东莞农村商业银行
DRC Bank

東莞農村商業銀行股份有限公司
Dongguan Rural Commercial Bank Co., Ltd.

(A joint stock company incorporated in the People's Republic of China with limited liability)
Stock Code: 9889

2025 ANNUAL REPORT

Contents

* Dongguan Rural Commercial Bank Co., Ltd. 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 and/or deposit-taking business in Hong Kong.

Important Notice

The Board of Directors, the Directors and senior management of the Bank hereby confirm the truthfulness, accuracy and completeness of the contents of this annual report and that there are no false representations, misleading statements or material omissions, and jointly and severally assume liability for the information hereof.

On 27 March 2026, the 17th meeting of the fifth session of the Board of Directors of the Bank was held at the conference room of Dongguan Rural Commercial Bank Building. It considered and approved the Resolution on the 2025 Annual Report. 12 Directors were eligible for attending the meeting, of whom 12 were present in person. The convening of the meeting is in compliance with relevant requirements of the Company Law of the People's Republic of China and the Articles of Association of Dongguan Rural Commercial Bank Co., Ltd. This annual report was also reviewed and approved by the Audit Committee of the Board of Directors of the Bank.

The 2025 annual financial report prepared in accordance with International Financial Reporting Standards Accounting Standards has been audited by our auditor KPMG, who has issued a standard auditor's report with unqualified opinion.

Mr. Lu Guofeng, the legal representative and chairman of the Bank, Mr. Fu Qiang, the president, Mr. Ye Jianguang, the person-in-charge of accounting, and Ms. Zhong Xuemei, the head of the accounting department, hereby declare and assure the truthfulness, accuracy, and completeness of the financial reports in this Report.

The Bank proposed to provide 10% or RMB391 million of the audited net profit of the Bank for the year of 2025 as statutory surplus reserve; provide 30% or RMB1,172 million of the net profit as general reserve; and based on total share capital, cash dividends of RMB0.22 per share (tax inclusive). Remaining undistributed profit will be carried forward to next year. The implementation of the above profit distribution plan is subject to consideration and approval at the 2025 annual general meeting. Further details in relation to the distribution of the final dividend and the relevant closure of register of members arrangement will be disclosed in the circular of 2025 annual general meeting of the Bank.

The forward-looking statements included in this Report are based on current plans, estimates and projections. Although the Board of Directors believes that the expectations reflected in these forward-looking statements are reasonable, the Board of Directors gives no assurance that these expectations will be realized or proved to be correct and these statements should not be considered as substantive commitments of the Group. Investors and persons concerned should be fully aware of the risks and understand the difference among plans, estimates and commitments.

During the Reporting Period, the Bank was not aware of any material risk that would adversely affect its future development strategies and business targets. Details of the major risks to which the Bank was exposed in its operations and management and the corresponding measures adopted by the Bank are described in this Report. Please refer to the information in the "Risk Management" section in the "Management Discussion and Analysis" chapter of this Report.

Under different circumstances, this Report discloses relevant information on Group basis or at level of the parent bank only. Therefore, there exists inconsistency between the data of the "Group" and the "Bank" and such inconsistency is not due to data error, but due to the difference in the scope of the data. Unless otherwise specified, the financial information set out in this Report represents the consolidated data from the financial statements of the Bank together with its subsidiaries, namely Yunfu Xinxing Dongying County Bank, Hezhou Babu Dongying County Bank, Zhanjiang Rural Commercial Bank and Guangdong Chaoyang Rural Commercial Bank.

Unless otherwise specified, the currency for the amounts stated in this report is RMB. There may be discrepancies between the arithmetic sum of certain breakdowns and the corresponding total amount, which is due to rounding rather than data error.

This Report is prepared in Chinese and English. If there is any discrepancy between the Chinese and English versions, the Chinese version shall prevail.

Definitions

Definitions of commonly used terms in this Report

"Articles of Association" or "Articles"	unless otherwise indicated in the context, the articles of association of the Bank currently in force
"Bank", "our Bank" or "Dongguan Rural Commercial Bank"	Dongguan Rural Commercial Bank Co., Ltd.(東莞農村商業銀行股份有限公司), a joint stock company established on 22 December 2009 through restructuring in the PRC with limited liability, and includes its predecessor, branches and sub-branches (excluding its subsidiaries)
"Board of Directors"	the board of Directors of our Bank
"Board of Supervisors"	the board of Supervisors of our Bank (ceasing to be established since 11 March 2026)
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules, as currently in force
"Director(s)"	the director(s) of our Bank
"Domestic Share(s)"	ordinary share(s) issued by our Bank in Chinese mainland
"Group" or "we" or "us"	the Bank and its subsidiaries
"Guangdong Chaoyang Rural Commercial Bank"	Guangdong Chaoyang Rural Commercial Bank Co., Ltd.(廣東潮陽農村商業銀行股份有限公司), a joint stock company established on 27 December 2020 through restructuring in the PRC with limited liability and a non-wholly owned subsidiary of our Bank
"Guangdong Puning Rural Commercial Bank"	Guangdong Puning Rural Commercial Bank Co., Ltd.(廣東普寧農村商業銀行股份有限公司), a joint stock company established on 18 March 2016 through restructuring in the PRC with limited liability, and an institution that the Bank is entrusted by the Dongguan Municipal Government to manage
"Hezhou Babu Dongying County Bank"	Hezhou Babu Dongying County Bank Co., Ltd.(賀州八步東盈村鎮銀行股份有限公司), a joint stock company incorporated on 8 August 2012 in the PRC with limited liability and a non-wholly owned subsidiary of our Bank
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"H Share(s)"	ordinary share(s) issued by our Bank in Hong Kong, the PRC
"Latest Practicable Date"	27 March 2026, being the latest practicable date prior to the printing of this Report for ascertaining certain data contained herein

"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited currently in force
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set forth in Appendix C3 to the Listing Rules, as currently in force
"National Financial Regulatory Administration", "former CBIRC" or "former CBRC"	National Financial Regulatory Administration (國家金融監督管理總局) or its predecessor, the former China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會), the former China Banking Regulatory Commission (中國銀行業監督管理委員會)
"PBoC" or "Central Bank"	The People's Bank of China, the central bank of the PRC
"Report" or "this Report"	2025 Annual Report of Dongguan Rural Commercial Bank Co., Ltd.
"Reporting Period"	the year ended 31 December 2025
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) currently in force
"Share(s)"	ordinary share(s) of the Bank, including Domestic Share(s) and H Share(s)
"Shareholder(s)"	holder(s) of Share(s) of the Bank, including Domestic Shareholder(s) and H Shareholder(s)
"Supervisor(s)"	the supervisor(s) of our Bank
"Yunfu Xinxing Dongying County Bank"	Yunfu Xinxing Dongying County Bank Co., Ltd. (雲浮新興東盈村鎮銀行股份有限公司), a joint stock company incorporated on 23 December 2011 in the PRC with limited liability and a non-wholly owned subsidiary of our Bank, a wholly owned subsidiary of the Bank in January 2026
"Zhanjiang Rural Commercial Bank"	Zhanjiang Rural Commercial Bank Co., Ltd. (湛江農村商業銀行股份有限公司), a joint stock company established on 26 October 2019 through restructuring in the PRC with limited liability and a non-wholly owned subsidiary of our Bank

Chairman's Statement

WITH SPRING MOUNTAINS AHEAD, EMBARKING ON A NEW JOURNEY TOGETHER

The year 2025 marked the concluding year of the national 14th Five-Year Plan and was also a pivotal year for the Bank to fully implement its Five-Year Strategic Development Plan. This year, under the dedicated guidance and strong support of the Dongguan Municipal Party Committee, Municipal Government, and regulatory authorities at all levels, we have steadfastly adhered to Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as our guiding principle and thoroughly implemented the spirit of the 20th National Congress of the Communist Party of China and all plenary sessions of the 20th Central Committee. By maintaining our market positioning, deepening our focus on core responsibilities and primary business, and strengthening strategic execution, we have forged value in serving the broader interests, explored distinctive approaches through innovation and transformation, and stimulated vitality through management advancement, demonstrating remarkable operational resilience and dynamism.

Practising policy guidelines, we fulfilled the "Five Major Financial Tasks" earnestly. By empowering technology enterprises with full-lifecycle services, the Group's outstanding loans to technology enterprises reached RMB60.047 billion, with a growth rate of 26.92%. By supporting low-carbon transition with ESG principles, the Group's green credit balance reached RMB19.358 billion, with a growth rate of 18.01%. By promoting inclusive finance through diversified products, the Group's inclusive small and micro enterprise loans reached RMB54.166 billion, with a growth rate of 7.08%. We promoted elderly care through scenario-based services, establishing specialized "elderly care services" outlets, refining our "Golden Years" selective product portfolio, and strengthening credit support for key players in the elderly care industry. We leveraged digital technology to enhance service experiences, building an intelligent integrated customer service system that improves the convenience and flexibility of channel services.

Deeply rooted in the local market, we provided comprehensive services to support regional economic development. We have been deeply engaged with local communities, consistently shared the fortunes of regional economies and remained inextricably linked to urban development. We have vigorously supported new industrialization and the development of new quality productive forces, cumulatively backing 1,123 national and provincial "specialized, refined, distinctive, and innovative" enterprises. The growth rate of outstanding loans to manufacturing and related industries reached 17.05%. We earnestly promoted the "High-Quality Development Project Covering Every County, Every Town and Every Village", continuously expanding our financial reach and contributing financial strength to the development of modern industrial system, the construction of beautiful villages, and the growth of new collective economies.

Embracing value symbiosis, we continuously advanced the collaborative development of ecosystems. Implementing a customer-centric enterprise philosophy, we focused on building a "1+N+X" ecosystem for collaborative development. Focusing on high-frequency core business scenarios, we established cross-departmental agile teams to build bridges within the ecosystem services across government, business, and communities. We continuously strengthened the integrated model of "data + business + ecosystem" to actively optimize financial services.

Persisting in relentless pursuit of excellence, we continuously enhanced internal management capabilities. We refined the Group's unified management system, driving reforms in the organizational structures and operational management mechanisms of our subsidiaries, and focusing on optimizing the management of consolidated entities within the Group. We vigorously pursued cost reduction and efficiency enhancement, and comprehensively promoted a light-capital development model. We continued to deepen centralized operational reforms, further implementing outlet reduction and quality improvement initiatives. We have launched a new core system, through which the catalytic role of fintech is gradually becoming evident.

The industry is currently undergoing profound restructuring, presenting both challenges and opportunities. **Looking ahead to 2026,** we will remain steadfast in implementing the directives of the Central Financial Work Conference. We will stay true to our founding mission, align ourselves with the nation's development trajectory, advance alongside the well-being of the people, and pursue mutual success with our clients. We will strive to enhance our value creation capabilities.

In the coming year, we will maintain strategic resolve and achieve steady development in all aspects. We will faithfully implement all measures outlined in the Group's Five-Year Strategic Development Plan, continuously refine strategic decoding and execution, and dynamically optimize the implementation roadmap. We will deepen the synergy strategy of the Group, strengthen the parent bank's enabling role and consolidated management, and steadily advance key tasks such as system migration and business development, in order to comprehensively drive the high-quality development of the Group.

In the coming year, we will integrate into the broader development landscape and continuously enhance the quality and efficiency of our services. We will precisely align with the 15th Five-Year Plan, continuously strengthen support for key sectors, and bolster the construction of regional modern industrial systems. We will continue to steadily improve the inclusiveness and accessibility of financial services and provide more credit support to technological innovation and other sectors so as to fuel the vigorous development of the local economy.

In the coming year, we will implement innovation-driven development and focus on building competitive advantages. We will drive innovation across six fields, reconstruct our operational value chain, strengthen our digital foundation, balance security with efficiency, and build agile organizations, in order to meet diverse customer needs, enhance the end-to-end customer experience, and strive to build a robust "moat" for high-quality development.

Ride the wind and chase the moon without pause, beyond the flat fields lie spring mountains. We will proactively embrace reform, meet challenges with a spirit of relentless effort, and persist in winning through quality. We will comprehensively strengthen our organizational capabilities, spare no effort in our practical and responsible actions, deepen our commitment to the path of financial development with Chinese characteristics, and continuously create greater sustainable value for our shareholders, clients, society, and employees.

Dongguan Rural Commercial Bank Co., Ltd.
Chairman: Lu Guofeng

Chapter I Company Profile and Business Overview

I. GENERAL INFORMATION

Chinese legal name	東莞農村商業銀行股份有限公司
Abbreviation of Chinese name	東莞農商銀行
English legal name	Dongguan Rural Commercial Bank Co., Ltd.
Abbreviation of English name	DRC Bank、DRCB
Legal representative	Lu Guofeng
Authorised representatives under the Listing Rules	Qian Hua(1), Tam Pak Yu, Vivien(2)
Authorised representative under the Hong Kong Companies Ordinance	Tam Pak Yu, Vivien(2)
Secretary to the Board of Directors	Ye Jianguang
Joint company secretaries	Ye Jianguang, Tam Pak Yu, Vivien(2)
Registered address	No. 2, Hongfu East Road, Dongcheng Street, Dongguan City, Guangdong Province, the PRC
Postal code	523123
Company's Website	www.drcbank.com
Customer service hotline	(86) 769–961122
Principal place of business in Hong Kong	40/F, Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong
Listed stock exchange	The Stock Exchange of Hong Kong Limited
Stock short name and code	DRCB, 9889.HK
H Shares Registrar	Computershare Hong Kong Investor Services Limited
Domestic Shares Depository	China Securities Depository and Clearing Corporation Limited
Domestic auditors	Pan-China Certified Public Accountants LLP
International auditors	KPMG
Chinese Mainland legal advisor	C&T Partners
Hong Kong legal advisor	King & Wood
Designated information disclosure websites	Website of the Hong Kong Stock Exchange (www.hkexnews.hk) Website of the Bank (www.drcbank.com)
Place for inspection of information disclosure	Office of the Board of Directors of the Bank
Date of establishment as joint stock company	22 December 2009
Registered capital	RMB6,888,545,510
Unified Social Credit Code	914419007829859746
Financial license number	B1054H344190001

Notes:

(1) Mr. Qian Hua has served as an authorised representative of our Bank under the Listing Rules since 27 March 2026.

(2) Ms. Tam Pak Yu, Vivien has served as a joint company secretary of our Bank, an authorised representative under the Listing Rules, and the authorised representative under the Hong Kong Companies Ordinance since 27 March 2026.

II. COMPANY PROFILE

Dongguan Rural Commercial Bank originated from Dongguan Credit Group (東莞信用互助組) established in 1952. The Bank ceased to be administrated by the Agricultural Bank in 1996, established Dongguan Rural Credit Cooperatives Association* (東莞市農村信用合作聯社) upon completion of reform as a unified legal person in 2005, completed the reform as Dongguan Rural Commercial Bank Co., Ltd. in 2009, and successfully listed on the Hong Kong Stock Exchange in 2021 (stock code: 9889.HK).

As of the end of 2025, the Bank has established four tier-one branches outside Dongguan including Nansha branch in Guangdong Pilot Free Trade Zone, Hengqin Guangdong-Macao In-Depth Cooperation Zone branch, Huizhou branch and Qingxin sub-branch, managed Zhanjiang Rural Commercial Bank, Guangdong Chaoyang Rural Commercial Bank, Yunfu Xinxing Dongying County Bank and Hezhou Babu Dongying County Bank on a consolidated basis, assisted Dongguan Municipal Government in managing Guangdong Puning Rural Commercial Bank, and invested in Guangdong Shunde Rural Commercial Bank, Guangdong Xuwen Rural Commercial Bank, Guangdong Lechang Rural Commercial Bank and Ya'an Rural Commercial Bank, which has become a regional banking group rooted in Dongguan, serving East Guangdong and West Guangdong.

As of the end of 2025, the Group's total assets amounted to RMB796.016 billion; the Group's balance of deposits was RMB544.212 billion; and the balance of loans was RMB409.031 billion, achieving operating income of RMB11.697 billion, with a net profit of RMB3.877 billion. Its non-performing loan ratio was 1.79%, the provision coverage ratio was 207.68%, and the capital adequacy ratio and the tier-one capital adequacy ratio were 15.41% and 13.33%, respectively.

According to the statistics of the British magazine "The Banker" in 2025, the Bank ranked 218th in the global banking industry; in the "Top 100 Banks in China of 2025" released by China Banking Association, the Bank ranked 38th and ranked 6th in the National Rural Commercial Bank. The Bank has been awarded the "Dongguan City Benefit Contribution Award" by the Dongguan Municipal Party Committee and Municipal Government for years.

III. DEVELOPMENT STRATEGY, INVESTMENT VALUE AND CORE COMPETITIVENESS

(I) Development Strategies

Under the direction of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and following the deployment of the Central Financial Work Conference and the Central Economic Work Conference, the Group deepens the "Five Major Financial Tasks", adheres to the leadership of Party building and the people-centric value orientation, adheres to the mission of "accompanying, trusting and growing with each other", and implements the development path of light capital development, digital transformation and characteristic competition to achieve the vision of becoming a "Regional Value-oriented Rural Commercial Bank Group".

(II) Investment Value And Core Competitiveness

Operating area integrated into national strategic hub, offering broad development space. The Group has based in the Guangdong-Hong Kong-Macao Greater Bay Area with Dongguan as the center, and East Guangdong and West Guangdong as two complements. Its operational area covers four cities within the Guangdong-Hong Kong-Macao Greater Bay Area urban cluster, as well as Zhanjiang and Shantou, two sub-provincial cities. The Group's operating areas align with national, provincial and municipal strategies including the development of the Guangdong-Hong Kong-Macao Greater Bay Area, high-quality development of the manufacturing industry, self-reliance and strength in science and technology, and rural revitalization. The economic development, industrial structure and market potential of the area has laid a foundation for the sustainable development of the Group.

Clear and firm development strategy, values-driven growth. The Group, based on the new stage of development, closely follows changes in the economy, customers and the market, clearly defines the vision and goal of becoming a regional value-oriented rural commercial bank group, and practices the values of customer orientation, integrity and honesty, steady development and coordinated growth to ensure stable and long-term development.

Coordinated development of business segments, continuous optimization in financial service. The Group adheres to the main responsibility and main business of "supporting agriculture, supporting SMEs and supporting the real economy", promotes the coordinated development of the four core business segments of corporate, retail, inclusive finance and financial asset management which are mutually integrated and promote each other, provides comprehensive financial services to customers and fully supports the development of the real economy.

Continuous enhancement in organization and management, improved quality and efficiency of operational management. The Group takes ecological, flat and professional operation as the main lines, comprehensively deepens the reform of system and mechanism, give play to the advantages such as flexible mechanism, short decision-making chain and interpersonal relationship and geographical relationship to improve the speed of response to customer needs. It adheres to the principle of prudent operation, shapes a comprehensively integrated, agile and proactive risk management governance structure and management system, reinforces risk quality management and achieves sustainable commercial development.

Technology empowerment for development, full power acceleration of digital development. The Group has strengthened its systems development, reorganized its information structure and classified its systems into hierarchical levels to build the foundation for the digital transformation. It strengthens the integration capability of business and technology, deepens the empowerment of technology and data, promotes systematic, refined and intelligent operations by digitalization, constructs precise marketing models, intelligent risk control models and intensive operation models and continuously empower the innovation of financial products and services.

Standardized and solid corporate governance with open and progressive corporate culture. The Group has established a sound corporate governance structure, and formed a diversified equity structure with state-owned, private, foreign, rural collective economic organization, natural person and employee. The Group adheres to the business philosophy of "customer-centric, market-oriented, and efficiency-oriented", builds a responsible and dedicative striving culture, a prudent and stable compliance culture and a warm and harmonious home culture, creates a corporate atmosphere of "with happiness and openness as its core, equality, mutual trust, mutual assistance, mutual love and common progress", and unites the entire Group for coordinated and common development with corporate culture.

IV. MAJOR HONORS AND AWARDS

2025	
March	**Dongguan City Benefit Contribution Award in 2024** Chinese Communist Party Dongguan Committee, Dongguan Municipal People's Government
	Top 20 Enterprises in Dongguan by Principle Operating Income in 2024 Chinese Communist Party Dongguan Committee, Dongguan Municipal People's Government
	2024 Dongcheng Street Service Industry Enterprise Contribution Award Dongguan Dongcheng Street Working Committee of the Communist Party of China, Dongcheng Street Office, Dongguan City
April	**"Integrity Enterprise" in the 17th Dongguan Integrity Service Brand Top 100 Enterprises Recommendation Campaign** Dongguan Consumer Council, Dongguan Newspaper Media Group
May	**Outstanding Groups in Promoting "High-Quality Development Project"** Guangdong Provincial Committee of the CPC, General Office of the People's Government of Guangdong Province
June	**"Foreign Currency Money Progress Member" in the 2024 Interbank Foreign Currency Money Market** China Foreign Exchange Trade System
	Promotion Case for Green Finance Reform and Innovation Financial Society of Guangdong, Guangzhou Green Finance Association
July	**30 June 2025 Dongguan Rural Revitalization & Charity Day "Drawing the Blueprint and Driving Revitalization Together"** Office of the CPC Dongguan Municipal Committee Rural Work Leading Group, Dongguan Charity Federation
	Ranked 218th of the Top 1000 World Banks in 2025 The Banker, UK
September	**Ranked 418th of the Top 500 Private Enterprises for R&D Investment in 2025** All-China Federation of Industry and Commerce
	Ranked 100th of the Top 100 Private Enterprises in Guangdong in 2025 Guangdong Federation of Industry and Commerce (General Chamber of Commerce)
	Ranked 37th of the Top 50 Private Enterprises in the Guangdong Service Industry in 2025 Guangdong Federation of Industry and Commerce (General Chamber of Commerce)
	Ranked 1,326th of the Forbes Top 2,000 Global Enterprises in 2025 Forbes, USA
	Ranked 38th on the list of Top 100 Banks in China in 2025 China Banking Association

2025

October

"Outstanding Award" in the Guangdong Provincial Monetary and Credit Business Skills Competition
Guangdong Branch of the People's Bank of China, Trade Union of Guangdong Finance & Trade System

"Straight Through Processing (STP) Excellence Award" from Citi Bank in 2024
Citibank

Ranked 200th of the Top 500 Enterprises in Guangdong in 2025
Guangdong Enterprise Federation, Guangdong Entrepreneur Association

Ranked 98th of the Top 100 Private Enterprises in Guangdong in 2025
Guangdong Enterprise Federation, Guangdong Entrepreneur Association

November

Excellent Work Brand for the "Four Capacities" Development in 2025 China Financial Media Promotion
China Financial Media Co., Ltd., China Banking and Insurance News, China Rural Finance, Yearbook of China's Insurance

Ranked 3rd of the Top 20 Private Service Enterprises of Dongguan in 2025
Dongguan Municipal People's Government, Dongguan Municipal Industry and Information Technology Bureau, Dongguan Federation of Industry and Commerce (General Chamber of Commerce)

Ranked 37th of the Top 100 Banks Competitiveness in China in 2025
21st Century Business Herald

December

"Rural Commercial Bank of the Year Award in 2025" in the East Money Conference
East Money

"Benchmark of Low-Carbon Leadership in Green Finance" at the 2025 Bay Area Financial High-Quality Development Case Exhibition
Guangdong Guangzhou Daily Media Co., Ltd.

"Green Finance Innovation Award" in the 2025 Yangcheng Evening News Financial Rising Star List
Yangcheng Evening News

Guangdong Banking Industry's "Excellent Case" in Inclusive Finance Innovation Practice
Southern Metropolis Daily, Greater Bay Area Financial Media* (灣財社)

2026

February

2025 Dongguan Industry Power List "Benchmark in Technology Finance Services"
Dongguan Newspaper Media Group

Wealth Management Income Pioneer Prize in the 4th Lianhe Zhiping Golden Toad Awards in 2025
Lianxin Zhiping Digital Technology Co., Ltd. * (聯信智評數字科技有限公司)

Excellent Wealth Management Prize in the 4th Lianhe Zhiping Golden Toad Awards in 2025
Lianxin Zhiping Digital Technology Co., Ltd. * (聯信智評數字科技有限公司)

Excellent Wealth Management Sales Bank Prize in the 4th Lianhe Zhiping Golden Toad Awards in 2025
Lianxin Zhiping Digital Technology Co., Ltd. * (聯信智評數字科技有限公司)

Chapter II Accounting Data and Financial Indicators Highlights

(Unit: RMB'000)

Operating results	For the year ended 31 December 2025	2024	2023	2022	2021	Percentage increase/ (decrease) for the Reporting Period as compared to the previous year (%)
Operating income	**11,696,578**	12,311,928	13,260,162	13,235,957	12,996,314	(5.00)
Profit before tax	**3,731,794**	4,103,910	5,169,736	6,284,062	5,989,651	(9.07)
Net profit	**3,876,823**	4,860,559	5,345,816	6,082,525	5,702,920	(20.24)
Net profit attributable to the shareholders of the Bank	**3,853,908**	4,624,651	5,161,283	5,931,681	5,589,700	(16.67)

(Unit: RMB/share)

Per share	For the year ended 31 December/as at 31 December 2025	2024	2023	2022	2021	Percentage increase/ (decrease) for the Reporting Period as compared to the previous year (%)
Net asset per share attributable to the shareholders of the Bank	**8.75**	8.64	7.93	7.42	6.88	1.27
Basic earnings per share	**0.56**	0.67	0.75	0.86	0.93	(16.42)
Diluted earnings per share	**0.56**	0.67	0.75	0.86	0.93	(16.42)

(Unit: RMB'000)

Scale indicators	As at 31 December 2025	2024	2023	2022	2021	Percentage increase/ (decrease) as at the end of the Reporting Period as compared to the end of the previous year (%)
Total assets	**796,015,702**	745,904,488	708,853,592	657,689,972	593,361,093	6.72
Including: Gross loans and advances to customers (excluding accrued interest)	**409,031,225**	381,044,893	355,073,342	331,997,701	298,114,972	7.34
Allowance for expected credit loss/impairment provision for loans and advances to customers [1]	**15,139,296**	14,439,964	13,357,114	10,988,260	9,091,156	4.84
Total liabilities	**732,991,761**	683,438,588	651,365,055	603,870,043	543,378,980	7.25
Including: Total deposits from customers (excluding accrued interest)	**544,211,842**	520,248,239	487,094,959	459,162,554	413,961,013	4.61
Share capital	**6,888,546**	6,888,546	6,888,546	6,888,546	6,888,546	–
Shareholders' equity	**63,023,941**	62,465,900	57,488,537	53,819,929	49,982,113	0.89
Including: Equity attributable to shareholders of the Bank	**60,294,841**	59,551,452	54,649,387	51,127,714	47,378,632	1.25
Non-controlling interests	**2,729,100**	2,914,448	2,839,150	2,692,215	2,603,481	(6.36)

Note:

(1) Including the impairment provision on loans and advances to customers measured at amortized costs and the impairment provision on loans and advances to customers at fair value through other comprehensive income.

