses, allowances and subsidies	2,390,768	4,302,964	(3,786,548)	2,907,184
Staff welfare	–	302,960	(302,960)	–
Social insurance	3,358	275,333	(275,257)	3,434
– Medical and maternity insurance	3,295	269,921	(269,847)	3,369
– Work-related injury insurance	63	5,412	(5,410)	65
Housing fund	950	358,507	(358,653)	804
Labour union fee, staff and workers' education fee	110,455	121,015	(121,939)	109,531
Other short-term employee benefits	313,768	2,603	(2,603)	313,768
Subtotal	2,819,299	5,363,382	(4,847,960)	3,334,721
Long-term employee benefits				
Deferred compensation and risk reserve	205,229	298,061	(271,009)	232,281
Subtotal	205,229	298,061	(271,009)	232,281
Post-employment benefits				
Basic pension insurance	8,782	425,984	(429,682)	5,084
Unemployment insurance	279	13,974	(13,968)	285
Annuity	10,190	365,130	(290,015)	85,305
Subtotal	19,251	805,088	(733,665)	90,674
Early retirement benefits payable	13,240	3,210	(3,723)	12,727
Total	3,057,019	6,469,741	(5,856,357)	3,670,403

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

37 OTHER LIABILITIES (CONTINUED)

(3) Provisions – provisions for impairment of credit commitments and financial guarantees

	2025			
	Stage 1 (12-month ECL)	**Stage 2 (Lifetime ECL)**	**Stage 3 (Lifetime ECL – Impaired)**	**Total**
As at 1 January 2025	**507,415**	**432,027**	**35,000**	**974,442**
Reversals during the year	**(236,043)**	**(155,408)**	**(35,000)**	**(426,451)**
Stage transfer				
Transfer to Stage 1	**–**	**–**	**–**	**–**
Transfer to Stage 2	**–**	**–**	**–**	**–**
Transfer to Stage 3	**–**	**–**	**–**	**–**
As at 31 December 2025	**271,372**	**276,619**	**–**	**547,991**

	2024			
	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Lifetime ECL – Impaired)	Total
As at 1 January 2024	635,219	553,776	–	1,188,995
(Reversal)/charge for the year	(127,725)	(121,629)	34,801	(214,553)
Stage transfer				
Transfer to Stage 1	120	(120)	–	–
Transfer to Stage 2	–	–	–	–
Transfer to Stage 3	(199)	–	199	–
As at 31 December 2024	507,415	432,027	35,000	974,442

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38 SHARE CAPITAL, OTHER EQUITY INSTRUMENTS AND CAPITAL RESERVE

(1) Share capital

The Bank's share capital is comprised of issued and fully paid ordinary shares, with par value of RMB1 per share. The number of shares is as follows:

	31 December 2025	31 December 2024
Number of statutory share capital, issued and fully paid (thousand)	**13,889,801**	13,889,801

(2) Other equity instruments

Perpetual bonds outstanding as at 31 December 2025 and 31 December 2024

Outstanding perpetual bonds	Issuance date	Accounting classification	Initial dividend rate	Issuance price (RMB)	Total issuance amount (RMB billion)	Amount (Equivalent to RMB thousand)	Maturity date	Interest calculation method
23 Huishang Bank Perpetual Bonds 01[(a)]	26 October 2023	Equity instruments	3.80%	100	10	10,000,000	No maturity date	Floating interest rates
24 Huishang Bank Perpetual Bonds 01[(b)]	11 November 2024	Equity instruments	2.55%	100	10	10,000,000	No maturity date	Floating interest rates
Funds raised						20,000,000		
Less: Issuance fees						(872)		
Carrying amount						19,999,128		

(a) Huishang Bank obtained approval on 25 June 2023 and 8 October 2023 respectively, from the People's Bank of China (the "PBOC") and the Anhui Supervision Bureau of the State Financial Supervision and Administration of China to issue capital bonds with non – fixed maturities of no more than RMB10 billion in the national interbank bond market; in October 2023, Huishang Bank successfully issued Huishang Bank Co., Ltd. 2023 No Fixed-Term Capital Bonds, and completed bond registration and custody at the Interbank Market Clearing House Co., Ltd. The bond was filed on 26 October 2023, and was issued on 30 October 2023. The bond issuance has a scale of RMB10 billion, and the unit face value is RMB100. It is issued at par with par value and coupon rate is 3.80%.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

38 SHARE CAPITAL, OTHER EQUITY INSTRUMENTS AND CAPITAL RESERVE (CONTINUED)

(2) Other equity instruments (Continued)

Perpetual bonds outstanding as at 31 December 2025 and 31 December 2024 *(Continued)*

The duration of the bond is consistent with the Bank's continuing operations. Five years after the date of issuance, the Bank has the right to redeem all or part of the bonds at annual interest payment date (including the interest payment date of the fifth year after the date of issuance) on the premise that the redemption prerequisites are met, and the NAFS has approved. When the write-down triggering conditions are met, the bank has the right to write down all or part of the above-mentioned bonds that have been issued and surviving according to the total face value of the bonds if they are reported to the NAFS and agreed, but without the consent of the bondholders. The principal of the bond is settled in the order of depositors, general creditors and subordinated debts higher than the bonds, but before all classes of shares held by shareholders; the bonds are in the same order as other tier 1 capital instruments with the same repayment order be compensated.

The aforesaid bonds are paid by non-cumulative interest, and the Bank has the right to cancel part or all of the dividends of the bonds, which does not constitute a default event. The Bank is free to dispose of the proceeds of the cancellation of dividends for repayment of other due debts, but the Bank will not distribute profits to ordinary shareholders until the full interest payment is resume.

(b) Huishang Bank obtained approval on 8 October 2023 and 16 April 2024 respectively, from the Anhui Supervision Bureau of the State Financial Supervision and Administration of China and PBOC to issue capital bonds with non-fixed maturities of no more than RMB10 billion in the national interbank bond market; in November 2024, Huishang Bank successfully issued Huishang Bank Co., Ltd. 2024 No Fixed-Term Capital Bonds, and completed bond registration and custody at the Interbank Market Clearing House Co., Ltd. The bond was filed on 11 November 2024, and was issued on 13 November, 2024. The bond issuance has a scale of RMB10 billion, and the unit face value is RMB100. It is issued at par with par value and coupon rate is 2.55%.

The duration of the bond is consistent with the Bank's continuing operations. Five years after the date of issuance, the Bank has the right to redeem all or part of the bonds at annual interest payment date (including the interest payment date of the fifth year after the date of issuance) on the premise that the redemption prerequisites are met, and the NAFS has approved. When the write-down triggering conditions are met, the bank has the right to write down all or part of the above-mentioned bonds that have been issued and surviving according to the total face value of the bonds if they are reported to the NAFS and agreed, but without the consent of the bondholders. The principal of the bond is settled in the order of depositors, general creditors and subordinated debts higher than the bonds, but before all classes of shares held by shareholders; the bonds are in the same order as other tier 1 capital instruments with the same repayment order be compensated.

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Notes to the Consolidated Financial Statements

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38 SHARE CAPITAL, OTHER EQUITY INSTRUMENTS AND CAPITAL RESERVE (CONTINUED)

(2) Other equity instruments (Continued)

Relevant information of amounts attributable to holders of equity instruments

	31 December 2025	31 December 2024
Equity attributable to shareholders of the Bank	**167,882,116**	157,450,264
– Equity attributable to ordinary shareholders of the Bank	**147,882,988**	137,451,136
– Equity attributable to holders of the Bank's other equity	**19,999,128**	19,999,128
Equity attributable to non-controlling shareholders	**4,614,250**	4,216,897

(3) Capital reserve

Transactions with the following natures are included in the capital reserve:

(a) share premium arising from the issuance of shares at prices in excess of their par value;

(b) donations received from shareholders; and

(c) any other items specified by the PRC regulations.

Capital surplus can be utilised for the issuance of share dividends, or the increase of paid-up capital as approved by the shareholders.

As at 31 December 2025 and 31 December 2024, the Group's capital reserves were as follows:

	31 December 2025	31 December 2024
Share premiums	**15,233,380**	15,233,380
Other capital reserves	**282,227**	–
Total	**15,515,607**	15,233,380

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

39 OTHER RESERVES AND RETAINED EARNINGS

Pursuant to the relevant PRC regulations, the appropriation of profits to the statutory general reserve, the discretionary reserve and the distribution of dividends in each year are based on the recommendations of the directors and are subject to the resolutions to be passed at the General Meeting of Shareholders.

(1) Surplus reserve

	31 December 2025	31 December 2024
Statutory surplus reserve		
Balance at the beginning of the year	**12,314,214**	10,859,945
Additions during year	**–**	1,454,269
Balance at the end of the year	**12,314,214**	12,314,214
Discretionary surplus reserve		
Balance at the beginning of the year	**10,441,275**	9,088,636
Additions during year	**1,454,269**	1,352,639
Balance at the end of the year	**11,895,544**	10,441,275
Total	**24,209,758**	22,755,489

Pursuant to the "Company Law of the PRC" and the Bank's Articles of Association, the Bank is required to appropriate 10% of its net profit in the statutory financial statements to the statutory surplus reserve. The appropriation to the statutory surplus reserve may be ceased when the accumulated appropriation reaches over 50% of the registered capital. The Bank can appropriate the discretionary reserve after the appropriation for statutory surplus reserve. Discretionary surplus reserve can be utilised to offset losses for previous years or increase the share capital subject to the approval of the shareholders' meetings.

(2) General reserve

	31 December 2025	31 December 2024
Balance at the beginning of the year	**19,271,977**	17,584,011
Additions during the year	**2,022,212**	1,687,966
Balance at the end of the year	**21,294,189**	19,271,977

Pursuant to the Notice on Promulgation of the Administrative Measures on Accrual of Provisions by Financial Enterprises (Cai Jin [2012] No.20) issued by the Ministry of Finance at 20 March 2012, the balance of general provisions should not be less than 1.50% of the closing balance of risk assets in principle, and should be fully appropriated within 5 years. The above Administrative Measures became effective since 1 July 2012.

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For the year ended 31 December 2025

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39 OTHER RESERVES AND RETAINED EARNINGS (CONTINUED)

(3) Retained earnings

	31 December 2025	31 December 2024
Retained earnings at the beginning of the year	**62,227,763**	54,206,156
Add: Net profit for the year	**16,524,600**	15,414,392
Less: Appropriation for statutory surplus reserve	**–**	(1,454,269)
Appropriation for discretionary surplus reserve	**(1,454,269)**	(1,352,639)
Appropriation for general reserve	**(2,022,212)**	(1,687,966)
Distribution of dividends on ordinary shares	**(2,916,858)**	(2,027,911)
Distribution of bond interest on perpetual bonds	**(635,000)**	(870,000)
Retained earnings at the end of the year	**71,724,024**	62,227,763

40 OTHER COMPREHENSIVE INCOME

	Other comprehensive income attributable to the Company in the consolidated statement of financial position										
	Fair value changes in equity instruments at fair value through other comprehensive		Fair value changes in debt instruments at fair value through other comprehensive		Movements in impairment of debt instruments at fair value through other comprehensive		Other comprehensive income that can be transferred to profit or loss under the equity method	Other comprehensive income that cannot be transferred to profit or loss under the equity method		Other comprehensive income attributable to non-controlling shareholders	
	Before-tax amount	Income tax effect	Before-tax amount	Income tax effect	Before-tax amount	Income tax effect			Sub-total		Total
Balance at 1 January 2024	295,191	(73,798)	1,404,065	(350,992)	1,188,864	(297,217)	8,742	(50,388)	2,124,467	146	2,124,613
Changes in amount during the prior year	65,607	(16,402)	2,617,151	(654,078)	(124,687)	31,172	22,896	6,600	1,948,259	1,261	1,949,520
Balance at 31 December 2024	360,798	(90,200)	4,021,216	(1,005,070)	1,064,177	(266,045)	31,638	(43,788)	4,072,726	1,407	4,074,133
Changes in amount during the year	46,637	(11,659)	(3,881,443)	970,127	155,542	(38,885)	(107,224)	43,788	(2,823,117)	(1,407)	(2,824,524)
Balance at 31 December 2025	**407,435**	**(101,859)**	**139,773**	**(34,943)**	**1,219,719**	**(304,930)**	**(75,586)**	**–**	**1,249,609**	**–**	**1,249,609**

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41 DIVIDENDS

Under the "Company Law of the PRC" and the Bank's Articles of Association, the net profit after income tax as reported in the PRC statutory financial statements can only be distributed as dividends after allowances for the following:

(i) Making up cumulative losses from prior years, if any;

(ii) Allocations to the non-distributable statutory reserve of 10% of the net profit of the Bank;

(iii) Appropriation to general reserve;

(iv) Payment of preference shares dividends; and

(v) Allocations to the discretionary reserve with approval from the general meetings of shareholders. These reserves form part of the shareholders' equity.

In accordance with the relevant regulations, the net profit after tax of the Bank for the purpose of profit distribution is deemed to be the lesser of (i) the retained profits determined in accordance with the PRC Generally Accepted Accounting Principles and (ii) the retained profits determined in accordance with IFRS.

(1) Distribution of dividends on ordinary shares

	For the year ended 31 December 2025	For the year ended 31 December 2024
Dividends declared for the year	**2,916,858**	2,027,911
Dividend rates of cash dividends for ordinary shares (RMB/share)	**0.210**	0.146
Dividends paid during the year	**2,920,729**	1,950,260

Pursuant to the resolution of the shareholders' meeting of the Bank held on 30 June 2025, the 2024 dividend distribution was made on the basis of the shareholders registered on 10 July 2025 at RMB0.210 per share (tax included), with a total cash dividend of approximately RMB2,916.86 million to be distributed.

Pursuant to the resolution of the shareholders' meeting of the Bank held on 29 June 2024, the 2023 dividend distribution was made on the basis of the shareholders registered on 10 July 2024 at RMB0.146 per share (tax included), with a total cash dividend of approximately RMB2,027.91 million to be distributed.

(2) Distribution of bond interest on perpetual bonds

The Bank distributed the bond interest on the 2024 No Fixed-term Capital Bonds amounting to RMB255 million on 13 November 2025. The Bank distributed the bond interest on the 2023 No Fixed-term Capital Bonds amounting to RMB380 million on 30 October 2025.

The Bank distributed the bond interest on the 2023 No Fixed-term Capital Bonds amounting to RMB380 million on 30 October 2024. The Bank distributed the bond interest on the 2019 No Fixed-term Capital Bonds amounting to RMB490 million on 3 December 2024.

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For the year ended 31 December 2025

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42 CREDIT COMMITMENTS AND FINANCIAL GUARANTEES, OTHER COMMITMENTS AND CONTINGENCIES

(1) Credit commitments and financial guarantees

The following table indicates the Group's credit commitments and financial guarantees that have been contracted for but not performed:

	31 December 2025	31 December 2024
Issuance of bank acceptance bills	**96,467,506**	103,407,791
Issuance of letter of credit	**55,000,167**	45,462,809
Issuance of letter of guarantee	**20,277,765**	28,247,542
Credit commitments	**646,500**	796,963
Unused credit card lines	**21,904,337**	19,072,655
Total	**194,296,275**	196,987,760

(2) Capital commitments

	31 December 2025	31 December 2024
Purchase contracts, approved for but not contracted	**32,139**	348,288
Purchase contracts, contracted for but not paid	**299,580**	260,538
Total	**331,719**	608,826

(3) Bond underwriting and payment commitment

The Group is entrusted by the MOF as an agent to issue the certificate treasury bonds. Holders of these certificate treasury bonds have a right to redeem the bonds at any time prior to the maturity date and the Group is obligated to fulfil the redemption obligation in accordance with the principal of these treasury bonds as well as interests payable up to the redemption date determined in the early redemption arrangements. As at 31 December 2025, the Group's redemption commitments on certificate treasury bonds that have been underwritten, sold but not matured were RMB2.36 billion at the nominal value (31 December 2024: RMB1.84 billion).

The Group's management believes that the amount of the above treasury bonds that the Group needs for early redemption before the maturity date is not significant.

As of December 31, 2025, the Group had no outstanding bond underwriting commitments that had been announced but not yet issued and were irrevocable. (31 December 2024: Nil).

(4) Legal proceedings

During the reporting period, the Group was involved as defendants in certain lawsuits arising from its normal business operations. As at 31 December 2025, the balance of provisions for litigation losses as advised by in-house or external legal professionals was RMB428.79 million (31 December 2024: RMB383.99 million). The 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.

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For the year ended 31 December 2025

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43 COLLATERALS

(1) Assets pledged

Certain financial assets of the Group are used as collaterals for financial liabilities, and the analysis of related assets is as follows:

	31 December 2025	31 December 2024
Bonds	**358,990,718**	211,688,623
Bills	**1,988,714**	250,287
Total	**360,979,432**	211,938,910

Financial assets sold under repurchase agreements included certain transactions under which the title of the pledged securities has been transferred to counterparties. As at 31 December 2025, the Group did not have derecognised financial assets sold under repurchase agreements with titles transferred to counterparties (31 December 2024: Nil).

In addition, the Group did not have collaterals for derivative transactions or collaterals in accordance with regulatory requirements.

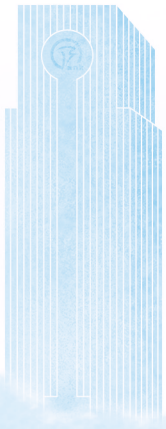
(2) Collateral accepted

The Group enters into the purchase-and-resale transactions as well as securities lending transactions in accordance with general commercial terms and holds collaterals under the transactions accordingly. As at the balance sheet date, the Group did not hold collaterals that could be directly disposed of or re-pledged in the absence of default by counterparties.

44 FIDUCIARY ACTIVITIES

The Group provides custodian and trustee services for independent third parties. These entrusted assets held by the Group are not presented in the financial information. Meanwhile, the Group grants entrusted loans on behalf of independent third party lenders, such loans are also not presented in the financial information.

	31 December 2025	31 December 2024
Entrusted loans	**36,632,151**	35,863,486
Entrusted wealth management funds	**236,485,303**	197,778,908



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45 STRUCTURED ENTITIES

(1) Unconsolidated structured entities

The unconsolidated structure entities managed by the Group are mainly the pooled investment entities established by the Group for the issuance and sale of wealth management products ("wealth management entities"). The Group had not provided any guarantee or undertaking with regard to principal or returns for these products (non-guaranteed wealth management products). Wealth management entities mainly invest in money market instruments, bonds and credit assets. As the manager of these products, the Group, on behalf of its customers, invests in the underlying assets with funds raised in accordance with the product contracts and allocates the proceeds to investors according to the operation of the products. As the manager of these assets, the Group obtains corresponding wealth management fees as income. During the year ended 31 December 2025, the Group received RMB560.96 million as income from corresponding wealth management fees (for the year ended 31 December 2024: RMB611.01 million).

As at 31 December 2025, the carrying amount of unconsolidated wealth management entities managed by the Group was RMB236.49 billion (31 December 2024: RMB197.78 billion). The Group did not purchase financial assets from unconsolidated wealth management entities during the year ended 31 December 2025 (for the year ended 31 December 2024: Nil). There are no agreed liquidity arrangements, guarantees or other commitments between the Group and wealth management entities or any third party that increase the Group's risks or decrease the Group's benefits as a result of the above wealth management products.

In order to better utilise the funds to obtain gains, the Group also invests in some of such structured entities sponsored by the Group or third-party independent organisations, which mainly include mutual funds, wealth management products, asset management plans and products under trust schemes. The Group obtains interest income and net trading gains as a result of its investments in such structured entities.

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45 STRUCTURED ENTITIES (CONTINUED)

(1) Unconsolidated structured entities (Continued)

The following table presents the carrying amount (including accrued interest) and maximum exposure to losses of the assets formed by the Group's holding of unconsolidated structured entities.

As at 31 December 2025	Carrying amount	Maximum exposure to losses
Financial assets at fair value through profit or loss		
– Fund investments	**64,641,898**	**64,641,898**
– Non-guarantee wealth management products	**4,938,602**	**4,938,602**
– Asset management plans, trust schemes and others	**1,226,702**	**1,226,702**
Financial assets at amortised cost		
– Asset management plans, trust schemes and others	**7,628,779**	**1,473,398**
Total	**78,435,981**	**72,280,600**

(2) Consolidated structured entities

The consolidated structured entities are mainly certain mutual funds, wealth management products, asset management plans and products under trust schemes for which the Group makes investment decisions.

The Group controls these entities because the Group has power over, is exposed to, or has right 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.

46 CASH AND CASH EQUIVALENTS

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprises the following amounts with an original maturity of less than three months and used to meet short-term cash commitments.

	31 December 2025	31 December 2024
Cash	**1,120,781**	1,110,290
Excess reserves	**12,895,158**	23,667,779
Deposits and placements with banks	**15,074,884**	17,923,740
Financial assets held under resale agreements	**5,699,542**	–
Total	**34,790,365**	42,701,809

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47 TRANSFERS OF FINANCIAL ASSETS

In the ordinary course of business, the Group enters into transactions by which it transfers recognised financial assets to third parties or 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 has retained substantially all the risks and rewards of these assets, the Group continues to recognise the transferred assets.

(1) Financial assets sold under repurchase agreements

Sales and repurchase agreements are transactions in which the Group sells a financial asset and simultaneously agrees to repurchase it (or an asset that is substantially the same) at a fixed price on a future date. Since the repurchase prices are fixed, the Group is still exposed to substantially all the credit risks and market risks and rewards of those securities sold. These financial assets, which the Group does not have the ability to use during the term of the arrangements, are not derecognised in the financial statements but regarded as "collateral" for the secured lending, as the Group retains substantially all of the risks and rewards of ownership of these financial assets. In addition, the Group recognises a financial liability for the consideration received.

As at 31 December 2025 and 31 December 2024, the Group entered into repurchase agreements with certain counterparties. Proceeds from selling such securities are presented as "financial assets sold under repurchase agreements".

The following table provides a summary of carrying amounts related to the transferred financial assets that are not derecognised and the associated liabilities:

	31 December 2025		31 December 2024	
	Collaterals	**Associated liabilities**	Collaterals	Associated liabilities
Bonds	**127,860,120**	**125,702,305**	13,718,646	12,607,385
Bills	**1,988,714**	**1,991,654**	–	–
Total	**129,848,834**	**127,693,959**	13,718,646	12,607,385

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47 TRANSFERS OF FINANCIAL ASSETS (CONTINUED)

(2) Asset securitisation

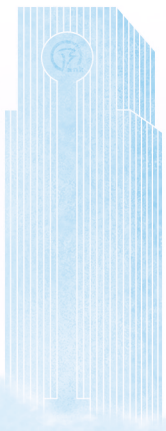
In the ordinary course of business, the Group sells credit assets to special purpose entities, which in turn issue asset-backed securities or fund shares to investors. The Group may hold a portion of its investments in subordinated tranches in such credit asset transfer transactions, thereby retaining a portion of the risks and rewards of the transferred credit assets. The Group analyses whether to derecognise the related credit assets according to the degree of the retained risks and rewards.

For credit asset securitisation that meet the conditions for derecognition, the Group derecognises all transferred credit assets, and the carrying amount of the asset-backed securities held by the Group under these credit asset securitisation transactions as at 31 December 2025 was RMB260 million (31 December 2024: RMB329 million), with the maximum exposure to loss similar to the carrying amount.

Where substantially all the risks and rewards associated with the ownership of transferred credit assets have neither been transferred nor retained, and the control over the credit assets has not been relinquished, the Group recognises the asset to the extent of its continuing involvement. In the first half of 2025, the Group did not incur any situation where it retained a certain degree of continued involvement in the transferred credit assets by holding part of the investments (2024: Nil). As at 31 December 2025, the carrying amount of the Group's self-owned securities was RMB907 million (31 December 2024: RMB998 million). The Group acts as a loan service institution for the above specific-purpose trusts, manages the credit assets transferred to the specific-purpose trusts and receives the corresponding handling fees as a loan asset manager. During the year ended 31 December 2025 and the year ended 31 December 2024, the Group did not provide financial support to the above special-purpose trusts.

(3) Disposal of non-performing financial assets

For the year ended 31 December 2025, the Group had transferred non-performing financial assets with a gross carrying amount of RMB155 million (For the year ended 31 December 2024: RMB1,999 million) and collected cash totaling RMB149 million (For the year ended 31 December 2024: RMB433 million) through transferring to third parties. The difference between the gross carrying amount and the cash collected had been written off. The Group derecognised the non-performing financial assets from the Group's financial statements at the time of disposal.



Notes to the Consolidated Financial Statements

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48 RELATED PARTY TRANSACTIONS

(1) According to requirements of IAS, the Group's major related parties and their shareholding percentage are as follows:

	Shareholding percentage	
Name of the enterprise	**31 December 2025**	31 December 2024
Deposit Insurance Fund Management Co., Ltd.	**11.22%**	11.22%
Zhongjing Xinhua Asset Management Co., Ltd.	**10.59%**	10.59%
Anhui Province Energy Group Co., Ltd.	**9.70%**	9.70%
Anhui Credit Financing Guaranty Group Co., Ltd.	**7.65%**	7.65%
China Vanke Co., Ltd.	**7.00%**	7.00%
Anhui Guoyuan Financial Holding Group Co., Ltd.	**6.29%**	6.29%
Anhui Transportation Holding Group Co., Ltd.	**5.10%**	5.10%
Hefei Xingtai Financial Holding Group Co., Ltd.	**4.98%**	4.98%
Zhongjin Sihai Industry Co., Ltd.	**3.64%**	3.64%
Wuhu Investment Holding Group Co., Ltd.	**2.12%**	2.12%

(2) Related party transactions and balances

The Group's related party transactions are mainly loans and deposits. The Group's related party transactions were conducted under general commercial terms and normal business processes, and the pricing principles were consistent with those adopted in transactions with independent third-parties.

(a) Transactions and balances with the group of shareholders holding 5% or more of the shares:

	31 December 2025		31 December 2024	
	Amount	**Percentage of similar transactions**	Amount	Percentage of similar transactions
Placements with banks and other financial institutions	**–**	**0.00%**	850,000	1.77%
Loans and advances to customers	**2,001,689**	**0.18%**	2,541,117	0.26%
Financial investments	**3,498,161**	**0.37%**	410,000	0.05%
Deposits from banks and other financial institutions	**285,663**	**0.30%**	446,114	0.25%
Deposits from customers	**5,566,806**	**0.43%**	4,245,587	0.36%
Bank's acceptance bill	**61,730**	**0.06%**	–	–
Issuance of letter of guarantee	**37,340**	**0.18%**	53,256	0.19%
Issuance of letter of credit	**197,972**	**0.36%**	123,718	0.27%

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

48 RELATED PARTY TRANSACTIONS (CONTINUED)

(2) Related party transactions and balances (Continued)

(a) Transactions and balances with the group to which shareholders holding more than 5% of the shares belong *(Continued)*

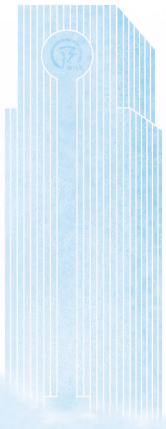
	2025		2024	
	Amount	**Percentage of similar transactions**	Amount	Percentage of similar transactions
Interest income	**87,041**	**0.13%**	111,238	0.17%
Interest expense	**27,931**	**0.08%**	107,509	0.28%
Fee and commission income	**1,221**	**0.04%**	7,145	0.22%
Fee and commission expense	**2,093**	**0.58%**	2,394	0.69%

(b) Transactions and balances with subsidiaries

The transactions between the bank and its subsidiaries have been eliminated in the preparation of these consolidated financial statements. The details of the major transactions are as follows:

	31 December 2025	31 December 2024
Placements with banks and other financial institutions	**2,050,000**	2,500,000
Financial investments	**200,000**	–
Deposits from banks and other financial institutions	**2,271,421**	2,226,935

	2025	2024
Interest income	**65,271**	104,022
Interest expense	**2,755**	2,381
Fee and commission income	**314,924**	300,766



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
(All amounts expressed in thousands of RMB unless otherwise stated)

48 RELATED PARTY TRANSACTIONS (CONTINUED)

(2) Related party transactions and balances (Continued)

(c) Transactions with associates and balances

	31 December 2025		31 December 2024	
	Amount	**Percentage of similar transactions**	Amount	Percentage of similar transactions
Financial investments	**220,142**	**0.02%**	270,000	0.03%
Deposits from banks and other financial institutions	**19,242**	**0.02%**	159,391	0.09%

	2025		2024	
	Amount	**Percentage of similar transactions**	Amount	Percentage of similar transactions
Interest income	**2,804**	**0.01%**	6,139	0.02%
Interest expense	**1,727**	**0.01%**	2,108	0.01%

(d) Transactions with key management personnel:

Key management personnel refer to those who have the authority and responsibility to plan, direct, and control the activities of the Group, either directly or indirectly. The related transactions between the Group and key management personnel, their close family members, as well as enterprises controlled, jointly controlled, or significantly influenced by key management personnel or their close family members, are consolidated and disclosed in this note.

	2025	2024
Remuneration of directors, supervisors and senior management	**14,334**	18,845

	31 December 2025	31 December 2024
Balance at the end of the year:		
Loans to key management personnel	**3,685**	4,896
Deposits from key management personnel	**12,593**	5,544

	2025	2024
Transactions during the year:		
Interest income from loans to key management personnel	**172**	86
Interest expense on deposits from key management personnel	**151**	48

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

48 RELATED PARTY TRANSACTIONS (CONTINUED)

(2) Related party transactions and balances (Continued)

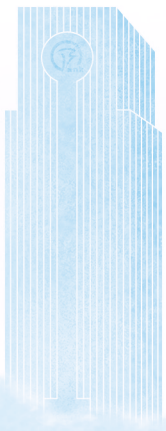
(e) Transactions and balances with the group of shareholders holding less than 5% of the shares

	31 December 2025		31 December 2024	
	Amount	**Percentage of similar transactions**	Amount	Percentage of similar transactions
Loans and advances to customers	**5,500,642**	**0.50%**	4,897,902	0.50%
Financial investments	**630,065**	**0.07%**	435,000	0.06%
Deposits from banks and other financial institutions	**–**	**0.00%**	2,347,166	1.34%
Deposits from customers	**3,037,585**	**0.23%**	11,189,782	0.96%
Issuance of bank acceptance bills	**103,741**	**0.11%**	476,112	0.46%
Issuance of letter of guarantee	**2,320**	**0.01%**	173,959	0.62%
Issuance of letter of credit	**93,509**	**0.17%**	747,560	1.64%

	2025		2024	
	Amount	**Percentage of similar transactions**	Amount	Percentage of similar transactions
Interest income	**150,110**	**0.23%**	207,523	0.31%
Interest expense	**27,189**	**0.07%**	193,146	0.51%
Fee and commission income	**4,648**	**0.15%**	1,493	0.05%
Fee and commission expense	**741**	**0.21%**	59	0.02%

(f) Transactions with Annuity Fund

Apart from the obligations for defined contributions to the Annuity Fund and normal banking transactions, no other material transactions were conducted between the Group with the Annuity Fund for the years ended 31 December 2025 and 2024.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
(All amounts expressed in thousands of RMB unless otherwise stated)

49 SEGMENT REPORTING

The Group manages its operations in terms of both business and geographic areas.

From the business perspective, the Group provides financial services through 4 major business segments listed below:

Corporate banking

The corporate banking segment encompasses banking products and services provided to corporate customers, government authorities and financial institutions. These products and services include current accounts, deposits, overdrafts, loans, trade-related products and other credit facilities, foreign currency business, and wealth management products.

Personal banking

The personal banking segment covers banking products and services provided to individual customers. These products and services include savings deposits, retail loans, credit and debit cards, payments and settlements, wealth management products and various other intermediary businesses.

Treasury

The Group's treasury business invests in debt instruments for the Group and provides money market transactions or repurchase transactions. The results of the treasury business segment include the inter-segment profit or loss effects of internal funding surpluses or shortfalls arising from operations with interest-earning assets and interest-bearing liabilities, as well as exchange gains and losses.

Others

Others represent other businesses that are not included in the above reporting segments or that cannot be allocated on a reasonable basis.