(Unit: %)

Profitability indicators	For the year ended 31 December 2025	2024	2023	2022	2021	Amount of increase/(decrease) for the Reporting Period as compared to the previous year
Return on average total assets[1]	**0.50**	0.67	0.78	0.97	1.00	(0.17)
Return on average equity[2]	**6.18**	8.10	9.61	11.72	12.87	(1.92)
Net interest spread[3]	**1.19**	1.30	1.62	1.89	1.90	(0.11)
Net interest margin[4]	**1.25**	1.35	1.67	1.92	1.96	(0.10)
Cost-to-income ratio[5]	**38.36**	37.44	35.30	34.78	34.18	0.92

Notes:

(1) Rate of return was calculated by dividing the net profit for the year by the average balance of total assets at the beginning and the ending of the year.
(2) Rate of return was calculated by dividing the net profit for the year by the average balance of total shareholders' equity at the beginning and the ending of the year.
(3) Calculated as the difference between the average yield on total interest-earning assets and the average cost ratio of interest-bearing liabilities.
(4) Calculated by dividing the net interest income by the average balance of total interest-earning assets.
(5) Calculated by dividing the total operating expenses (excluding tax and surcharges) by total operating income.

(Unit: %)

Capital adequacy indicators[1]	As at 31 December 2025	2024	2023	2022	2021	Amount of increase/(decrease) as at the end of the Reporting Period as compared to the end of the previous year
Core tier-one capital adequacy ratio[2]	**13.30**	14.34	13.62	13.70	13.90	(1.04)
Tier-one capital adequacy ratio[3]	**13.33**	14.37	13.65	13.74	13.94	(1.04)
Capital adequacy ratio[4]	**15.41**	16.54	15.85	15.98	16.29	(1.13)
Ratio of total equity to total assets	**7.92**	8.37	8.11	8.18	8.42	(0.45)

Notes:

(1) Indicators as at 31 December 2025 and 31 December 2024 were calculated in accordance with relevant requirements of the Administrative Measures for the Capital of Commercial Banks (《商業銀行資本管理辦法》) and indicators as at 31 December 2023 and in previous periods were calculated in accordance with relevant requirements of the Administrative Measures for the Capital of Commercial Banks (Trial) (《商業銀行資本管理辦法(試行)》). The calculation scope of capital adequacy ratio comprises of all branches and sub-branches as well as financial institution subsidiaries in compliance with the requirements of the Administrative Measures for the Capital of Commercial Banks.
(2) Calculated by dividing core tier-one capital, net of core tier-one capital deductions, by total risk-weighted assets.
(3) Calculated by dividing tier-one capital, net of tier-one capital deductions, by total risk-weighted assets.
(4) Calculated by dividing total capital, net of capital deductions, by total risk-weighted assets.

(Unit: %)

Asset quality indicators	As at 31 December 2025	2024	2023	2022	2021	Amount of increase/ (decrease) as at the end of the Reporting Period as compared to the end of the previous year
Non-performing loan ratio(1)	**1.79**	1.84	1.23	0.90	0.84	(0.05)
Allowance coverage ratio(2)	**207.68**	207.72	308.30	373.83	375.34	(0.04)
Allowance to total loan ratio(3)	**3.72**	3.82	3.81	3.37	3.15	(0.10)

Notes:

(1) Calculated by dividing the total amount of non-performing loan (excluding accrued interest) by total amount of loans (excluding accrued interest), where the loans of Zhanjiang RCB and Guangdong Chaoyang RCB, our subsidiaries, were calculated by the balance of carrying amount instead of purchase price (i.e. fair value at the acquisition date).

(2) Calculated by dividing the balance of loan impairment provision by total non-performing loans (excluding accrued interest), where the balance of loan impairment provision does not include the balance of loan impairment provision recorded under loans in other comprehensive income and the loans of Zhanjiang RCB and Guangdong Chaoyang RCB, our subsidiaries, were calculated by the original book value instead of purchase price (i.e. fair value at the acquisition date).

(3) Calculated by dividing the balance of loan impairment provision by total loans (excluding accrued interest), where the balance of loan impairment provision does not include impairment provision recorded under loans in other comprehensive income and the loans of Zhanjiang RCB and Guangdong Chaoyang RCB, our subsidiaries, were calculated by the original book value instead of purchase price (i.e. fair value at the acquisition date).

(Unit: %)

Other indicator	As at 31 December 2025	2024	2023	2022	2021	Amount of increase/ (decrease) as at the end of the Reporting Period as compared to the end of the previous year
Loan-to-deposit ratio[1]	**75.16**	73.27	72.94	72.37	72.11	1.89

Note:

(1) Calculated by dividing total loans to customers (excluding accrued interest) by total deposits from customers (excluding accrued interest), where the deposits and loans of Zhanjiang RCB and Guangdong Chaoyang RCB, our subsidiaries, were calculated at the original book value instead of fair value on the acquisition date.

Chapter III Management Discussion and Analysis

I. OPERATION OVERVIEW

In 2025, the Group thoroughly implemented its business philosophy of "customer-centric, market-oriented, and efficiency-oriented". We proactively aligned our services with the broader national and provincial/municipal strategies for high-quality development, focusing on enhancing the quality and efficiency of our services for the real economy, and making every effort to prevent and mitigate major financial risks. With key operational indicators showing steady progress, and risk control management continuously strengthened, the Bank achieved sustained, coordinated, and stable development overall.

In terms of business scale, as of the end of the Reporting Period, the Group's total assets amounted to RMB796.016 billion, representing an increase of RMB50.111 billion or 6.72% over the end of the previous year. The balance of deposits amounted to RMB544.212 billion, representing an increase of RMB23.964 billion or 4.61% over the end of the previous year. The balance of loans amounted to RMB409.031 billion, representing an increase of RMB27.986 billion or 7.34% over the end of the previous year. The scale of assets increased steadily, and efforts to serve the real economy continued to strengthen.

In terms of development quality, as of the end of the Reporting Period, the Group's non-performing loan ratio was 1.79%, the provision coverage ratio was 207.68%, and the capital adequacy ratio and tier-one capital adequacy ratio were 15.41% and 13.33% respectively, all of ratios above were compliant with regulatory standards.

In terms of operation performance, during the Reporting Period, the Group achieved operating income of RMB11.697 billion and a net profit of RMB3.877 billion, with ROA and ROE of 0.50% and 6.18%, respectively.

II. KEY OPERATING DATA

(I) Analysis on income statement

During the Reporting Period, the Group achieved operating income of RMB11.697 billion, representing a decrease of RMB0.615 billion or 5% over the corresponding period of the previous year, and net profit of RMB3.877 billion, representing a decrease of RMB0.984 billion, or 20.24%, over the corresponding period of the previous year, which was mainly attributable to the decrease in net interest income and net non-interest income. The key items and movements in the Group's income statement are shown in the table below:

(unit: RMB'000)

Item	For the year ended 31 December 2025	For the year ended 31 December 2024	Amount of increase/ (decrease)	Increase/ (decrease) percentage (%)
Net interest income	**8,827,223**	9,174,287	(347,064)	(3.78)
Net non-interest income	**2,869,355**	3,137,641	(268,286)	(8.55)
Operating income	**11,696,578**	12,311,928	(615,350)	(5.00)
Operating expense	**(4,624,046)**	(4,752,665)	128,619	(2.71)
Impairment losses on assets	**(3,385,739)**	(3,479,797)	94,058	(2.70)
Operating profit	**3,686,793**	4,079,466	(392,673)	(9.63)
Share of profits of associates	**45,001**	24,444	20,557	84.10
Profit before tax	**3,731,794**	4,103,910	(372,116)	(9.07)
Income tax	**145,029**	756,649	(611,620)	(80.83)
Net profit	**3,876,823**	4,860,559	(983,736)	(20.24)
Net profit attributable to the shareholders of the Bank	**3,853,908**	4,624,651	(770,743)	(16.67)
Net profit attributable to the non-controlling interests	**22,915**	235,908	(212,993)	(90.29)

1. *Net interest income*

During the Reporting Period, the Group's net interest income amounted to RMB8.827 billion, representing a year-on-year decrease of RMB0.347 billion or 3.78%, which was mainly attributable to a higher amount of decrease in interest income than that in interest expense. The following table sets forth the Group's interest income, interest expense and net interest income for the periods indicated:

(unit: RMB'000)

Item	For the year ended 31 December		Amount of increase/ (decrease)	Increase/ (decrease) percentage (%)
	2025	2024		
Interest income	**19,958,312**	21,922,067	(1,963,755)	(8.96)
Interest expense	**(11,131,089)**	(12,747,780)	1,616,691	(12.68)
Net interest income	**8,827,223**	9,174,287	(347,064)	(3.78)

(1) Net interest spread and net interest margin

During the Reporting Period, the Group's average yield on interest-earning assets amounted to 2.82%, representing a year-on-year decrease of 0.41 percentage points; the average cost ratio of interest-bearing liabilities amounted to 1.63%, representing a year-on-year decrease of 0.30 percentage points; the net interest spread amounted to 1.19%, representing a year-on-year decrease of 0.11 percentage points; and the net interest margin amounted to 1.25%, representing a year-on-year decrease of 0.10 percentage points, mainly attributable to the decrease in interest income.

The following table sets forth the average balance of interest-earning assets and interest-bearing liabilities, the related interest income or expense, and the average yield on the related assets or average cost ratio on the related liabilities for the periods indicated:

(unit: RMB'000)

	For the year ended 31 December					
	2025			2024		
Item	Average balance	Interest income/ expense	Average yield/cost ratio[1] (%)	Average balance	Interest income/ expense	Average yield/cost ratio[1] (%)
Interest-earning assets						
Loans and advances to customers	393,655,301	12,778,099	3.25	374,544,580	14,428,969	3.85
Financial investments[2]	254,144,933	6,278,080	2.47	241,458,678	6,453,512	2.67
Deposits with Central Bank	31,689,691	447,661	1.41	30,238,923	429,757	1.42
Financial assets held under resale agreements, deposits and placements with banks and other financial institutions	28,520,960	454,472	1.59	31,872,208	609,829	1.91
Total	708,010,885	19,958,312	2.82	678,114,389	21,922,067	3.23
Interest-bearing liabilities						
Deposits from customers	528,831,992	8,090,592	1.53	501,280,661	8,987,966	1.79
Bonds issued	99,724,546	2,004,488	2.01	74,752,533	1,804,171	2.41
Borrowings from Central Bank	29,026,406	530,849	1.83	37,468,887	874,448	2.33
Financial assets sold under repurchase agreements, deposits and placements from banks and other financial institutions	26,762,584	490,078	1.83	47,663,694	1,062,533	2.23
Leasing liability	487,290	15,082	3.10	506,329	18,662	3.69
Total	684,832,818	11,131,089	1.63	661,672,104	12,747,780	1.93
Net interest income		8,827,223			9,174,287	
Net interest spread[3]			1.19			1.30
Net interest margin[4]			1.25			1.35

Notes:

(1) Calculated by dividing interest income/expense by the average balance.
(2) Mainly including the interest-earning financial assets at amortized cost and financial assets at fair value through other comprehensive income.
(3) Calculated as the difference between the average yield on total interest-earning assets and the average cost ratio of total interest-bearing liabilities.
(4) Calculated by dividing the net interest income by the average balance of total interest-earning assets.

The following table sets forth the Group's year-on-year changes in interest income and interest expense due to changes in volume and interest rates:

(unit: RMB'000)

	For the year ended 31 December 2025 VS 2024		
	Increase/(decrease) due to the changes in		
Item	**Volume[1]**	**Interest rate[2]**	**Net increase/ (decrease)[3]**
Interest-earning assets			
Loans and advances to customers	**736,222**	**(2,387,092)**	(1,650,870)
Financial investments[4]	**339,068**	**(514,500)**	(175,432)
Deposits with Central Bank[5]	**20,618**	**(2,714)**	17,904
Financial assets held under resale agreements, deposits and placements with banks and other financial institutions	**(64,121)**	**(91,236)**	(155,357)
Changes in interest income	**1,031,787**	**(2,995,542)**	(1,963,755)
Interest-bearing liabilities			
Deposits from customers	**493,996**	**(1,391,370)**	(897,374)
Bonds issued[6]	**602,706**	**(402,389)**	200,317
Borrowings from Central Bank	**(197,030)**	**(146,569)**	(343,599)
Financial assets sold under repurchase agreements, deposits and placements from banks and other financial institutions	**(465,934)**	**(106,521)**	(572,455)
Leasing liability	**(702)**	**(2,878)**	(3,580)
Changes in interest expense	**433,036**	**(2,049,727)**	(1,616,691)
Changes in net interest income	**598,751**	**(945,815)**	(347,064)

Notes:

(1) Represents the average balance of this year less the average balance of the previous year, multiplied by the average yield/cost ratio of the previous year.

(2) Represents the average yield/cost ratio for this year less the average yield/cost ratio for the previous year, multiplied by the average balance for this year.

(3) Represents interest income/expense for this year less interest income/expense for the previous year.

(4) Mainly including the interest-earning financial assets at amortized cost and financial assets at fair value through other comprehensive income.

(5) Mainly including the statutory deposit reserves and excess deposit reserves.

(6) Mainly including the interbank certificates of deposit, tier-two capital bonds, green financial bonds, specialized financial bonds for agriculture, rural areas and farmers, fixed rate financial bonds and financial bonds for small and micro enterprise.

(2) Interest income

During the Reporting Period, the Group's interest income was RMB19.958 billion, representing a year-on-year decrease of RMB1.964 billion or 8.96%, mainly due to the decrease in interest income from loans and advances to customers. The following table sets forth the composition, percentage and average yield of the Group's interest income for the periods indicated:

(unit: RMB'000)

	For the year ended 31 December					
	2025			2024		
Item	Amount	Percentage of total (%)	Average yield (%)	Amount	Percentage of total (%)	Average yield (%)
Loans and advances to customers	12,778,099	64.02	3.25	14,428,969	65.82	3.85
Financial investments	6,278,080	31.46	2.47	6,453,512	29.44	2.67
Deposits with Central Bank	447,661	2.24	1.41	429,757	1.96	1.42
Financial assets held under resale agreements, deposits and placements with banks and other financial institutions	454,472	2.28	1.59	609,829	2.78	1.91
Total interest income	**19,958,312**	**100.00**	**2.82**	21,922,067	100.00	3.23

(i) 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 RMB12.778 billion, representing a decrease of RMB1.651 billion or 11.44% compared with the same period last year. This decline was mainly affected by the continued decline of LPR and loan repricing, and the policy guidance for financial institutions to continue benefiting the real economy. 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'000)

	For the year ended 31 December					
	2025			2024		
Item	Average balance	Interest income	Average yield (%)	Average balance	Interest income	Average yield (%)
Corporate loans and advances	238,230,524	8,125,379	3.41	215,543,806	8,854,814	4.11
Personal loans and advances	126,369,121	4,445,507	3.52	125,925,584	5,224,427	4.15
Discounted bills	29,055,656	207,213	0.71	33,075,190	349,728	1.06
Total	**393,655,301**	**12,778,099**	**3.25**	374,544,580	14,428,969	3.85

(ii) Interest income from financial investments

During the Reporting Period, the Group achieved interest income from financial investments of RMB6.278 billion, representing a decrease of RMB0.175 billion or 2.72% compared with the same period last year. This decline was primarily attributable to the downward trend in market interest rates, which led to reduced interest income from bond reallocations.

(iii) Interest income from financial assets held under resale agreements, deposits and placements with banks and other financial institutions

During the Reporting Period, the Group's interest income from financial assets held under resale agreements, deposits and placements with banks and other financial institutions amounted to RMB0.454 billion, representing a decrease of RMB0.155 billion or 25.48% compared with the same period last year. This decline was primarily attributable to a reduction in the scale of financial assets held under resale agreements and a downward trend in market interest rates. The average balance, interest income and average yield of each component of the Group's financial assets held under resale agreements, deposits and placements with banks and other financial institutions are set out below:

(unit: RMB'000)

	For the year ended 31 December					
	2025			2024		
Item	Average balance	Interest income	Average yield (%)	Average balance	Interest income	Average yield (%)
Financial assets held under resale agreements	**9,102,235**	**142,958**	**1.57**	14,792,020	268,499	1.82
Deposits and placements with banks and other financial institutions	**19,418,725**	**311,514**	**1.60**	17,080,188	341,330	2.00
Total	**28,520,960**	**454,472**	**1.59**	31,872,208	609,829	1.91

(3) Interest expense

During the Reporting Period, the Group's interest expense amounted to RMB11.131 billion, representing a year-on-year decrease of RMB1.617 billion, or 12.68%, mainly due to the decrease in interest expense on customer deposits. The following table sets forth the composition, percentage and average cost ratio of the Group's interest expense for the periods indicated:

(unit: RMB'000)

	For the year ended 31 December					
	2025			2024		
Item	**Amount**	**Percentage of total (%)**	**Average cost rate (%)**	Amount	Percentage of total (%)	Average cost rate (%)
Deposits from customers	**8,090,592**	**72.68**	**1.53**	8,987,966	70.51	1.79
Bonds issued	**2,004,488**	**18.01**	**2.01**	1,804,171	14.15	2.41
Borrowings from Central Bank	**530,849**	**4.77**	**1.83**	874,448	6.86	2.33
Financial assets sold under repurchase agreements, deposits and placements from banks and other financial institutions	**490,078**	**4.40**	**1.83**	1,062,533	8.34	2.23
Leasing liability	**15,082**	**0.14**	**3.10**	18,662	0.14	3.69
Total interest expense	**11,131,089**	**100.00**	**1.63**	12,747,780	100.00	1.93

(i) Interest expense on customer deposits

During the reporting period, the Group's interest expense on customer deposits amounted to RMB8.091 billion, representing a decrease of RMB0.897 billion or 9.98% compared with the same period last year. This was primarily attributable to the lower deposit interest rate and better deposit structure. The following table sets forth the average balance, interest expense and average cost rate of each component of the Group's deposits from customers during the period indicated:

(unit: RMB'000)

	For the year ended 31 December					
	2025			2024		
Item	**Average balance**	**Interest expense**	**Average cost rate (%)**	Average balance	Interest expense	Average cost rate (%)
Corporate deposits						
Demand	**89,590,208**	**378,186**	**0.42**	88,696,399	644,805	0.73
Time	**116,052,123**	**3,001,168**	**2.59**	108,715,368	3,273,286	3.01
Sub-total	**205,642,331**	**3,379,354**	**1.64**	197,411,767	3,918,091	1.98
Personal deposits						
Demand	**113,519,324**	**71,055**	**0.06**	113,018,704	264,457	0.23
Time	**209,670,337**	**4,640,183**	**2.21**	190,850,190	4,805,418	2.52
Sub-total	**323,189,661**	**4,711,238**	**1.46**	303,868,894	5,069,875	1.67
Total	**528,831,992**	**8,090,592**	**1.53**	501,280,661	8,987,966	1.79

(ii) Interest expense on bonds issued

During the Reporting Period, the Group's interest expense on bonds issued was RMB2.004 billion, with a year-on-year increase of RMB0.2 billion or 11.10%, mainly due to the increase in the issuance scale of interbank certificates of deposit.

(iii) Interest expense on borrowings from the Central Bank

During the Reporting Period, the Group's interest expense on borrowings from the Central Bank was RMB0.531 billion, with a year-on-year decrease of RMB0.344 billion, or 39.29%, mainly due to the decline in policy interest rates.

(iv) Interest expense on financial assets sold under repurchase agreements, deposits and placements from banks and other financial institutions

During the Reporting Period, the Group's interest expenses on amounts due to banks and other financial institutions amounted to RMB0.490 billion, with a year-on-year decrease of RMB0.572 billion, or 53.88%, which was mainly attributable to the reduction in interbank deposits and the downward trend in interest rates. The average balance, interest expense and average cost ratio of each component of the Group's financial assets sold under repurchase agreements, deposits and placements from banks and other financial institutions are set out below:

(unit: RMB'000)

	For the year ended 31 December					
	2025			2024		
Item	Average balance	Interest expense	Average cost rate (%)	Average balance	Interest expense	Average cost rate (%)
Financial assets sold under repurchase agreements	**15,964,135**	**269,639**	**1.69**	20,828,565	395,857	1.90
Deposits and placements from banks and other financial institutions	**10,798,449**	**220,439**	**2.04**	26,835,129	666,676	2.48
Total	**26,762,584**	**490,078**	**1.83**	47,663,694	1,062,533	2.23

2. *Net non-interest income*

During the Reporting Period, the Group's non-interest income amounted to RMB2.869 billion, representing a year-on-year decrease of RMB0.268 billion, or 8.55%, mainly due to the decrease in net trading gains. The following table sets forth the composition and changes of net non-interest income of the Group for the periods indicated:

(unit: RMB'000)

	For the year ended 31 December			
Item	2025	2024	Amount of increase/ (decrease)	Increase/ (decrease) percentage (%)
Net fee and commission income	**398,950**	457,037	(58,087)	(12.71)
Net trading gains	**579,299**	1,847,599	(1,268,300)	(68.65)
Net gains on financial investments	**1,827,988**	708,453	1,119,535	158.03
Other operating income	**63,118**	124,552	(61,434)	(49.32)
Total	**2,869,355**	3,137,641	(268,286)	(8.55)

(1) Net fee and commission income

During the Reporting Period, the Group's net fee and commission income amounted to RMB0.399 billion, with a decrease of RMB0.058 billion year on year or 12.71%, mainly attributable to the decline of wealth-management product fee rates. The following table sets forth the Group's net fee and commission income:

(unit: RMB'000)

	For the year ended 31 December			
	2025		2024	
Item	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Fee income from settlement business	**61,404**	15.39	73,463	16.07
Bank card fee income	**155,384**	38.95	206,059	45.09
Fee income from custody and other fiduciary business	**207,006**	51.89	187,492	41.02
Income from wealth management business	**201,005**	50.38	265,865	58.17
Income from other businesses	**62,366**	15.63	82,930	18.15
Fee and commission income	**687,165**	172.24	815,809	178.50
Fee and commission expense	**(288,215)**	(72.24)	(358,772)	(78.50)
Net fee and commission income	**398,950**	100.00	457,037	100.00

(2) Net trading gains

During the Reporting Period, the Group's net trading gains amounted to RMB0.579 billion, representing a year-on-year decrease of RMB1.268 billion, which was mainly due to a temporary rebound in bond yields in 2025, resulting in negative gains from changes in the fair value of trading financial assets. In contrast, the same period in 2024 recorded positive gains from such changes. The combined effect of these opposing factors led to a year-over-year decrease in net trading gains for 2025.

(3) Net gains on financial investments

During the Reporting Period, the Group's net gains on financial investments amounted to RMB1.828 billion, representing a year-on-year increase of RMB1.120 billion. This growth was primarily attributable to enhanced bond swing trading activities.

(4) Other operating income

During the Reporting Period, other operating income of the Group amounted to RMB0.063 billion, representing a year-on-year decrease of RMB0.061 billion, mainly due to the termination of the inclusive small and micro loan support tool policy at the end of 2024.

3. *Operating expenses*

During the Reporting Period, the Group's operating expenses amounted to RMB4.624 billion, representing a year-on-year decrease of RMB0.129 billion or 2.71%, which was mainly attributable to the decrease in staff costs. The following table sets forth the major components of the Group's operating expenses for the periods indicated:

(unit: RMB'000)

Item	For the year ended 31 December 2025	For the year ended 31 December 2024	Amount of increase/ (decrease)	Increase/ (decrease) percentage (%)
Staff costs	**2,893,478**	3,058,456	(164,978)	(5.39)
Taxes and surcharges	**137,000**	143,090	(6,090)	(4.26)
General and administrative expenses	**1,139,299**	1,114,876	24,423	2.19
Depreciation and amortization	**446,956**	429,392	17,564	4.09
Others	**7,313**	6,851	462	6.74
Total	**4,624,046**	4,752,665	(128,619)	(2.71)

(1) Staff costs

During the Reporting Period, the Group's staff costs amounted to RMB2.893 billion, representing a decrease of RMB0.165 billion or 5.39% compared with the same period last year. The following table sets forth the major components of the Group's staff costs for the periods indicated:

(unit: RMB'000)

Item	For the year ended 31 December 2025	For the year ended 31 December 2024	Amount of increase/ (decrease)	Increase/ (decrease) percentage (%)
Salaries, bonuses and allowances	**1,964,662**	2,129,559	(164,897)	(7.74)
Pension and other social benefits	**756,416**	729,451	26,965	3.70
Enterprise annuity scheme	**131,269**	153,960	(22,691)	(14.74)
Others	**41,131**	45,486	(4,355)	(9.57)
Total	**2,893,478**	3,058,456	(164,978)	(5.39)

(2) Depreciation and amortization

During the Reporting Period, the Group's depreciation and amortization amounted to RMB0.447 billion, representing a year-on-year increase of RMB0.018 billion.

4. Impairment losses on assets

During the Reporting Period, the Group recorded impairment losses on assets of RMB3.386 billion, a decrease of RMB0.094 billion compared with the same period last year. The following table sets out the principal components of the Group's impairment losses on assets for the periods indicated:

(unit: RMB'000)

Item	For the year ended 31 December 2025	For the year ended 31 December 2024	Amount of increase/ (decrease)	Increase/ (decrease) percentage (%)
Loans and advances to customers	**3,228,931**	3,833,622	(604,691)	(15.77)
Financial investments	**71,386**	(321,871)	393,257	(122.18)
Loan commitments and guarantee contracts	**25,279**	(38,966)	64,245	(164.87)
Financial assets held under resale agreements, deposits and placements with banks and other financial institutions	**1,310**	(30,163)	31,473	(104.34)
Other assets	**58,833**	37,175	21,658	58.26
Total	**3,385,739**	3,479,797	(94,058)	(2.70)

(1) Loans and advances to customers

During the Reporting Period, the Group recorded a credit impairment loss of RMB3,229 million on loans and advances to customers representing a decrease of RMB605 million from the same period of the previous year. In accordance with the requirements of the "Notice of the China Banking and Insurance Regulatory Commission on Issuing the Implementation Management Measures for the Expected Credit Loss Method in Commercial Banks" (CBIRC Regulation [2022] No. 10), the Group adopted the expected credit loss method to promptly update the various parameters of the impairment model and reflect the impact of changes in the external environment on the credit risk of assets.

(2) Financial investments

During the Reporting Period, the Group's provision for credit impairment losses on financial investments amounted to RMB0.071 billion, representing an increase of RMB0.393 billion from the same period of the previous year, which was mainly attributable to the decrease in the proportion of bonds issued by the central and local governments.

5. *Income tax expenses*

During the Reporting Period, the Group's income tax expenses amounted to RMB-0.145 billion, representing a year-on-year increase of RMB0.612 billion, which was mainly because the subsidiaries, Zhanjiang Rural Commercial Bank and Guangdong Chaoyang Rural Commercial Bank, were required to pay income tax in accordance with the local tax authorities' regulations, which led to an increase in the income tax expenses for current period. The following table sets forth the major components of the Group's income tax expenses for the periods indicated:

(unit: RMB'000)

Item	For the year ended 31 December 2025	2024	Amount of increase/ (decrease)	Increase/ (decrease) percentage (%)
Current income tax expenses	**375,309**	11,862	363,447	3,063.96
Deferred income tax expenses	**(520,338)**	(768,511)	248,173	\
Total	**(145,029)**	(756,649)	611,620	\

(II) Balance Sheet Analysis

1. *Assets*

As of the end of the Reporting Period, the Group's total assets amounted to RMB796,016 million, representing an increase of RMB50,111 million, or 6.72%, as compared with the same period of the previous year. The following table sets forth the balances of the major components of the Group's total assets as at the dates indicated:

(unit: RMB'000)

Item	As at 31 December 2025 Amount	Percentage of total (%)	As at 31 December 2024 Amount	Percentage of total (%)
Net loans and advances to customers	**395,067,042**	**49.63**	367,364,491	49.25
Cash and balances with Central Bank	**37,340,992**	**4.69**	36,333,987	4.87
Financial investments(1)	**332,050,603**	**41.71**	313,641,516	42.05
Financial assets held under resale agreements, deposits and placements with banks and other financial institutions	**17,212,818**	**2.16**	16,818,580	2.25
Investment in associates	**691,202**	**0.09**	644,456	0.09
Goodwill	**520,521**	**0.07**	520,521	0.07
Property and equipment	**2,274,308**	**0.29**	2,288,747	0.31
Right-of-use assets	**1,146,740**	**0.14**	1,176,183	0.16
Deferred tax assets	**5,755,405**	**0.72**	4,732,688	0.63
Others(2)	**3,956,071**	**0.50**	2,383,319	0.32
Total assets	**796,015,702**	**100.00**	745,904,488	100.00

Notes:

(1) Financial investments include bonds, funds, beneficiary rights of credit assets, and unlisted equity investments.
(2) Including precious metals, derivative financial assets, research and development expenses, long-term deferred expenses, software, prepayments, foreclosed assets, etc.

(1) Loans and advances to customers

As of the end of the Reporting Period, the Group's net loans and advances to customers amounted to RMB395.067 billion, representing an increase of RMB27.703 billion, or 7.54%, as compared with the end of last year, which was mainly due to the increase in corporate loans.

Item	As at 31 December 2025	As at 31 December 2024	Amount of increase/ (decrease)	Increase/ (decrease) percentage (%)
Total loans and advances to customers	**409,031,225**	381,044,893	27,986,332	7.34
Add: accrued interest	**1,145,799**	734,502	411,297	56.00
Less: provision for expected credit loss(1)	**15,109,982**	14,414,904	695,078	4.82
Net loans and advances to customers	**395,067,042**	367,364,491	27,702,551	7.54

Note:

(1) Excluding the provision for impairment of bills rediscounted and forfeiting, which are included in other comprehensive income.

The Group's loans and advances to customers mainly consisted of corporate loans, personal loans and discounted bills. For details of loans and advances to customers of the Group, please refer to the section "Loan Quality Analysis" in this chapter of the Report.

(2) Financial assets held under resale agreements, deposits and placements with banks and other financial institutions

As of the end of the Reporting Period, the Group's financial assets held under resale agreements, deposits and placements with banks and other financial institutions amounted to RMB17.213 billion, with an increase of RMB0.394 billion or 2.34% compared to last year. Details of the Group's financial assets held under resale agreements, deposits and placements with banks and other financial institutions are set out below:

Item	As at 31 December 2025		As at 31 December 2024	
	Amount	**Percentage of total (%)**	Amount	Percentage of total (%)
Deposits with domestic banks and other financial institutions	**2,975,370**	**17.29**	2,444,307	14.55
Deposits with overseas banks and other financial institutions	**1,202,063**	**6.98**	1,166,474	6.94
Placements with domestic banks and other financial institutions	**12,040,000**	**69.95**	12,867,781	76.57
Financial assets held under resale agreements	**996,000**	**5.78**	325,598	1.94
Sub-total	**17,213,433**	**100.00**	16,804,160	100.00
Add: accrued interest	**19,267**		33,048	
Less: impairment provision	**19,882**		18,628	
Total	**17,212,818**		16,818,580	

(3) Financial investments

As of the end of the Reporting Period, the Group's financial investments mainly consisted of bonds, beneficiary rights of credit assets, funds and unlisted equity investments. The total financial investments of the Group amounted to RMB332.051 billion, representing an increase of RMB18.409 billion, or 5.87% compared with the end of the previous year, which was mainly attributable to the increase in bonds and fund investments.

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

(unit: RMB'000)

	As at 31 December 2025		As at 31 December 2024	
Item	**Amount**	**Percentage of total (%)**	Amount	Percentage of total (%)
Financial investments at fair value through profit and loss	**51,543,670**	**15.52**	43,268,319	13.80
Financial investment at amortized cost	**144,943,419**	**43.65**	140,564,544	44.82
Financial investments at fair value through other comprehensive income	**135,563,514**	**40.83**	129,808,653	41.38
Total	**332,050,603**	**100.00**	313,641,516	100.00

Among them, the distribution of the types and amounts of bonds held by the Group is as follows:

(unit: RMB'000)

	As at 31 December 2025		As at 31 December 2024	
Item	**Amount**	**Percentage of total (%)**	Amount	Percentage of total (%)
Debt securities issued by the central and local governments	**191,635,145**	**64.10**	221,249,558	78.23
Debt securities issued by financial institutions	**100,939,789**	**33.76**	56,830,871	20.10
Debt securities issued by enterprises	**1,307,937**	**0.44**	1,161,856	0.41
Interbank certificates of deposits	**5,096,999**	**1.70**	3,561,976	1.26
Total	**298,979,870**	**100.00**	282,804,261	100.00

Among them, the top ten largest bonds by nominal value held by the Group are as follows:

(unit: RMB'000)

Item	Nominal value	Coupon rate (%)	Maturity date
2024 Bonds	7,110,000.00	2.35	25 February 2034
2021 Bonds	6,170,000.00	3.02	27 May 2031
2025 Bonds	3,470,000.00	1.78	15 May 2035
2025 Bonds	3,270,000.00	1.59	13 May 2030
2023 Bonds	3,070,000.00	2.67	25 November 2033
2023 Bonds	2,870,000.00	2.55	15 October 2028
2025 Bonds	2,860,000.00	1.61	7 August 2028
2021 Bonds	2,650,000.00	3.26	9 April 2026
2025 Bonds	2,600,000.00	1.25	16 June 2026
2025 Bonds	2,580,000.00	1.86	8 April 2028

2. *Liabilities*

As of the end of the Reporting Period, the Group's total liabilities amounted to RMB732.992 billion, representing an increase of RMB49.553 billion or 7.25% as compared to the end of the previous year, which was mainly attributable to the increase in deposits from customers and debt securities issued. The following table sets forth the components of the Group's total liabilities as of the dates indicated:

(unit: RMB'000)

	As at 31 December 2025		As at 31 December 2024	
Item	**Amount**	**Percentage of total (%)**	Amount	Percentage of total (%)
Deposits from customers	**555,048,197**	**75.72**	530,171,576	77.57
Debt securities issued	**114,899,573**	**15.68**	83,544,009	12.22
Borrowings from Central Bank	**43,658,994**	**5.96**	31,982,838	4.68
Financial assets sold under repurchase agreements, deposits and placements from banks and other financial institutions	**12,697,542**	**1.73**	31,123,784	4.55
Leasing liability	**476,532**	**0.07**	498,048	0.07
Financial liabilities at fair value through profit or loss	**2,122,696**	**0.29**	1,676,073	0.25
Taxes payable	**387,011**	**0.05**	290,369	0.04
Other liabilities[(1)]	**3,701,216**	**0.50**	4,151,891	0.62
Total liabilities	**732,991,761**	**100.00**	683,438,588	100.00

Note:

(1) Mainly including derivative financial liabilities, employee benefits payable, purchases payable and accrued expenses.

(1) Deposits from customers

As of the end of the Reporting Period, the Group's customer deposits amounted to RMB544,212 million, an increase of RMB23,964 million or 4.61% compared with the end of the previous year. In terms of deposit structure, personal deposits accounted for 60.20%, down 0.25 percentage point from the end of the previous year; corporate deposits accounted for 37.70%, down 0.09 percentage point from the end of the previous year. In terms of maturity structure, demand deposits accounted for 39.15%, down 0.36 percentage points from the end of the previous year; time deposits accounted for 58.75%, up 0.02 percentage points from the end of the previous year. The following table sets forth the Group's deposits from customers by product categories as at the dates indicated:

(unit: RMB'000)

	As at 31 December 2025		As at 31 December 2024	
Item	**Amount**	**Percentage of total (%)**	Amount	Percentage of total (%)
Corporate deposits				
— Demand	**96,345,805**	**17.70**	92,317,178	17.74
— Time	**108,857,549**	**20.00**	104,334,518	20.05
Sub-total	**205,203,354**	**37.70**	196,651,696	37.79
Personal deposits				
— Demand	**116,734,188**	**21.45**	113,232,554	21.77
— Time	**210,886,864**	**38.75**	201,227,007	38.68
Sub-total	**327,621,052**	**60.20**	314,459,561	60.45
Other deposits(1)	**11,387,436**	**2.10**	9,136,982	1.76
Principal of customer deposits in total	**544,211,842**	**100.00**	520,248,239	100.00
Add: accrued interest	**10,836,355**		9,923,337	
Total deposits from customers	**555,048,197**		530,171,576	

Note:

(1) Including remittance outstanding, margin deposit and national treasury fixed deposits.

(2) Financial assets sold under repurchase agreements, deposits and placements from banks and other financial institutions

As of the end of the Reporting Period, the Group's financial assets sold under repurchase agreements, deposits and placements from banks and other financial institutions amounted to RMB12.698 billion, representing a decrease of RMB18.426 billion, as compared to the end of the previous year, mainly due to the reduction in the use of repurchase agreements as a financing method, which was replaced by the issuance of interbank certificates of deposit. The breakdown of financial assets sold under repurchase agreements and deposits and placements from banks and other financial institutions of the Group as at the dates indicated is as follows:

(unit: RMB'000)

Item	As at 31 December 2025 Amount	As at 31 December 2025 Percentage of total (%)	As at 31 December 2024 Amount	As at 31 December 2024 Percentage of total (%)
Deposits from domestic banks	**2,139,329**	**16.85**	4,342,680	13.95
Deposits from non-banking domestic financial institutions	**453,504**	**3.57**	1,453,252	4.67
Placements from domestic banks	**757,051**	**5.96**	6,242,506	20.06
Bonds sold under repurchase agreements	**7,321,221**	**57.66**	18,667,486	59.98
Notes sold under repurchase agreements	**2,003,891**	**15.78**	323,322	1.04
Sub-total	**12,674,996**	**99.82**	31,029,246	99.70
Add: accrued interest	**22,546**	**0.18**	94,538	0.30
Total	**12,697,542**	**100.00**	31,123,784	100.00

3. *Shareholders' equity*

As of the end of the Reporting Period, the shareholders' equity of the Group amounted to RMB63,024 million, representing an increase of RMB558 million or 0.89% compared to the end of the previous year, mainly due to the increase in undistributed profits and general risk reserves. The following table sets forth the composition of the Group's shareholders' equity as at the dates indicated:

(Unit: RMB'000)

Item	As at 31 December 2025 Amount	As at 31 December 2025 Percentage of total (%)	As at 31 December 2024 Amount	As at 31 December 2024 Percentage of total (%)
Share capital	**6,888,546**	**10.93**	6,888,546	11.03
Capital reserve	**6,333,920**	**10.05**	6,323,045	10.12
Surplus reserve	**9,663,899**	**15.33**	9,273,110	14.85
General risk reserve	**9,042,500**	**14.35**	7,867,224	12.59
Revaluation reserve	**1,640,185**	**2.60**	3,039,444	4.87
Undistributed profit	**26,725,791**	**42.41**	26,160,083	41.88
Total equity attributable to shareholders of the Bank	**60,294,841**	**95.67**	59,551,452	95.34
Non-controlling interests	**2,729,100**	**4.33**	2,914,448	4.66
Total shareholders' equity	**63,023,941**	**100.00**	62,465,900	100.00

4. *Restrictions on rights to assets as of the end of the Reporting Period*

As of the end of the Reporting Period, some of the Group's assets were used as collateral for repurchase business and the business of borrowings from the Central Bank. For details of the assets as collateral, please refer to Note 41(e) "collateral" to the Consolidated Financial Statements in the "Financial Report" chapter of this Report. The fair value of assets as collateral as at the end of the Reporting Period is broken down as follows:

(unit: RMB'000)

Item	As at 31 December 2025	Reason for restriction
Bonds	**8,426,665**	Repurchase business
Bills	**2,001,434**	Repurchase business
Bonds	**50,690,998**	Borrowing from the Central Bank
Loans	**4,719,742**	Borrowing from the Central Bank
Bills	**278,495**	Borrowing from the Central Bank
Total	**66,117,334**	

(III) Cash Flow Statement Analysis

During the Reporting Period, the Group's net cash from operating activities was RMB-17.366 billion, representing an increase of RMB3.524 billion in net cash outflow compared to the same period last year, mainly due to an increase in net outflow from financial assets sold under repurchase agreements and deposits and placements from banks and other financial institutions. The net cash from investment activities was RMB-11.883 billion, and the net inflow of the same period last year was RMB0.022 billion, mainly due to an increase in cash paid for financial investments. The net cash from financing activities was RMB27.393 billion, representing an increase of RMB19.949 billion compared to the same period last year, mainly due to a decrease in cash paid for repaying issued bonds. The table below sets out the Group's net cash flow and its changes:

(unit: RMB'000)

Item	For the year ended 31 December		Amount of increase/ (decrease)	Increase/ (decrease) percentage (%)
	2025	2024		
Net cash flow from operating activities	**(17,366,234)**	(13,841,972)	(3,524,262)	25.46
Net cash flow from investing activities	**(11,882,960)**	22,217	(11,905,177)	(53,585.89)
Net cash flow from financing activities	**27,392,789**	7,443,929	19,948,860	267.99

(iv) Loan quality analysis

As of the end of the Reporting Period, the Group's total loans and advances to customers amounted to RMB409.031 billion, an increase of RMB27.986 billion or 7.34% compared with the end of the previous year.

1. Loan distribution by five-tier loan classification

(unit: RMB'000)

Item	As at 31 December 2025 Amount	As at 31 December 2025 Percentage of total (%)	As at 31 December 2024 Amount	As at 31 December 2024 Percentage of total (%)
Normal	**393,019,515**	**96.09**	366,200,478	96.11
Special mention	**8,720,042**	**2.13**	7,867,805	2.06
Substandard	**2,142,120**	**0.52**	3,017,311	0.79
Doubtful	**1,131,398**	**0.28**	880,871	0.23
Loss	**4,018,150**	**0.98**	3,078,428	0.81
Total loans and advances to customers	**409,031,225**	**100.00**	381,044,893	100.00
Non-performing loans and Non-performing loan ratio[1]	**7,291,668**	**1.79**	6,976,610	1.84

Note:

(1) Calculated by dividing the balance of non-performing loans (excluding accrued interest) by the total loans (excluding accrued interest). For the purpose of calculating the non-performing loan ratio, the non-performing loan ratios of Zhanjiang Rural Commercial Bank and Guangdong Chaoyang Rural Commercial Bank, the subsidiaries, were calculated based on the original carrying value of the loans instead of the fair value as of the consolidated balance sheet date.

During the Reporting Period, the Group adhered to prudent classification principles, rigorously assessed asset risk classifications, and accurately reflected asset quality. Meanwhile, we continued to strengthen asset quality monitoring and control, intensified efforts in overdue debt collection and the recovery and disposal of non-performing assets, and comprehensively solidified asset quality. As of the end of the Reporting Period, the Group's normal loans amounted to RMB393.020 billion, representing an increase of RMB26.819 billion as compared to the end of the previous year; loans of special mention amounted to RMB8.720 billion, representing an increase of RMB0.852 billion as compared to the end of the previous year. The balance of non-performing loans stood at RMB7.292 billion, an increase of RMB0.315 billion from the end of the previous year. The non-performing loan ratio was 1.79%, a decrease of 0.05 percentage point from the end of the previous year.

As of the end of the Reporting Period, the migration rate of the Group's normal loans was 1.47%; the migration rate of loans of special mention was 27.18%; the migration rate of substandard loans was 94.99%; and the migration rate of doubtful loans was 60.90%.

2. *Loans and non-performing loans by product type*

(unit: RMB'000)

Item	As at 31 December 2025 Amount	Percentage of total (%)	NPL amount	Non-performing loan ratio[1] (%)	As at 31 December 2024 Amount	Percentage of total (%)	NPL amount	Non-performing loan ratio[1] (%)
Corporate loans[2]								
Working capital loans	**105,669,896**	**25.83**	**3,088,758**	**2.95**	93,809,243	24.62	3,839,472	4.12
Fixed asset loans	**133,016,799**	**32.52**	**597,899**	**0.45**	122,904,582	32.25	196,587	0.16
Others	**7,867,256**	**1.93**	**1,675**	**0.02**	7,834,220	2.06	1,470	0.02
Sub-total	**246,553,951**	**60.28**	**3,688,332**	**1.51**	224,548,045	58.93	4,037,529	1.81
Personal loans								
Personal business loans	**44,552,066**	**10.89**	**1,561,930**	**3.51**	46,616,324	12.23	1,197,577	2.57
Property mortgages	**42,575,975**	**10.41**	**617,962**	**1.45**	40,688,088	10.68	628,964	1.55
Credit card overdrafts	**3,328,317**	**0.81**	**367,267**	**11.03**	4,481,750	1.18	269,904	6.02
Personal consumption loans	**36,070,928**	**8.82**	**1,056,177**	**2.93**	36,434,537	9.56	842,636	2.31
Sub-total	**126,527,286**	**30.93**	**3,603,336**	**2.85**	128,220,699	33.65	2,939,081	2.29
Discounted bills[3]								
Bank acceptance bills	**35,949,988**	**8.79**	**–**	**–**	28,276,149	7.42	–	–
Sub-total	**35,949,988**	**8.79**	**–**	**–**	28,276,149	7.42	–	–
Total	**409,031,225**	**100.00**	**7,291,668**	**1.79**	381,044,893	100.00	6,976,610	1.84

Notes:

(1) Calculated by dividing the balance of non-performing loans (excluding accrued interest) by the total loans (excluding accrued interest). For the purpose of calculating the non-performing loan ratio, the non-performing loan ratios of Zhanjiang Rural Commercial Bank and Guangdong Chaoyang Rural Commercial Bank, the subsidiaries, were calculated based on the original carrying value of the loans instead of the fair value as of the consolidated balance sheet date.

(2) The corporate loans included forfeiting.

(3) Mainly including bill discounted and rediscounted.

3. *Loans and non-performing loans by industry*

(unit: RMB'000)

Industry distribution[1]	As at 31 December 2025 Amount	Percentage of total (%)	NPL amount	Non-performing loan ratio[2] (%)	As at 31 December 2024 Amount	Percentage of total (%)	NPL amount	Non-performing loan ratio[2] (%)
Corporate loans and advances	246,553,951	60.28	3,688,332	1.51	224,548,045	58.93	4,037,529	1.81
Wholesale and retail	32,421,874	7.93	2,225,955	6.87	34,705,044	9.10	2,474,150	7.13
Leasing and commercial services	57,085,351	13.96	423,508	0.74	45,980,235	12.07	60,276	0.13
Manufacturing	81,341,965	19.89	672,253	0.86	68,282,390	17.92	1,263,083	1.89
Construction	22,606,473	5.53	251,496	1.11	22,025,959	5.78	42,438	0.19
Real estate	19,021,818	4.65	–	–	19,943,590	5.23	128,000	0.64
Finance	2,671,195	0.65	–	–	3,113,725	0.82	–	–
Production and supply of power, gas and water	6,626,474	1.62	–	–	6,059,792	1.59	–	–
Transportation, logistics and postal services	6,975,148	1.71	12,167	0.17	6,797,399	1.78	6,250	0.09
Water, environment and public utilities management	2,942,724	0.72	–	–	2,926,510	0.77	400	0.01
Health, social security and welfare	1,455,865	0.36	–	–	1,590,038	0.42	–	–
Education	2,632,040	0.64	–	–	3,260,091	0.86	1,660	0.05
Information transmission, software and information technology services	1,238,850	0.30	12,719	1.03	1,211,983	0.32	2,374	0.20
Accommodations and catering industries	2,548,234	0.62	41,059	1.61	2,585,371	0.68	–	–
Agriculture, forestry, animal husbandry and fishery	2,299,578	0.56	26,789	1.16	2,041,277	0.54	24,885	1.22
Residential services and other services	395,874	0.10	2,105	0.53	315,877	0.08	–	–
Culture, sports, and entertainment	141,734	0.03	6,478	4.57	153,787	0.04	6,240	4.06
Scientific research and technical services, and geological prospecting	4,110,430	1.00	13,803	0.34	3,522,077	0.92	26,873	0.76
Mining	38,324	0.01	–	–	32,900	0.01	900	2.74
Discounted bills	35,949,988	8.79	–	–	28,276,149	7.42	–	–
Personal loans	126,527,286	30.93	3,603,336	2.85	128,220,699	33.65	2,939,081	2.29
Total	409,031,225	100.00	7,291,668	1.79	381,044,893	100.00	6,976,610	1.84

Notes:

(1) Industry classification according to the Classification of National Economic Industries issued by the Standardization Administration of China on 30 June 2017.

(2) Calculated by dividing the balance of non-performing loans (excluding accrued interest) by the total loans (excluding accrued interest). For the purpose of calculating the non-performing loan ratio, the non-performing loan ratios of Zhanjiang Rural Commercial Bank and Guangdong Chaoyang Rural Commercial Bank, the subsidiaries, were calculated based on the original book value of the loans instead of the fair value as of the consolidated balance sheet date.

4. *Loans and non-performing loans by types of guarantees*

(unit: RMB'000)

Guarantee method	As at 31 December 2025 Amount	Percentage of total (%)	NPL amount	Non-performing loan ratio (%)	As at 31 December 2024 Amount	Percentage of total (%)	NPL amount	Non-performing loan ratio (%)
Collateralized loans	189,490,844	46.33	3,555,513	1.88	188,641,114	49.51	3,718,003	1.92
Pledged loans	43,263,441	10.58	111,508	0.26	36,972,736	9.70	42,777	0.12
Guaranteed loans	108,807,540	26.60	2,467,167	2.29	102,829,362	26.99	2,307,308	2.27
Unsecured loans	67,469,400	16.49	1,159,480	1.72	52,601,681	13.80	908,522	1.90
Total	409,031,225	100.00	7,293,668	1.79	381,044,893	100.00	6,976,610	1.84

5. *Distribution of loans by region*

(Unit: RMB'000)

Regional distribution	As at 31 December 2025 Amount	Percentage of total (%)	As at 31 December 2024 Amount	Percentage of total (%)
Dongguan	344,594,913	84.25	312,745,357	82.08
Outside Dongguan	64,436,312	15.75	68,299,536	17.92
Total	409,031,225	100.00	381,044,893	100.00

6. *Loans to top ten single borrowers*

As of the end of the Reporting Period, the Group's loan balance to any single borrower did not exceed 10% of the Group's net capital. The following table sets forth the Group's loan balance to the top ten single borrowers (excluding group borrowers) as of the end of the Reporting Period.

(unit: RMB'000)

		As at 31 December 2025		
Borrower	**Industry**	**Balance of loans**	**Percentage of total loans (%)**	**Percentage of net capital (%)**
Customer A	Leasing and commercial services	**2,924,000**	**0.71**	**4.16**
Customer B	Real estate	**1,709,350**	**0.42**	**2.43**
Customer C	Construction	**1,611,358**	**0.39**	**2.30**
Customer D	Scientific research and technical services	**1,300,000**	**0.32**	**1.85**
Customer E	Finance	**1,300,000**	**0.32**	**1.85**
Customer F	Leasing and commercial services	**1,245,741**	**0.30**	**1.77**
Customer G	Real estate	**1,031,420**	**0.25**	**1.47**
Customer H	Leasing and commercial services	**1,030,182**	**0.25**	**1.47**
Customer I	Manufacturing	**1,013,744**	**0.25**	**1.44**
Customer J	Real estate	**1,002,511**	**0.25**	**1.43**
Total		**14,168,306**	**3.46**	**20.18**

As of the end of the Reporting Period, the total loans to the Group's largest single borrower amounted to RMB2.924 billion, which accounted for 4.16% of the Group's net capital, and 0.71% of the Group's total loans. Total loans to the top ten single borrowers amounted to RMB14.168 billion, accounting for 20.18% of the Group's net capital and 3.46% of the Group's total loans.

The following table sets forth the Group's concentration indicators for the periods indicated:

Concentration indicators	**As at 31 December 2025**	As at 31 December 2024	Regulatory Requirements
Loans to single largest customer as a percentage of net capital	**4.16%**	4.23%	≤10%
Credits granted to single group customer as a percentage of net capital	**6.83%**	6.94%	≤15%
Loans to top ten customers as a percentage of net capital	**20.18%**	20.76%	–

7. *Overdue loans*

(unit: RMB'000)

Item	As at 31 December 2025 Amount	As at 31 December 2025 Percentage of total (%)	As at 31 December 2024 Amount	As at 31 December 2024 Percentage of total (%)
Current loans	**400,847,423**	**97.73**	372,724,824	97.63
Overdue loans	**9,329,601**	**2.27**	9,054,571	2.37
— within 3 months	**2,343,850**	**0.57**	2,317,857	0.61
— 3 months to 1 year	**2,622,563**	**0.64**	3,716,508	0.97
— 1 year to 3 years	**3,992,138**	**0.97**	2,814,483	0.74
— above 3 years	**371,050**	**0.09**	205,723	0.05
Total loans and advances to customers[1]	**410,177,024**	**100.00**	381,779,395	100.00
Less: Provision for expected credit loss	**15,109,982**	**–**	14,414,904	–
Net loans and advances to customers	**395,067,042**	**–**	367,364,491	–

Note:

(1) Total loans and advances to customers refer to the credit risk exposure comprising the principal amount of the loan and the balance of accrued interest.

As at the end of the Reporting Period, the balance of overdue customer loan principal of the Group was RMB9.33 billion, accounting for 2.27% of all loans, with an increase of RMB0.275 billion over the end of last year. Among which, the balance of loans past due within 3 months amounted to RMB2.344 billion, with an increase of RMB0.026 billion over the end of last year; the balance of loans past due for 3 months to 1 year amounted to RMB2.623 billion, representing a decrease of RMB1.094 billion over the end of last year; the balance of loans past due for more than 1 year to less than 3 years amounted to RMB3.992 billion, representing an increase of RMB1.178 billion over the end of last year; the balance of loans past due for more than 3 years amounted to RMB0.371 billion, representing an increase of RMB0.165 billion over the end of last year.