From the geographical perspective, the Group conducts its business activities mainly in Mainland China and has established a number of branches in and outside the Anhui Province. In presenting information by geographical segments, operating revenue is classified based on the location of the branch that generates the revenue; segment assets, liabilities and capital expenditure are classified based on the branch to which they are attributable.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

49 SEGMENT REPORTING (CONTINUED)

(1) Business segment

	For the year ended 31 December 2025				
	Corporate banking	Personal banking	Treasury	Others	Total
External interest income	30,156,793	14,307,602	21,068,932	–	65,533,327
External interest expense	(7,746,070)	(14,594,134)	(14,280,122)	–	(36,620,326)
Inter-segment net interest (expense)/income	(4,533,261)	8,742,163	(4,208,902)	–	–
Net interest income	17,877,462	8,455,631	2,579,908	–	28,913,001
Net fee and commission income	1,132,799	687,045	915,049	–	2,734,893
Net trading gains	–	–	1,872,572	–	1,872,572
Net gains on financial investments	–	–	3,302,214	–	3,302,214
Dividend income	–	–	5,168	–	5,168
Other operating income	97,144	50,518	24,305	289,250	461,217
Operating expenses	(3,927,136)	(4,768,547)	(574,436)	(2,136,924)	(11,407,043)
Including: Depreciation and amortisation	(391,978)	(492,681)	(51,654)	(204,870)	(1,141,183)
Impairment losses on credits	(3,149,421)	(5,583,226)	2,150,938	(170,490)	(6,752,199)
Impairment losses on assets	–	–	(355,000)	29,792	(325,208)
Net gains on investments in associates	–	–	–	380,682	380,682
Profit/(Loss) before income tax	12,030,848	(1,158,579)	9,920,718	(1,607,690)	19,185,297
Profit / (Loss) before impairment losses and income tax	15,180,269	4,424,647	8,124,780	(1,466,992)	26,262,704
Capital expenditure	305,001	383,358	40,192	159,411	887,962

	As at 31 December 2025				
	Corporate banking	Personal banking	Treasury	Others	Total
Segment assets	890,522,247	371,776,907	1,039,959,022	5,866,974	2,308,125,150
Including: Investments in associates	–	–	–	5,831,362	5,831,362
Deferred income tax assets					17,959,691
Total assets					2,326,084,841
Segment liabilities	(556,680,501)	(750,526,517)	(845,387,171)	(994,286)	(2,153,588,475)
Credit commitments and financial guarantees	172,391,938	21,904,337	–	–	194,296,275

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

49 SEGMENT REPORTING (CONTINUED)

(1) Business segment (Continued)

	For the year ended 31 December 2024				
	Corporate banking	Personal banking	Treasury	Others	Total
External interest income	32,164,089	13,348,216	20,821,843	–	66,334,148
External interest expense	(8,229,278)	(14,503,190)	(15,010,647)	–	(37,743,115)
Inter-segment net interest (expense)/income	(6,101,879)	9,053,608	(2,951,729)	–	–
Net interest income	17,832,932	7,898,634	2,859,467	–	28,591,033
Net fee and commission income	1,282,860	706,211	859,617	–	2,848,688
Net trading gains	–	–	3,220,434	–	3,220,434
Net gains on financial investments	–	–	2,104,866	–	2,104,866
Dividend income	–	–	4,624	–	4,624
Other operating income	102,369	83,874	157,814	14,738	358,795
Operating expenses	(3,629,997)	(4,509,286)	(564,508)	(1,991,033)	(10,694,824)
Including: Depreciation and amortisation	(467,734)	(395,743)	(47,947)	(169,110)	(1,080,534)
Impairment losses on credits	(113,215)	(4,152,120)	(3,413,233)	–	(7,678,568)
Impairment losses on asset	–	–	(869,506)	–	(869,506)
Net gains on investments in associates	–	–	–	103,300	103,300
Profit/(Loss) before income tax	15,474,949	27,313	4,359,575	(1,872,995)	17,988,842
Profit / (Loss) before impairment losses and income tax	15,588,164	4,179,433	8,642,314	(1,872,995)	26,536,916
Capital expenditure	193,074	239,840	30,025	105,900	568,839

	As at 31 December 2024				
	Corporate banking	Personal banking	Treasury	Others	Total
Segment assets	732,203,984	338,569,904	922,098,632	5,499,947	1,998,372,467
Including: Investments in associates	–	–	–	5,261,079	5,261,079
Deferred income tax assets					15,380,607
Total assets					2,013,753,074
Segment liabilities	(515,901,223)	(656,705,428)	(673,122,903)	(6,356,359)	(1,852,085,913)
Credit commitments and financial guarantees	177,915,105	19,072,655	–	–	196,987,760

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

49 SEGMENT REPORTING (CONTINUED)

(2) Geographical segment

	For the year ended 31 December 2025					
	Anhui Province	Jiangsu Province	Head Office	Other regions	Elimination among segments	Total
External interest income	36,990,276	2,660,052	22,699,730	3,183,269	–	65,533,327
External interest expense	(20,418,115)	(1,213,831)	(12,616,980)	(2,371,400)	–	(36,620,326)
Inter-segment net interest income/(expense)	5,217,927	299,480	(6,145,779)	628,372	–	–
Net interest income	21,790,088	1,745,701	3,936,971	1,440,241	–	28,913,001
Net fee and commission income	1,833,570	288,076	213,786	399,461	–	2,734,893
Net trading (losses)/gains	(307)	20,594	2,114,511	(262,226)	–	1,872,572
Net gains on financial investments	312,554	53,468	2,763,809	172,383	–	3,302,214
Dividend income	–	–	5,168	–	–	5,168
Other operating income	109,327	1,029	344,236	6,625	–	461,217
Operating expenses	(7,728,695)	(489,070)	(2,081,914)	(1,107,364)	–	(11,407,043)
Including: Depreciation and amortisation	(591,012)	(38,902)	(290,582)	(220,687)	–	(1,141,183)
Impairment losses on credits	(7,559,630)	(379,836)	2,584,575	(1,397,308)	–	(6,752,199)
Impairment losses on asset	–	–	29,792	(355,000)	–	(325,208)
Net gains on investments in associates	–	–	380,682	–	–	380,682
Profit/(Loss) before income tax	8,756,907	1,239,962	10,291,616	(1,103,188)	–	19,185,297
Profit before impairment losses and income tax	16,316,537	1,619,798	7,677,249	649,120	–	26,262,704
Capital expenditure	459,870	30,270	226,104	171,718	–	887,962

	As at 31 December 2025					
	Anhui Province	Jiangsu Province	Head Office	Other regions	Elimination among segments	Total
Segment assets	1,266,565,232	75,745,973	829,100,190	141,391,190	(4,677,435)	2,308,125,150
Including: Investments in associates	–	–	5,831,362	–	–	5,831,362
Deferred income tax assets						17,959,691
Total assets						2,326,084,841
Segment liabilities	(1,168,354,389)	(73,081,305)	(787,925,837)	(128,904,379)	4,677,435	(2,153,588,475)
Credit commitments and financial guarantees	1,270,917	36,795,389	101,614,316	54,956,293	(340,640)	194,296,275

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

49 SEGMENT REPORTING (CONTINUED)

(2) Geographical segment (Continued)

	For the year ended 31 December 2024					
	Anhui Province	Jiangsu Province	Head Office	Other regions	Elimination among segments	Total
External interest income	38,769,900	2,327,941	22,137,751	3,098,556	–	66,334,148
External interest expense	(21,750,504)	(1,189,979)	(12,517,649)	(2,284,983)	–	(37,743,115)
Inter-segment net interest income/(expense)	6,267,737	52,696	(7,045,337)	724,904	–	–
Net interest income	23,287,133	1,190,658	2,574,765	1,538,477	–	28,591,033
Net fee and commission income	2,069,803	241,924	234,361	302,600	–	2,848,688
Net trading gains/(losses)	46,246	(15,806)	4,691,755	(1,501,761)	–	3,220,434
Net gains on financial investments	85,518	49,298	1,864,948	105,102	–	2,104,866
Dividend income	–	–	4,624	–	–	4,624
Other operating income/(expense)	492,238	2,813	(151,305)	15,049	–	358,795
Operating expenses	(7,009,388)	(512,161)	(2,175,596)	(997,679)	–	(10,694,824)
Including: Depreciation and amortisation	(514,053)	(36,377)	(325,219)	(204,885)	–	(1,080,534)
Impairment losses on credits	(202,081)	1,239,715	(3,630,627)	(5,085,575)	–	(7,678,568)
Impairment losses on asset	10,876	–	–	(880,382)	–	(869,506)
Net gains on investments in associates	–	–	103,300	–	–	103,300
Profit/(Loss) before income tax	18,780,345	2,196,441	3,516,225	(6,504,169)	–	17,988,842
Profit/(Loss) before impairment losses and income tax	18,971,550	956,726	7,146,852	(538,212)	–	26,536,916
Capital expenditure	232,142	15,608	269,109	51,980	–	568,839

	As at 31 December 2024					
	Anhui Province	Jiangsu Province	Head Office	Other regions	Elimination among segments	Total
Segment assets	1,154,140,025	64,032,514	683,546,091	101,415,094	(4,761,257)	1,998,372,467
Including: Investments in associates	–	–	5,261,079	–	–	5,261,079
Deferred income tax assets						15,380,607
Total assets						2,013,753,074
Segment liabilities	(1,126,345,697)	(63,103,619)	(562,465,348)	(101,099,453)	928,204	(1,852,085,913)
Credit commitments and financial guarantees	108,683,262	49,983,466	1,592,811	37,040,571	(312,350)	196,987,760

Notes to the Consolidated Financial Statements

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(All amounts expressed in thousands of RMB unless otherwise stated)

50 FINANCIAL RISK MANAGEMENT

Overview

The Group's operations expose it to a variety of financial risks, and the Group analyses, evaluates, accepts and manages some level or combination of risks. Managing financial risks is critical to the financial industry, while business operations inevitably entail financial risks. The Group therefore aims to maintain an appropriate balance between risk and return in order to minimise the impact on the Group's financial performance.

The Group's financial risk management policy is designed to identify and analyse relevant financial risks in order to establish appropriate risk limits and control procedures, and to monitor financial risks and their limits through reliable information systems.

The main financial risks to which the Group is exposed are credit risk, market risk, liquidity risk and operational risk. The market risk includes exchange rate risk and interest rate risk.

The Board of Directors of the Group formulates the Group's risk appetite. Based on the risk appetite formulated by the Board of Directors, the management of the Group develops appropriate risk management policies and procedures in the areas of credit risk, market risk and liquidity risk.

(1) Credit risk

Credit risk is the risk of loss due to default by the debtor or counterparty or a reduction in their credit rating or performance ability. Credit risk increases when counterparties are concentrated in similar industries or geographical regions. On-balance sheet credit risk exposures include loans to customers, financial investments, derivatives and interbank transactions, while off-balance sheet credit risk exposures also exist. The Group's principal activities are currently concentrated in Anhui Province, the PRC, which indicates that the Group's credit portfolio is subject to concentration risk and is more susceptible to changes in economic conditions on a geographical basis. Accordingly, the management manages its credit risk exposure prudently. The Risk Management Department of the Head Office is responsible for the overall credit risk and for reporting to the management of the Group on a regular basis.

(a) Credit risk management

(i) Credit business

The Group has designed an effective organisational structure for credit risk management, credit policies and processes and also conducted systematic control procedures specifically for the identification, assessment, monitoring and management of credit risk. The Group has continuously improved its risk management system, clarified the management functions of each segment under the credit business, continuously optimised and adjusted its credit business processes, and strengthened the control and management on credit risks by means of process optimisation and digital risk controls. The Risk Management Department, the Credit Review Department and the Asset Preservation Department collaborate to manage the credit risk of the entire bank, and organises the relevant departments to regularly formulate credit policies for a certain period in accordance with the relevant national laws and regulations, economic policies and the market environment, and in conjunction with the Group's operating policies, to continuously carry out risk management of the credit business.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
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50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(1) Credit risk (Continued)

(a) Credit risk management *(Continued)*

(i) Credit business (Continued)

The Group's credit risk management policy covers key aspects of credit investigation, review and approval as well as post-credit management. In the credit investigation process, customer credit risk ratings are conducted and credit investigation reports are completed; in the review and approval process, credit operations are subject to the approval of the authorised approver; in the post-credit management process, the Group conducts continuous monitoring on activated credit projects, provides early warning on negative signals and events that may affect the repayment ability of borrowers, and takes countermeasures to prevent and control risks.

The Group has formulated a series of policies to mitigate credit risk through different methods. The acquisition of collaterals, deposits and the obtaining of guarantees from companies or individuals are among the important methods for the Bank to control credit risk. The Group has stipulated that the types of specific acceptable collaterals and pledges, including buildings and other land attachments, land use rights, machinery and equipment, construction in progress, transportation equipment, inventories, certificates of deposit, bonds, bills, accounts receivable, warehouse receipts and toll rights. When circumstances occur that may affect the realisation of the Group's pledge rights or other circumstances that require additional collaterals or changing the collateral, the Group requires measures such as the timely provision of additional guarantees or the reduction of credit balances in order to prevent risks.

The Group sets limits on the amount of credit exposure to a single borrower, group, industry and region to facilitate the optimisation of the credit risk asset structure.

(ii) Bonds and other bills

The Group manages its exposure to credit risk by limiting the types of issuers of bonds and other instruments in which it invests.

(iii) Deposits with banks and other financial institutions, placements with banks and other financial institutions as well as financial assets held under resale agreements

The Group's Head Office assesses and manages the credit risk of individual financial institutions on a regular basis. Credit lines are set up for individual banks or non-bank financial institutions with which the Group has financial dealings.

(iv) Other financial assets classified as at amortised cost

Other financial assets classified as at amortised cost include asset management plans, products under trust scheme and others. The Group has implemented a rating system for cooperating asset management companies and trust companies, and also conducts follow-up risk management on a regular basis.

Notes to the Consolidated Financial Statements

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50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(1) Credit risk (Continued)

(a) Credit risk management *(Continued)*

(v) Credit-related commitments

The main purpose of a credit commitment is to ensure that the customer can obtain the required funds. The issuance of a letter of guarantee is an irrevocable commitment made by the Group that it will honour its payment obligations on behalf of the customer in the event that the customer is unable to meet its payment obligations to third parties, and the Group bears the same credit risk as a loan. The Group generally reduces its exposure to credit risk in providing such service by charging margins. The Group's maximum exposure to potential credit risk is an amount equal to the total amount of the credit commitments.

(vi) Five-tier classification of financial assets

The Group manages the classification of financial assets in accordance with the risk classification methods and procedures stipulated in the *Measures for the Risk-based Classification of Financial Assets of Commercial Banks (Decree [2023] No.1 of the China Banking and Insurance Regulatory Commission of the People's Bank of China)*. The classification measures require banks to classify financial assets subject to credit risk according to the degree of risk into the following five categories: Normal, Special-mentioned, Substandard, Doubtful and Loss, where assets under the substandard, doubtful and loss categories are collectively referred to as non-performing assets.

The core definition of the five-tier classification is as follows:

Normal: The debtor is able to perform the contract, and there is no objective evidence showing that it is unable to repay the principal, interest or earnings in full and on time.

Special-mentioned: Although there are some factors which are likely to have adverse impact on the performance of the contract, the debtor is currently able to repay the principal, interest or earnings.

Substandard: The debtor is unable to repay the principal, interest or earnings in full, or the financial asset has been credit impaired.

Doubtful: The debtor is unable to repay the principal, interest or earnings in full, and the financial asset has been significantly credit impaired.

Loss: After all possible measures are taken, only a few part of financial assets can be recovered, or all of the financial assets are lost.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
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50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(1) Credit risk (Continued)

(a) Credit risk management *(Continued)*

(vi) Five-tier classification of financial assets (Continued)

In order to ensure that the Group's current financial asset risk classification mechanism is in line with the requirements of the Measures for the Risk-based Classification of Financial Assets of Commercial Banks, the Group's financial asset risk classification is dynamically adjusted in real time, at least quarterly.

(b) Expected credit loss ("ECL")

ECLs are a risk of default probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls which discounted at the original interest rate (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

The Group distinguishes between three stages in the calculation of ECLs, based on the changes in credit risk of a financial instrument since initial recognition:

- Stage 1: Financial instruments for which there has been no significant increase in credit risk since initial recognition are included in Stage 1, and the loss allowances is measured at an amount equal to 12-month ECLs for the financial instrument;
- Stage 2: Financial instruments with a significant increase in credit risk since initial recognition for which there is no objective evidence of impairment are included in stage 2, and the loss allowances is measured at an amount equal to lifetime ECLs for the financial instrument;
- Stage 3: Financial assets for which objective evidence of impairment exists at the balance sheet date are included in stage 3, and the loss allowances is measured at an amount equal to lifetime ECLs for the financial instrument.

For financial instruments for which a loss allowance has been measured in a previous accounting period at an amount equal to lifetime ECLs for the financial instrument, but at the current balance sheet date the financial instrument is no longer classified as a case where the credit risk has increased significantly since the initial recognition, the Group measures the loss allowance of the financial instrument at the current balance sheet date at an amount equal to 12-month ECLs.

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50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(1) Credit risk (Continued)

(b) Expected credit loss ("ECL") *(Continued)*

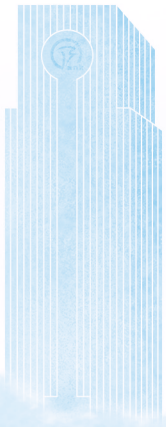
The Group measures the ECL of a financial instrument in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money;
- 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.