8. *Restructured loans*

A restructured loan is a loan for which contractual terms have been renegotiated due to changes in the borrower, guarantee, or repayment. The following table sets forth the balance and proportion of the Group's restructured loans as at the date indicated:

(unit: RMB'000)

Item	As at 31 December 2025		As at 31 December 2024	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Restructured loans	**111,332**	**0.03**	78,879	0.02

9. *Foreclosed assets*

(unit: RMB'000)

Item	As at 31 December 2025	As at 31 December 2024
Property and equipment	**363,049**	363,049
Land use rights	**107,461**	107,461
Sub-total	**470,510**	470,510
Less: Provision for impairment loss	**324,828**	306,873
Total	**145,682**	163,637

10. *Disposal of non-performing assets*

During the Reporting Period, the Group continued to implement measures to resolve non-performing assets, further strengthening its asset quality management and control. First, we strengthened oversight of overdue loans, thereby preventing deterioration in asset quality. Second, we focused on the handling of non-performing assets through specialized disposal and collection department to enhance resolution efficiency. Third, we reinforced coordination and synergy in non-performing asset disposal. We comprehensively employed measures such as independent collection, judicial disposal, asset write-offs, and debt transfers to accelerate the resolution process of non-performing assets. In 2025, a total of RMB4.349 billion of non-performing loans were disposed of. Among them, RMB674 million was recovered through cash collection, RMB934 million through debt transfer, RMB2.612 billion through bad debt write-off, and RMB50 million through quality improvement.

11. Movements in provision for impairment of loans and advances to customers

During the Reporting Period, the Group made a provision for loan losses of RMB3.229 billion, of which RMB3.225 billion was provided for loans and advances at amortized cost, and RMB4 million was provided for loans and advances at fair value through other comprehensive income; wrote off the non-performing loans of RMB2.612 billion, and recovered the loans that had been written off of RMB589 million. As of the end of the Reporting Period, the balance of provision for expected credit losses on loans amounted to RMB15,139 million. Among them, the balance of impairment on loans and advances at amortized cost amounted to RMB15,110 million, and the movements in the provision for expected credit losses are as follows:

(Unit: RMB'000)

	Year ended 31 December	
	2025	2024
Balance as at the end of last period	**14,414,904**	13,291,864
Current new additions	**1,854,631**	2,280,086
Derecognition or settlement for the period	**(3,571,208)**	(4,775,659)
Write off for the period	**(2,612,144)**	(1,822,412)
Re-measurement	**5,023,799**	5,441,025
Closing balance	**15,109,982**	14,414,904

In addition, the balance of impairment on loans and advances to customers (bills rediscounted and forfeiting) at fair value through other comprehensive income amounted to RMB29 million as of the end of the Reporting Period.

(V) Capital Management

During the Reporting Period, the Group continued to strengthen its capital management and improve its capital management system to ensure the sustainable and healthy development of the business with adequate capital levels. As of the end of the Reporting Period, the Group's capital adequacy ratio, tier-one capital adequacy ratio and core tier-one capital adequacy ratio were 15.41%, 13.33% and 13.30%, respectively, and the capital adequacy ratios at all levels met regulatory requirements.

1. *Capital adequacy ratios analysis*

The Group calculates and discloses the capital adequacy ratio in accordance with the relevant provisions of the Administrative Measures for the Capital of Commercial Banks (《商業銀行資本管理辦法》). The calculation scope of capital adequacy ratio comprises of all branches and financial institution subsidiaries in compliance with the requirements of the Administrative Measures for the Capital of Commercial Banks.

(Unit: RMB'000)

Item	As at 31 December 2025	As at 31 December 2024
Core tier-one capital	**61,274,728**	60,544,543
Core tier-one capital deductions	**679,847**	613,680
Net core tier-one capital	**60,594,881**	59,930,863
Other tier-one capital	**130,652**	132,412
Net tier-one capital	**60,725,533**	60,063,275
Tier-two capital	**9,482,953**	9,077,315
Net capital	**70,208,486**	69,140,590
Total risk-weighted assets	**455,643,201**	417,971,094
Including: Credit risk-weighted assets(1)	**423,030,220**	389,887,350
Market risk-weighted assets(2)	**11,556,754**	5,307,345
Operational risk-weighted assets(3)	**21,056,227**	22,776,399
Core tier-one capital adequacy ratio (%)(4)	**13.30**	14.34
Tier-one capital adequacy ratio (%)(5)	**13.33**	14.37
Capital adequacy ratio (%)(6)	**15.41**	16.54

Notes:

(1) Credit risk is measured under weighted method.
(2) Market risk is measured under simplified standardized method.
(3) Operational risk is measured under standardized method.
(4) Calculated by dividing core tier-one capital, net of core tier-one capital deductions, by total risk-weighted assets.
(5) Calculated by dividing tier-one capital, net of tier one capital deductions, by total risk-weighted assets.
(6) Calculated by dividing total capital, net of capital deductions, by total risk-weighted assets.

In accordance with the requirements of the Administrative Measures for the Capital of Commercial Banks (《商業銀行資本管理辦法》), Pillar 3 Information Disclosures Report for the 2025 of the Group will be further disclosed subsequently in the "Investor Relations" — "Information Disclosure" — "Regulatory Capital" section on the Chinese version website of the Bank (www.drcbank.com).

2. *Leverage ratio*

The Group calculates and discloses the leverage ratio in accordance with the relevant provisions of the Administrative Measures for the Capital of Commercial Banks (《商業銀行資本管理辦法》).

(Unit: RMB'000)

Item	As at 31 December 2025	As at 31 December 2024
Net tier-one capital	**60,725,533**	60,063,275
Adjusted balance of on-and off-balance sheet assets[1]	**820,270,138**	778,233,867
Leverage ratio (%)	**7.40**	7.72

Note:

(1) Calculated by dividing the net tier-one capital by the adjusted balance of on-and off-balance sheet assets.

For more details on leverage ratio, please refer to the "Information on Leverage Ratio" in the appendix of the supplementary financial information in the "Financial Report" chapter of this Report.

(VI) Segment Operation Results

Our principal business activities include corporate banking, retail banking and treasury business. The following table sets forth our operating income of principal business segment for the periods indicated:

(Unit: RMB'000)

	Year ended 31 December			
	2025		2024	
Item	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Corporate banking	**4,932,614**	**42.17**	4,782,960	38.85
Retail banking	**3,839,051**	**32.82**	4,426,575	35.95
Treasury business	**3,020,866**	**25.83**	3,346,472	27.18
Others	**(95,953)**	**(0.82)**	(244,079)	(1.98)
Total operating income	**11,696,578**	**100.00**	12,311,928	100.00

(VII) Analysis on Off-Balance Sheet Items

Off-balance sheet businesses refer to the businesses engaged by commercial banks which are not included in the balance sheet and do not constitute actual assets and liabilities according to the current enterprise accounting standards for business enterprises, but may cause changes in profit or loss.

During the Reporting Period, the Group remained committed to the principles of prudent and sound operations, and strictly implemented regulatory requirements by incorporating off-balance sheet items into comprehensive risk management system, continuously refining mechanisms for risk identification, measurement, monitoring, and control, and consistently enhancing risk management capabilities for off-balance sheet items to strengthen integrated financial service capacity, enabling us to better meet the increasingly diverse financial needs of customers. As of the end of the Reporting Period, the distribution of the Group's off-balance sheet items is as follows:

1. *Financial guarantees and other credit commitments*

(Unit: RMB'000)

Item	**As at 31 December 2025**	As at 31 December 2024	**Increase/ (decrease) percentage (%)**
Letter of credit	**932,847**	1,156,542	(19.34)
Letter of guarantee	**2,090,757**	2,794,279	(25.18)
Bank acceptance bills	**14,512,813**	10,339,944	40.36
Unused limit of credit card	**6,296,763**	7,568,439	(16.80)
Total	**23,833,180**	21,859,204	9.03

2. *Capital commitments*

(Unit: RMB'000)

Item	**As at 31 December 2025**	As at 31 December 2024
Property and equipment	**61,587**	103,357

For details of the off-balance sheet commitments, please refer to Note 41(c) "Capital commitments" to the Consolidated Financial Statements in the "Financial Report" chapter of this Report.

(VIII) Other Financial Information Disclosed in accordance with Regulatory Requirements

1. Contingent liabilities and pledged assets

As of the end of the Reporting Period, the Group had no major contingent liabilities. Details of the Group's contingent liabilities and pledged assets are set out in Note 41 "Contingent liabilities and commitments" to the Consolidated Financial Statements in the "Financial Report" chapter of this Report.

2. Overdue debts

The Group had no overdue debts during the Reporting Period.

3. Analysis of investment

During the Reporting Period, the Group had no new equity investment projects.

4. Disposal of major asset and equity

During the Reporting Period, the Group had no disposals of major assets and equity.

5. Structured entities under the Bank's control

As of the end of the Reporting Period, the scale of structured entities issued and managed by the Group and included in the scope of the consolidated financial statements was RMB8.799 billion.

III. BUSINESS OPERATION

(I) Business Development

1. Five major financial initiatives

The Group has always adhered to the market positioning of supporting agriculture and small businesses. It regards the "five major financial initiatives" as the key targets and main focus for serving the real economy, and plays the role of a leading force in serving local real economy.

In the field of technology finance, based on the industry characteristics and development plans of different regions, a series of specialized technology finance service plans have been tailored to local conditions. By offering innovative technology finance products and service models, implementing differentiated pricing, and other measures, we provide full-lifecycle financial services for technology-based enterprises. As of the end of the Reporting Period, the loan balance for technology enterprises was RMB60.047 billion, representing an increase of 26.92% compared to the end of the previous year. We supported 1,123 national-level and provincial-level "specialized, refined, distinctive, and innovative" enterprises. The total loan balance (both on-and off-balance sheet) was RMB31.469 billion.

In the field of green finance, we actively implement the green development concept. Based on environmental protection policy orientations, the characteristics of green industries, and industry development trends, we make constant innovation in green financial products and services, and continuously carry out the issuance of green financial bonds and support for carbon emission reduction. As of the end of the reporting period, the green credit balance of the Group was RMB19.358 billion, representing a year-on-year increase of 18.01%.

In the field of inclusive finance, we focus on the problems of “difficult and expensive financing” faced by small and micro enterprises. On one hand, we actively promote the innovation of financial products and services for small and micro enterprises, establish professional teams, with an aim to improve the quality and efficiency of financial services. On the other hand, by fully leveraging the bank-government cooperation platform and the benefits of the re-lending policy, we continuously increase support for small and micro enterprises, individual industrial and commercial households, and farmers and other market entities.

In the field of elderly care finance, based on the actual conditions of the region, we focus on the diversified financial needs of the elderly and those preparing for old age, actively explore innovative financial services for the elderly, continuously enrich online and offline service scenarios, comprehensively upgrade the “elderly-friendly” facilities in business outlets, continuously improve the product system for the elderly group, and strengthen credit support for the main body of the elderly care industry, striving to enhance the quality and efficiency of elderly care finance.

In the field of digital finance, we actively utilize digital technologies such as big data, cloud computing, and artificial intelligence. Through measures such as optimizing the functions of online platforms, building intelligent analysis models, and establishing a small-scale digital payment system, we further enhance the digital empowerment effect, continuously promote product innovation, and improve the convenience and flexibility of digital channel services, aiming to provide comprehensive service experiences covering multiple scenarios for our customers.

2. *Corporate finance business*

Based on the development vision of "becoming the primary bank for target customers and serving as the main force in serving the real economy", the corporate finance business division of the Group, by actively aligning with the high-quality development goals of the country and the provinces and cities, and focusing on "five major financial initiatives", has been continuously enhancing the service to the real economy; implementing a hierarchical and categorized customer management system, and providing customers with diversified comprehensive financial services. As of the end of the reporting period, the total balance of corporate deposits was RMB205.203 billion, representing an increase of 4.35% compared to the end of the previous year. The total balance of corporate loans (including direct discounting and transfer discounting of bills) was RMB 282.504 billion, representing an increase of 11.74% compared to the end of the previous year.

(1) Empowering Rural Revitalization through "The High-Quality Development Project Covering Every County, Every Town and Every Village"

The Group serves the development transformation of new types of collective economies, and vigorously supports key projects such as modern industrial parks. Based on the local conditions, we support the development of characteristic agriculture, and serve modern agriculture, rural areas and farmers. As of the end of the reporting period, the total agriculture-related loans was RMB50.312 billion. In May 2025, the Group was awarded the honor of "A Collective That Has Made Outstanding Contributions in the Implementation of The High-Quality Development Project Covering Every County, Every Town and Every Village" by the Office of the Communist Party of China Guangdong Provincial Committee and the Office of the Guangdong Provincial People's Government.

(2) Focusing on key areas of industrial finance and cultivating new productive forces

In line with the regional industrial development plan, the Group has actively optimized its asset deployment, concentrating financial resources on areas such as advanced manufacturing, high-end equipment, and strategic emerging industries. We have promoted the development of new quality productive forces in various regions. As of the end of the reporting period, the loan balance for supporting manufacturing and related industries was RMB93.283 billion, representing an increase of 17.05% compared to the end of the previous year. The proportion of loans in the manufacturing sector has consistently remained the highest among all industries.

(3) Providing comprehensive financial services and deepening customer management

We provide full-lifecycle financial services for special bonds, further consolidating the cooperation chain among the government, banks and enterprises. We introduce special products such as order loans and supply chain loans, continuously optimize the factoring business process, and strengthen cooperation with core enterprises. We have adopted an integrated operation model of "commercial banking + investment banking", providing lead underwriting services for non-financial enterprises' debt financing instruments. Our business covers core urban areas such as Guangzhou, Zhuhai and Dongguan.

3. *Retail finance business*

Upholding the original aspiration of "rooting in the local area and serving the people's livelihood", the retail finance business division of the Group has, based on the new development stage, firmly grasped the primary task of ensuring high-quality development, focusing on serving the "five major financial initiatives" and the "High-Quality Development Project Covering Every County, Every Town and Every Village" and closely following the changes in the economy, market and customer demands, and continuously improved the quality and efficiency of retail financial services. As of the end of the Reporting Period, the total personal deposit balance of the Group was RMB327.621 billion, representing a year-on-year increase of 4.19%; the personal loan balance was RMB126.527 billion, showing a year-on-year decrease of 1.32%.

(1) Enhancing the quality and efficiency of wealth management business

Focusing on the diversified wealth management needs of customers, we adhere to the core service concept of "asset allocation". By continuously enriching the product structure, we build a stratified and categorized service system for retail customers, matching their wealth management needs and helping their assets maintain stability and achieve growth. As of the end of the Reporting Period, the total assets under management (AUM) for individual customers was RMB407.053 billion, representing an increase of RMB27.574 billion compared to the end of the previous year; the fee income from wealth agency sales business was RMB144 million, representing an increase of RMB42 million compared to the end of the previous year.

(2) Ensuring the robust development of retail loans

Focusing on consumer and housing finance, we have deepened retail loan services, actively implemented the "promote consumption, stabilize the property market" policies of the state and local governments, deeply engaged in consumption promotion activities such as "Yue Huanxin", optimized the offering of "Consumption Easy Loan" product, and enhanced the coverage and convenience of consumer financial services, providing strong support to the real economy and the improvement of public wellbeing, and meeting the housing demand of first-time and upgrade buyers. As of the end of the Reporting Period, the total balance of mortgage loans was RMB42,576 million, and the total balance of personal consumption loans was RMB36,071 million.

(3) Deepening customer operation

Based on customer-oriented concept, we have continuously iterated our digital marketing capabilities, established a customer stratification rights system, and implemented differentiated product configurations and value-added services, with an aim to enhance customer service quality and value creation capabilities. As of the end of the Reporting Period, the Group had provided comprehensive financial and non-financial services to 20.7226 million individual customers.

4. *Inclusive finance business*

Adhering to the main business positioning of "supporting agriculture and small businesses" for its inclusive finance business, the Group has continuously enhanced the efficiency of inclusive financial services. As of the end of the Reporting Period, the balance of the Group's inclusive small and micro enterprise loans (as per regulatory standards) was RMB54.166 billion, representing an increase of RMB3.583 billion compared to the end of the previous year; the number of loan recipients was 30,500.

(1) Implementing the coordination mechanism for financing of small and micro enterprises

Actively responding to the policy calls, we carried out the "Visit 1,000 Enterprises and Reach 10,000 Households" initiative, enhancing the support for financing for small and micro enterprises. By the end of the Reporting Period, the Group had cumulatively granted loans of RMB28.281 billion. We carried out visits to individual industrial and commercial households. As of the end of the Reporting Period, the Group had issued a total of RMB129 million in merchant loans.

(2) Expanding the coverage of inclusive products and services

Focusing on key industries and characteristic industries within each operating region, we have continuously optimized the inclusive financial products. We have launched products such as "Loans to Technology Enterprises", "Excellent Enterprise Loan", "Industrial Park Loan" and "Merchant Loan" in Dongguan City, providing services for small and micro enterprises and individual industrial and commercial households in specialized, refined, distinctive, and innovative sectors, manufacturing, wholesale and retail industries. In Zhanjiang City, we have introduced "Business Support Loan", strengthening services for individual industrial and commercial households in the "Zhanjiang's Hundreds of Thousands of Special Industries". In Chaonan District and Chaoyang District of Shantou City, we have launched products like "Chaoshang Loan" and "Chaofu Loan", serving individual industrial and commercial households, small and micro enterprise owners, and farmers' business operators. In accordance with the assessment guidelines for the construction of banking technology branches within the jurisdiction of the Guangdong Financial Regulatory Bureau, we will reposition the business of the Songshan Lake Technology Sub-branch, promote the construction of "specialized products, differentiated systems, systematic management and diversified services" and comprehensively enhance the quality of financial services for technology enterprises.

(3) Deepening policy application and enhancing the value of inclusive services

The credit granting targets for the entrepreneurship loan have been expanded from individuals to enterprise entities. By applying fiscal subsidies, the credit costs for start-up entities have been reduced. As of the end of the Reporting Period, the balance of the entrepreneurship loan reached RMB666 million. By leveraging the re-lending facility, we have expanded the scope of concessions provided to enterprises. As of the end of the Reporting Period, the weighted average interest rate for the inclusive small and micro enterprise loans for the current year decreased by 38 basis points compared to the previous year.

5. *Financial market business*

The Group is committed to establishing a full-license financial market business. We have obtained the special membership qualification for gold in the Shanghai Gold Exchange, the general lead underwriter for non-financial enterprise debt financing instruments, the member of the national treasury bond underwriting group, the member of the Guangdong provincial government bond underwriting group, the member of the Fujian provincial government bond underwriting group, the member of the Anhui provincial government bond underwriting group, the member of the Jiangsu provincial government bond underwriting group, the member of the treasury cash deposit group, the ordinary derivative product trading business, and the member bank of the medium-term lending facility (MLF). As of the end of the reporting period, the scale of the Group's financial market business was RMB342.314 billion, representing an increase of RMB18.118 billion or 5.59% compared to the end of the previous year.

(1) Enhancing the activity of market transactions

We actively expand the customer chain, and the banks within the Group actively participate in the interbank market foreign and domestic currency business transactions. As of the end of the reporting period, the total transaction volume of the Group's interbank market foreign and domestic currency business exceeded RMB5.6 trillion, and the number of counterparties exceeded 1,000.

(2) Opening up multiple financing channels

The financing channels of the Group include, but are not limited to, issuing interbank certificates of deposit, absorbing interbank deposits, conducting positive bond repurchase transactions, borrowing from interbank institutions, issuing financial bonds, and absorbing funds from the central bank's MLF program, etc. We have obtained interbank credit lines of over RMB230 billion from more than 80 key interbank clients. During the reporting period, a total of RMB164.05 billion of RMB interbank certificates of deposit and USD40 million of foreign currency interbank certificates of deposit were issued cumulatively.

6. *Asset management business*

The asset management business division of the Group aims to achieve the development vision of "becoming strong product and service support for the Group's retail business". It has continuously optimized investment strategies, enriched the product range of wealth management services, actively collaborated with customer operations, and helped residents achieve stable growth of their wealth. As of the end of the reporting period, the total scale of the Group's effective wealth management products were RMB37.277 billion, among which personal wealth management products accounted for 85.83%.

(1) Strengthening investment research capabilities and deepening multi-asset allocation capacities

We continuously improve the macro analysis and asset allocation mechanism, optimize investment strategies, gradually expand the layout of diversified assets such as equities and gold, and increase the portfolio's returns while strictly controlling risks, thereby enhancing the stability and competitiveness of asset allocation.

(2) Enriching product offerings to meet the diverse needs of customers

We adhere to a customer-centric approach, closely following market changes and customer demands. While consolidating the advantages of basic products such as cash management and fixed income products, we are steadily promoting the innovation of hybrid wealth management products and accelerating the establishment of a product system with clear structure and appropriate risks.

(II) Digital transformation and financial technology development

1. Digital transformation

The Group continued to advance its digital transformation strategy centered on value creation, deeply integrating data factors and digital technologies into all aspects of operation and management. By systematically consolidating digital infrastructure, deepening data governance, and expanding the application of intelligent technologies, the Group effectively drove the optimization of business models and the enhancement of service effectiveness, injecting new momentum into the Group's high-quality development.

(1) Consolidating the digital foundation and upgrading platform service capabilities

Improving the group-level integrated data platform and strengthening public support and service effectiveness. By optimizing data development, integration, and sharing processes, the Group aimed to enhance the standardization and efficiency of data circulation, provide stable and efficient data services, and improve the quality and efficiency of data resource acquisition and utilization.

(2) Deepening data governance and building a solid foundation for management

Optimizing the organizational structure and institutional system of data governance, and reshaping the data standards system to deeply embed it into product R&D and business processes. By strengthening the closed-loop management of data quality and improving the automatic generation level of core reports, we ensured the accuracy, consistency and timeliness of data, providing a reliable basis for management decision making and business operations.

(3) Expanding intelligent applications and fostering innovation momentum

Actively planning and implementing artificial intelligence application scenarios, and completing the localized deployment and targeted optimization of the open source large models. We promoted the pilot and application of AI technology in the fields of risk control and customer service to explore in-depth integration with financial business scenarios for improving the level of operational intelligence, and fostering business innovation points.

(4) Driving business value and empowering high-quality development.

Taking data as the core driving force to promote the optimization of business models and operating mechanisms, and achieve systematic empowerment in areas such as risk prevention and control, and customer management. In terms of risk prevention and control, we integrated internal and external multi-dimensional data to gradually build an intelligent risk control system covering the entire business process, strengthening the capabilities of risk identification, monitoring, and response. In terms of customer management, relying on deep data insights, we precisely identified the needs of key customer groups and dynamically adjusted product and service strategies to improve the matching degree of financial services and market response speed; by integrating and analyzing customer interaction information from multiple channels, we continuously optimized customer journeys and touchpoint services to enhance customer stickiness and satisfaction. In terms of business support, we deeply integrated data analysis capabilities into business decision-making and planning processes, providing quantitative basis and model support for key decision making points, shifting management decision-making from experience-led to data-driven, and enabling more fine-grained business management.

2. *Financial technology development*

The Group closely followed the development trends of Fintech and adapted to the wave of transformation in modern banking. By positioning Fintech as the core engine of high-quality development, the Group continued to deepen Fintech empowerment for innovation in financial products and services, supporting its group-wide operations.

(1) Strengthening strategic leadership and building an agile and efficient technological supporting system

Formulating the Group's new technological strategic planning and developing a top-level framework covering technology, data, business, and organization to clarify the Group's technological development blueprint and implementation path. We strengthened the building of professional capabilities in key areas, and improved the technological governance and management system to enhance the level of refinement, agility, and specialization in technological management. We strengthened the guarantee of Fintech resources to effectively support and satisfy business development. During the Reporting Period, the Group's total investment in technology amounted to RMB569 million. As of the end of the Reporting Period, the Group had a total of 388 scientific and technological personnel.

(2) Deepening Fintech applications and empowering business innovation and development

We have completed the launch of new core projects by reshaping business operating models, upgrading information system architectures, and restructuring management mechanisms and processes to fully enhance the ability of technology to support business, Fintech innovation, and security and autonomy. We deepened the scenario-based applications of Fintech, and completed the launch of key projects thereby empowering the digital and intelligent transformation of business development, operational management, and risk prevention and control.

(3) Upgrading the digital transformation foundation and consolidating infrastructure and security guarantees

We guaranteed the safe, stable, and efficient operation of information systems through measures such as the integration of resources for disaster recovery centers within the same city, the replacement of outdated infrastructure in machine room, network architecture upgrades, construction of data center resource pools, introduction of computing power equipment, and integration and upgrading of software and hardware. By deploying multi-level monitoring platforms covering network equipment, servers, storage, systems, applications, and logs, we built a centralized alarm center and log management center, and improved the construction and application of automated scenarios to enhance the monitoring, early warning, and emergency response capabilities for information system operational risks. By improving security management processes and mechanisms, optimizing security architecture, and establishing a normalized security operation mechanism, we enhanced in-depth defense capabilities and built a solid line of defense against technological risks.

(III) Development of Channels

1. Offline channel

As of the end of the Reporting Period, the Bank had 414 branches and sub-branches (excluding the headquarters), including 406 in Dongguan; 2 branches in Guangzhou and Zhuhai; 1 branch and 4 sub-branches in Huizhou; and 1 sub-branch in Qingyuan. The Bank has established two county banks in Yunfu of Guangdong Province and Hezhou of Guangxi Zhuang Autonomous Region in cooperation with third parties, with a total of 4 branches and sub-branches (excluding the headquarters); and established two rural commercial banks in cooperation with third parties in Zhanjiang City and Shantou City in Guangdong Province. The two rural commercial banks had a total of 163 branches and sub-branches (excluding the headquarters). As of the end of the Reporting Period, the Group had 1,240 automatic teller machines (ATMs), self-service inquiry terminals, self-service card issuance terminals, and smart service terminals in operation; among them, there were 610 ATMs, 27 self-service inquiry terminals, and 603 smart service terminals.

2. Online channel

Regarding retail online channels, the Group is committed to optimizing customer experience and continuously upgrading the online channel service system. By integrating the WeChat official account and mini-programs, the Group optimized the online integrated service process; actively expanded the "Finance +" ecosystem, and explored the application of artificial intelligence technology to enhance digital operation capabilities, striving to provide customers with a more intelligent, secure, and convenient comprehensive service experience. As of the end of the Reporting Period, the number of the Bank's personal mobile banking customers reached 5.5161 million, representing an increase of 10.61% as compared with the end of the previous year; the number of card-linked WeChat banking customers reached 2.2244 million, representing an increase of 20.66% as compared with the end of the previous year.

Regarding online channels for corporate banking, the Group actively implemented the digital transformation and upgrading of corporate financial services, reshaping core transaction journeys and constructing a diversified corporate online service system. As of the end of the Reporting Period, the number of the Bank's corporate internet banking customers reached 213,700, representing an increase of 8.73% as compared with the end of the previous year, and the number of corporate mobile banking customers reached 108,900, representing an increase of 13.31% as compared with the end of the previous year. Driven by the improvement of online service efficiency and customer experience, the online platform achieved a rapid growth in business volume. Specifically, the business volume of the cash management platform reached RMB 49.023 billion in 2025, representing an increase of 61.51% year-on-year, while the industrial financing platform recorded a business volume of RMB 39.756 billion in 2025, representing an increase of 80.10% compared to the previous year.

IV. RISK MANAGEMENT

The Group adhered to a prudent and stable risk appetite, closely focused on its development strategic plan and the risk management philosophy of "stable operation, quality-oriented, compliance with laws and regulations, comprehensive integration, and agile response", and continued to deepen the construction of the comprehensive risk management system. By solidly advancing the resolution of risks in key areas, strictly adhering to the bottom line of asset quality, and deepening the application of intelligent risk control tools, the Group effectively enhanced its risk management level.

(I) Credit Risk Management

Credit risk refers to the risk of economic loss caused by the failure of the Bank's counterparties in performing their relevant obligations according to the agreed conditions. The Group established and implemented standardized credit review and approval, and extensive management policies and procedures, and continuously improved the procedures, systems and methods related with credit risk management to identify, measure, supervise, reduce and control credit risks caused by relevant business.

The Group has implemented a range of measures to ensure overall asset quality stability. First, we continued to strengthen the credit risk management system. By enhancing policy guidance and aligning with national macroeconomic policies, regional economic trends, and industry developments, we have continuously optimized the credit policies and related credit risk management systems. We have clarified business development directions and standardized business processing procedures. Second, we have continued to strengthen credit asset quality control. We continuously iterated and optimized risk management policies, promoted the construction of risk resolution mechanisms, conducted risk screenings in key areas, strengthened the resolution of risky loans, and accelerated the collection and disposal of non-performing assets. Third, we continued to advance the construction of intelligent risk control capabilities. We comprehensively advanced the construction of a new credit system project group, a big data risk control platform, and a risk strategy and model monitoring system, embedding risk management into the entire product management process to empower business operations. As of the end of the Reporting Period, the credit risk of the Group was generally controllable, and the non-performing loan ratio of the Group was within the control target.

For more details on credit risk management, please see Note 44.1 "Credit Risk" to the Consolidated Financial Statements in the chapter headed "Financial Report" in this Report.

(II) Liquidity Risk Management

Liquidity risk refers to the risk that a bank cannot obtain sufficient funds in a timely manner at a reasonable cost to repay debts due, perform other payment obligations and meet other capital needs for normal business operations.

As of the end of the Reporting Period, the Group has established a liquidity risk management organizational structure comprising the Board of Directors, the Board of Supervisors, senior management, the Head Office Liquidity Risk Management Coordination Department and Executive Department, branches, and subsidiaries. During the Reporting Period, the Group's liquidity risk was generally controllable, and no major liquidity risk events occurred. The main liquidity risk regulatory indicators have met the standard every month. The stress test results also showed that the Group has sufficient risk mitigation capability under stressful scenarios to cope with the crises.

During the Reporting Period, the Group effectively implemented liquidity risk management policies and various liquidity risk management measures to strengthen liquidity risk management. The Bank formulated annual liquidity risk management strategies, appetite indicators and limit indicators based on macro-economy, market trends and business development requirement. The Bank assessed and improved liquidity risk management systems to improve the comprehensiveness and applicability of the regimes. The Bank continuously identified, measured, monitored and controlled liquidity risk. Through stress testing scenarios combining mild, moderate and severe stress, the Bank analyzed the ability to withstand liquidity events or liquidity crises, and reasonably allocated sufficient liquidity reserve assets to cope with liquidity risks. The Bank has established a limit management and alert monitoring mechanism to ensure that the liquidity risk indicators are controlled within an acceptable and reasonable range by regulating the daily asset-liability portfolio; The bank improved the liquidity risk emergency plan, conducted liquidity emergency drills, and enhanced the emergency response capabilities.

1. *Liquidity coverage ratio*

The Group calculates and discloses the liquidity coverage ratio in accordance with the relevant provisions of the Measures for Information Disclosure of Liquidity Coverage Ratio of Commercial Banks (《商業銀行流動性覆蓋率信息披露辦法》) as follows:

(Unit: RMB'000)

Item	As at 31 December 2025	As at 31 December 2024	Regulatory Requirement
Liquidity ratio	**98.49%**	88.82%	≥25%
Qualified high-quality liquid assets	**160,773,128.00**	155,683,107.70	–
Net cash outflows	**77,939,759.90**	70,729,369.00	–
Liquidity coverage ratio	**206.28%**	220.11%	≥100%

Note: The data in the above table are all based on the standards adopted under the off-site regulatory report of the National Financial Regulatory Administration on a group consolidated basis.

2. *Net stable funding ratio*

The Group calculates and discloses the net stable funding ratio in accordance with the relevant provisions of the Measures for Information Disclosure of Net Stable Funding Ratio of Commercial Banks (《商業銀行淨穩定資金比例信息披露辦法》) as follows:

(Unit: RMB'000)

Item	As at 31 December 2025	As at 30 September 2025	As at 31 December 2024
Available stable funding	**563,664,036.90**	552,785,550.07	540,540,487.76
Required stable funding	**422,712,589.61**	408,172,477.25	361,273,805.32
Net stable funding ratio	**133.34%**	135.43%	149.62%

Note: The data in the above table are all based on the standards adopted under the off-site regulatory report of the National Financial Regulatory Administration on a group consolidated basis.

For more details on liquidity risk management, please see Note 44.3 "Liquidity Risk" to the Consolidated Financial Statements in the chapter "Financial Report" in this Report.

(III) Market Risk Management

Market risks refer to the risk of losses in on-and off-balance sheet businesses from adverse changes in market prices (interest rate, exchange rate, stock prices and commodity prices).

The Group followed the principle of prudent market risk management, established and continuously improved the market risk management governance framework, maintained a conservative market risk appetite, and took measures such as limit management, duration control, sensitivity analysis, scenario simulation and stress testing to measure, adequately identify, accurately measure, continuously monitor, appropriately control, and promptly report all market risks in all business operations to ensure that market risks are controlled within a reasonable range. During the Reporting Period, the Group's overall market risk remained at a controllable level.

1. *Trading book interest rate risk management*

In terms of the trading accounts, the Group conducted measurement management of the interest rate risk of trading accounts by adopting various methods including change in fair value through profit and loss and floating profit and loss monitoring, gap analysis, value-at-risk (VaR), and interest rate sensitivity analysis (PVBP and duration). The Group further optimized the interest rate risk limit management system of trading accounts, continued to monitor interest rate risk limits, and reported and alerted risks in a timely manner. The Group continued to conduct stress tests on interest rate risk, and examined the impact of changes of market returns on the valuation of bond holdings and of revenue curves on the economic value of derivative portfolios. As of the end of Reporting Period, all trading book interest rate risk indicators remained within the target range.

2. *Exchange rate risk management*

In 2025, the RMB exchange rate against the US dollar showed an overall appreciation trend, with the mid-price increasing by a cumulative 1,596 basis points to 7.0288. This was primarily influenced by the weakening of the US Dollar Index during the year, the resilience of the domestic economy, and the central bank's exchange rate stabilization policies. As of the end of the Reporting Period, the Group's cumulative foreign exchange exposure ratio was 3.07%, in compliance with the regulatory requirement of ≤20%, and the overall exchange rate risk was controllable.

For more details on market risk management, please see Note 44.2 "Market Risk" to the Consolidated Financial Statements in the chapter headed "Financial Report" in this Report.

(IV) Banking Book Interest Rate Risk Management

Banking book interest rate risk refers to the risk of losses to the economic value and overall returns of the banking book resulting from adverse changes in interest rate levels, term structures, and other factors.

The Group continued to enhance its interest rate risk management system for the banking book in accordance with external regulatory requirements and internal management standards. It established a clear interest rate risk governance framework and implemented management processes for the identification, measurement, monitoring, control, and reporting of interest rate risk. The Group primarily employs methods such as repricing gap analysis, duration analysis, scenario simulation, and stress testing to measure and analyze interest rate risk in the banking book, and regularly assesses the impact of different interest rate change scenarios on net interest income and economic value. The Group adhered to the principles of prudence, comprehensiveness, and independence, closely monitoring external policies and changes in market interest rates, actively promoting the adjustment and optimization of its asset-liability structure, and strengthening the refinement of interest rate pricing management. As of the end of the Reporting Period, all interest rate risk limit indicators in the bank's books remained within the target range.

(V) Compliance Risk Management

Compliance risk refers to the possibility that bank or their employees may incur criminal, administrative, or civil legal liability, property losses, reputational damage, or other negative consequences as a result of violations of compliance regulations by bank in their business operations or management activities, or by their employees in the performance of their duties.

The Group adhered to a prudent and stable compliance culture, and established a compliance risk management system appropriate to its scope of operation, organizational structure and scale of business. The Group communicated and monitored the implementation of regulatory policies, strengthened the enforcement of internal supervision systems, and ensured that all business activities were aligned with laws and regulations. The Group benchmarked its operations against laws and regulatory requirements, continuously strengthened compliance reviews for systems, business lines, and products, with a focus on ex-ante compliance risk management. The Group advanced the optimization of its institutional framework by establishing a robust system that aligns with its management structure and business expansion. Through initiatives such as training and learning, competitions, compliance lecture tours, case studies, and anti-corruption education, the Group strengthened employees' awareness of professional integrity and self-discipline to bolster capabilities to prevent and control compliance risks. During the Reporting Period, the Group's compliance risk remained at a controllable level.

(VI) Operational Risk Management

Operational risks refer to the risks of losses resulting from faulty internal procedures, staff and IT systems, and external events.

The Group has established a sound operational risk organizational structure and management system to strengthen operational risk management, enhance its ability to respond to internal and external events, and ensure the stable business operation. The Group revised and refined its Management Rules for Key Risk Indicators and Management Rules for Operational Risks and Control Self-Assessment, strengthened the management, monitoring, early warning, and mitigation of key risk indicators, and enhanced the effectiveness evaluation of risk controls. The Group promoted the application of core operational risk management tools, established an effective operational risk identification system, and formulated the procedures and methods for operational risk identification, measurement, monitoring and control. Through systematic training and compliance case education, the Group reinforced employees' compliance awareness and operational skills to ensure standardized business execution.

(VII) Large-scale Risk Exposure Management

Large-scale risk exposure refers to the credit risk exposure to a single customer or a group of related customers of a bank that exceeds 2.5% of its net tier-one capital.

The Group actively improved the organizational structure and management system for large-scale risk exposure management, incorporated large-scale risk exposure management into a comprehensive risk management system, and perfected the system construction related to the large-scale risk exposure management, so as to strictly prevent concentration risks. As of the end of the Reporting Period, the Group's large-scale risk exposure indicators for non-interbank single customers, non-interbank group customers, interbank single customers and interbank group customers complied with regulatory requirements.

(VIII) Country Risk Management

Country risk refers to the risk incurred to a bank arising from the inability or refusal by the debtor to repay its debt, losses suffered by it or its commercial presence in such country or region and other losses due to economic, political, social changes and events in a country or a region.

The Group maintains a prudent country risk appetite, continuously improves the country risk management policy system, strictly implements the country risk monitoring and reporting mechanism, regularly assesses country risk levels, and seeks to fully identify the risk conditions of a country or region as well as potential risks in business operations. The Group adopts a risk avoidance strategy, and does not allow entry into relatively high-risk countries or regions. During the Reporting Period, the Group's business operations did not involve countries or regions which experienced significant deterioration in national sovereignty, political or economic conditions.

(IX) Reputational Risk Management

Reputational risks refer to the risks that may be caused by negative evaluations on bank by stakeholders, the public, the media and others due to the operation and management of bank, the behaviors of employees or external events, thereby damaging the brand value of bank, affecting the normal operations of bank, and even affecting market stability and social stability.

The Group has established an effective reputational risk monitoring and early warning and preassessment mechanism, aiming to promote the reputational risk control in advance by making full use of the intelligent reputation monitoring system and strengthening manual monitoring, implementing 24/7 hours omni-channel public opinion monitoring. The Group has established a sound mechanism for the hierarchical handling of reputational events and continued to strengthen the regular management of reputational risks and the whole-process management mechanism. The Group conducted regular reputational risk management trainings, continuously improving the media public relations literacy and reputational risk response capabilities of relevant business personnel of various branches. The Group strengthened the quarterly reputational risk screening of each institution, and regularly investigated major customer complaints, improper marketing and publicity behaviors, etc. that occurred in institutions each quarter which may cause widespread public concern. The Group also investigated and identified potential reputational risks, and promptly released reputational risk warnings.

(X) Information Technology Risk Management

Information technology risks refer to risks arising from natural factors, human factors, technology loopholes and management defects during the course of the application of information technology by a bank, including operational, legal and reputational risks.

The Group continued to promote the implementation of each information technology risk prevention and control measure. First, we improved information technology risk management processes. We fully implemented regulatory requirements, revised systems and policies related to information technology management, cybersecurity, data security, information system requirement management, architecture management, configuration management, change and release management, and operation management, further standardized technology workflows, and strengthened risk management and control throughout the entire life cycle of information technology. Second, we continued to strengthen the construction of technological infrastructure. We proceeded in an orderly manner with the construction of new data centers, completed the migration and resource integration of disaster recovery centers within the same city and the replacement of outdated infrastructure in machine room, improved the construction of data center resource pools and monitoring systems, strengthened the building of automated operation and maintenance capabilities, and enhanced the basic capabilities for ensuring business continuity. Third, we strengthened network and information security prevention and control. We routinely conducted information system security assessments, vulnerability identification and remediation, security threat monitoring and interception, and mobile application privacy compliance assessments. We upgraded our security architecture, implemented risk screening and assessment in key areas, successfully completed cybersecurity protection during important periods, organized cybersecurity offensive and defensive drills as well as network and data security training for all employees, and strictly prevented network and data security risks. Fourth, we improved business continuity management. We conducted comprehensive business impact analyses, improved the management mechanism for business continuity contingency plans, revised specialized contingency plans for important information systems, and organized business continuity emergency drills covering important systems, key businesses, infrastructure, technology outsourcing, and data security, effectively verifying our ability to respond to sudden information technology incidents.

(XI) Strategic Risk Management

Strategic risk refers to the risk where the strategic goal deviates from the expected due to the failure of strategic behavior to effectively maintain the match between the enterprise and the environment.

The Group continued to pay attention to strategic risks. We have established a strategic risk management organizational framework with the Board of Directors, and senior management as the core, to ensure the effectiveness of the implementation of the development strategic plan, to evaluate the execution of the strategic plan on a regular basis and to identify the risk factors that affect the achievement of strategic objectives, to formulate necessary measures for relevant risk factors and conduct continuous monitoring, to dynamically manage and adjust strategic planning in conjunction with internal and external environments, and to continuously improve the strategic risk management system. During the Reporting Period, the Group conducted an in-depth assessment of the execution of the "Dongguan Rural Commercial Bank Co., Ltd. (Group) 2024–2028 Development Strategic Plan", formulated sub-strategies or plans for specialized fields such as corporate banking, retail banking, asset management, inclusive finance, financial markets, risk management, technology, and operations, refined the strategic breakdown process, promoted the tight integration of strategic decomposition with performance appraisals, and ensured the decomposition and implementation of the overall development strategy across various professional fields.

(XII) Anti-Money Laundering Management

The Group deeply practiced the "risk-based" work principle to carry out various anti-money laundering tasks. Guided by the new Anti-Money Laundering Law, the Group revised key internal control systems regarding anti-money laundering due diligence and list management to continuously improve the construction of its anti-money laundering internal control system. Aiming at areas where money laundering risks are frequent and prone to occur, the Group issued risk alerts, and organized risk screenings to effectively prevent money laundering risks. The Group advanced the construction and iterative upgrading of anti-money laundering-related systems, continuously enhanced its digital risk control capabilities for anti-money laundering, consistently strengthened training for employees on suspicious transaction analysis skills, and reinforced the monitoring and reporting of large-value and suspicious transactions.

(XIII) Internal Control

The Group placed great emphasis on the development and improvement of the internal control system. It revised and refined internal control policies to continuously improve the management framework. By establishing a corporate governance structure with balanced power and clear responsibilities, we have constructed a multi-level organizational architecture for internal control. As of the end of the Reporting Period, it clarified the responsibilities of the Board of Directors, the Board of Supervisors, senior management, internal control management functions, internal audit department, and other departments to ensure effective division and balance of decision-making, supervision, and execution. The Group established and improved the system management mechanism, formulated comprehensive and standardized working systems for various business and management activities, and conducted continuous assessments and improvements. Through supervision and inspections, risk screenings, and audit assurance, the Group continuously monitored key risk areas and verified the effectiveness of internal control.

(XIV)Internal Audit

The Group implements an independent and vertical internal audit management system. The Board of Directors assumed ultimate responsibility for the independence and effectiveness of internal audit, considered and approved internal audit rules, mid-and long-term audit plans and annual audit plans, etc., provided necessary safeguards for independent and objective internal audit work, and assessed the independence and effectiveness of internal audit. The Audit Committee of the Board of Directors is responsible for reviewing important systems and reports such as internal audit rules, considering and approving mid-and long-term audit plans and annual audit plans as well as guiding, assessing and evaluating internal audit. The internal audit department specifically undertook internal audit responsibilities, and was responsible for reviewing, evaluating and urging for improvements in the Bank's business operation, risk management, internal control and compliance and corporate governance through the application of systematic and standardized methods, so as to promote stable operation and value enhancement of the Group.

The Group adhered to and strengthened the Party's leadership over audit work. The internal audit department adhered to the main line of work of "serving the overall situation based on the center", focused on the main responsibilities and main businesses of risk supervision, issued a new round of medium-to-long-term audit plans, closely monitored the "key events", "key personnel" and "key behaviors", and conducted audit projects in the annual plans of credit business, fund business, risk management, information technology, and subsidiaries (management organs), as well as conducting audits on the performance of key personnel in certain positions. The Group established a long-term working mechanism for the rectification of problems revealed by audits, strengthened governance at the source, and effectively improved the quality and efficiency of rectification.

V. ENVIRONMENTAL ANALYSIS AND FUTURE PROSPECT

(I) Industry landscape and trend analysis

On the macroeconomic front, the short-term global outlook points to a mild recovery, underpinned by generally subsiding inflation and a shift toward monetary easing by major economies. However, endogenous growth momentum remains weak, keeping overall growth rates at low levels. In the long term, the global geopolitical and economic landscape is undergoing profound structural adjustment. Persistent supply chain restructuring, ongoing trade frictions, and spillover risks from geopolitical tensions and regional conflicts continue to constrain global growth and heighten uncertainty. Domestically, China's GDP grew by 5% in 2025, remaining within a reasonable range. The economy has maintained a stable and upward trajectory, demonstrating continued resilience and potential, while long-term positive fundamentals remain unchanged. Driven by a series of policies designed to stabilize growth and expectations, the economic foundation has been further consolidated, effectively bolstering market sentiment and public confidence. Looking ahead to 2026, increased macroeconomic policy support and the construction of a modern industrial system are expected to drive structural optimization and upgrading. The potential of emerging pillar industries will be further unleashed, while a strengthened domestic demand orientation will underpin endogenous growth. Building on sustained efforts to mitigate risks in key areas, the economy is poised for steady operation and a continued advance toward high-quality development.

On the regional front, Dongguan recorded a GDP growth of 4% in 2025, maintaining overall stability and consolidating its momentum toward high-quality development. In the face of a shifting external environment and intensifying industrial competition, the city has accelerated the push for new industrialization and manufacturing transformation, resulting in continuous structural optimization. Increased investment in technological innovation, optimized industrial spatial layout, and a constantly improving business environment have further enhanced the region's internal momentum and resilience. From a long-term perspective, frontier technologies such as artificial intelligence and large language models are profoundly reshaping the banking industry's service models, risk management frameworks, and operational mechanisms. The banking sector is set to focus on digitalization and scenario-based integration, building an intelligent, differentiated, and sustainable service ecosystem to more efficiently support the real economy and technological innovators.

(II) Operation and management measures for 2026

In 2026, the Group is committed to strengthening Party leadership and Party building, reinforcing the comprehensive guiding role of Party building in all endeavors. The Group will firmly adhere to the main working theme of preventing risks, deepening reforms, and promoting development. The Group will delve deep into the "Five Major Financial Tasks", and double efforts to solidly accelerate the construction of the "High-Quality Development Project Covering Every County, Every Town and Every Village". Furthermore, the Group will expedite the establishment of a sound internal management system. By pursuing innovation, The Group strives to secure major advancements in our high-quality development.

First, business model innovation is a top priority. The Group will restructure the business value chain and build more financial scenarios to accelerate the integration of our ecosystems. Efforts will be made to enhance the refined management of assets and liabilities for the transition to an asset-light business model. Also, the Group will continuously optimize the income structure to activate business growth drivers.

Second, product innovation will be improved. With a focus on key customer segments including corporate, retail, and other financial institutions, the Group will persistently strengthen the digital transformation of products and improve product innovation mechanisms to better meet the diverse demands of customers.

Third, service innovation will be accelerated. The Group will deeply advance omni-channel integration to break down service barriers, and reshape service processes by leveraging intelligent technologies to empower value conversion. Scenario-based services will be extended to broaden the reach. Moreover, the Group will strengthen the refined management of customer experience to elevate the entire customer journey.

Fourth, management innovation will be implemented. The Group will continue to optimize internal processes, move fast to fuel the agile transformation, and continuously consolidate the data foundation. Meantime, the Group will enhance centralized and intensive management as well as its management of consolidated entities.

Fifth, innovation in risk control and compliance will be strengthened. The Group will steadily advance the development of the new credit system project cluster, the construction of an intelligent risk control system, the standardization of credit granting, and the reform of the compliance management system. Furthermore, by strengthening source governance, the Group will further improve the consumer protection system, effectively balancing security and efficiency.

Sixth, technological innovation will be deepened. The Group will accelerate the construction of artificial intelligence infrastructure, continue to enhance integration with external platforms, and consistently strengthen the comprehensive application of big data across all areas of operation and management to reshape our foundational capabilities.

Chapter IV Sannong Financial Services

As the leading force in financial services for agriculture, rural areas and farmers, the Bank has always regarded serving the "Sannong (agriculture, rural areas, and farmers)" as its core market positioning. We firmly shoulder the responsibility and mission of supporting agriculture and rural development, closely aligning with the work arrangements of the Guangdong Provincial Party Committee and Provincial Government, as well as the Dongguan Municipal Party Committee and Municipal Government regarding the "The High-Quality Development Project Covering Every County, Every Town and Every Village". With innovation as the driving force, we deeply engage in business practices, continuously enhance the supply and support for "Sannong" financial services, in order to resonate and grow together with the "Sannong" entities. During the Reporting Period, the Strategic Decision and Sannong Committee of the Board of the Bank held a total of 8 meetings, with over 30 proposals adopted; as of the end of the Reporting Period, the balance of the Bank's agriculture-related loans reached RMB40.923 billion, fulfilling the regulatory requirement of "continuous growth in agriculture-related loans as compared to the beginning of the year" and the annual credit growth plan for agriculture-related loans.

I. DEEPENING AND INTENSIFYING EFFORTS TO BUILD A STRATEGIC SUPPORT BELT FOR "SANNONG" FINANCIAL SERVICES

The Bank consistently adhere to serving the "Sannong (agriculture, rural areas, and farmers)" as its core market positioning, deeply integrating into the national strategy of rural revitalization. Under the action principle of "intensive cultivation and meticulous work", we extend financial service networks and resources to the grassroots level. By strengthening top-level design, we have systematically built a "Sannong" financial service system, thereby solidifying its strategic support.

(I) Anchoring the core of agricultural assistance services based on policies

Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Bank focused on the spirit of the Central Document No. 1 "Opinions of the Central Committee of the Communist Party of China and the State Council on Further Deepening Rural Reform and Solidly Promoting Comprehensive Rural Revitalization", and closely followed the various decisions and deployments of the Central Committee of the Communist Party of China and the State Council regarding "Sannong" work. Adhering to the principle of "pragmatism and action as the priority", we made every effort to transform all positive factors into an inexhaustible driving force for promoting "Sannong" work, and successfully completed the annual agricultural credit investment plan and all agricultural-related regulatory indicators.

(II) Guided by Party building, activating the driving force of agricultural revitalization services

The Bank adhered to the fundamental direction of guiding financial services for rural revitalization with Party building, and continuously promoted the deep integration and synchronized development of Party building with the “High-Quality Development Project Covering Every County, Every Town and Every Village”. By deepening the “party building cooperation and joint construction” mechanism among all villages and communities in the city, we dispatched financial specialists to serve the villages and communities, precisely meeting the credit demands, strengthening resource allocation to areas related to people’s livelihood and economically underdeveloped village communities, providing customized financial services to help revitalize idle assets, expand investment channels, promote the preservation and appreciation of village and community assets, and enhance the quality and efficiency of the collective economy. This has effectively transformed the advantages of party building into practical achievements for rural revitalization.

(III) Guided by strategy, pooling the efforts for serving farmers in a coordinated manner

Focusing on the pain points and difficulties in “Sannong” financial services, the Bank has established an inclusive financial service system centering on “agriculture, rural areas and farmers”. We closely followed the regulatory policy orientations and industry development trends, and continuously strengthened the strategic guidance for the “Sannong” financial services. By regularly listening to special work reports and inviting representatives of “Sannong” enterprises for discussions, we were able to dynamically grasp the progress and actual problems of services for “agriculture, rural areas and farmers”, and consolidate and enhance our competitive advantage in financial services in the town and village areas.

II. COLLABORATIVE EMPOWERMENT TO INITIATE A NEW JOURNEY IN "SANNONG" FINANCIAL SERVICES

The Bank has actively implemented the provincial and municipal governments' deployment of the "High-Quality Development Project Covering Every County, Every Town and Every Village" and continuously enhanced the financial support for the rural revitalization. Focusing on key areas such as the development of new quality productive forces in agriculture, the cultivation of rural prosperous industries, and regional urban-rural integration, we continuously optimized the financial supply structure, actively built a modern "Sannong" financial service system that is suitable for the comprehensive revitalization of rural areas, and promoted the improvement and enhancement of services, in order to inject continuous financial impetus into the common prosperity of urban and rural areas.

(I) Focusing on rural development, paving the way for the growth of collective economies through financial empowerment

First, we provided strong support for the renovation of "urban villages" and offered a full range of financial services to towns and villages. The "urban village" renovation project is a key investment project vigorously promoted by the municipal government, and it is also an important focus for the high-quality development of the "High-Quality Development Project Covering Every County, Every Town and Every Village". Closely following the industrial adjustment pace and high-quality development strategy of the municipal government and based on the financial demands at each stage of "urban village" renovation, we formulated the "Comprehensive Financial Service Plan for 'Industrial Transformation and Modern Industrial Parks'" for towns and villages, and provided a package of financial solutions.

Second, we collaborated to expand channels and promote investment attraction, stimulating the industrial vitality of villages and communities with two-wheel driving. We strengthened the cooperation with the Rural Revitalization Promotion Association and established a linkage mechanism integrating "finance and public welfare services". In response to the demand for revitalizing idle resources in village community industrial spaces, we assisted village communities in sorting out leasing information for industrial spaces, which would be released by the Rural Revitalization Promotion Association through its official public account, so as to jointly promote investment attraction of village communities and facilitate the development and upgrading of collective economies.