When measuring the ECL, it is not necessary to identify every possible scenario. However, the Group considers the risk or probability of a credit loss occurring to reflect the likelihood that a credit loss will occur and the probability that a credit loss will not occur (even if the likelihood of a credit loss occurring is remote).

The Group assesses the ECLs in conjunction with forward-looking information, and a number of models as well as assumptions are used in its ECL measurements. These models and assumptions relate to future macroeconomic conditions and the creditworthiness of the borrower (e.g. the likelihood of customer defaults and the corresponding losses). The Group uses judgements, assumptions and estimates in the measurement of ECLs as required by accounting standards, for example:

- Criteria for determining significant increase in credit risk
- Definition of credit-impaired assets
- Parameters of the ECL measurement
- Forward-looking information
- Modification of contractual cash flows



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(All amounts expressed in thousands of RMB unless otherwise stated)

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(1) Credit risk (Continued)

(b) Expected credit loss ("ECL") *(Continued)*

Criteria for determining significant increase in credit risk

The Group assesses at each balance sheet date whether there has been a significant increase in the credit risk of the relevant financial instruments since initial recognition. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort, including qualitative and quantitative analysis based on the Group's historical data, external credit risk ratings and forward-looking information. Based on a single financial instrument or a combination of financial instruments with similar credit risk characteristics, the Group compares the risk of default of financial instruments on the balance sheet date and on the initial recognition date to determine the change in default risk during the expected duration of financial instruments.

The Group considers the credit risk of financial instruments has increased significantly when one or more of the following quantitative and qualitative criteria or maximum indicators are triggered:

Quantitative criteria

The debtor's contractual payment (including principal or interest) is overdue (except for short-term overdue due to operational or technical reasons) and is not overdue more than 90 days (inclusive).

Qualitative criteria

- Significant adverse changes in the debtor's operational or financial conditions
- Special-mentioned category under the five-tier classification
- List of early warning customers
- The internal rating level of the debtor is CCC, CC, C

Definition of credit-impaired assets

The criteria adopted by the Group to determine whether a credit impairment occurs for a financial asset under *IFRS 9 – Financial instruments* is consistent with the internal credit risk management objectives for relevant financial instrument, in addition to consideration of quantitative and qualitative indicators. The Group considers the following factors when assessing whether a debtor is credit-impaired:

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For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(1) Credit risk (Continued)

(b) Expected credit loss ("ECL") *(Continued)*

Definition of credit-impaired assets (Continued)

- significant financial difficulty of the borrower or issuer;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- for economic or contractual reasons relating to the borrower's financial difficulty, the creditor having granted to the borrower a concession that would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for the financial asset because of financial difficulties of the issuer or debtor;
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses;
- the debtor is overdue more than 90 days on any principal, advances, interest or investments in corporate bonds of the Group.

The credit impairment of a financial asset may be caused by the combined effect of multiple events rather than any single identifiable event.

Parameters of the ECL measurement

Depending on there has been a significant increase in credit risk and whether credit impairment has been incurred, the Group measures the provision for impairment on the basis of 12-month ECLs or the lifetime ECLs respectively. Key parameters for the measurement of ECLs include the probability of default (PD), the loss given default (LGD) and the exposure at default (EAD). The Group considers quantitative analysis and forward-looking information of historical statistical data (such as credit ratings of counterparties, guarantee methods, types of collateral and pledges, repayment methods, etc.) to establish the PD, LGD and EAD models on the basis of the Basel II Capital Accord system, which is currently used for risk management, and in accordance with the requirements of *IFRS 9 – Financial instruments*.

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For the year ended 31 December 2025
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50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(1) Credit risk (Continued)

(b) Expected credit loss ("ECL") *(Continued)*

Parameters of the ECL measurement (Continued)

Definitions are as follows:

- PD is the likelihood that a debtor will not be able to meet its repayment obligations in the next 12 months or throughout the remaining lifetime of the debtor. The Group's PD is based on the results of the internal rating-based model, adjusted for forward-looking information and excluding prudential adjustments to reflect the "point-in-time" PD of a debtor under the current macroeconomic environment;

- LGD is the Group's expectation regarding the extent to which losses will be incurred on exposure at default. LGD varies depending on the type of counterparty, the type and priority of recourse, and the collateral. LGD is a percentage of the loss of the exposure at the time of default and is calculated on the basis of the next 12 months or the lifetime;

- EAD is the amount that would be payable by the Group in the next 12 months, or throughout the remaining lifetime, in the event of a default.

Forward-looking information

The assessment of significant increase in credit risk and the calculation of ECL involve forward-looking information. The Group conducts historical data analysis to identify key economic indicators affecting the credit risk and ECLs of each business type, such as gross domestic product (GDP) (quarterly), value added of industry (monthly), consumer price index (CPI), ex-factory price index of industrial products (PPI), private fixed asset investment, total retail sales of consumer goods, money supply, and RMB loan disbursements.

The impact of these economic indicators on the PD and the LGD varies for different types of business. The Group applies expert judgement in this process and, based on the results of the expert judgement, forecasts these economic indicators on a quarterly basis and determines the impact of these economic indicators on the PD and the LGD by performing regression analysis.

In addition to providing the baseline economic scenario, the Group combines the results of statistical analysis and expert judgement to determine other possible scenarios and their weightings. The Group measures the related loss allowance either as a weighted 12-month ECL (Stage 1) or as a weighted lifetime ECL (Stage 2 and Stage 3). The weighted credit losses above are calculated by multiplying the ECLs under each scenario by the weight of the corresponding scenario.

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For the year ended 31 December 2025

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50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(1) Credit risk (Continued)

(b) Expected credit loss ("ECL") *(Continued)*

Assessment on credit risk of financial assets with modified contractual cash flows

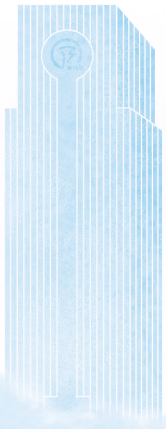
In order to achieve maximum collections, the Group sometimes modifies the contractual terms of loans as a result of commercial negotiations or financial difficulties of the borrower. Such contractual modifications include loan extensions, payment waiver period, and the provision of a grace period for repayment. Based on loans where the management judges that it is probable that the customer will continue to make repayments, the Group has loan specific restructuring policies and operating procedures, and such policies are reviewed on an ongoing basis. Restructuring of loans is most common in the management of medium-term and long-term loans.

When a contractual modification does not result in substantial changes and does not lead to derecognition of the original asset, the Group continues to assess the risk of default of the modified asset at the balance sheet date by comparing it with the risk of default at initial recognition under the terms of the original contract. The Group monitors the subsequent status of the modified assets. If the Group determines, after assessment, that the credit risk has been significantly improved as a result of contractual modifications, the related assets are transferred from Stage 3 or Stage 2 to Stage 1, and the basis of calculation of the loss allowance is changed from the lifetime ECL to the 12-month ECL. Assets should be observed for at least six consecutive months to meet specific criteria before being reversed.

(c) Maximum exposure to credit risk

(i) Financial instruments included in impairment assessment

The table below analyses the Group's exposure to credit risk of major financial instruments included in the ECL assessment. The information on maximum credit risk exposure reflects the worst-case scenario for credit risk exposures at the end of each reporting period, without taking into account any available collaterals or other credit enhancements. The Group's credit risk exposures arise mainly from the credit business as well as treasury business.



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For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(1) Credit risk (Continued)

(c) Maximum exposure to credit risk (Continued)

(i) Financial instruments included in impairment assessment (Continued)

	31 December 2025								
	Book value				Provision for impairment				Maximum exposure to credit risk
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	
Financial assets at amortised cost									
Balances with the central bank	82,261,760	-	-	82,261,760	-	-	-	-	82,261,760
Deposits with banks and other financial institutions	12,380,576	-	-	12,380,576	(36,350)	-	-	(36,350)	12,344,226
Placements with banks and other financial institutions	54,090,840	-	-	54,090,840	(157,066)	-	-	(157,066)	53,933,774
Financial assets held under resale agreements	5,699,750	-	-	5,699,750	(63,836)	-	-	(63,836)	5,635,914
Loans and advances to customers	1,001,314,142	21,254,957	12,290,075	1,034,859,174	(12,079,130)	(9,540,940)	(9,366,486)	(30,986,556)	1,003,872,618
Financial investments	548,332,442	192,556	7,000,510	555,525,508	(984,526)	(88,909)	(6,804,305)	(7,877,740)	547,647,768
Lease receivables	67,190,411	5,737,057	1,459,180	74,386,648	(667,553)	(2,649,905)	(1,389,233)	(4,706,691)	69,679,957
Other financial assets	4,191,254	163,929	471,013	4,826,196	(65,095)	(78,843)	(314,925)	(458,863)	4,367,333
Total	1,775,461,175	27,348,499	21,220,778	1,824,030,452	(14,053,556)	(12,358,597)	(17,874,949)	(44,287,102)	1,779,743,350
Financial assets at fair value through other comprehensive income									
Loans and advances to customers	97,701,989	-	-	97,701,989	-	-	-	-	97,701,989
Financial investments	211,675,932	380,855	146,719	212,203,506	-	-	-	-	212,203,506
Total	309,377,921	380,855	146,719	309,905,495	-	-	-	-	309,905,495
Credit commitments	193,291,274	1,005,001	-	194,296,275	-	-	-	-	194,296,275

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For the year ended 31 December 2025

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50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(1) Credit risk (Continued)

(c) Maximum exposure to credit risk (Continued)

(i) Financial instruments included in impairment assessment (Continued)

	31 December 2024								
	Book value				Provision for impairment				Maximum exposure to credit risk
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	
Financial assets at amortised cost									
Balances with the central bank	91,342,395	–	–	91,342,395	–	–	–	–	91,342,395
Deposits with banks and other financial institutions	14,693,576	–	–	14,693,576	(17,369)	–	–	(17,369)	14,676,207
Placements with banks and other financial institutions	48,116,000	–	–	48,116,000	(103,552)	–	–	(103,552)	48,012,448
Financial assets held under resale agreements	12,075,953	–	–	12,075,953	(171,936)	–	–	(171,936)	11,904,017
Loans and advances to customers	899,229,311	18,452,790	9,876,240	927,558,341	(11,857,777)	(8,371,590)	(8,008,893)	(28,238,260)	899,320,081
Financial investments	431,402,051	744,636	7,602,168	439,748,855	(2,254,582)	(335,082)	(7,555,385)	(10,145,049)	429,603,806
Lease receivables	55,074,882	6,588,097	612,064	62,275,043	(589,955)	(3,142,585)	(584,092)	(4,316,632)	57,958,411
Other financial assets	605,735	102,208	552,509	1,260,452	(2,884)	(45,847)	(81,935)	(130,666)	1,129,786
Total	1,552,539,903	25,887,731	18,642,981	1,597,070,615	(14,998,055)	(11,895,104)	(16,230,305)	(43,123,464)	1,553,947,151
Financial assets at fair value through other comprehensive income									
Loans and advances to customers	76,622,040	7,015	–	76,629,055	–	–	–	–	76,629,055
Financial investments	173,043,752	383,735	161,514	173,589,001	–	–	–	–	173,589,001
Total	249,665,792	390,750	161,514	250,218,056	–	–	–	–	250,218,056
Credit commitments	194,858,890	2,041,370	87,500	196,987,760	–	–	–	–	196,987,760

(ii) Financial instruments not included in impairment assessment

The analysis of the Group's credit risk exposure of those financial assets at fair value through profit or loss which are not included in the impairment assessment are as follows:

	31 December 2025	31 December 2024
Derivative financial instruments	**46,191**	154,242
Financial investments		
– Financial assets at fair value through profit or loss	**191,102,469**	168,109,461
Total	**191,148,660**	168,263,703

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For the year ended 31 December 2025
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50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(1) Credit risk (Continued)

(d) Risk limit management and mitigation measures

The Group carefully manages and controls credit risk concentrations, including individual borrower, group, industry and region. The Group has established mechanisms to set the credit risk limit that an individual borrower can bear, and the Group also conducts reviews on the credit risk limit at least once a year.

The Group implements the one-tier corporate management system, with the Head Office managing the business licences of branches and operating departments. Based on the regional economic development situation, branch operation and management level, credit business varieties, as well as customers' credit rating, guarantee method and customer scale, etc., the head office implements dynamic and flexible authorisation of credit business operation to branches on an annual basis, and conducts regular inspections and supervision of the implementation of the authorisation to ensure that the operating behaviour of branches and various operating departments is in line with the authorisation provisions.

The Group has formulated a series of policies and adopted various measures to mitigate credit risk. The acquisition of collaterals, deposits and the obtaining of guarantees from companies or individuals are among the important methods for the Bank to control credit risk.

The Group has established a series of pledge policies setting out the types of specific pledges that are acceptable, which mainly include the following types:

- Properties and land use rights
- General movable properties
- Term deposit certificates, bonds, commanding warehouse receipts, etc.

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For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(1) Credit risk (Continued)

(d) Risk limit management and mitigation measures *(Continued)*

The fair value of pledged collaterals is generally subject to appraisal by professional appraisal organisations designated by the Group. In order to reduce credit risk, the Group has stipulated the maximum collateral rate (the ratio of loan amount to the fair value of the collateral) for different collaterals. The major types of collateral and their corresponding maximum collateral rates for corporate loans and retail loans are as follows:

Collaterals	Maximum collateral rate
Residential properties, commercial properties, and construction land use rights	70%
Office buildings	60%
General movable properties	50%
RMB deposit receipts, cashier's checks, government bonds	90%
Financial bonds	80%
Commanding warehouse receipts	60%

For loans guaranteed by third parties, the Group assesses the guarantor's financial condition, historical creditworthiness, and its repayment ability.

Loans that are credit-impaired and the related holding of collaterals to mitigate the potential losses are presented below:

	31 December 2025			
	Gross exposure	**Provision for impairment**	**Carrying amount**	**Exposures covered by collaterals**
Loans and advances at amortised cost	**12,290,075**	**(9,366,486)**	**2,923,589**	**2,629,800**

	31 December 2024			
	Gross exposure	Provision for impairment	Carrying amount	Exposures covered by collaterals
Loans and advances at amortised cost	9,876,240	(8,008,893)	1,867,347	3,652,514

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For the year ended 31 December 2025

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50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(1) Credit risk (Continued)

(e) Credit risk rating of bond investments

Distribution of ratings by external rating agencies on bond investments held by the Group at the balance sheet date:

	31 December 2025			
	Financial assets at fair value through profit or loss	**Financial assets at amortised cost**	**Financial assets at fair value through other comprehensive income**	**Total**
Inter-bank certificate of deposits issued	**36,944,205**	**–**	**1,589,867**	**38,534,072**
Government bonds	**3,271,029**	**354,476,229**	**58,766,928**	**416,514,186**
Bonds issued by policy banks	**19,872,673**	**173,709,350**	**40,150,906**	**233,732,929**
Other bonds				
– AAA	**51,076,638**	**7,294,644**	**36,155,783**	**94,527,065**
– AA – to AA+	**6,976,169**	**5,179,180**	**72,053,369**	**84,208,718**
– Not rated	**206,504**	**1,192,045**	**1,064,720**	**2,463,269**
Total	**118,347,218**	**541,851,448**	**209,781,573**	**869,980,239**

	31 December 2024			
	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Financial assets at fair value through other comprehensive income	Total
Inter-bank certificate of deposits issued	2,329,127	–	4,444,849	6,773,976
Government bonds	4,283,352	287,368,622	78,080,830	369,732,804
Bonds issued by policy banks	10,208,307	6,744,902	20,470,233	37,423,442
Other bonds				
– AAA	3,361,614	8,076,239	10,405,450	21,843,303
– AA – to AA++	3,536,646	1,124,753	3,469,327	8,130,726
– Not rated	6,868,191	12,282,951	54,464,852	73,615,994
Total	30,587,237	315,597,467	171,335,541	517,520,245

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For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(1) Credit risk (Continued)

(f) Concentration risk analysis for financial assets with credit risk exposure

Concentration risk for geographical sectors

31 December 2025	Mainland China	Hong Kong	Others	Total
Balances with the central bank	**82,261,760**	**–**	**–**	**82,261,760**
Deposits with banks and other financial institutions	**11,515,806**	**5,323**	**823,097**	**12,344,226**
Placements with banks and other financial institutions	**53,933,774**	**–**	**–**	**53,933,774**
Derivative financial assets	**46,191**	**–**	**–**	**46,191**
Financial assets held under resale agreements	**5,635,914**	**–**	**–**	**5,635,914**
Loans and advances to customers	**1,101,574,607**	**–**	**–**	**1,101,574,607**
Financial investments				
– Financial assets at fair value through profit or loss	**191,102,469**	**–**	**–**	**191,102,469**
– Financial assets at amortised cost	**538,189,760**	**9,458,008**	**–**	**547,647,768**
– Financial assets at fair value through other comprehensive income	**212,620,441**	**–**	**–**	**212,620,441**
Lease receivables	**69,679,957**	**–**	**–**	**69,679,957**
Other financial assets	**4,367,333**	**–**	**–**	**4,367,333**
Total	**2,270,928,012**	**9,463,331**	**823,097**	**2,281,214,440**

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50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(1) Credit risk (Continued)

(f) Concentration risk analysis for financial assets with credit risk exposure (Continued)

Concentration risk for geographical sectors (Continued)

31 December 2024	Mainland China	Hong Kong	Others	Total
Balances with the central bank	91,342,395	–	–	91,342,395
Deposits with banks and other financial institutions	14,130,638	6,583	538,986	14,676,207
Placements with banks and other financial institutions	48,012,448	–	–	48,012,448
Derivative financial assets	154,242	–	–	154,242
Financial assets held under resale agreements	11,904,017	–	–	11,904,017
Loans and advances to customers	975,949,136	–	–	975,949,136
Financial investments				
– Financial assets at fair value through profit or loss	167,412,009	697,452	–	168,109,461
– Financial assets at amortised cost	419,971,095	9,632,711	–	429,603,806
– Financial assets at fair value through other comprehensive income	173,959,298	–	–	173,959,298
Lease receivables	57,958,411	–	–	57,958,411
Other financial assets	1,129,786	–	–	1,129,786
Total	1,961,923,475	10,336,746	538,986	1,972,799,207

(2) Market risk

Market risk is the risk of fluctuations in the fair value or future cash flows of the Group's exposure to financial instruments held by the Group as a result of fluctuations in market prices, which mainly include fluctuation risks arising from interest rates, exchange rates, equities, commodities and their implied volatility.