Third, we established a comprehensive service matrix to provide precise guidance for the application of special bonds in the field of rural revitalization. We established a professional service team, focusing on core areas of rural revitalization such as urban village renovation, improvement of living environment, expansion and upgrading of industrial parks, etc. We provided full-process guidance for the application of special bonds, and promoted the efficient implementation of special bond applications, laying a solid foundation for the funding guarantee of rural revitalization.

(II) Facilitating agricultural upgrading, providing a solid foundation for industrial revitalization with financial resources

First, we precisely allocated financial resources, focusing on the specific needs of key agricultural enterprises. Based on the demands of the leading agricultural enterprises, agricultural and livestock breeding, rural tourism agriculture, agricultural wholesale markets and other characteristic agricultural operation entities, we formulated special business plans for agriculture, and continuously improved the financial support for rural industrial chains.

Second, we jointly built a retail ecosystem and collaborated with multiple parties to promote coordinated development. We integrated both online and offline channels to create a distinctive and favourable value-added service brand for rural commercial banks, directed our high-quality customer resources to the cooperative agricultural enterprises, and upgraded our branches into a value-creating platform that integrates financial services, social experiences, and cultural dissemination, with an aim to build an ecosystem that combines “industrial activities, finance, and life”.

Third, we strengthened product and digital empowerment to enhance the financial support for agriculture, rural areas and farmers. Focusing on core demands such as agricultural production and operation, rural infrastructure construction, and farmers’ income growth, we integrated the Internet, big data, and our local connections and geographical advantages to build an “online + offline” collaborative and interactive agricultural product system. By efficiently handling standardized business online and focusing on complex scenarios and customized solutions offline, we achieved a combination of “wide coverage” and “precise support”, thereby comprehensively enhancing our service support capabilities.

(III) Serving the people’s livelihood and culture, playing a key role in activating the engine of rural revitalization through finance

First, we deeply focused on social security services and empowered the development of people’s livelihood. Centering on the social security card service and aiming at key areas such as scale expansion, deepening cooperation, implementing benefits for the people, and extending services, we have continuously improved and enhanced the quality and efficiency of the social security card service. We deepened the cooperation between the government and banks, steadily promoted the renovation of “town and village access” service outlets, created social-bank cooperation-themed outlets, optimized the online application process for social security cards, provided door-to-door services, and enhanced the convenience and accessibility of inclusive financial services.

Second, we sponsored the “Village BA”, thereby empowering the cultural development of rural areas. In order to fully implement the requirements of “cultural civilization” in the rural revitalization strategy, enrich the spiritual and cultural life of villagers, and enhance the cohesion and centripetal force of the countryside, the Bank has sponsored the Dongguan Village Basketball League (“Village BA”) for three consecutive terms as the exclusive title sponsor. This year’s event covered 32 townships and town centers, involved 456 athletes, and had over 650,000 participants both online and offline. It has become a grand rural cultural feast that combines competitiveness and entertainment. The Bank has taken concrete actions to support rural cultural development, further narrowing the distance between us and the rural residents, and demonstrating our responsibility and commitment of financial institutions in serving the countryside.

Third, we integrated online and offline elements to create a convenient and personalized service model. we promoted products such as “Consumption Easy Loan”, precisely matching the multi-scenario consumption demands of the rural customer groups. We achieved the full-process application, intelligent approval and signing online; while offline, we continued to provide door-to-door services, offering face-to-face consultation, on-site processing and financial assistance. By coordinating online and offline efforts, we created a service model that is “efficient and convenient online, and attentive offline”, thereby truly enhancing the sense of gain and satisfaction among the villagers.

III. DIGITAL EMPOWERMENT, ESTABLISHING AN INNOVATIVE MODEL FOR “SANNONG” FINANCIAL SERVICES

Empowering rural areas with the digital economy for comprehensive revitalization is a crucial measure in implementing the spirit of the 2025 Central Document No. 1 and fulfilling the deployment of the Central Rural Work Conference. It is also an inevitable requirement of the times for promoting agricultural and rural modernization and developing new quality productive forces in agriculture. By thoroughly studying and applying the experience in the “High-Quality Development Project Covering Every County, Every Town and Every Village”, we fully implemented the new development philosophy, and actively explored new paths for digital finance to support agriculture, closely following the requirements of the special action plan for financial support of rural comprehensive revitalization, and taking the construction of digital villages as the starting point.

(I) We established a differentiated credit granting mechanism that is tailored to the characteristics of rural areas.

By conducting in-depth information registration in the villages and communities, integrating multi-dimensional data such as village group assets income, villagers’ dividends, and credit performance, a credit assessment model was formed. Based on the “Consumption Easy Loan” product, we provided flexible credit usage management for the village customer groups, meeting the diverse and reasonable consumption needs of the villagers.

(II) We optimized the “Haoyi Rent” intelligent platform to bridge the “digital gap”.

We used digital means to connect villagers, property owners, customers and potential tenants. Centering on the rental settlement needs of landlords, taking into account the diversity of urban and rural rental scenarios, we upgraded and optimized the products based on the scenarios to provide convenient and low-cost payment tools for “Sannong” customers.

(III) We expanded online service scenarios and empowered the high-quality development of rural revitalization.

The Bank actively explored new “Internet +” business forms, continuously optimized online products and services, promoted the rural revitalization-themed credit cards, provided life services and convenience services covering food, clothing, housing and transportation, and at the same time, through embedding in the scenarios, offered investment and wealth management, payment settlement, fee collection and loan services, to enhance the coverage and convenience of inclusive financial services.

IV. WARM-HEARTED RELIEF MEASURES, FULFILLING THE RESPONSIBILITY AND MISSION FOR "SANNONG"

The Bank has earnestly fulfilled its social responsibilities. Focusing on serving the real economy, it has increased the supply of inclusive finance, continuously deepened financial assistance, and taken concrete actions to fulfill its mission of supporting agriculture and promoting agriculture revitalization through finance.

(I) Utilizing policy tools to implement measures for supporting agriculture and benefiting the people

First, we actively cooperate with the People's Bank of China, utilizing the "re-lending funds for agriculture and small businesses" to promote the allocation of low-cost financial resources towards the "agriculture, rural areas and farmers" sectors. As of the end of the reporting period, the Bank had cumulatively applied for agricultural and small business re-lending funds 17 times, totaling RMB18.901 billion.

Second, we issued special financial bonds for agriculture, rural areas and farmers, "precisely irrigating" the process of rural revitalization. This year, RMB1 billion of special financial bonds for agriculture, rural areas and farmers were newly issued. As of the end of the reporting period, the Bank had a total of RMB1 billion of special financial bonds for agriculture, rural areas and farmers. The agricultural-related loans disbursed from the funds raised amounted to RMB1.856 billion, the loan balance was RMB947 million, and a total of 243 loans were issued.

Third, leveraging the "Entrepreneurship Loan" program, we aim to drive the new revitalization of rural areas. In 2025, the Bank issued a total of RMB146 million "Entrepreneurship Loans" to 229 customers. The loan balance was RMB640 million. We have supported 6,712 entrepreneurs in Dongguan, effectively assisting key groups such as start-up enterprises and individual business owners in the city to start and develop their businesses, and promoting the realization of the strategic goal of "stabilizing enterprises, stabilizing industries, and stabilizing employment" in rural areas.

(II) Offering financial assistance for poverty alleviation, actively fulfilling social responsibilities

The Bank has been actively fulfilling its original mission of "supporting agriculture and small businesses". Over the years, it has continuously carried out various public welfare activities in each village, community and neighborhood. In 2025, through the "6·30 Guangdong Poverty Alleviation and Assistance Day and Dongguan Charity Day" event and the Education Charity Foundation, a total of RMB5 million was donated to 150 village communities. To support the "Hundred, Thousand and Ten-Thousand — Dongguan Summer" series of activities, the Bank donated a total of RMB720,000 to the Dongguan Rural Revitalization Promotion Association and the Dongguan Medical Insurance Association to carry out summer public welfare activities and health education services throughout the city, effectively contributing to the development of people's livelihood.

Chapter V Changes in Share Capital and Information on Shareholders

I. CHANGES IN SHARES

(I) Share Capital

As at the end of the Reporting Period, the total number of Shares of the Bank was 6,888,545,510 shares, including 5,740,454,510 Domestic Shares, representing 83.33% of the total Shares; 1,148,091,000 overseas listed foreign shares (H Shares), representing 16.67% of the total Shares. During the Reporting Period, there was no change in the Bank's total share capital.

(II) Details of Changes in Shares

During the Reporting Period, the changes in the ordinary shares of the Bank are as follows:

(Unit: Shares)

Class of shares	As at 31 December 2025		Increase (decrease) during the period	As at 31 December 2024	
	Number	Percentage (%)	Number of changes	Number	Percentage (%)
Domestic Shares	**5,740,454,510**	**83.33**	–	5,740,454,510	83.33
Domestic Shares held by legal persons	**1,443,686,418**	**20.96**	17,575,597	1,426,110,821	20.70
Domestic Shares held by natural persons	**4,296,768,092**	**62.38**	(17,575,597)	4,314,343,689	62.63
Including: Shares held by staff members	**483,148,496**	**7.01**	–	483,148,496	7.01
Overseas listed foreign Shares (H Shares)	**1,148,091,000**	**16.67**	–	1,148,091,000	16.67
Total	**6,888,545,510**	**100.00**	–	6,888,545,510	100.00

Notes:

(1) As at the end of the Reporting Period, there were 57,360 Domestic Shareholders. All Domestic Shares were deposited in China Securities Depository and Clearing Corporation Limited. The total number of registered H Shareholders was 23, of which HKSCC Nominees Limited, as a nominee, held the Shares on behalf of multiple Shareholders.

(2) As at the end of the Reporting Period, 20,332,180 Domestic Shares were involved in judicial freezing, representing 0.30% of the total Shares.

(3) The Bank has applied to the Hong Kong Stock Exchange and the Hong Kong Stock Exchange has granted a waiver from strict compliance with the requirements under Rule 8.08(1)(a) of the Listing Rules pursuant to which the minimum public float of our Shares shall be 16.67%. Based on publicly available information and to the best knowledge of the Directors, at least 16.67% of the issued Shares of the Bank has been held by the public during the Reporting Period and as of the Latest Practicable Date, in compliance with the requirements under the Listing Rules as modified by the aforementioned waiver.

(III) Issuance of Securities

During the Reporting Period, the Bank did not issue any new Shares.

II. SHAREHOLDING STRUCTURE

(I) Number and Shareholdings of Shareholders

As of the end of the Reporting Period, the Bank had a total of 57,360 Domestic Shareholders, including 125 Domestic Shares legal person shareholders which held 1,443,686,418 Shares, representing 20.96% of the total shares, and 57,235 Domestic Shares natural person shareholders which held 4,296,768,092 Shares, representing 62.38% of the total shares; the total number of registered H Shareholders was 23 (among which HKSCC Nominees Limited represented multiple shareholders as nominees).

(II) Top Ten Shareholders

As of the end of the Reporting Period, the total shareholding of the ten largest Shareholders of the Bank was 28.59%, among which the shareholding ratio of Domestic Shareholders did not exceed 5%. Among the Domestic Shareholders, the largest Shareholder was Guangdong Canvest Investment Co., Ltd.* (廣東粵豐投資有限公司), holding 3.55% of the total Shares; the second largest Shareholder was Dongguan City Kanghua Investment Group Co., Ltd.* (東莞市康華投資集團有限公司), holding 2.12% of the total Shares; and the third largest Shareholder was Dongguan Nanfang Foodgrain & Cooking Oil Co., Ltd.* (東莞市南方糧油有限公司), holding 1.45% of the total Shares.

As of the end of the Reporting Period, shareholdings of the ten largest Shareholders were as follows:

No.	Name	Class of Shares	Nature of Shareholders	Number of Shares (share)	Shareholding[2] (%)	Changes of shares during the Reporting Period (share)
1	HKSCC Nominees Limited[1]	H Shares	Others	1,148,049,190	16.67	(500)
2	Guangdong Canvest Investment Co., Ltd.* (廣東粵豐投資有限公司)	Domestic Shares	Non-state-owned legal person	244,249,270	3.55	(16,450,000)
3	Dongguan City Kanghua Investment Group Co., Ltd.* (東莞市康華投資集團有限公司)	Domestic Shares	Non-state-owned legal person	146,104,602	2.12	(4,000,000)
4	Dongguan Nanfang Foodgrain & Cooking Oil Co., Ltd.* (東莞市南方糧油有限公司)	Domestic Shares	Non-state-owned legal person	99,660,304	1.45	–
5	Dongguan City Haida Industrial Co., Ltd.* (東莞市海達實業有限公司)	Domestic Shares	Non-state-owned legal person	74,027,320	1.07	–
6	Guangdong Haide Group Co., Ltd.* (廣東海德集團有限公司)	Domestic Shares	Non-state-owned legal person	69,784,524	1.01	–
7	Dongguan City Jianhua Paper Co., Ltd.* (東莞市建樺紙業股份有限公司)	Domestic Shares	Non-state-owned legal person	57,978,360	0.84	–
8	Dongguan City Fengjing Group Co., Ltd.* (東莞市峰景集團有限公司)	Domestic Shares	Non-state-owned legal person	57,978,360	0.84	–
9	Dongguan City Xingye Knitting Co., Ltd.* (東莞市興業針織有限公司)	Domestic Shares	Non-state-owned legal person	36,284,941	0.53	–
10	Dongguan City Commercial Center Development Co., Ltd.* (東莞市商業中心發展有限公司)	Domestic Shares	Non-state-owned legal person	35,080,472	0.51	–
Total				**1,969,197,343**	**28.59**	**(20,450,500)**

Note:

(1) HKSCC Nominees Limited held a total of 1,148,049,190 H Shares of the Bank on behalf of various clients, representing 16.67% of the total issued share capital of the Bank. HKSCC Nominees Limited is a member of the Central Clearing and Settlement System of the Hong Kong Stock Exchange and provides registration and custody services for clients.
(2) Based on the total issued Shares of 6,888,545,510 Shares.

(III) Interest and Short Position of Directors and Chief Executives in the Shares, Underlying Shares and Debentures of the Bank or Any Associated Corporation

Please refer to the "Interests and Short Positions of Directors, Supervisors and Chief Executives" in the "Corporate Governance Report" section of this Report.

(IV) Shareholding of Staff Members

As of the end of the Reporting Period, the Bank had a total of 3,024 employee Shareholders, holding 483,148,496 Shares (excluding H Shares), which accounted for 7.01% of the total Shares.

(V) Interests and Short Positions of Substantial Shareholders and Other Persons under Hong Kong Laws and Regulations

As of the end of the Reporting Period, according to the register of shareholders kept by the Bank pursuant to section 336 of the SFO and so far as is known to, or can be ascertained after reasonable enquiry by the Directors, the following persons/entities, other than the Directors, Supervisors and chief executives of the Bank, had interests or short positions in the Shares, the underlying Shares or debentures of the Bank which would fall to be disclosed to the Bank and the Hong Kong Stock Exchange pursuant to divisions 2 and 3 of Part XV of the SFO.

Name of Shareholders	Capacity	Class of Shares	Number of Shares (1) (share)	Approximate percentage of the relevant class of Shares (%)	Approximate percentage of interest in the Bank (%)
Lee Kar Lung (李家龍)	Beneficial owner	H Shares	13,940,000(L)	17.40	2.90
	Interest in controlled corporation(2)	H Shares	185,878,000(L)		
Scoperto Limited	Beneficial owner	H Shares	185,878,000(L)	16.19	2.70
Caitong Securities Co., Ltd.* (財通證券股份有限公司)	Interest in controlled corporation(3)	H Shares	178,311,000(L)	15.53	2.59
Caitong Fund Management Co., Ltd.* (財通基金管理有限公司)	Others(4)	H Shares	178,311,000(L)	15.53	2.59
State-owned Assets Supervision and Administration Commission of the People's Government of Dongguan (東莞市人民政府國有資產監督管理委員會)	Interest in controlled corporation(5)	H Shares	126,262,000(L)	11.00	1.83

Name of Shareholders	Capacity	Class of Shares	Number of Shares (1) (share)	Approximate percentage of the relevant class of Shares (%)	Approximate percentage of interest in the Bank (%)
Dongguan Communications Investment Holding Group Co., Ltd. （東莞市交通投資控股集團有限公司）	Interest in controlled corporation(5)	H Shares	126,262,000(L)	11.00	1.83
Dongguan City Fook Man Group Company* （東莞市福民集團公司）	Interest in controlled corporation(5)	H Shares	126,262,000(L)	11.00	1.83
Fook Man Development Company Limited* （福民發展有限公司）	Beneficial owner	H Shares	126,262,000(L)	11.00	1.83
Lion Fund Management Co., Ltd. （諾安基金管理有限公司）	Investment manager	H Shares	68,325,000(L)	5.95	0.99
Central Huijin Investment Ltd. （中央匯金投資有限責任公司）	Interest in controlled corporation(6)	H Shares	60,000,000 (L)	5.23	0.87
Agricultural Bank of China Limited （中國農業銀行股份有限公司）	Interest in controlled corporation(6)	H Shares	60,000,000 (L)	5.23	0.87
ABC International Holdings Limited （農銀國際控股有限公司）	Interest in controlled corporation(6)	H Shares	60,000,000 (L)	5.23	0.87
ABCI Investment Management Limited （農銀國際投資管理有限公司）	Interest in controlled corporation(6)	H Shares	60,000,000 (L)	5.23	0.87
Cozy Pony Limited （駿熹有限公司）	Person having a security interest in shares	H Shares	60,000,000 (L)	5.23	0.87

Notes:

(1) The letter "L" denotes long position.

(2) According to the information provided by Lee Kar Lung（李家龍）, Lee Kar Lung（李家龍）has 100% control over Scoperto Limited. Accordingly, Lee Kar Lung（李家龍）was deemed to be interested in the interest held by Scoperto Limited under the SFO.

(3) According to the information provided by Caitong Securities Co., Ltd. ("Caitong Securities"), Caitong Securities has 40% control over Caitong Fund Management Co., Ltd.* ("Caitong Fund Management"). Accordingly, Caitong Securities was deemed to be interested in the interest held by Caitong Fund Management under the SFO.

(4) According to the information provided by Caitong Fund Management, Caitong Fund Management is the asset manager of ten asset management plans and held the H Shares under such Qualified Domestic Institutional Investor (QDII) asset management plans to implement the investment plans of its clients.

(5) According to the information provided by the State-owned Assets Supervision and Administration Commission of the People's Government of Dongguan, Fook Man Development Company Limited is wholly-owned by Dongguan City Fook Man Group Company（東莞市福民集團公司）, which in turn is wholly-owned by Dongguan Communications Investment Holding Group Co., Ltd（東莞市交通投資控股集團有限公司）, a company wholly-owned by the State-owned Assets Supervision and Administration Commission of the People's Government of Dongguan. Accordingly, each of State-owned Assets Supervision and Administration Commission of the People's Government of Dongguan, Dongguan Communications Investment Holding Group Co., Ltd. and Dongguan City Fook Man Group Company is deemed to be interested in all the Shares held by Fook Man Development Company Limited under the SFO.

(6) According to the information provided by Central Huijin Investment Ltd., Cozy Pony Limited is wholly-owned by ABCI Investment Management Limited, which is in turn wholly-owned by ABC International Holdings Limited. ABC International Holdings Limited is wholly-owned by Agricultural Bank of China Limited, which is in turn owned as to 40.03% by Central Huijin Investment Ltd. Therefore, Central Huijin Investment Ltd., Agricultural Bank of China Limited, ABC International Holdings Limited and ABCI Investment Management Limited are deemed to be interested in the interest held by Cozy Pony Limited under the SFO.

(VI) Substantial Shareholders under the Interim Measures for Equity Management of Commercial Banks

According to the Interim Measures for Equity Management of Commercial Banks(《商業銀行股權管理暫行辦法》) promulgated by the former CBRC, a substantial shareholder of a commercial bank refers to a shareholder who holds or controls more than 5% of the shares or voting rights of a commercial bank, or a shareholder who holds less than 5% of the total capital or total shares but has a significant impact on the operation and management of the commercial bank. The aforementioned significant influence includes, but not limited to, dispatching directors, supervisors or senior management personnel to commercial banks, influencing the financial and operational management decisions of commercial banks through agreements or other means, and other circumstances recognized by the National Financial Regulatory Administration or its local offices.

1. Shareholders who hold 5% or above of the Shares of the Bank

As at the end of the Reporting Period, except HKSCC Nominees Limited, the Bank had no shareholder holding 5% or above of the Shares of the Bank.

2. Other substantial shareholders within the regulatory scope

As at the end of the Reporting Period, the Bank's other substantial shareholders within the regulatory scope were as follows:

(1) Guangdong Canvest Investment Co., Ltd.(廣東粵豐投資有限公司)*

Guangdong Canvest Investment Co., Ltd. was established on 27 November 2002, its legal representative is Guo Huiqiang(郭惠強), its registered capital is RMB100 million, and its business scope covers: investment in industrial enterprises, sales: steel, building materials, timber, construction machinery, hardware and electrical appliances.

Guangdong Canvest Investment Co., Ltd. was regarded as a substantial Shareholder as it recommended Li Huiqin(黎慧琴)to the Bank as a candidate for Director and she obtained a Board seat, which was in line with the circumstances of dispatching a Director to the Bank. The controlling shareholder of Guangdong Canvest Investment Co., Ltd. is Guo Huiqiang(郭惠強) and the actual controller is Lai Chun Tung(黎俊東). There is no party acting in concert. The ultimate beneficiary is the company itself. As at the end of the Reporting Period, the related parties of Guangdong Canvest Investment Co., Ltd. include Dongguan City Sanyang Shiye Development Co., Ltd.*(東莞市三陽實業發展有限公司), Lai Chun Tung and others; Guangdong Canvest Investment Co., Ltd. and its related parties held a total of 249,193,258 Shares of the Bank, accounting for 3.62% of the total Shares. During the Reporting Period, Guangdong Canvest Investment Co., Ltd. and its related parties did not pledge their equities in the Bank.

*(2) Dongguan City Kanghua Investment Group Co., Ltd.**(東莞市康華投資集團有限公司)

Dongguan City Kanghua Investment Group Co., Ltd. was established on 29 March 2002, its legal representative is Wang Junyang(王君揚), its registered capital is RMB268.88 million, and its business scope covers: business management consulting; investment in various infrastructure construction projects; domestic commerce and material supply and marketing (excluding projects controlled or operated exclusively by the state); investment in medical projects (excluding operations); investment in education projects; property leasing and property management.

Dongguan City Kanghua Investment Group Co., Ltd. was regarded as a substantial Shareholder as it recommended Wong Wai Hung(王偉雄)to the Bank as a candidate for Director and he obtained a Board seat, which was in line with the circumstances of dispatching a Director to the Bank. The controlling shareholder of Dongguan City Kanghua Investment Group Co., Ltd. is Wang Junyang(王君揚)who is also the actual controller. There is no party acting in concert. The ultimate beneficiary is the company itself. As at the end of the Reporting Period, the related parties of Dongguan City Kanghua Investment Group Co., Ltd. include Dongguan City Xingye Group Co., Ltd.*(東莞市興業集團有限公司)and others; Dongguan City Kanghua Investment Group Co., Ltd. and its related parties held a total of 168,389,749 Shares of the Bank, accounting for 2.44% of the total Shares. During the Reporting Period, Dongguan City Kanghua Investment Group Co., Ltd. and its related parties did not pledge their equities in the Bank.

*(3) Dongguan Hongyuan Hotel Co., Ltd.**(東莞市宏遠酒店有限公司)

Dongguan Hongyuan Hotel Co., Ltd. was established on 22 June 2000, its legal representative is Chen Jiangtao(陳江濤), its registered capital is RMB10 million, and its business scope covers: licensed items: food and beverage services; accommodation services; singing and dancing entertainment activities; hairdressing services; retail sale of tobacco products; beauty services; food production; food sales; food sales via the Internet. General items: advertising design and agency services; advertising production; advertising publication; conference and exhibition services (exhibitions abroad must be approved by relevant departments); laundry and dyeing services; laundry and ironing services.

Dongguan Hongyuan Hotel Co., Ltd. was regarded as a substantial Shareholder as it recommended Chan Ho Fung(陳浩峰)to the Bank as a candidate for Director and he obtained a Board seat, which was in line with the circumstances of dispatching a Director to the Bank. The controlling shareholder of Dongguan Hongyuan Hotel Co., Ltd. is Chen Jiangtao(陳江濤)and the actual controller is Chen Haitao(陳海濤). There is no party acting in concert. The ultimate beneficiary is the company itself. As at the end of the Reporting Period, the related parties of Dongguan Hongyuan Hotel Co., Ltd. include Dongguan Yingjun Industrial Investment Co., Ltd. *(東莞市盈君實業投資有限公司), Chen Haitao and others; Dongguan Hongyuan Hotel Co., Ltd. and its related parties held a total of 30,425,106 Shares of the Bank, accounting for 0.44% of the total Shares. During the Reporting Period, Dongguan Hongyuan Hotel Co., Ltd. and its related parties did not pledge their equities in the Bank.

*(4) Dongguan Shenzhou Industrial Development Co., Ltd.**(東莞市神洲實業開發有限公司)

Dongguan Shenzhou Industrial Development Co., Ltd. was established on 30 July 1996, its legal representative is Lu Zhihao(盧志灝), its registered capital is RMB6.006 million, and its business scope covers: general items: investment activities using own funds; residential property leasing; non-residential property leasing; wholesale of clothing and apparel; retail of clothing and apparel; sales of building decoration materials; sales of building materials; sales of daily necessities; sales of needlework and textile products; sales of electronic products; wholesale of hardware products; retail of hardware products; property management; parking lot services.

Dongguan Shenzhou Industrial Development Co., Ltd. was regarded as a substantial Shareholder as it recommended Li Guoyu(黎國裕)to the Bank as a candidate for Supervisor and he obtained a seat in the Board of Supervisors, which was in line with the circumstances of dispatching a Supervisor to the Bank. The controlling shareholder of Dongguan Shenzhou Industrial Development Co., Ltd. is Lu Zhihao(盧志灝)who is also the actual controller. There is no party acting in concert. The ultimate beneficiary is the company itself. As at the end of the Reporting Period, Dongguan Shenzhou Industrial Development Co., Ltd. held a total of 6,442,040 Shares of the Bank, accounting for 0.09% of the total Shares, and there were no other related parties holding Shares. During the Reporting Period, Dongguan Shenzhou Industrial Development Co., Ltd. and its related parties did not pledge their equities in the Bank.

*(5) Fook Man Development Company Limited**(福民發展有限公司)

Fook Man Development Company Limited was established on 10 April 1984, the person in charge of this enterprise is Tang Wencheng(唐聞成), and its registered capital is HKD20.05 million.