The Group's market risk consists of transactional market risk from trading business as well as interest rate and exchange rate risk on the bank accounts due to changes in the overall return and economic value of the bank accounts as a result of changes in elements such as the interest rate level, exchange rate level and the maturity structure.

The Board of Directors of the Bank is ultimately responsible for monitoring the Bank's market risk management to ensure that the Bank effectively identifies, measures, monitors and controls various market risks assumed by each business. Within the authority scope of the Board of Directors, the operating management is fully responsible for the implementation of the market risk management strategies, policies and various decisions approved by the Board of Directors. The Risk Management Department of the Head Office is the unified management department on the market risk, which mainly manages the market risk of the whole bank at the system level and supervises the implementation of the relevant departments.

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50 FINANCIAL RISK MANAGEMENT (CONTINUED)

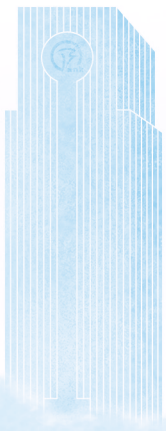
(2) Market risk (Continued)

(a) Market risk measurement techniques

In measuring and monitoring market risk, the Group mainly adopts sensitivity analysis, foreign exchange exposure analysis, gap analysis, duration analysis, stress testing and value-at-risk analysis. In managing market risk, the Group adopts strict authorisation limits, which are determined based on factors such as the Group's overall ability to withstand market risk, product categories and the Group's business strategies. The Group sets different exposure limits and adopts different quantitative measures to manage different categories of market risk on the Group's trading and bank accounts. The Group has also optimised the risk management system of the treasury business, adjusted the relevant risk parameters and improved the risk measurement models in accordance with regulatory requirements.

(b) Interest rate risk

Interest rate risk is the risk that the Bank's financial position will be adversely affected by changes in interest rate level. The Group's interest rate risk arises primarily from the risk of mismatch in the maturity or repricing term structure of the Bank's portfolio. A mismatch in the term structure may result in the Group's net interest income being affected by changes in the prevailing interest rate level. In addition, different pricing benchmarks for different products may also result in exposure to interest rate risk for assets and liabilities within the same repricing term. Currently, the Group assesses the interest rate risk exposure mainly through gap analysis, sensitivity analysis and duration analysis. The Group manages its exposure to interest rate risk by adjusting the term of the Bank's portfolio primarily based on the assessment of potential changes in the interest rate environment.



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50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(2) Market risk (Continued)

(b) Interest rate risk (Continued)

The following table summarises the Group's interest rate risks. Assets and liabilities in the table are classified according to the earlier of the contractual repricing date and the maturity date and are stated at book value.

31 December 2025	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest-bearing	Total
Assets							
Cash and balances with the central bank	81,668,934	–	–	–	–	1,713,607	83,382,541
Deposits with banks and other financial institutions	12,181,767	124,978	29,966	–	–	7,515	12,344,226
Placements with banks and other financial institutions	4,648,192	14,355,403	24,312,720	10,483,819	–	133,640	53,933,774
Derivative financial assets	–	–	–	–	–	46,191	46,191
Financial assets held under resale agreements	5,635,706	–	–	–	–	208	5,635,914
Loans and advances to customers	234,502,470	202,345,965	488,824,235	113,906,595	60,142,232	1,853,110	1,101,574,607
Financial investments							
– Financial assets at fair value through profit or loss	2,555,509	6,811,639	35,389,449	61,741,361	11,625,805	72,978,706	191,102,469
– Financial assets at amortised cost	746,954	7,405,618	23,514,012	185,497,748	325,261,055	5,222,381	547,647,768
– Financial assets at fair value through other comprehensive income	3,488,396	8,737,410	21,492,504	124,350,719	51,712,544	2,838,868	212,620,441
Lease receivables	53,602,708	4,769,687	9,229,742	1,202,072	21,844	853,904	69,679,957
Other financial assets	–	–	–	–	–	4,367,333	4,367,333
Total assets	399,030,636	244,550,700	602,792,628	497,182,314	448,763,480	90,015,463	2,282,335,221
Liabilities							
Borrowings from the central bank	(24,702,000)	(20,932,390)	(130,139,296)	–	–	(739,862)	(176,513,548)
Deposits from banks and other financial institutions	(10,295,790)	(26,900,000)	(57,482,000)	–	–	(656,049)	(95,333,839)
Placements from banks and other financial institutions	(11,075,825)	(13,813,481)	(33,146,467)	(2,386,945)	–	(348,107)	(60,770,825)
Financial liabilities at fair value through profit or loss	–	–	–	–	–	(2,022,423)	(2,022,423)
Derivative financial liabilities	–	–	–	–	–	(44,177)	(44,177)
Financial assets sold under repurchase agreements	(129,605,079)	(545,592)	–	–	–	(50,179)	(130,200,850)
Deposits from customers	(427,448,771)	(122,295,283)	(290,951,101)	(425,456,426)	(49,618)	(29,469,660)	(1,295,670,859)
Bonds issued	(47,798,995)	(55,635,046)	(196,906,485)	(55,800,000)	(16,000,000)	(900,403)	(373,040,929)
Other financial liabilities	(31,368)	(41,895)	(241,251)	(685,843)	(103,808)	(3,343,766)	(4,447,931)
Total liabilities	(650,957,828)	(240,163,687)	(708,866,600)	(484,329,214)	(16,153,426)	(37,574,626)	(2,138,045,381)
Total interest rate sensitivity gap	(251,927,192)	4,387,013	(106,073,972)	12,853,100	432,610,054	52,440,837	144,289,840

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(All amounts expressed in thousands of RMB unless otherwise stated)

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(2) Market risk (Continued)

(b) Interest rate risk (Continued)

31 December 2024	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest-bearing	Total
Assets							
Cash and balances with the central bank	91,304,051	–	–	–	–	1,148,634	92,452,685
Deposits with banks and other financial institutions	14,206,699	100,056	350,196	–	–	19,256	14,676,207
Placements with banks and other financial institutions	7,972,138	14,449,360	25,315,500	–	–	275,450	48,012,448
Derivative financial assets	–	–	–	–	–	154,242	154,242
Financial assets held under resale agreements	11,900,832	–	–	–	–	3,185	11,904,017
Loans and advances to customers	376,160,169	105,981,404	345,774,542	82,704,718	64,440,692	887,611	975,949,136
Financial investments							
– Financial assets at fair value through profit or loss	3,215,472	1,992,115	7,982,251	16,921,473	4,193,397	133,804,753	168,109,461
– Financial assets at amortised cost	4,007,887	7,499,491	33,311,572	153,284,472	223,695,375	7,805,009	429,603,806
– Financial assets at fair value through other comprehensive income	7,671,182	9,198,754	10,826,231	99,714,212	43,925,162	2,623,757	173,959,298
Lease receivables	57,060,461	95,080	120,791	667,218	14,861	–	57,958,411
Other financial assets	–	–	–	–	–	1,129,786	1,129,786
Total assets	573,498,891	139,316,260	423,681,083	353,292,093	336,269,487	147,851,683	1,973,909,497
Liabilities							
Borrowings from the central bank	(23,700,000)	(11,694,712)	(103,601,836)	–	–	(583,055)	(139,579,603)
Deposits from banks and other financial institutions	(7,564,666)	(76,998,000)	(89,965,000)	–	–	(1,191,289)	(175,718,955)
Placements from banks and other financial institutions	(6,620,405)	(11,087,500)	(28,160,580)	(3,148,970)	–	(501,163)	(49,518,618)
Derivative financial liabilities	–	–	–	–	–	(131,083)	(131,083)
Financial assets sold under repurchase agreements	(17,313,926)	–	(1,365,450)	–	–	(126,760)	(18,806,136)
Deposits from customers	(398,624,270)	(94,502,594)	(234,905,229)	(410,933,732)	(382)	(27,954,441)	(1,166,920,648)
Bonds issued	(9,472,550)	(72,758,780)	(134,225,588)	(51,500,000)	(14,000,000)	(989,375)	(282,946,293)
Other financial liabilities	–	(37)	(17,008)	(494,779)	(483,890)	(1,694,439)	(2,690,153)
Total liabilities	(463,295,817)	(267,041,623)	(592,240,691)	(466,077,481)	(14,484,272)	(33,171,605)	(1,836,311,489)
Total interest rate sensitivity gap	110,203,074	(127,725,363)	(168,559,608)	(112,785,388)	321,785,215	114,680,078	137,598,008

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For the year ended 31 December 2025
(All amounts expressed in thousands of RMB unless otherwise stated)

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(2) Market risk (Continued)

(b) Interest rate risk *(Continued)*

The Group minimises the interest rate sensitivity gap between assets and liabilities mainly by narrowing the loan repricing term and the duration of investment business, etc.

The majority of the Group's interest-bearing assets and liabilities are denominated in RMB. The potential impact on the Group's net interest income if the yield curves of assets denominated in various currencies were shifted by 100 basis points in parallel, with other factors held constant, as at the balance sheet dates shown below, is analysed as follows:

	Movements in expected net interest income	
	31 December 2025	31 December 2024
100 basis points parallelly shift up in yield curves	**(753,576)**	1,788,326
100 basis points parallelly shift down in yield curves	**753,576**	(1,788,326)

The sensitivity analysis to other comprehensive income is based on the effect of changes in fair value of financial instruments held at fair value through other comprehensive income at each balance sheet date after revaluation at certain interest rate changes, as analysed below:

	31 December 2025	31 December 2024
Increase by 100 basis points	**(6,154,873)**	(5,121,883)
Decrease by 100 basis points	**6,361,940**	5,459,977

The above sensitivity analysis is based on assets and liabilities having a static interest rate risk structure. The relevant analysis only measures changes in interest rates within one year and reflects the impact of repricing of the Group's assets and liabilities on the Group's annualised net interest income within one year based on the following assumptions:

- The fluctuation range of interest rates for different interest-bearing assets and interest-bearing liabilities is the same;
- The interest rates for demand deposits and the central bank reserves remain unchanged;
- The yield curve moves in a parallel fashion as changes in interest rates;
- All repriced assets and liabilities are assumed to be repriced in the middle of the period to which they relate;

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For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(2) Market risk (Continued)

(b) Interest rate risk *(Continued)*

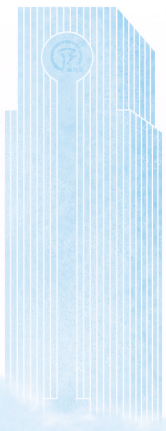
- Changes in business after the balance sheet date are not considered and the analysis is based on a static gap at the balance sheet date;
- The impact of changes in interest rate on the customer behaviour is not considered;
- The impact of changes in interest rate on market prices is not considered;
- The necessary measures taken by the Group for changes in interest rate are not considered.

Based on the above constraints, the actual changes in the Group's net profit as a result of an increase or decrease in interest rate may differ from the results of the sensitivity analysis.

(c) Foreign exchange risk

The Group is exposed to foreign exchange risk, which is the risk that the level of positions held by the Group in foreign currency exposures will be affected by fluctuations in the exchange rates of major foreign currencies. The Group's main principle in controlling foreign exchange risk is to match its assets and liabilities across currencies as closely as possible and to keep the foreign exchange risk within the limits set by the Group. The Group sets risk tolerance limits in accordance with the guidelines of the Risk Management Committee, relevant regulatory requirements and the management's evaluation on the current environment, and minimises possible currency mismatches between assets and liabilities by rationalising the sources and uses of funds denominated in foreign currency. Foreign exchange risk exposure is subject to license management by business type and dealer authority.

The following table summarises the distribution of the Group's foreign exchange exposure as at the balance sheet date, with the carrying amounts of assets and liabilities denominated in the respective original currencies translated into RMB:



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For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(2) Market risk (Continued)

(c) Foreign exchange risk (Continued)

31 December 2025	RMB	USD	EUR	Others	Total
Assets					
Cash and balances with the central bank	83,157,597	220,037	1,646	3,261	83,382,541
Deposits with banks and other financial institutions	10,985,901	1,108,911	72,599	176,815	12,344,226
Placements with banks and other financial institutions	52,164,875	1,768,899	–	–	53,933,774
Derivative financial assets	24,887	20,126	890	288	46,191
Financial assets held under resale agreements	5,635,914	–	–	–	5,635,914
Loans and advances to customers	1,100,662,237	898,234	3,671	10,465	1,101,574,607
Financial investments					
– Financial assets at fair value through profit or loss	191,102,469	–	–	–	191,102,469
– Financial assets at amortised cost	547,642,289	5,479	–	–	547,647,768
– Financial assets at fair value through other comprehensive income	212,620,441	–	–	–	212,620,441
Lease receivables	69,679,957	–	–	–	69,679,957
Other financial assets	4,365,353	115	–	1,865	4,367,333
Total assets	2,278,041,920	4,021,801	78,806	192,694	2,282,335,221
Liabilities					
Borrowings from the central bank	(176,513,548)	–	–	–	(176,513,548)
Deposits from banks and other financial institutions	(95,333,798)	(41)	–	–	(95,333,839)
Placements from banks and other financial institutions	(59,279,057)	(1,491,768)	–	–	(60,770,825)
Financial liabilities measured at fair value through profit or loss	(2,022,423)	–	–	–	(2,022,423)
Derivative financial liabilities	(30,996)	(11,414)	(1,599)	(168)	(44,177)
Financial assets sold under repurchase agreements	(130,200,850)	–	–	–	(130,200,850)
Deposits from customers	(1,292,591,260)	(425,482)	(7,324)	(2,646,793)	(1,295,670,859)
Bonds issued	(373,040,929)	–	–	–	(373,040,929)
Other financial liabilities	(4,356,703)	(12,264)	(560)	(78,404)	(4,447,931)
Total liabilities	(2,133,369,564)	(1,940,969)	(9,483)	(2,725,365)	(2,138,045,381)
Net position	144,672,356	2,080,832	69,323	(2,532,671)	144,289,840
Credit commitments and financial guarantees	179,270,700	14,363,881	230,764	430,930	194,296,275

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For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(2) Market risk (Continued)

(c) Foreign exchange risk (Continued)

31 December 2024	RMB	USD	EUR	Others	Total
Assets					
Cash and balances with the central bank	92,275,253	173,688	1,219	2,525	92,452,685
Cash and balances with the central bank	13,340,997	947,920	143,010	244,280	14,676,207
Placements with banks and other financial institutions	46,121,899	1,890,549	–	–	48,012,448
Derivative financial assets	90,391	55,310	2,619	5,922	154,242
Financial assets held under resale agreements	11,904,017	–	–	–	11,904,017
Loans and advances to customers	974,801,307	1,134,442	–	13,387	975,949,136
Financial investments					
– Financial assets at fair value through profit or loss	168,098,464	10,997	–	–	168,109,461
– Financial assets at amortised cost	429,603,806	–	–	–	429,603,806
– Financial assets at fair value through other comprehensive income	173,959,298	–	–	–	173,959,298
Lease receivables	57,958,411	–	–	–	57,958,411
Other financial assets	961,150	167,848	788	–	1,129,786
Total assets	1,969,114,993	4,380,754	147,636	266,114	1,973,909,497
Liabilities					
Borrowings from the central bank	(139,579,603)	–	–	–	(139,579,603)
Deposits from banks and other financial institutions	(175,718,913)	(42)	–	–	(175,718,955)
Placements from banks and other financial institutions	(48,778,213)	(740,405)	–	–	(49,518,618)
Derivative financial liabilities	(97,177)	(22,731)	(508)	(10,667)	(131,083)
Financial assets sold under repurchase agreements	(18,806,136)	–	–	–	(18,806,136)
Deposits from customers	(1,161,843,383)	(4,961,867)	(82,259)	(33,139)	(1,166,920,648)
Bonds issued	(282,946,293)	–	–	–	(282,946,293)
Other financial liabilities	(2,690,153)	–	–	–	(2,690,153)
Total liabilities	(1,830,459,871)	(5,725,045)	(82,767)	(43,806)	(1,836,311,489)
Net position	138,655,122	(1,344,291)	64,869	222,308	137,598,008
Credit commitments and financial guarantees	174,645,308	20,407,262	1,084,179	851,011	196,987,760

The Group's net foreign exchange exposure was insignificant, with the main foreign currencies being the USD and the EUR. When the foreign exchange rate against the RMB changes by 1%, the potential impact on the Group's net profit arising from the foreign exchange translation differences due to exchange rate fluctuations of the Group's net foreign exchange exposure as mentioned above is analysed as follows:

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For the year ended 31 December 2025
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50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(2) Market risk (Continued)

(c) Foreign exchange risk *(Continued)*

Currency	Changes in foreign exchange rates	Movements in expected net interest income	
		31 December 2025	31 December 2024
USD	+1%	**15,606**	(17,431)
EUR	+1%	**520**	1,683

In performing the exchange rate sensitivity analysis, the Group has made the following general assumptions in determining the business conditions and financial parameters, but has not taken into account:

- Changes in businesses after the balance sheet date and analysis of static gaps based on the balance sheet date;
- The impact of exchange rate changes on customer behavior;
- The impact of exchange rate changes on market prices;
- The necessary measures taken by the Group against changes in exchange rates.

Based on the above constraints, the actual changes in the Group's net profit as a result of movements in exchange rate may differ from the results of the sensitivity analysis.

(3) Liquidity risk

Maintaining the matching on the maturity structure of assets and liabilities as well as the effective control over matching variances are of paramount importance to the management of the Group. Due to the uncertain maturities and different categories of business, banks rarely maintain a perfect match between assets and liabilities. Unmatched positions may enhance returns, but also increase the risk of losses.

The matching on the maturity structure of assets and liabilities as well as the bank's ability to replace maturing interest-bearing liabilities at an acceptable cost are important factors in evaluating the bank's liquidity and exposures to interest rate as well as exchange rate changes.

The Group is exposed to various types of routine cash withdrawal requirements, which include payment requirements for overnight deposits, demand deposits, maturing time deposits, bonds payable, customer loan drawdowns, guarantees and other cash-settled derivative financial instruments. Based on historical experience, a significant portion of maturing deposits are not withdrawn immediately on maturity but are renewed with the Group. To ensure that it can cope with unforeseen funding requirements, the Group has set minimum standards of fund deposits to cater for various types of withdrawal requests.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(3) Liquidity risk (Continued)

(a) Analysis of undiscounted cash flows

The following table shows an analysis on undiscounted contractual cash flows of financial liabilities at the balance sheet dates. The actual cash flows of these financial instruments may be significantly different from the analysis presented below.

31 December 2025	Spot	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Liabilities							
Borrowings from the central bank	-	(24,923,208)	(21,650,305)	(131,528,849)	-	-	(178,102,362)
Deposits from banks and other financial institutions	(5,747,587)	(4,746,363)	(27,436,946)	(58,065,762)	-	-	(95,996,658)
Placements from banks and other financial institutions	-	(11,206,201)	(14,094,326)	(35,553,217)	(2,423,023)	-	(63,276,767)
Financial liability through profit and loss	(2,022,423)	-	-	-	-	-	(2,022,423.00)
Financial assets sold under repurchase agreements	-	(129,653,015)	(555,878)	-	-	-	(130,208,893)
Deposits from customers	(336,922,307)	(92,969,364)	(125,948,738)	(301,924,870)	(445,498,020)	(51,404)	(1,303,314,703)
Bonds issued	-	(48,036,802)	(56,193,604)	(200,558,224)	(59,099,481)	(17,378,440)	(381,266,551)
Other financial liabilities	(1,446,165)	(1,930,429)	(42,958)	(253,745)	(727,247)	(136,502)	(4,537,046)
Total non-derivative financial liabilities	(346,138,482)	(313,465,382)	(245,922,755)	(727,884,667)	(507,747,771)	(17,566,346)	(2,158,725,403)
Derivative financial instruments							
Derivative financial instruments with full-amount delivery	-	(97,583)	(111,002)	(31,594)	(23,645)	-	(263,824)
– Total cash inflows	-	5,416,198	1,961,878	955,082	1,448,415	-	9,781,573
– Total cash outflows	-	(5,513,781)	(2,072,880)	(986,676)	(1,472,060)	-	(10,045,397)
Derivative financial instruments with net-amount delivery	-	165	430	-	(2,461)	-	(1,866)
Total derivative financial instruments	-	(97,418)	(110,572)	(31,594)	(26,106)	-	(265,690)

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(All amounts expressed in thousands of RMB unless otherwise stated)

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(3) Liquidity risk (Continued)

(a) Analysis of undiscounted cash flows (Continued)

31 December 2024	Spot	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Liabilities							
Borrowings from the central bank	–	(23,913,744)	(12,078,967)	(105,548,016)	–	–	(141,540,727)
Deposits from banks and other financial institutions	(5,366,200)	(2,222,330)	(77,943,604)	(91,954,322)	–	–	(177,486,456)
Placements from banks and other financial institutions	–	(7,128,581)	(11,147,784)	(28,522,033)	(3,264,142)	–	(50,062,540)
Financial assets sold under repurchase agreements	–	(17,512,769)	–	(1,393,137)	–	–	(18,905,906)
Deposits from customers	(314,654,350)	(86,824,809)	(98,619,370)	(246,432,294)	(445,384,453)	(565)	(1,191,915,841)
Bonds issued	–	(9,600,468)	(64,963,922)	(141,420,728)	(56,392,500)	(14,605,400)	(286,983,018)
Other financial liabilities	(1,593,501)	(100,938)	(37)	(17,008)	(494,779)	(483,890)	(2,690,153)
Total non-derivative financial liabilities	(321,614,051)	(147,303,639)	(264,753,684)	(615,287,538)	(505,535,874)	(15,089,855)	(1,869,584,641)
Derivative financial instruments							
Derivative financial instruments with full-amount delivery	–	1,848	26,392	5,707	7,335	–	41,282
– Total cash inflows	–	2,128,807	1,874,382	306,625	1,494,401	–	5,804,215
– Total cash outflows	–	(2,126,959)	(1,847,990)	(300,918)	(1,487,066)	–	(5,762,933)
Derivative financial instruments with net-amount delivery	–	805	(886)	735	(6,860)	–	(6,206)
Total derivative financial instruments	–	2,653	25,506	6,442	475	–	35,076

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(All amounts expressed in thousands of RMB unless otherwise stated)

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(3) Liquidity risk (Continued)

(b) Maturity analysis

The table below analyses the Group's assets and liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

31 December 2025	Repayable on demand	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Overdue	Indefinite	Total
Cash and balances with the central bank	14,015,941	-	38,665	-	-	-	-	69,327,935	83,382,541
Deposits with banks and other financial institutions	11,478,409	705,694	129,927	30,196	-	-	-	-	12,344,226
Placements with banks and other financial institutions	-	4,665,752	14,444,735	24,339,468	10,483,819	-	-	-	53,933,774
Derivative financial assets	-	14,067	8,215	3,860	20,049	-	-	-	46,191
Financial assets held under resale agreements	-	5,635,914	-	-	-	-	-	-	5,635,914
Loans and advances to customers	-	67,333,380	104,039,488	321,300,634	208,355,507	395,248,230	5,297,368	-	1,101,574,607
Financial investments									
- Financial assets at fair value through profit or loss	64,007,333	2,343,890	8,733,050	36,396,960	65,892,114	11,273,918	1,607,319	847,885	191,102,469
- Financial assets at amortised cost	-	727,980	6,835,540	24,294,248	187,902,227	327,854,130	33,643	-	547,647,768
- Financial assets at fair value through other comprehensive income	-	3,651,820	8,803,356	22,115,839	125,359,975	52,125,797	146,719	416,935	212,620,441
Lease receivables	-	4,538,524	3,998,179	16,430,893	43,800,984	897,436	13,941	-	69,679,957
Other financial assets	3,636,102	76,655	15,617	318,548	126,099	115,677	78,635	-	4,367,333
Total assets	93,137,785	89,693,676	147,046,772	445,230,646	641,940,774	787,515,188	7,177,625	70,592,755	2,282,335,221
Borrowings from the central bank	-	(24,704,685)	(21,241,798)	(130,567,065)	-	-	-	-	(176,513,548)
Deposits from banks and other financial institutions	(5,747,587)	(4,622,341)	(27,223,226)	(57,740,685)	-	-	-	-	(95,333,839)
Placements from banks and other financial institutions	-	(11,123,403)	(13,962,595)	(33,283,605)	(2,401,222)	-	-	-	(60,770,825)
Financial liabilities at fair value through profit or loss	(2,022,423)	-	-	-	-	-	-	-	(2,022,423)
Derivative financial liabilities	-	(8,297)	(7,419)	(3,202)	(25,259)	-	-	-	(44,177)
Financial assets sold under repurchase agreements	-	(129,646,196)	(554,654)	-	-	-	-	-	(130,200,850)
Deposits from customers	(336,921,985)	(92,940,201)	(125,788,792)	(300,374,306)	(439,594,171)	(51,404)	-	-	(1,295,670,859)
Bonds issued	-	(47,830,252)	(55,635,046)	(197,775,631)	(55,800,000)	(16,000,000)	-	-	(373,040,929)
Other financial liabilities	(1,446,165)	(1,928,292)	(40,595)	(235,776)	(686,019)	(111,084)	-	-	(4,447,931)
Total liabilities	(346,138,160)	(312,803,667)	(244,454,125)	(719,980,270)	(498,506,671)	(16,162,488)	-	-	(2,138,045,381)
Net amount on liquidity gap	(253,000,375)	(223,109,991)	(97,407,353)	(274,749,624)	143,434,103	771,352,700	7,177,625	70,592,755	144,289,840

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(3) Liquidity risk (Continued)

(b) Maturity analysis (Continued)

31 December 2024	Repayable on demand	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Overdue	Indefinite	Total
Cash and balances with the central bank	23,266,864	38,344	-	-	-	-	-	69,147,477	92,452,685
Deposits with banks and other financial institutions	14,105,888	120,067	100,056	350,196	-	-	-	-	14,676,207
Placements with banks and other financial institutions	-	8,044,578	14,578,509	25,389,361	-	-	-	-	48,012,448
Derivative financial assets	-	9,606	30,317	13,434	100,885	-	-	-	154,242
Financial assets held under resale agreements	-	11,904,017	-	-	-	-	-	-	11,904,017
Loans and advances to customers	-	84,366,886	81,036,154	238,213,406	205,630,455	362,353,951	4,348,284	-	975,949,136
Financial investments									
- Financial assets at fair value through profit or loss	132,608,686	1,363,669	2,002,302	7,992,505	17,046,731	4,225,968	2,227,155	642,445	168,109,461
- Financial assets at amortised cost	-	4,186,422	7,670,020	33,645,480	155,690,229	228,377,455	34,200	-	429,603,806
- Financial assets at fair value through other comprehensive income	-	7,689,228	9,292,091	10,928,565	101,244,475	44,434,642	-	370,297	173,959,298
Lease receivables	-	3,402,521	3,847,827	15,555,636	34,560,148	566,895	25,384	-	57,958,411
Other financial assets	-	407,044	11,612	327,005	306,555	8,977	68,593	-	1,129,786
Total assets	169,981,438	121,532,382	118,568,888	332,415,588	514,579,478	639,967,888	6,703,616	70,160,219	1,973,909,497
Borrowings from the central bank	-	(23,803,071)	(11,863,067)	(103,913,465)	-	-	-	-	(139,579,603)
Deposits from banks and other financial institutions	(5,366,200)	(2,206,820)	(77,580,597)	(90,565,338)	-	-	-	-	(175,718,955)
Placements from banks and other financial institutions	-	(6,627,320)	(11,140,271)	(28,508,233)	(3,242,794)	-	-	-	(49,518,618)
Financial liabilities at fair value through profit or loss	-	-	-	-	-	-	-	-	-
Derivative financial liabilities	-	(11,776)	(11,452)	(11,718)	(96,137)	-	-	-	(131,083)
Financial assets sold under repurchase agreements	-	(17,426,501)	-	(1,379,635)	-	-	-	-	(18,806,136)
Deposits from customers	(334,406,723)	(66,917,603)	(98,211,937)	(243,338,845)	(424,045,037)	(503)	-	-	(1,166,920,648)
Bonds issued	-	(9,472,550)	(73,026,501)	(134,275,842)	(52,032,656)	(14,138,744)	-	-	(282,946,293)
Other financial liabilities	-	(1,694,439)	(37)	(17,008)	(494,779)	(483,890)	-	-	(2,690,153)
Total liabilities	(339,772,923)	(128,160,080)	(271,833,862)	(602,010,084)	(479,911,403)	(14,623,137)	-	-	(1,836,311,489)
Net amount on liquidity gap	(169,791,485)	(6,627,698)	(153,264,974)	(269,594,496)	34,668,075	625,344,751	6,703,616	70,160,219	137,598,008

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(3) Liquidity risk (Continued)

(c) Liquidity risk analysis of off-balance sheet items

The Group provides guarantees and issues letters of credit based on the creditworthiness of the customer and the deposited margins. Customers usually do not fully withdraw the amount of the commitments under the guarantees provided or letters of credit issued by the Group, and therefore the funds required for the provision of guarantees and the issuance of letters of credit by the Group are generally lower than the amounts of the Group's other commitments. Meanwhile, many credit commitments may not need to be actually honoured due to expiry or suspension, so the contractual amount of the credit commitment is not representative of the necessary future funding requirements.

31 December 2025	**Within 1 year**	**1 to 5 years**	**Over 5 years**	**Total**
Issuance of bank acceptance bills	**96,467,506**	**–**	**–**	**96,467,506**
Issuance of letter of credit	**54,747,094**	**253,073**	**–**	**55,000,167**
Issuance of letter of guarantee	**6,076,677**	**14,194,035**	**7,053**	**20,277,765**
Credit commitments	**521,500**	**125,000**	**–**	**646,500**
Unused credit card lines	**2,480,611**	**19,418,222**	**5,504**	**21,904,337**
Total	**160,293,388**	**33,990,330**	**12,557**	**194,296,275**

31 December 2024	Within 1 year	1 to 5 years	Over 5 years	Total
Issuance of bank acceptance bills	103,407,791	–	–	103,407,791
Issuance of letter of credit	44,858,744	604,065	–	45,462,809
Issuance of letter of guarantee	16,760,566	11,484,262	2,714	28,247,542
Credit commitments	291,463	505,500	–	796,963
Unused credit card lines	2,718,505	16,347,055	7,095	19,072,655
Total	168,037,069	28,940,882	9,809	196,987,760

(4) Operational risk

Operational risk is the risk of losses due to issues with internal processes, staff, IT systems and external events, including legal risk but excluding strategic and reputational risk.

The Group effectively prevents operational risks, reduces losses, enhances its ability to respond to shocks from internal and external events, and provides safeguards for the sound operation of its business through the establishment of an operational risk management system that is commensurate with the nature, scale, complexity and risk characteristics of the Group's business, and the construction and implementation of procedures for the identification, assessment, measurement, monitoring, control and mitigation of risks.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(4) Operational risk (Continued)

The Group has implemented an operational risk management structure (led by the Board of Directors, the Board of Supervisors and the senior management) based on three lines of defence. The Board of Directors bears the ultimate responsibility for operational risk management of the Group; the Board of Supervisors bears the supervisory responsibility for operational risk management; and the senior management bears the implementation responsibility for operational risk management, and is responsible for the implementation of the operational risk management strategy, basic system and management system approved by the Board of Directors. The first line of defence includes all levels of business and management, which are the direct bearers and managers of operational risk and are responsible for operational risk management in their respective areas; the second line of defence consists of lead departments at all levels responsible for operational risk management and measurement, which guide, oversee and maintain the independence of operational risk management in the first line of defence; the third line of defence includes internal audit departments at all levels, which monitor and evaluate the performance of the first and second lines of defence and their effectiveness.