Fook Man Development Company Limited was regarded as a substantial Shareholder as it recommended Tang Wencheng(唐聞成)to the Bank as a candidate for Director and he obtained a Board seat, which was in line with the circumstances of dispatching a Director to the Bank. The controlling shareholder of Fook Man Development Company Limited is Dongguan City Fook Man Group Company(東莞市福民集團公司), and the actual controller is Dongguan Communications Investment Holding Group Co., Ltd(東莞市交通投資控股集團有限公司). There is no party acting in concert, and the ultimate beneficiary is the company itself. As at the end of the Reporting Period, Fook Man Development Company Limited held a total of 126,262,000 Shares of the Bank, accounting for 1.83% of the total Shares, and there were no other related parties holding Shares. During the Reporting Period, Fook Man Development Company Limited and its related parties did not pledge their equities in the Bank.

(6) *Dongguan Bangye Mechanical & Electrical Equipment Trading Co., Ltd.**(東莞市邦業機電設備貿易有限公司)

Dongguan Bangye Mechanical & Electrical Equipment Trading Co., Ltd. was established on 6 December 2011, its legal representative is Cai Junbang(蔡浚邦), its registered capital is RMB500,000, and its business scope covers: sales of electrical and mechanical equipment, hardware products, plastic products, electronic products and accessories, construction materials, household electrical appliances, household ornaments, sanitary ware, and daily necessities; industrial investment, property leasing, and property management.

Dongguan Bangye Mechanical & Electrical Equipment Trading Co., Ltd. was regarded as a substantial Shareholder as it recommended Cai Junbang to the Bank as a candidate for Supervisor and he obtained a seat in the Board of Supervisors, which was in line with the circumstances of dispatching a Supervisor to the Bank. The controlling shareholders of Dongguan Bangye Mechanical & Electrical Equipment Trading Co., Ltd. are Cai Junbang and Cai Shaobin(蔡少斌), and the actual controller is Cai Chengzhi(蔡成枝). There is no party acting in concert. The ultimate beneficiary is the company itself. As at the end of the Reporting Period, Dongguan Bangye Mechanical & Electrical Equipment Trading Co., Ltd. held a total of 12,677,400 Shares of the Bank, accounting for 0.18% of the total Shares, and there were no other related parties holding Shares. During the Reporting Period, Dongguan Bangye Mechanical & Electrical Equipment Trading Co., Ltd. and its related parties did not pledge their equities in the Bank.

(7) *Dongguan Jianghao Trading Co., Ltd.**(東莞市江豪貿易有限公司)

Dongguan Jianghao Trading Co., Ltd. was established on 6 May 2003, its legal representative is Wang Yanling(王燕玲), its registered capital is RMB1.50 million, and its business scope covers: sales: gold and silver jewelry, jade, gemstone jewelry, arts and crafts, watches and clocks, stationery and office supplies.

Dongguan Jianghao Trading Co., Ltd. was regarded as a substantial Shareholder as it recommended Liu Jiahao(劉家豪)to the Bank as a candidate for Supervisor and he obtained a seat in the Board of Supervisors, which was in line with the circumstances of dispatching a Supervisor to the Bank. The controlling shareholder of Dongguan Jianghao Trading Co., Ltd. is Liu Jiahao, and the actual controller is Liu Renting(劉任庭). There is no party acting in concert. The ultimate beneficiary is the company itself. As at the end of the Reporting Period, Dongguan Jianghao Trading Co., Ltd. held a total of 6,442,040 Shares of the Bank, accounting for 0.09% of the total Shares, and there were no other related parties holding Shares. During the Reporting Period, Dongguan Jianghao Trading Co., Ltd. and its related parties did not pledge their equities in the Bank.

(VII) Information on Controlling Shareholders and Actual Controllers

During the Reporting Period, there was no major change in the Bank's shareholding structure and, except for HKSCC Nominees Limited, there is no individual Shareholder together with its related parties holding more than 10% of the Shares, and the Bank does not have any controlling Shareholder or actual controller.

(VIII) Pledge and Freezing of Shares

As at the end of the Reporting Period, there were no ordinary Shares held by Shareholders holding more than 5% (including 5%) of the total Shares being pledged or frozen. As at the end of the Reporting Period, so far as the Bank was aware, there was no pledge of Domestic Shares of the Bank, and no Shareholders had pledged their Shares to the Bank. 20,332,180 Domestic Shares of the Bank were judicially frozen, representing 0.30% of the total Shares.

According to the Articles of Association of the Bank, if the equities of the Bank pledged by the Shareholders reach or exceed 50% of equities of the Bank held by such Shareholders, such Shareholders' voting right on the general meeting and the voting rights of the Directors nominated by such Shareholders on the Board meeting shall be restricted. During the Reporting Period, the Bank did not need to restrict the voting rights of relevant shares in shareholders' meetings or Board meetings.

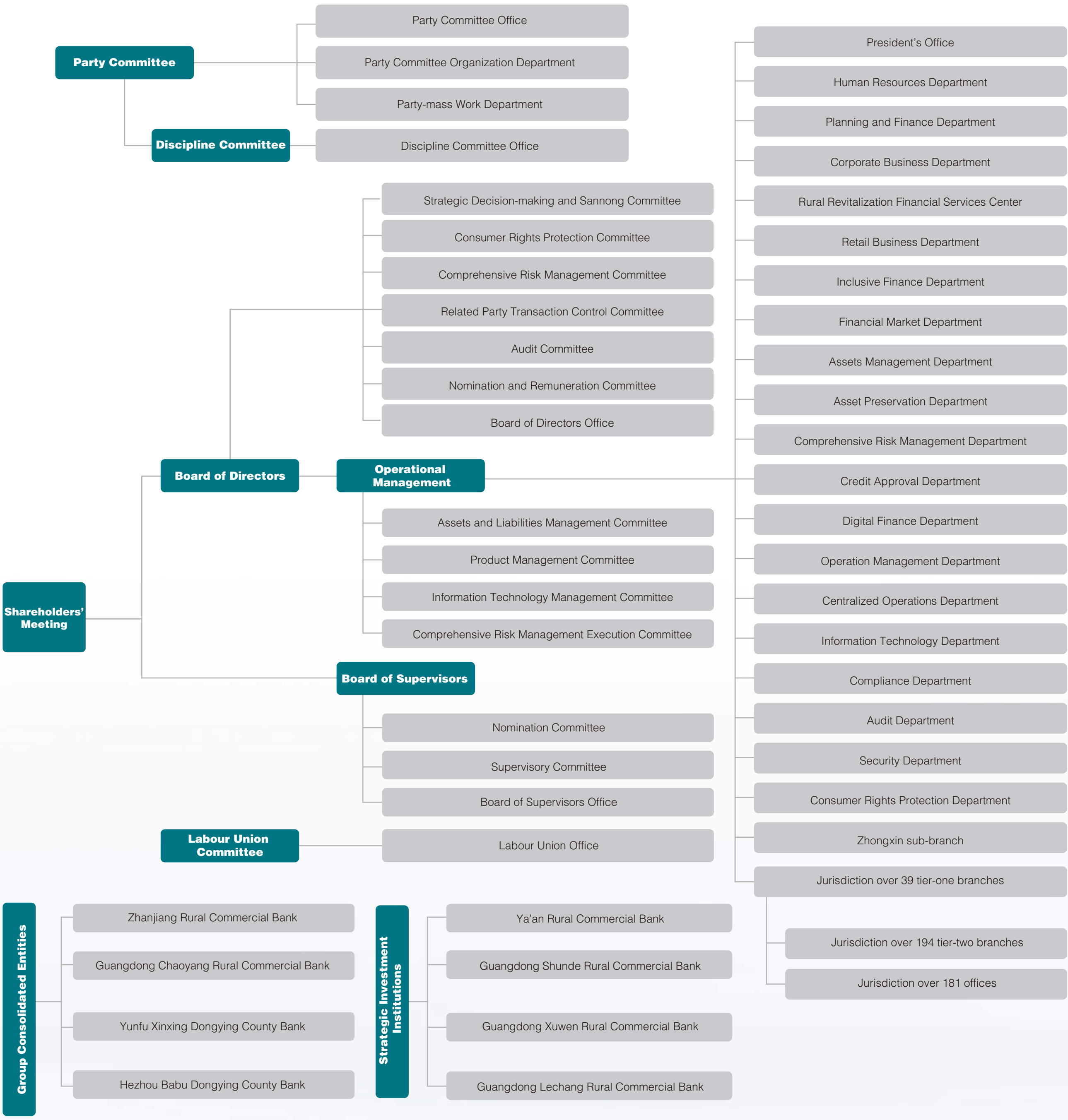
(IX) Purchase, Sale or Redemption of Listed Securities or Redeemable Securities of the Bank

During the Reporting Period, the Bank did not purchase, sell or redeem any listed securities (including the sale of treasury shares, if any) or redeemable securities of the Bank.

For the issuance and redemption of the Bank's bonds, please refer to "Issuance, purchase, sale or redemption of bonds" in the "Report of the Board of Directors" chapter of this Report.

Chapter VI Corporate Governance Report

I ORGANISATIONAL CHART



Note: The above is the organizational structure as at the end of the Reporting Period.

II OVERVIEW OF CORPORATE GOVERNANCE

As of the end of the Reporting Period, according to the requirements of the Company Law of the People's Republic of China, the Corporate Governance Standards of Banking and Insurance Institutions of the former CBIRC, and the Listing Rules of the Hong Kong Stock Exchange, and adhering to the leadership of the Party, the Bank has established a corporate governance structure consisting of the general meeting, the Board of Directors, the Board of Supervisors and the senior management, improved all specialized committees under the Board of Directors, the Board of Supervisors and the senior management, continuously improved the corporate governance organization and enhanced the level of corporate governance.

The Bank strictly abided by the requirements of the Corporate Governance Code, as well as the relevant laws and regulations and the Listing Rules and other regulations on inside information management. There is no material difference between the Bank's corporate governance and the requirements of the Company Law of the People's Republic of China and the Hong Kong Stock Exchange.

During the Reporting Period, the Bank convened 1 shareholders' meeting, 10 meetings of the Board of Directors, 10 meetings of the Board of Supervisors and 1 meeting of the chairman and independent non-executive Directors. The convening of such meetings is in compliance with the procedures stipulated in laws and regulations, regulatory requirements and the Articles of Association.

III. SHAREHOLDERS' MEETING

(I) Convening of Shareholders' Meeting

During the Reporting Period, the Bank convened one shareholders' meeting, namely the 2024 annual general meeting held at the conference room of Dongguan Rural Commercial Bank Building on 30 May 2025. At the meeting, 8 resolutions were considered and approved, and 5 reports were listened to. The convening, notice, holding and voting procedures of the meeting were in compliance with relevant laws and regulations and relevant provisions of the Articles of Association.

Number	Ordinary Resolutions
1	The Resolution in Relation to Work Report of the Board of Directors of the Dongguan Rural Commercial Bank Co., Ltd. for 2024
2	The Resolution in Relation to Work Report of the Board of Supervisors of the Dongguan Rural Commercial Bank Co., Ltd. for 2024
3	The Resolution in Relation to the Approval of the Annual Report of the Dongguan Rural Commercial Bank Co., Ltd. for 2024
4	The Resolution in Telation to the Estimated Caps for Related Party Transactions of the Dongguan Rural Commercial Bank Co., Ltd. for 2025
5	The Resolution in Relation to the Appointment of the Audit Accounting Firms for 2025 of the Dongguan Rural Commercial Bank Co., Ltd.
6	The Resolution in Relation to 2024 Financial Accounts Plan of the Dongguan Rural Commercial Bank Co., Ltd.
7	The Resolution in Relation to 2024 Profit Distribution Plan of the Dongguan Rural Commercial Bank Co., Ltd.
8	The Resolution in Relation to 2025 Financial Budget Plan of the Dongguan Rural Commercial Bank Co., Ltd.

Number	Reporting Items
1	The Report on the Changes of the Members the Board of Directors
2	The Work Report of Independent Directors of the Dongguan Rural Commercial Bank Co., Ltd. for 2024
3	The Report on Related Party Transactions of the Dongguan Rural Commercial Bank Co., Ltd. for 2024
4	The Report on the Performance Evaluation Results of Directors, Supervisors, and Senior Management of the Dongguan Rural Commercial Bank Co., Ltd. for 2024
5	The Report on the Renewal of Directors, Supervisors, Senior Management and Company Liability Insurance of the Dongguan Rural Commercial Bank Co., Ltd. for 2024

Please refer to the 2024 Annual General Meeting circular dated 9 May 2025 and the poll results announcement dated 30 May 2025 of the Bank on the HKExnews website of the Hong Kong Stock Exchange and the official website of the Bank for details of the aforementioned resolutions and specific poll results.

(II) Shareholders' Rights

1. Convening extraordinary general meetings

When shareholders individually or jointly holding in aggregate of more than 10% of the Shares sought to be held make a written request, the Board of Directors, in accordance with the relevant provisions of laws, administrative regulations, and the articles of association, shall make a written response as to whether or not it agrees to convene an extraordinary general meeting within ten days upon receipt of the request.

2. Putting forward proposals on shareholders' meeting

Shareholders who individually or jointly hold a total of 1% of total Shares of the Bank may submit provisional proposals to the convener in writing ten days prior to the date of the shareholders' meeting. The convener shall issue a supplemental notice setting out the contents of the provisional proposals within two days upon receiving the proposals. For details of the procedures and contact information for putting forward proposals on general meeting, please refer to the "Shareholders Communication Policy" in this section.

3. Convening extraordinary Board meetings

Shareholders representing more than 10% of the voting rights may propose to convene an extraordinary Board meeting. The chairman of the Board of Directors shall convene an extraordinary Board meeting within 10 days upon receiving the proposal from the shareholders representing more than 10% of the voting rights.

4. Making enquiries to the Board of Directors

A Shareholder has the right to inspect the relevant information of the Bank in accordance with the laws, regulations, regulatory provisions and the provisions of the Articles of Association, including the Articles of Association, the register of shareholders, minutes of shareholders' meetings, resolutions of meetings of the Board of Directors, and financial and accounting reports, after providing the Bank with written documents evidencing the class and number of Shares held by such Shareholder in the Bank and upon verification of the Shareholder's identity by the Bank.

5. ***Profit distribution***

A Shareholder has the right to receive dividends and other kinds of distributions based on the number of Shares held by him/her.

(III) Shareholders Communication Policy

The purpose of the shareholders communication policy of the Bank is to ensure that the Bank uses different media and channels to publicly disclose the latest business management of the Bank through effective communication mechanism, strengthen the communication between Shareholders and stakeholders and the Bank, and solicit and understand the Shareholders' suggestions and opinions. Shareholders are encouraged to attend the general meetings and to appoint proxy to vote if he/she is unable to attend. Directors, senior management personnel and external auditors will be arranged to attend the general meetings as appropriate, especially the chairman of each committee under the Board of Directors (if the relevant chairman is unable to attend, another member will be invited to attend).

Shareholders and investors may obtain the latest news and important information of major development of the Bank through the Bank's official website (www.drcbank.com) and the HKExnews website of the Hong Kong Stock Exchange (www.hkexnews.hk). Shareholders may also apply to the Bank or the share registry of the Bank or the principal place of business of the Bank in Hong Kong to obtain printed copies of corporate communications of the Bank, including annual reports, interim reports and circulars, etc. In support of environmental protection and reduce the impact of printed materials on the environment and climate, the Bank encourages Shareholders and investors to view electronic versions of corporate communications.

Shareholders may contact the share registrar of the Bank (Computershare Hong Kong Investor Services Limited or China Securities Depository and Clearing Corporation Limited) to make inquiries about their shareholdings. In addition, Shareholders can also make inquiries, suggestions or comments to the Board of Directors through the following channels:

Telephone: +86–769–961122
Address: Office of the Board of Directors of Dongguan Rural Commercial Bank Co., Ltd., No. 2, Hongfu East Road, Dongcheng Street, Dongguan City, Guangdong Province, the PRC
Postcode: 523123

During the Reporting Period, the Board of Directors has reviewed the implementation of the shareholders communication policy of the Bank. The Bank has strengthened its communication with Shareholders and other stakeholders by encouraging Shareholders to attend general meetings to communicate with our staff, responding to investors' concerns through multiple channels such as emails, and issuing corporate newsletters and press releases on the Group's operation and development on a regular basis. Taking into account the above-mentioned communication channels and activities held, the Board of Directors of the Bank considers that the shareholders communication policy has been effectively implemented.

IV. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(I) Basic Information

As of the end of the Reporting Period, the basic information of the Bank's directors, supervisors and senior management was as follows:

Name	Gender	Date of birth	Position	Term of office	Class of Shares	Increase/ Decrease in the number of Shares held during the Reporting Period (share)	Number of Shares held as at the end of the Reporting Period (share)
Lu Guofeng	Male	September 1969	Secretary to the Party Committee	April 2023 – present	–	–	–
			Chairman of the Board of Directors	December 2023 – present			
			Executive Director	November 2023 – present			
Fu Qiang	Male	July 1970	Deputy secretary to the Party Committee	November 2018 – present	Domestic Shares	–	500,000
			Executive Director	July 2019 – present			
			President	July 2019 – present			
Qian Hua	Male	September 1973	Member of the Party Committee	November 2018 – present	Domestic Shares	–	322,202
			Executive Director	October 2024 – present			
			Vice President	October 2024 – present			
Ye Jianguang[(1)]	Male	October 1972	Executive Director	March 2019 – March 2026	Domestic Shares	–	500,000
			Vice President	December 2017 – present			
			Secretary to the Board of Directors	May 2021 – present			
			Joint company secretary	April 2021 – present			
Li Huiqin	Female	December 1978	Non-executive Director	March 2025 – present	–	–	–
Wong Wai Hung	Male	August 1988	Non-executive Director	February 2025 – present	–	–	–
Tang Wencheng	Male	May 1979	Non-executive Director	September 2022 – present	–	–	–
Chan Ho Fung	Male	May 1995	Non-executive Director	February 2025 – present	–	–	–
Zeng Jianhua	Male	February 1958	Independent Non-executive Director	September 2022 – present	–	–	–
Yip Tai Him[(2)]	Male	August 1970	Independent Non-executive Director	March 2019 – present	–	–	–
Xu Zhi[(3)]	Male	June 1972	Independent Non-executive Director	December 2019 – present	–	–	–

Name	Gender	Date of birth	Position	Term of office	Class of Shares	Increase/ Decrease in the number of Shares held during the Reporting Period (share)	Number of Shares held as at the end of the Reporting Period (share)
Tan Fulong(3)	Male	June 1973	Independent Non-executive Director	December 2019 – present	–	–	–
Liu Yuou(3)	Female	August 1971	Independent Non-executive Director	December 2019 – present	–	–	–
Xu Tingting(4)	Female	June 1983	Independent Non-executive Director	December 2019 – March 2026	–	–	–
Chen Sheng(5)	Male	September 1974	Deputy secretary to the Party Committee Employee Supervisor	October 2025 – present September 2018 – March 2026	Domestic Shares	–	32,210
Chen Huinan(5)	Male	September 1972	Employee Supervisor	May 2024 – March 2026	Domestic Shares	–	230,000
Wen Junhua(5)	Female	April 1977	Employee Supervisor	May 2024 – March 2026	Domestic Shares	–	70,650
Liu Liping(5)	Female	November 1974	Employee Supervisor	May 2024 – March 2026	–	–	–
Deng Qian(5)	Female	July 1976	Shareholder Representative Supervisor	May 2024 – March 2026	Domestic Shares	–	5,003,156
Cai Junbang(5)	Male	March 1990	Shareholder Representative Supervisor	May 2024 – March 2026	–	–	–
Liu Jiahao(5)	Male	December 1990	Shareholder Representative Supervisor	May 2024 – March 2026	–	–	–
Li Guoyu(5)	Male	November 1982	Shareholder Representative Supervisor	May 2024 – March 2026	–	–	–
Wei Haiying(5)	Female	December 1963	External Supervisor	October 2019 – March 2026	–	–	–
Zhang Bangyong(5)	Male	February 1979	External Supervisor	October 2019 – March 2026	–	–	–
Mai Xiuhua(5)	Female	January 1971	External Supervisor	October 2019 – March 2026	–	–	–
Liu Sheng(5)	Male	December 1990	External Supervisor	May 2024 – March 2026	–	–	–
Ye Yunfei(6)	Male	March 1977	Vice President	September 2025 – present	Domestic Shares	–	360,707
Zhong Guobo	Male	June 1973	Assistant to the President	January 2023 – present	Domestic Shares	–	500,000
Zheng Renhe	Male	October 1975	Chief Risk Officer	April 2025 – present	Domestic Shares	–	500,000

Notes:

(1) Mr. Ye Jianguang has no longer served as an executive Director and member of relevant committees of the Bank from March 2026, in accordance with the provisions of the Articles of Association and the organizational work arrangements.
(2) Mr. Yip Tai Him, due to reaching the prescribed term of office, resigned from his positions as an independent non-executive Director and member of relevant committees to the Board of Directors of the Bank in March 2025. According to relevant requirements, Mr. Yip Tai Him shall continue to perform his duties until the qualification of the newly appointed independent non-executive Director is approved.
(3) Mr. Xu Zhi, Mr. Tan Fulong and Ms. Liu Yuou, due to reaching the prescribed term of office, resigned from their positions as independent non-executive Directors and members of relevant committees in November 2025. According to relevant requirements, Mr. Xu Zhi, Mr. Tan Fulong and Ms. Liu Yuou shall continue to perform their duties until the qualifications of the newly appointed independent non-executive Directors are approved.
(4) Ms. Xu Tingting, due to reaching the prescribed term of office, has no longer served as an independent non-executive Director and member of relevant committees of the Bank from March 2026.
(5) Mr. Chen Sheng was elected as the employee Director of the Bank in November 2025, subject to the approval by the regulatory authorities. Since 11 March 2026, the Bank has ceased to establish the Board of Supervisors and its specialized committees, and each Supervisor ceased to hold relevant positions as a Supervisor and member of relevant committees of the Bank.
(6) Mr. Ye Yunfei has concurrently served as the Chief Compliance Officer of the Bank since February 2026.
(7) Mr. Chan Kwok Fung, Dennis, Mr. Li Yanwen, Ms. Zhang Shuangmei, and Ms. Wang Zhifang, were appointed to serve as independent non-executive Directors at the shareholders' meeting of the Bank in January 2026, subject to approval by regulatory authorities.

(II) Biographies of Directors and Senior Management

1. Directors

Mr. Lu Guofeng (盧國鋒先生), is the secretary to the Party Committee, an executive Director and the chairman of the Board of Directors of our Bank. From July 1991 to March 2005, Mr. Lu successively worked for Dongguan Branch of China Construction Bank in different departments including administration office, Chang'an sub-branch, department of marketing, department of credit operation and department of corporate business, and successively served as a member of the Party Committee and vice president, etc. He successively served as a member of the Party Committee, deputy secretary of the Party Committee and president of Dongguan Commercial Bank Co., Ltd.* (東莞市商業銀行股份有限公司) (the predecessor of Bank of Dongguan Co., Ltd.* (東莞銀行股份有限公司) from March 2005 to March 2008; he successively served as the deputy secretary of the Party Committee, president, secretary of the Party Committee and chairman of the Board of Directors of Bank of Dongguan Co., Ltd. from March 2008 to April 2023. He joined the Bank in April 2023 and has successively served as the secretary of the Party Committee, executive Director and chairman of the Bank.

Mr. Fu Qiang (傅強先生), is the deputy secretary to the Party Committee, an executive Director and president of our Bank. Mr. Fu successively served as the deputy head and head of the Party Committee Office, head of the audit and supervision department and a secretary of the Youth League committee of the Guangdong Provincial Branch of the People's Bank of China from July 1991 to January 1999, successively served as head of the banking regulatory office (1st division), deputy director of the department of civic affairs and secretary to the Youth League committee (deputy director level), and deputy secretary of the Youth League committee of the Guangzhou Branch of the People's Bank of China from January 1999 to March 2004. Mr. Fu served as a director of the Guangzhou Branch of China Foreign Exchange Trade System* (中國外匯交易中心) from March 2004 to August 2005, the secretary to the Party Committee, president of the Zhaoqing Central Sub-branch of the People's Bank of China and the director of the Zhaoqing Sub-branch of the State Administration of Foreign Exchange from August 2005 to March 2009. He was re-designated to the Guangzhou Branch of the People's Bank of China from March 2009 to October 2018, and successively served as a director of the payment and settlement department, a deputy director of the operation and management department (director level) and the deputy inspector (deputy bureau level) (during which: Mr. Fu also served as a member of the standing committee of the prefecture committee and the vice governor of Gannan Prefecture of Gansu Province from October 2014 to November 2016). Mr. Fu joined the Bank in November 2018 and has successively served as the deputy secretary of the Party Committee, an executive Director and the president of the Bank.

Mr. Qian Hua (錢華先生), is a member of the Party Committee, an executive Director and vice president of our Bank. From July 1993 to October 2004, Mr. Qian served in Guangzhou Branch of the People's Bank of China and successively held various positions, including officer of the administration of foreign exchange, officer of the monetary and credit management department, deputy chief officer and chief officer, etc.. From October 2004 to December 2005, he served as the chief officer of the financial department of the Financial Service Office of the Guangdong Province* (廣東省金融服務辦公室). From December 2005 to September 2018, he worked at the Guangdong Rural Credit Cooperatives Union* (廣東省農村信用社聯合社), and successively served as the deputy general manager of the reform and development department, deputy general manager of the reform and strategic research department, general manager of the business development and innovation department, vice president and general manager of the comprehensive department of the Guangdong Banking Credit Financial Service Center* (廣東銀信金融服務中心), general manager of the comprehensive department of the Guangdong Banking Credit Financial Service Center* (廣東銀信金融服務中心), member of the Party Committee and vice president of the Guangdong Banking Credit Financial Service Center* (廣東銀信金融服務中心), secretary of the disciplinary committee, member of the Party Committee and vice president of the Guangdong Banking Credit Financial Service Center* (廣東銀信金融服務中心), secretary of the Party Group of Zhaoqing Office (during which he had served as the deputy officer of the Dongguan Rural Credit Cooperatives Union* (東莞市農村信用合作聯社) from April 2009 to December 2009); and served as the secretary of the Party Committee of the Zhaoqing Rural Commercial Bank System from September 2018 to November 2018. He joined the Bank in November 2018, serving as a member of the Party Committee, secretary of the disciplinary committee, an executive Director and vice president of the Bank. In addition, Mr. Qian concurrently serves as a deputy director of the Financial Dispute People's Mediation Committee of Dongguan Banking Association* (東莞市銀行業協會金融糾紛人民調解委員會), a member of the Dongguan Social Insurance Supervision Committee *(東莞市社會保險監督委員會) and a director of the third Council of Dongguan Financial Consumer Rights Protection Association* (東莞市金融消費權益保護協會).