(5) Country-by-country risk

Country-by-country risk is the risk that, as a result of political, economic and social changes and events in a particular country or region, a debtor in that country or region will be unable or refuse to repay the Group's debts, or the Group will suffer losses on its commercial presence in that country or region, or the Group will suffer other losses.

The Group has established a system for the identification, measurement, monitoring and control of country-by-country risks, formulated policies and systems for country-by-country risk management, improved the country-by-country rating system, and strengthened the monitoring and limit management of country-by-country risks. During the reporting period, the Group's overall country-by-country risks were controllable.

51 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

(1) Fair value hierarchy

IFRS 7 specifies the hierarchy of valuation techniques based on whether the inputs to the valuation technique are observable or unobservable. Observable inputs reflect market information obtained from independent sources; unobservable inputs reflect the Group's market assumptions. These two inputs have resulted in the following fair value hierarchy:

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

51 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

(1) Fair value hierarchy (Continued)

Level 1 inputs: Unadjusted quoted prices in active markets that are observable for identical assets or liabilities. Listed equity securities and debt instruments are included in this level.

Level 2 inputs: Inputs other than Level 1 inputs that are either directly or indirectly observable for underlying assets or liabilities. most over-the-counter derivatives and bonds are included in this level. The sources of input parameters for yield curve or counterparty credit risk are Thomson Reuters, Bloomberg and China Bond.com.

Level 3 inputs: Inputs that are unobservable for underlying assets or liabilities. Equity instruments and debt instruments with significant unobservable components are included in this level.

(2) Financial instruments not measured at fair value

Fair value estimates are made at a specific point in time based on relevant market information and information relating to the various financial instruments. The fair value estimates for various financial instruments are based on the methods and assumptions set out below:

(a) Balances with the central bank, deposits with banks and other financial institutions, placements with banks and other financial institutions, financial assets held under resale agreements, deposits from other banks, placements from banks and other financial institutions, financial assets sold under repurchase agreements, other financial assets and liabilities

The fair values of the above financial assets and liabilities approximate their carrying amounts as they have maturities of less than one year or are floating rate.

(b) Loans and advances to customers at amortised cost

The majority of loans and advances to customers are repriced at least annually at market interest rates. Therefore, the carrying amounts of loans and advances approximates their fair values.

(c) Deposits from customers

The fair values of checking accounts, savings accounts and short-term money market deposits are payables to customers on demand. The fair value of time deposits with fixed maturities is determined using the discounted cash flow method at the prevailing time deposit interest rate that approximates the remaining maturity of the time deposit. At the end of the reporting period, the carrying amounts of customer deposits approximated their fair values.

(d) Lease receivables

The balance of lease receivables is determined in accordance with the effective interest rate method. As the effective interest rate embedded in the lease business is linked to and adjusted in real time in line with the interest rate prescribed by the People's Bank of China, the fair value approximates the carrying amount.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
(All amounts expressed in thousands of RMB unless otherwise stated)

51 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

(2) Financial instruments not measured at fair value (Continued)

(e) Financial assets at amortised cost and bonds issued

The following table shows the carrying amounts of the Group's financial assets and bonds payable measured at amortised cost that are not carried at fair value at the balance sheet date, as well as their corresponding fair values.

	31 December 2025		31 December 2024	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial assets				
Financial investments – Financial assets at amortised cost	**547,647,768**	**567,032,922**	429,603,806	450,875,614
Financial liabilities				
Bonds issued	**(373,040,929)**	**(373,508,898)**	(282,946,293)	(284,462,058)

(i) Financial assets at amortised cost

If the fair value of a financial asset measured at amortised cost is based on quoted prices in an active market, it is presented in level 1. Financial assets measured at amortised cost are presented in levels 2 and 3 if relevant market information is not available and are valued using discounted cash flow models or, where applicable, determined by reference to quoted market prices for products with similar credit risk, maturity and yield.

(ii) Bonds issued

If the fair value of bonds payable is based on quoted prices in active markets, they are presented in Level 1. If all significant inputs required for the fair value calculation of bonds payable are observable, they are presented in Level 2.

Except for the financial assets and financial liabilities mentioned above, other financial assets and financial liabilities not measured at fair value in the consolidated statement of financial position are determined at their fair value using the discounted future cash flow method, and there is no significant difference between the carrying amount and the fair value of these financial assets due to their short maturities or the interest rates fluctuating according to the market interest rates.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

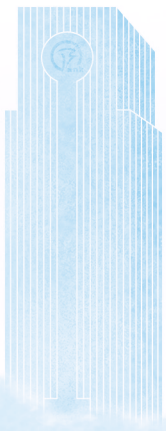
51 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

(3) Financial instruments measured at fair value

31 December 2025	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivative financial assets	**–**	**46,191**	**–**	**46,191**
Loans and advances to customers at fair value through other comprehensive income	**–**	**97,701,989**	**–**	**97,701,989**
Financial investments				
– Financial assets at fair value through profit or loss	**63,937,321**	**123,990,396**	**3,174,752**	**191,102,469**
– Financial assets at fair value through other comprehensive income	**–**	**212,203,506**	**416,935**	**212,620,441**
Total assets	**63,937,321**	**433,942,082**	**3,591,687**	**501,471,090**
Derivative financial liabilities	**–**	**(44,177)**	**–**	**(44,177)**
Financial liabilities at fair value through profit or loss	**(2,022,423)**	**–**	**–**	**(2,022,423)**
Total liabilities	**(2,022,423)**	**(44,177)**	**–**	**(2,066,600)**

31 December 2024	Level 1	Level 2	Level 3	Total
Derivative financial assets	–	154,242	–	154,242
Loans and advances to customers at fair value through other comprehensive income	–	76,629,055	–	76,629,055
Financial investments				
– Financial assets at fair value through profit or loss	77,621,451	85,524,855	4,963,155	168,109,461
– Financial assets at fair value through other comprehensive income	–	173,589,001	370,297	173,959,298
Total assets	77,621,451	335,897,153	5,333,452	418,852,056
Derivative financial liabilities	–	(131,083)	–	(131,083)
Total liabilities	–	(131,083)	–	(131,083)

During the year ended 31 December 2025 and the year ended 31 December 2024, there were no significant transfers among levels of fair value.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

51 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

(3) Financial instruments measured at fair value (Continued)

The following table shows the movement during the year ended 31 December 2025 for each category of financial instruments classified as level 3 of the fair value hierarchy:

	Financial assets at fair value through profit or loss	**Financial assets at fair value through other comprehensive income**	**Total**
1 January 2025	**4,963,155**	**370,297**	**5,333,452**
Total gains or losses:			
– Recognised in profit or loss	**(89,657)**	**–**	**(89,657)**
– Recognised in other comprehensive income	**–**	**46,638**	**46,638**
Additions	**1,635**	**–**	**1,635**
Settlement and derecognition	**(1,700,381)**	**–**	**(1,700,381)**
31 December 2025	**3,174,752**	**416,935**	**3,591,687**
Unrealised gains on financial assets at FVTPL held as at 31 December 2025	**210,770**	**–**	**210,770**

The following table shows the movement during the year ended 31 December 2024 for each category of financial instruments classified as level 3 of the fair value hierarchy:

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Total
1 January 2024	13,201,039	304,689	13,505,728
Total gains or losses:			
– Recognised in profit or loss	(1,310,891)	–	(1,310,891)
– Recognised in other comprehensive income	–	65,608	65,608
Additions	26,203	–	26,203
Settlement and derecognition	(6,953,196)	–	(6,953,196)
31 December 2024	4,963,155	370,297	5,333,452
Unrealised gains on financial assets at FVTPL held as at 31 December 2024	(1,645,587)	–	(1,645,587)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

51 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

(3) Financial instruments measured at fair value (Continued)

When the quoted prices from the active market are not available the Group determines the fair value of financial instruments through valuation techniques.

The fair values of financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and derivative financial instruments are calculated by reference to available market prices. If market prices are not available, fair values are estimated using pricing models or discounted cash flow method. For investments in debt instruments, the Group determines the valuation results in accordance with the valuation results of the China Central Depository & Clearing Co., Ltd., and the valuation methodology falls under the category of valuation techniques with observable market information for all significant valuation parameters.

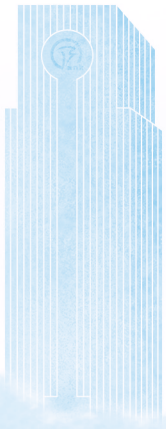
The carrying amount of financial instruments valued using valuation techniques that include unobservable market data during the reporting period is not significant and the impact on the fair value measurement results of replacing the original unobservable assumptions in the model with other reasonable unobservable assumptions is not significant.

52 CAPITAL MANAGEMENT

The Group adopts a capital management approach that is adequate to protect against the risks inherent in the businesses in which the Group operates, with the objective of bringing it into line with external regulatory and shareholder return requirements, as well as facilitating the Group's business development and risk management.

The Group prudently determines the capital adequacy ratio target based on regulatory requirements in conjunction with the Group's risk profile, and safeguards the realisation of the management target through various methods such as limit management. Depending on changes in the economic environment and the characteristics of the risks faced, the Group will actively adjust its capital structure. These capital structure adjustments typically include adjustments to dividend distributions, capital increases and the issuance of new capital replenishment instruments.

The Group calculates the capital adequacy ratio from 1 January 2024 onwards in accordance with *the Administrative Measures for the Capital of Commercial Banks* issued by the National Financial Regulatory Administration in 2023. The weighting method is used for credit risk measurement, the simplified standardised method is used for market risk measurement and the standardised method is used for operational risk measurement.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
(All amounts expressed in thousands of RMB unless otherwise stated)

53 SUBSEQUENT EVENTS

(1) In accordance with the resolution of the meeting of the Board of Directors held on 26 March 2026, the profit distribution plan of the Bank for the year ended 31 December 2025 (subject to approval by the shareholders' meeting) is as follows:

(i) An appropriation of 10% of profit for the year 2025 amounting to RMB1,577,989 thousand to the statutory surplus reserve;

(ii) An appropriation of 10% of profit for the year 2025 amounting to RMB1,577,989 thousand to the discretionary surplus reserve;

(iii) An appropriation of RMB2,472,800 thousand to the general reserve; and

(iv) Cash dividends of RMB2.5 (tax included) per 10 shares (RMB3,472,450 thousand tax included in total).

(2) On December 29, 2025, Wuwei Huiyin Village and Township Bank Co., Ltd. obtained approval from the National Administration of Financial Regulation Anhui Regulatory Bureau, which approved the bank's acquisition of 51% equity in Wuwei Huiyin Village and Township Bank Co., Ltd.

On January 20, 2026, the Bank acquired a 51% equity interest in Wuwei Huiyin Village and Township Bank Co., Ltd., increasing the Bank's shareholding to 91%.

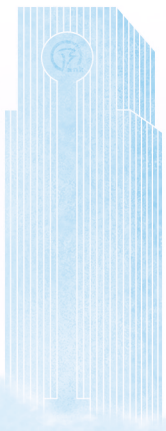
54 COMPARATIVE FIGURES

Certain comparative data have been reclassified to conform to the presentation requirements during the period.

Appendix I — Unaudited Supplementary Financial Information

(All amounts expressed in thousands of RMB unless otherwise stated)

The attachments do not form one part of the audited financial statements



Appendix I — Unaudited Supplementary Financial Information

(All amounts expressed in thousands of RMB unless otherwise stated)

According to Hong Kong Listing Rules and Banking (Disclosure) Rules, the Group discloses the following supplementary financial information:

1 LIQUIDITY RATIOS

	31 December 2025	31 December 2024
RMB current assets to RMB current liabilities	**103.12%**	122.65%
Foreign currency current assets to foreign currency current liabilities	**41.42%**	25.97%

Liquidity ratios are calculated according to the relevant regulations published by the National Financial Regulatory Administration.

2 CURRENCY CONCENTRATIONS

	USD	**EUR**	**Others**	**Total**
31 December 2025				
Spot assets	**4,021,801**	**78,806**	**192,694**	**4,293,301**
Spot liabilities	**(1,940,969)**	**(9,483)**	**(2,725,365)**	**(4,675,817)**
Forward purchases	**692,861**	**10,365**	**896**	**704,122**
Forward sales	**(530,218)**	**(22,778)**	**–**	**(552,996)**
Net long/(short) position	**2,243,475**	**56,910**	**(2,531,775)**	**(231,390)**
31 December 2024				
Spot assets	4,380,754	147,636	266,114	4,794,504
Spot liabilities	(5,725,045)	(82,767)	(43,806)	(5,851,618)
Forward purchases	1,593,602	3,718	–	1,597,320
Forward sales	(1,127,481)	(163,772)	(1,776,169)	(3,067,422)
Net (short)/long position	(878,170)	(95,185)	(1,553,861)	(2,527,216)

3 INTERNATIONAL CLAIMS

International claims are the sum of cross-border claims in all currencies and local claims in foreign currencies. The Group is principally engaged in business operations within Chinese Mainland and regards all the claims on third parties outside Chinese Mainland as cross border claims.

International claims include balances with the central bank, deposits with banks and other financial institutions, placements with and loans to banks and other financial institutions, financial assets held for trading, financial assets designated at fair value through profit or loss, loans and advances to customers, financial assets held under resale agreements, financial assets at fair value through other comprehensive income and financial assets at amortised cost.

International claims are disclosed based on different countries or regions. A country or region is reported where it constitutes 10% or more of the aggregate amount of international claims, after taking into account any risk transfers. Risk transfer is only made if the claims are guaranteed by a party in a country which is different from that of the counterparty or if the claims are made by an overseas branch of a bank whose head office is located in another country.

Appendix I — Unaudited Supplementary Financial Information

(All amounts expressed in thousands of RMB unless otherwise stated)

3 INTERNATIONAL CLAIMS (CONTINUED)

	Banks and other financial institutions	Others	Total
31 December 2025			
Asia Pacific (excluding Mainland China)	**101,230**	**41,272**	**142,502**
– Hong Kong	**5,385**	**16,435**	**21,820**
Europe	**47,701**	**392**	**48,093**
North and South America	**658,549**	**156**	**658,705**
Oceania	**30,600**	**2,892**	**33,492**
Total	**838,080**	**44,712**	**882,792**
31 December 2024			
Asia Pacific (excluding Mainland China)	87,106	34,434	121,540
– Hong Kong	6,583	12,356	18,939
Europe	42,184	78	42,262
North and South America	385,089	173	385,262
Oceania	31,190	3,194	34,384
Total	545,569	37,879	583,448

4 LOANS AND ADVANCES TO CUSTOMERS

(1) Overdue loans and advances to customers

	31 December 2025	31 December 2024
Total loans and advances to customers which have been overdue:		
Within 3 months	**6,055,541**	4,912,982
3 to 6 months	**2,753,111**	2,673,986
6 to 12 months	**2,957,083**	2,271,452
Over 12 months	**3,145,052**	2,800,109
Total	**14,910,787**	12,658,529
Percentage (%):		
Within 3 months	**40.62%**	38.82%
3 to 6 months	**18.46%**	21.12%
6 to 12 months	**19.83%**	17.94%
Over 12 months	**21.09%**	22.12%
Total	**100.00%**	100.00%

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(All amounts expressed in thousands of RMB unless otherwise stated)

4 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(1) Overdue loans and advances to customers (Continued)

Total amounts of overdue loans and advances to customers and provision for impairment by geographic segment:

	31 December 2025		31 December 2024	
	Overdue loans to customers	**Allowance for ECL**	Overdue loans to customers	Allowance for ECL
Anhui Province	**10,979,119**	**(6,724,736)**	10,579,573	(6,804,963)
Jiangsu Province	**1,480,549**	**(1,199,020)**	1,234,812	(1,016,117)
Other regions	**2,451,119**	**(1,689,663)**	844,144	(586,356)
Total	**14,910,787**	**(9,613,419)**	12,658,529	(8,407,436)

(2) Impaired loans and advances to customers

	31 December 2025		31 December 2024	
	Impaired loans to customers	**Allowance for ECL**	Impaired loans to customers	Allowance for ECL
Corporate loans	**6,028,689**	**(4,085,830)**	5,376,878	(4,398,022)
Personal loans	**6,261,386**	**(5,280,656)**	4,499,362	(3,610,871)
Total	**12,290,075**	**(9,366,486)**	9,876,240	(8,008,893)

	31 December 2025		31 December 2024	
	Impaired loans to customers	**Allowance for ECL**	Impaired loans to customers	Allowance for ECL
Anhui Province	**8,542,418**	**(6,382,120)**	7,900,024	(6,089,138)
Jiangsu Province	**1,324,945**	**(1,190,518)**	1,282,178	(1,160,548)
Other regions	**2,422,712**	**(1,793,848)**	694,038	(759,207)
Total	**12,290,075**	**(9,366,486)**	9,876,240	(8,008,893)

(3) Restructured loans

Restructured assets are financial assets for which commercial banks have made adjustments to debt contracts in favour of the debtor, or refinanced the debtor's existing debts, including borrowing new money to repay old debts, etc, in order to induce the debtor to repay its debts, as a result of the debtor's financial difficulties. As at 31 December 2025, the carrying amount of the Group's restructured loans was RMB3,174 million (31 December 2024: RMB3,611 million).

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(All amounts expressed in thousands of RMB unless otherwise stated)

5 HUISHANG BANK CORPORATION LIMITED MAKES A SUPPLEMENTARY DISCLOSURE OF THE FOLLOWING INFORMATION IN ACCORDANCE WITH THE FORMER CBIRC:

(1) Significant related-party transactions approved by the Board of Directors

For the year ended 31 December 2025, Huishang Bank Corporation Limited complied with the requirements of the *Administrative Measures for Related-Party Transactions of Banking and Insurance Institutions*, together with the relevant rules and regulations of the Bank, and approved proposals on major related party transactions defined in the above documents (the "related parties as defined by the former CBIRC"). Details of the approvals are as follows:

Date of approval by the Board of Directors	Meeting	Content	New facility amount (including low-risk amount)
2025/2/26	The 70th Session of the 4th Board of Directors	Proposal on the Approval of the Related-Party Transactions of Huishang Bank Entered with Hefei Xing Tai Financial Holding Group Co., Ltd. and its Affiliates	14,672,000
		Proposal on Approval of Related-Party Transactions of Huishang Bank Entered with Anhui Energy Group Co., Ltd. and its Affiliates	5,950,000
2025/4/29	The 72nd Session of the 4th Board of Directors	Proposal on Approval of Related-Party Transactions of Huishang Bank Entered with Anhui Guoyuan Shareholdings (Group) Co., Ltd. and its Affiliates	4,395,000
		Proposal on Approval of Related-Party Transactions of Huishang Bank Entered with Anhui Provincial Transportation Holdings Group Co., Ltd. and its Subsidiaries	3,487,043
		Proposal on Approval of Related-Party Transactions of Huishang Bank Entered with Wuhu Investment Holding Group Co., Ltd. and its Affiliates	7,868,250
		Proposal on Approval of Related-Party Transactions of Huishang Bank Entered with Chery HuiYin Motor Finance Service Co., Ltd.	4,600,000
		Proposal on Approval of Related-Party Transactions of Huishang Bank Entered with CCB Financial Leasing Corporation Limited and Its Affiliate – CCB Financial Asset Investment Co., Ltd.	5,000,000
2025/6/27	The 75th Session of the 4th Board of Directors	Proposal on Approval of Related-Party Transactions of Huishang Bank Entered with Huishang Bank Financial Leasing Co., Ltd.	15,000,000
		Proposal on Approval of Related-Party Transactions of Huishang Bank Entered with Anhui Energy Group Co., Ltd. and its Affiliates	20,120,000
		Proposal on Approval of Related-Party Transactions of Huishang Bank Entered with Anhui Provincial Transportation Holdings Group Co., Ltd. and its Affiliates	22,245,952
		Proposal on Approval of Related-Party Transactions of Huishang Bank Entered with Anhui Credit Financing Guarantee Group Co., Ltd. and its Affiliates	5,350,000
2025/11/25	The 80th Session of the 4th Board of Directors	Proposal on Approval of Amendment to Credit Facility of Huishang Bank Entered with Wuhu Investment Holding Group Co., Ltd. and its Affiliates	1,460,275

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5 HUISHANG BANK CORPORATION LIMITED MAKES A SUPPLEMENTARY DISCLOSURE OF THE FOLLOWING INFORMATION IN ACCORDANCE WITH THE FORMER CBIRC: (CONTINUED)

(2) Implementation of significant related-party transactions

For the year ended 31 December 2025, the significant related-party transactions between Huishang Bank Corporation Limited and its related parties as defined by the former CBIRC are as follows:

(a) The amount of a single related-party transaction accounting for more than 1% of the net capital of the Bank as at the end of the previous quarter

For the year ended 31 December 2025, Huishang Bank had no single related-party transaction with an amount reaching over 1% of its net capital as at the end of the previous quarter.

(b) The accumulated balance of transactions with a single related party accounting for more than 5% of the net capital of the Bank as at the end of the previous quarter

Hefei Xingtai Financial Holdings (Group) Co., Ltd. and its affiliates

Related parties	Transaction type	Amount
Hefei Xing Tai Financial Holding Group Co., Ltd.	Liquidity loans	1,299,280
	Bond investments	730,000
	Deposits	303,688
	Underwriting fees	259
Anhui Xingtai Financial Leasing Co., Ltd.	Liquidity loans	370,000
	Domestic letters of credit	86,000
	Domestic factoring	250,000
	Deposits	15,673
	Collection of underwriting fees	226
	Bond investment	78,900
Hefei Xingtai Small Loan Co., Ltd.	Liquidity loans	60,000
	Deposits	1,558
Hefei Xingtai Commercial Factoring Co., Ltd.	Deposits	1,088
	Liquidity loans	150,000
	Bond investments	114,000
Anhui Xingtai Financing Guarantee Group Co., Ltd.	Deposits	395,772
Hefei Xingtai Technology Credit Guarantee Co., Ltd.	Compensation made for the Banks as the guarantor	22,770
	Deposits	13,183

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5 HUISHANG BANK CORPORATION LIMITED MAKES A SUPPLEMENTARY DISCLOSURE OF THE FOLLOWING INFORMATION IN ACCORDANCE WITH THE FORMER CBIRC: (CONTINUED)

(2) Implementation of significant related-party transactions (Continued)

(b) The accumulated balance of transactions with a single related party accounting for more than 5% of the net capital of the Bank as at the end of the previous quarter *(Continued)*

Hefei Xingtai Financial Holdings (Group) Co., Ltd. and its affiliates (Continued)

Related parties	Transaction type	Amount
CCB Trust Co., Ltd.	Collection of custody fees for trust plans	568
	Rent	2,245
	Interest paid for interbank deposit receipts	23,593
	Deposits	1,600,000
Huafu Fund Management Co., Ltd.	Interest received for reverse repurchase of bonds	511
	Interest paid for interbank deposit receipts	8,814
	Collection of custody fees for fund products	1,151
	Payment of fund management fees	2,464
	Consignment revenue	10
	Cash bond trading	510,000
	Indirect investments in Monetary funds	27
CCB Fund Management Co., Ltd.	Payment of fund management fee	8,264
	Interest received for reverse repurchase of bonds	3,568
	Interest paid for interbank deposit receipts	56,577
	Collection of custody fees for fund special accounts	2
	Payment of sales service fee	133
CCB Principal Capital Management Co., Ltd.	Interest received for reverse repurchase of bonds	520
CCB Life Insurance Asset Management Company Limited.	Cash bond trading	30,000
	Interest received for reverse repurchase of bonds	42
Hefei Guokong Construction Financing Guarantee Co., Ltd.	Separate letters of guarantee	488,420
	Compensation made for the Banks as the guarantor	25,520
	Deposits	104,474
Hefei Urban Construction Development Co., Ltd.	Bond investment	50,000
	Deposits	11,305
Anhui Amber Property Service Co., Ltd.	Property management fees and electricity charges	191

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5 HUISHANG BANK CORPORATION LIMITED MAKES A SUPPLEMENTARY DISCLOSURE OF THE FOLLOWING INFORMATION IN ACCORDANCE WITH THE FORMER CBIRC: (CONTINUED)

(2) Implementation of significant related-party transactions (Continued)

(b) The accumulated balance of transactions with a single related party accounting for more than 5% of the net capital of the Bank as at the end of the previous quarter *(Continued)*

Hefei Xingtai Financial Holdings (Group) Co., Ltd. and its affiliates (Continued)

Related parties	Transaction type	Amount
Anhui Public Resources Trading Group Co., Ltd.	Deposits	149,210
Anhui Public Resources Trading Group Project Management Co., Ltd.	Successful bidding service fees	83
	Bidding margins	190
	Deposits	6,470
Hefei Property Rights Trading Center	Agency service charges	11
	Payment of margins	230
Suzhou Security Service Co., Ltd.	Security expenses	3,668
Chizhou Security Guard Service Co., Ltd.	Security expenses	2,286
	Deposits	10,059
Hefei Security Group Co., Ltd.	Security expenses	27,075
	Deposits	37,655
Ma'anshan Yuanchuang Construction Co., Ltd.	Fixed asset loans	61,460
Hefei Xingtai Commercial Assets Operation Co., Ltd.	Deposits	2,426
Hefei Changfeng Xingtai Financing Guarantee Co., Ltd.	Deposits	4,516
	Compensation made for the Banks as the guarantor	800
Hefei Tongka Co., Ltd.	Technical service fee	200
	Deposits	65,286
Hefei Xingtai Guarantee Asset Management Co., Ltd.	Liquidity loans	100,000
	Deposits	571,916
Hefei Urban Construction Beicheng Real Estate Co., Ltd.	Deposits	416

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5 HUISHANG BANK CORPORATION LIMITED MAKES A SUPPLEMENTARY DISCLOSURE OF THE FOLLOWING INFORMATION IN ACCORDANCE WITH THE FORMER CBIRC: (CONTINUED)

(2) Implementation of significant related-party transactions (Continued)

(b) The accumulated balance of transactions with a single related party accounting for more than 5% of the net capital of the Bank as at the end of the previous quarter *(Continued)*

Hefei Xingtai Financial Holdings (Group) Co., Ltd. and its affiliates (Continued)

Related parties	Transaction type	Amount
China Construction Bank Corporation	Collection for bank acceptance bills as entrusted	3,431,000
	Negotiable discount outright sale	6,338,000
	Outright rediscounting transactions	754,000
	Act as the actual financier for asset management plans invested by the Bank	3,810,000
	Act as the actual financier for non-breakeven wealth management products invested by the Bank	71,461
	Interest paid for positive repurchases	92,722
	Cash bond trading	33,150,000
	Interest received for reverse repurchases	296
	Payment for matured discounted bank acceptance bills	2,195,501
	Forfaiting of domestic letter of credit purchased from other banks	111,000
	Foreign exchange forward transaction	59,681
	Foreign exchange option transaction	399,981
	Foreign exchange swap transaction	25,338
	Foreign exchange spot transaction	5,043,320
	Placements in foreign currencies from banks and other financial institutions	201,381,061
	Handling fees for issuance of letters of credit on behalf	501
	Interbank factoring	289,202
	Domestic forfaiting resold to other banks	1,462,732
	Import bills advanced	454,128
Jianyin (Zhejiang) Real Estate Land Asset Appraisal Co., Ltd.	Appraisal fees	150
MCC Jianxin Investment Fund Management (Beijing) Co., Ltd.	Collection of custody fees for private funds	106
Hefei High Tech Public Resources Exchange Co., Ltd.	Deposits	16,676
	Bidding agency fee	8
Anhui Xingtai Information Technology Co., Ltd.	Data service fees	738

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5 HUISHANG BANK CORPORATION LIMITED MAKES A SUPPLEMENTARY DISCLOSURE OF THE FOLLOWING INFORMATION IN ACCORDANCE WITH THE FORMER CBIRC: (CONTINUED)

(2) Implementation of significant related-party transactions (Continued)

(b) The accumulated balance of transactions with a single related party accounting for more than 5% of the net capital of the Bank as at the end of the previous quarter *(Continued)*

Hefei Xingtai Financial Holdings (Group) Co., Ltd. and its affiliates (Continued)

Related parties	Transaction type	Amount
Hefei For Industrial Technology Development Co., Ltd.	Deposits	30,919
Hefei Luyang Financial City Investment Development Co., Ltd.	Syndicated loans	58,073
Hefei Xinzhan Gongtou Industrial Technology Co., Ltd.	Fixed asset loans Deposits	160,000 5,755
CCB Engineering Consulting Co., Ltd. Anhui Branch	Audit fees	528
Hefei Xingtai Supply Chain Management Co., Ltd.	Liquidity loans Deposits	50,000 1,035
Hefei Xingtai Property Management Co., Ltd.	Liquidity loans Deposits	50,000 4,969
Hefei Seed City Construction and Science and Technology Development Fund Partnership (Limited Partnership)	Deposits	50,000
Anhui Xingtai Financial Consultancy Co., Ltd.	Deposits	980
Anhui Xingtai Pawn Co., Ltd.	Deposits	2,441
Hefei Baoan Intelligent Technology Co., Ltd.	Deposits	1,034
Anhui Boju Intelligent Manufacturing Technology Co., Ltd.	Deposits	393
Hefei Engineering Tongdao Industrial Park Management Co., Ltd.	Deposits	2,571
Hefei Gongtou Industrial Technology Yinshang Co., Ltd.	Deposits	2,326
Hefei Xingtai Finance and Innovation Research Institute Co., Ltd.	Deposits	10,379

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5 HUISHANG BANK CORPORATION LIMITED MAKES A SUPPLEMENTARY DISCLOSURE OF THE FOLLOWING INFORMATION IN ACCORDANCE WITH THE FORMER CBIRC: (CONTINUED)

(2) Implementation of significant related-party transactions (Continued)

(b) The accumulated balance of transactions with a single related party accounting for more than 5% of the net capital of the Bank as at the end of the previous quarter *(Continued)*

Hefei Xingtai Financial Holdings (Group) Co., Ltd. and its affiliates (Continued)

Related parties	Transaction type	Amount
Hefei Xingtai Technology Finance Leasing Co., Ltd.	Liquidity loans	80,000
	Deposits	648
Hefei Xingtai Capital Management Co., Ltd.	Deposits	1,586
Hehuai Industrial Technology Co., Ltd.	Deposits	35,673
Lujiang Meilu Real Estate Development Co., Ltd.	Deposits	4,366
Hefei Urban Construction Xinzhan Real Estate Co., Ltd.	Syndicated loans	40,000
CCB Financial Technology Co., Ltd.	Credit risk full-process digital transformation project	2,037
Anhui Data Exchange Co., Ltd.	Information system technology service fee	150
	Deposits	40,008
Hefei Binhu Amber Engineering Project Management Co., Ltd.	Deposits	92,916
Anhui Amber Housing Leasing Co., Ltd.	Deposits	20,000
Hefei Xinglu Science and Technology Innovation Investment Fund Partnership (Limited Partnership)	Deposits	201
Hefei Xingtai Equity Investment Management Co., Ltd.	Liquidity loans	50,000
	Deposits	29,280

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5 HUISHANG BANK CORPORATION LIMITED MAKES A SUPPLEMENTARY DISCLOSURE OF THE FOLLOWING INFORMATION IN ACCORDANCE WITH THE FORMER CBIRC: (CONTINUED)

(3) Related-party transactions with related natural persons

The Bank's related natural persons (as defined under the *Administrative Measures for Related-Party Transactions of Banking and Insurance Institutions*) mainly include: (1) natural person shareholders, actual controllers, persons acting in concert and final beneficiaries of banking and insurance institutions; (2) natural persons that hold more than 5% of the equity of banking and insurance institutions or those who hold less than 5% of the equity but have a significant influence on the operation and management of banking and insurance institutions; (3) directors and supervisors of banking and insurance institutions, senior management of head offices and material branches, as well as persons with approval authority or decision-making power for core business such as large-scale credit extension, assets transfer, insurance fund application, etc.; (4) spouses, parents, adult children and siblings of the persons mentioned in articles 1-3 above; (5) directors, supervisors and senior management of the related parties mentioned in the 1st and 2nd items under Article 7 of the Administrative Measures. The Bank's natural person shareholders hold or control less than 5% of the equity, and the Bank has no major natural person shareholders.

As at 31 December 2025, the balance of related party transactions by related natural persons of the Bank was RMB120 million, which mainly comprised personal housing loans, personal comprehensive consumption revolving loans, credit card service and other services. The total of time deposits and other related-party transactions was RMB376 million. All the related-party transactions with related natural persons are normal related-party transactions.