Ms. Li Huiqin (黎慧琴女士), is a non-executive Director of our Bank. From July 2000 to May 2012, Ms. Li successively served as a staff, deputy section chief and section chief of the Dongguan Municipal Personnel Bureau* (東莞市人事局); from September 2012 to December 2021, she was the deputy general manager of Guangdong Canvest Investment Co., Ltd.* (廣東粵豐投資有限公司); since July 2020, she has served as a supervisor of Dongguan Yuewen Intelligent Energy Co., Ltd.* (東莞市粵文智慧能源有限公司), during which: from September 2020 to December 2024, she concurrently served as the legal person, executive director and manager of Dongguan Kunyang Hardware Machinery Trading Co., Ltd.* (東莞市昆揚五金機械貿易有限公司); since May 2021, she has concurrently served as the legal person and executive director of Guangdong Yuefeng Energy saving Technology Co., Ltd* (廣東粵豐節能科技有限公司); since December 2021, she has been concurrently the legal person, executive director, manager and person-in-charge of finance of Guangdong Aoran Energy Development Co., Ltd.* (廣東澳然能源發展有限公司) and the legal person, executive director, manager and person-in-charge of finance of Guangdong Xujing Technology Co., Ltd.* (廣東旭菁科技有限公司); since January 2022, she has concurrently served as the legal person, chairman, director and person-in-charge of finance of Guangdong Keran Energy Development Co., Ltd.* (廣東科然能源發展有限公司) and the supervisor of Dongguan City Sanyang Shiye Development Co., Ltd.* (東莞市三陽實業發展有限公司); from March 2022 to December 2024, she concurrently served as the legal person, executive director, manager and person-in-charge of finance of Dongguan Linghui Industrial Investment Co., Ltd.* (東莞市領暉實業投資有限公司) and Dongguan Qingxun Trading Co., Ltd.* (東莞市清迅商貿有限公司); from May 2022 to December 2024, she was also as the legal person, executive director and manager of Dongguan Gaowei Real Estate Development Co., Ltd.* (東莞市高威房地產開發有限公司); since September 2022, she has concurrently served as a director of Dongguan Yueming New Energy Thermoelectricity Co., Ltd.* (東莞市粵明新能源熱電有限公司); since February 2023, she has concurrently served as the supervisor of Dongguan Hengpei Trading Co., Ltd.* (東莞市恒沛貿易有限公司); and from April 2023 to December 2024, she concurrently served as the legal person, executive director and manager of Dongguan Yuexing Construction Co., Ltd.* (東莞市粵星建造有限公司). In addition, she is also the vice president of the 7th board of directors of the Dongguan Women and Children Welfare Association* (東莞市婦女兒童福利會) since November 2021, and a member of the 3rd Council of Guangdong Women and Children's Foundation* (廣東省婦女兒童基金會) since January 2026.

Mr. Wong Wai Hung (王偉雄先生), is a non-executive Director of our Bank. Mr. Wong has been the vice chairman of the board of directors of Dongguan City Kanghua Investment Group Co., Ltd.* (東莞市康華投資集團有限公司) since September 2010; during which: since December 2015, he has concurrently served as an executive director and vice chairman of Guangdong Kanghua Healthcare Co., Ltd. (03689.HK); since August 2018, he has concurrently served as a director of Anhui Hualin Medical Investment Co., Ltd.* (安徽樺霖醫療投資有限公司); from August 2018 to February 2025, he was a director of Chongqing Kanghua Zhonglian Cardiovascular Disease Hospital Co., Ltd.* (重慶康華眾聯心血管病醫院有限公司); since September 2020, he has concurrently served as a director of Dongguan Kangjing Property Investment Co., Ltd.* (東莞市康景物業投資有限公司); since May 2021, he has concurrently served as director of Dongguan Xingye Industrial Co., Ltd.* (東莞市興業實業有限公司), a director of Dongguan Xingye Arts & Crafts Home Decoration Co., Ltd.* (東莞市興業藝展家居飾品有限公司), a director of Dongguan Chisheng Trading Co., Ltd.* (東莞市馳生貿易有限公司), and a director of Kanghua International Hospital Co., Ltd.* (康華國際醫院有限公司); since June 2021, he has concurrently served as a director of Dongguan Strait Decoration Co., Ltd.* (東莞市海峽裝飾有限公司); since May 2021, he has concurrently served as a director of Dongguan Kanghua Medical Industry Investment Fund Co., Ltd.* (東莞康華醫療產業投資基金有限公司); since September 2021, he has concurrently served as a director of Dongguan City Xingye Refinancing Guarantee Co., Ltd.* (東莞市興業融資擔保有限公司); since November 2021, he has concurrently served as a director of Dongguan City Xingye Group Co., Ltd.* (東莞市興業集團有限公司); since March 2022, he has concurrently served as a director of Dongguan Kangwei Industrial Investment Co., Ltd.* (東莞市康偉實業投資有限公司); since January 2024, he has concurrently served as a director of Dongguan Kanghua Hemodialysis Medical Investment Management Co., Ltd.* (東莞康華血液透析醫療投資管理有限公司); since February 2024, he has concurrently served as a director of Chongqing Kangxin Property Management Co., Ltd.* (重慶康心物業管理有限公司); and since June 2024, he has concurrently served as a director of Chongqing Kanghua Zhonglian Medical Management Co., Ltd.* (重慶康華眾聯醫療管理有限公司). In addition, Mr. Wang is currently a standing committee member of the 14th Dongguan Committee of Chinese People's Political Consultative Conference (中國人民政治協商會議第十四屆東莞市委員會), the executive chairman of the 4th Council of the Hong Kong Federation of Dongguan Association* (香港東莞社團總會), the vice president of the third session of the committee of World Dongguan Entrepreneurs Federation (東莞世界莞商聯合會), and the standing vice chairman of the 1st Council of the Dongguan Mainland Hong Kong Friendship Association* (東莞市內地港人聯誼會).

Mr. Tang Wencheng (唐聞成先生), is a non-executive Director of our Bank. From July 2019 to December 2021, Mr. Tang was the assistant to the general manager and head of the business management department of Dongguan Communications Investment Holding Group Co., Ltd. (東莞市交通投資控股集團有限公司，previously known as Dongguan Communications Investment Group Co., Ltd. (東莞市交通投資集團有限公司)) ("Dongguan Communications Investment"), chairman and general manager of Dongguan Shuhui Big Data Co., Ltd. (東莞數匯大數據有限公司) ("Dongguan Shuhui"), executive director and general manager of Dongguan City Fook Man Group Company* (東莞市福民集團公司) ("Dongguan Fook Man") and director of Fook Man Development Company Limited ("Fook Man Development"), and the above companies are subsidiaries of Dongguan Communications Investment; from December 2021 to May 2023, he was assistant to the general manager of Dongguan Communications Investment, chairman and general manager of Dongguan Shuhui, executive director and general manager of Dongguan Fook Man and director of Fook Man Development; from May 2023 to February 2024, he was assistant to the general manager of Dongguan Communications Investment, chairman of Dongguan Shuhui, executive director and general manager of Dongguan Fook Man and director of Fook Man Development; from February 2024 to August 2025, he served as assistant to the general manager of Dongguan Communications Investment, chairman of Dongguan Shuhui, executive director and general manager of Dongguan Fook Man and director of Fook Man Development; and since August 2025, he has served as external director of Dongguan Road and Bridge Investment and Construction Co., Ltd.* (東莞市路橋投資建設有限公司), external director of Dongguan Bus Co., Ltd.* (東莞巴士有限公司), assistant to the general manager of Dongguan Communications Investment, executive director and general manager of Dongguan Fook Man, and director of Fook Man Development.

Mr. Chan Ho Fung (陳浩峰先生), is a non-executive Director of our Bank. From December 2018 to February 2021, Mr. Chan successively served as the sales manager of the business institution department and the global marketing department of China Merchants Securities International Company Limited; since February 2021, he has served as deputy general manager of Dongguan Hongyuan Hotel Co., Ltd.* (東莞市宏遠酒店有限公司); since June 2021, he has served as the chairman of Guangdong Hongyuan Basketball Club Co., Ltd.* (廣東宏遠籃球俱樂部有限公司); during which: from March 2022 to May 2025, he has concurrently served as a director of Dongguan Hongyue Zhilian Technology Co., Ltd.* (東莞市宏粵智聯科技有限公司); from June 2022 to May 2024, he concurrently served as the vice chairman and the general manager of Guangdong Yihong Sports and Health Development Co., Ltd.* (廣東益宏體育健康發展有限公司); since August 2022, he has concurrently served as a director of Guangdong Hongyuan Group Co., Ltd.* (廣東宏遠集團有限公司); since June 2023, he has concurrently served as the executive director of Dongguan Hongyuan South China Tiger Sports Development Co., Ltd.* (東莞市宏遠華南虎體育發展有限公司).

Mr. Zeng Jianhua (曾儉華先生), is an independent non-executive Director of our Bank. Mr. Zeng was an independent director of Zhejiang Furun Digital Technology Co., Ltd.* (浙江富潤數字科技股份有限公司) (600070.SH) from May 2020 to September 2023; was an independent director of Jiangsu Tongda Power Technology Co., Ltd.* (江蘇通達動力科技股份有限公司) (002576.SZ) from December 2020 to May 2022; was an external supervisor of Sichuan Bank Co., Ltd. from January 2021 to January 2026; has been the chairman of the board of directors of Gongqing City Huajian Function Private Equity Management Co., Ltd.* (共青城華建函數私募基金管理有限公司) since August 2019 and Beijing Huahan Consultancy Co., Ltd. since March 2021; has been an independent director of CCB Life Asset Management Co., Ltd. (建信保險資產管理有限公司) since May 2021; has been an independent non-executive director of Bank of Tianjin Co., Ltd. (1578.HK) since August 2022; and an independent director of Minsheng Financial Leasing Co., Ltd. since May 2023. Mr. Zeng has been a Distinguished Professor of the University for Peace of the United Nations since September 2018.

Mr. Yip Tai Him (葉棣謙先生), is an independent non-executive Director of our Bank. Mr. Yip is currently the director of Qing Lan C.P.A. Limited. Mr. Yip is currently or in the past five years an independent non-executive director of the following companies listed on the Hong Kong Stock Exchange: Shentong Robot Education Group Company Limited (8206.HK) (formerly known as China Communication Telecom Services Company Limited, Shenzhou Aomei Networks (International) Co., Ltd.), GCL Technology Holdings Limited (3800.HK) (formerly known as GCL-Poly Energy Holdings Limited), Redco Properties Group Limited (1622.HK) and Zhongchang International Holdings Group Limited (859.HK).

Mr. Xu Zhi (許智先生), is an independent non-executive Director of our Bank. Mr. Xu has been the deputy director of Guangdong CCAT Certified Public Accountants Co., Ltd.* (廣東中誠安泰會計師事務所有限公司) since January 2020; was an independent director of HUCAIS Printing Co., Ltd.* (虎彩印藝股份有限公司) (834295.NEEQ) from November 2013 to January 2022; a director of JC Future Intelligent Technology Co., Ltd. (838309.NEEQ) (京彩未來智能科技股份有限公司)(formerly known as Dongguan Tianyu Network Technology Co., Ltd.* (東莞市天宇網絡技術股份有限公司)) from March 2020 to February 2023; an independent director of Guangdong Sinopatt Semiconductor Technology Co., Ltd.* (廣東中圖半導體科技股份有限公司) from September 2020 to October 2025; and an independent director of Dongrui Food Group Co., Ltd. (東瑞食品集團股份有限公司) (001201.SZ) since December 2022. In addition, Mr. Xu was a representative of the 11th, 12th and 13th Session of the People's Congress of Guangdong Province from January 2018 to December 2022.

Mr. Tan Fulong (譚福龍先生), is an independent non-executive director of our Bank. From July 1997 to January 2022, Mr. Tan worked in Guangdong Junzheng Law Firm* (廣東君政律師事務所) initially as an assistant to the director, then as a practicing solicitor and subsequently as its partner. Since January 2022, Mr. Tan has served as the senior partner of Guangzhou King Pound (Dongguan) Law Firm (廣州金鵬(東莞)律師事務所). Mr. Tan served as an expert in legislative consultation and assessment of the Standing Committee of the 16th Session of Dongguan Municipal People's Congress (東莞市人民代表大會常務委員會) from April 2017 to March 2022; served as the deputy director of the 11th Session of Guangdong Lawyers Association Professional Committee on the Law of Implementation and Disposal of Non-performing Assets (第十一屆廣東省律師協會執行與不良資產處置法律專業委員會) from October 2017 to March 2022. Mr. Tan has been the deputy director of the 12th Session of Guangdong Lawyers Association Law Professional Committee on the Law of Disposal of Non-performing Assets (第十二屆廣東省律師協會不良資產處置法律專業委員會) since April 2022; served as an expert of the Civil Administration Procuratorate Think Tank of the Dongguan People's Procuratorate (東莞市人民檢察院) from May 2019 to April 2022; an expert of Civil, Administrative and Prosecution Expert Consultation Web (民事行政檢察專家諮詢網) by the Sixth Procuratorate and Seventh Procuratorate of The Supreme People's Procuratorate of the PRC from March 2021 to February 2023; has served as the arbitrator by Dongguan Arbitration Commission since April 2022; a legislative consultation and evaluation expert for the Standing Committee of the 17th Session of Dongguan Municipal People's Congress (東莞市人民代表大會常務委員會) since July 2022； has served as an independent director of Jiangxi Taide Smart Technology Co., Ltd. since November 2022; a professional staff of the third-party monitoring and evaluation mechanism for compliance of enterprises involved in cases in Dongguan since December 2022; has served as the supervisor of the Eighth Dongguan Lawyers Association since April 2023; has served as the specially-invited law enforcement supervisor in Dongguan since September 2023; and has served as a standing committee member of the 14th Dongguan Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議東莞市委員會) since February 2023.

Ms. Liu Yuou (劉宇鷗女士), is an independent non-executive Director of our Bank. Ms. Liu has served as a partner, a deputy chief accountant and a certified public accountant of Dongguan Zhengyu Accountants Firm (General Partner)* (東莞市正域會計師事務所(普通合夥)) since January 2008. In addition, Ms. Liu serves as a supervisor of Dongguan Zhengyu Intellectual Property Operation Co., Ltd.* (東莞市正域知識產權運營有限公司), a supervisor of Guangdong Zhengyu Taxation Firm Limited.* (廣東省正域稅務師事務所有限公司) and the manager of Dongguan Huiying Investment Consulting Co., Ltd.* (東莞市薈盈投資諮詢有限公司).

2. *Senior Management*

Mr. Fu Qiang (傅強先生), is the deputy secretary to the Party Committee, executive Director and president of our Bank. For the biography of Mr. Fu Qiang, please see "Directors" in this section.

Mr. Qian Hua (錢華先生), is a member of the Party Committee, executive Director and vice president of our Bank. For the biography of Mr. Qian Hua, please see "Directors" in this section.

Mr. Ye Jianguang (葉建光先生), is a vice president, secretary to the Board of Directors and joint company secretary of our Bank. From July 1994 to October 2006, Mr. Ye had held various positions at Dongguan Rural Credit Cooperatives Association* (東莞農村信用合作社聯合社), the predecessor of our Bank, including the deputy supervisor of the fund planning and loan department, assistant manager of the customers relationship department (in charge of general operation), manager of the marketing department and manager of the international banking department. From October 2006 to March 2010, Mr. Ye served as the manager of the corporate business department of Dongguan Rural Credit Cooperatives Union (東莞市農村信用合作聯社), the predecessor of our Bank. He successively served as the general manager of the corporate business department, assistant president of the head office and president of Houjie sub-branch of our Bank from March 2010 to December 2014, and the general manager of the fund management department of Guangdong Province Rural Credit Cooperatives Association* (廣東省農村信用社聯合社) from December 2014 to August 2016. Mr. Ye rejoined our Bank in August 2016 and has subsequently been appointed as a member of the Party Committee, the vice president, an executive Director, the chief risk officer, secretary to the Board of Directors and joint company secretary of our Bank. Mr. Ye ceased to concurrently serve as a member of the Party Committee in September 2024, ceased to concurrently serve as the chief risk officer in October 2024, and ceased to concurrently be an executive Director in March 2026. In addition, Mr. Ye is currently the standing director of the Financial Industry Asset Management Professional Committee of China Investment Association, the chairman of the Legal Affairs Working Committee of Dongguan Banking Association and a member of Steering Committee of Professional Degree Graduate Education (Joint Teaching Committee of the School of Economics), Jinan University (暨南大學專業學位研究生教育指導委員會(經濟學院聯合教指委)).

Mr. Ye Yunfei (葉雲飛先生), is the vice president and chief compliance officer of the Bank. Mr. Ye successively held various positions at the Dongguan Central Sub-branch of the People's Bank of China from July 2000 to February 2005, including clerk and officer of the cooperative financial institution management department, staff member of the office, and deputy director of the Party Committee Office (concurrently serving as deputy director of the office). From February 2005 to July 2007, he served as the deputy head of the Foreign Exchange Inspection Section of the Dongguan Central Branch of State Administration of Foreign Exchange* (國家外匯管理局東莞市中心支局外匯檢查科); from July 2007 to March 2010, he successively served as the director of the office of the Risk Committee of the Board of Directors (理事會風險委員會) and manager of the Compliance Department at the Dongguan Rural Credit Cooperatives Union* (東莞農村信用合作社聯合社), the predecessor of the Bank; from March 2010 to August 2025, he successively served as the secretary of the Board of Directors, general manager of the compliance department, Director and assistant president of the Bank (during the period: from December 2020 to June 2024, he was dispatched to serve as secretary of the Party Committee and chairman of the Board of Directors of Chaoyang Rural Commercial Bank, and retained the position of the assistant president of the Bank; he ceased to serve as secretary of the Party Committee of Chaoyang Rural Commercial Bank in June 2024, and ceased to act as the chairman of the Board of Directors of Chaoyang Rural Commercial Bank in July 2024). Since September 2025, he has served as vice president of the Bank. Since February 2026, he has concurrently served as the chief compliance officer of the Bank. In addition, Mr. Ye concurrently serves as vice president of Dongguan Finance Association* (東莞市金融學會) and a supervisor of the eighth supervisory committee of Dongguan Banking Association.

Mr. Zhong Guobo (鍾國波先生), is the assistant to the president of the Bank. From July 1996 to December 2006, Mr. Zhong successively held various positions in the Dongguan Rural Credit Cooperatives Union* (東莞農村信用合作社聯合社), the predecessor of the Bank, including the deputy team leader of the fund planning and credit department, the assistant manager of the credit department, assistant manager of the asset preservation department, etc.; from December 2006 to March 2010, he served as the manager of the loan department of the Dongguan Rural Credit Cooperatives Union, the predecessor of the Bank; from March 2010 to December 2017, he successively served as the general manager of the credit management department of the Bank, the president of Fenggang sub-branch of the Bank, the general manager of the Risk and Compliance Department and the general manager of the Comprehensive Risk Management and Compliance Department of the Bank; from August 2017 to April 2018, he was assigned as the deputy director of the office of the preparation group of Zhanjiang Rural Commercial Bank. From April 2018 to November 2022, he was dispatched to successively serve as the deputy director of the office of the preparation group of Zhanjiang Rural Commercial Bank, deputy secretary of the Party Committee and director (acting director) of Zhanjiang City Mazhang District Rural Credit Cooperatives Union, and a deputy secretary of the Party Committee, director and president of Zhanjiang Rural Commercial Bank and his rank remained as an assistant to the president of headquarters of the Bank. Since January 2023, he has served as the assistant to the president of the Bank. In addition, Mr. Zhong is currently the president of Dongguan Rural Revitalization Association and the standing director of Dongguan Public Diplomacy Association.

Mr. Zheng Renhe (鄭任和先生), is the chief risk officer of the Bank. From July 1998 to September 2006, Mr. Zheng served at the Dongguan Rural Credit Cooperatives Union* (東莞農村信用合作社聯合社), the predecessor of the Bank, successively holding positions including deputy section chief of the Customer Manager Department, assistant to the Director of Humen Credit. Cooperative* (虎門信用社), and assistant to the Director of Chang'an Credit Cooperative* (長安信用社). From September 2006 to March 2010, he worked for the Dongguan Rural Credit Cooperatives Union, the predecessor of the Bank, successively serving as deputy director of Chang'an Credit Cooperative and deputy manager of the Retail Business Department. From March 2010 to March 2025, he successively served as deputy general manager of the Bank's Retail Business Department, vice president of Shipai sub-branch (in charge of general operation), general manager of the Discipline Inspection and Supervision Department, general manager of the Discipline Committee Office, and general manager of the Credit Approval Department. Since April 2025, Mr. Zheng has served as the chief risk officer of the Bank (during which he concurrently served as the general manager of the Bank's Credit Approval Department from April 2025 to December 2025). In addition, Mr. Zheng is currently a member of the Second Council of the Dongguan Rule of Law Public Welfare Foundation.

(III) Changes in Directors, Supervisors and Senior Management

1. *Changes in Directors*

Mr. Wong Wai Hung and Mr. Chan Ho Fung were appointed as non-executive Directors of the Bank since February 2025, following the consideration and approval by the Bank's 2023 annual general meeting and the approval of their qualifications for appointment by the National Financial Regulatory Administration Dongguan Branch* (國家金融監督管理總局東莞監管分局).

Ms. Li Huiqin was appointed as a non-executive Director of the Bank effective from March 2025, following the consideration and approval by the Bank's 2023 annual general meeting of shareholders and the approval of her qualification for appointment by the National Financial Regulatory Administration Dongguan Branch.

Mr. Yip Tai Him, due to the term of office reaching the prescribed limit, resigned from his positions as independent non-executive Director of the Bank and relevant Board committee position in March 2025. According to relevant laws, regulations and the provisions of the Bank's Articles of Association, he shall continue to perform his duties until the Bank's Shareholders' meeting elects a new independent non-executive Director and the qualification of the newly appointed independent non-executive Director is approved by the National Financial Regulatory Administration Dongguan Branch.

Mr. Ye Jinquan has ceased to serve as non-executive Director of the Bank and relevant Board committee positions of the Bank since March 2025, due to the term of office reaching the prescribed limit in accordance with regulatory requirements.

Mr. Zhang Qingxiang and Mr. Chen Weiliang have ceased to serve as non-executive Directors of the Bank and relevant Board committee positions since March 2025, due to work arrangements.

Due to the term of office reaching the prescribed limit, Mr. Xu Zhi, Mr. Tan Fulong, and Ms. Liu Yuou resigned from their positions as independent non-executive Directors and members of relevant committees of the Bank in November 2025. In accordance with relevant laws and regulations and the requirements of the Articles of Association, they shall continue to perform their duties after resignation until the Bank's Shareholders' meeting elects new independent non-executive Directors and the qualifications of the newly appointed independent non-executive Directors are approved by the National Financial Regulatory Administration Dongguan Branch.

Mr. Chen Sheng was elected as the employee Director of the Bank in November 2025, effective pending approval of his qualification for appointment by the National Financial Regulatory Administration Dongguan Branch.

Mr. Chen Guofeng, Mr. Li Yanwen, Ms. Zhang Shuangmei and Ms. Wang Zhifang were appointed as independent non-executive Directors following the consideration and approval by the Bank's shareholders' meeting in January 2026, effective pending approval of their qualifications for appointment by the National Financial Regulatory Administration Dongguan Branch.

Due to the term of office reaching the prescribed limit, Ms. Xu Tingting resigned from her positions as an independent non-executive Director and member of relevant committees of the Bank in November 2025, effective from 11 March 2026.

Mr. Ye Jianguang resigned from his positions as an executive Director and member of relevant committees of the Bank in March 2026, effective from 11 March 2026, in accordance with the provisions of the Articles of Association and the organizational work arrangements of the Bank.

2. *Changes in Supervisors*

Starting from 11 March 2026, the Bank ceases to establish the Board of Supervisors and its specialized committees, and each Supervisor ceases to hold relevant positions as a Supervisor and member of relevant committees of the Bank.

3. *Changes in Senior Management*

Mr. Zheng Renhe has served as the Chief Risk Officer of the Bank since April 2025.

Mr. Ye Yunfei has served as a Vice President of the Bank and ceased to act as the Assistant to the President of the Bank since September 2025. He has also served as the Chief Compliance Officer of the Bank since February 2026.

(IV) Changes in Information of Directors

Mr. Zeng Jianhua no longer served as an external supervisor of Sichuan Bank Co., Ltd..

Mr. Xu Zhi no longer served as an independent director of Guangdong Sinopatt Semiconductor Technology Co., Ltd..

Ms. Li Huiqin concurrently serves as a member of the 3rd Council of Guangdong Women and Children's Foundation.

(V) Directors, Supervisors and Senior Management Remuneration Policy

According to the Dongguan Rural Commercial Bank Co., Ltd. Directors and Supervisors Remuneration Policies revised and approved by the general meeting of shareholders in 2025, the Bank determined the remuneration package based on positions and responsibility, work performance, work attitude and other indicators of Directors and Supervisors as well as the remuneration level of other comparable positions, and provided remuneration to independent Directors and external Supervisors. The remuneration of executive Directors, employee Supervisors and other senior management shall be implemented in accordance with the remuneration management measures formulated by the Bank. The Bank provides remuneration for executive Directors, the chairman of the Board of Supervisors and other senior management personnel based on the assessment results of superior management institutions, risk compliance indicators and individual annual performance assessments. Remuneration for other employee Supervisors is provided based on individual annual performance assessments and risk compliance assessment results.

In line with the Group's operational development and risk profile changes, the Bank continuously optimizes the remuneration management, incentive, and restraint mechanisms for senior management, strengthened the assessment of risk compliance management and directly linked the risk compliance assessment results with the remuneration of senior management, reflecting medium-to-long-term business performance and risk control. In cases of negligence or misconduct resulting in losses or excessive risk exposure to the Bank, the Bank will determine the responsibility according to regulations and reclaim paid or unpaid remuneration based on the determination results.

The remuneration of Directors, Supervisors, senior management and employees in positions that have a significant impact on the Bank's risk in 2025 is as follows:

Remuneration band of 2025 (before taxation)	Number
RMB250,000 and above	72
RMB250,000 or below	21
Total	**93**

Note: Employees in positions that have significant impacts on the Bank's risk refer to the person in charge of tier-one branches of the Bank and of relevant departments who are involved in credit, planning and finance, audit, compliance and technology of the headquarter.

Please refer to Note 11 "Emoluments of directors, supervisors and the highest-paid staff" to the Consolidated Financial Statements in the "Financial Report" Chapter in this Report for details of the remuneration of Directors, Supervisors and senior management during the Reporting Period.

(VI) Interests and Short Positions of Directors, Supervisors and Chief Executives

As of the end of the Reporting Period, the interests and short positions of our Directors, Supervisors and chief executives in the Shares, underlying Shares and debentures of our Bank or its associated corporations (within the meaning of the SFO) which were required to be notified to the Bank and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were deemed or taken to have under such provisions of the SFO), or which were required to be entered in the register kept by the Bank pursuant to section 352 of the SFO, or as otherwise notified to the Bank and the Hong Kong Stock Exchange pursuant to the Model Code as set out in Appendix C3 to the Listing Rules are as follows:

Interest in Shares or underlying Shares

Name	Position	Class of Shares	Long position/ short position	Capacity	Number of Shares directly or indirectly held (shares)	Approximate % of the relevant class of Shares of the Bank[1] (%)	Approximate % of total issued Shares of the Bank[1] (%)
Fu Qiang	Executive Director	Domestic Shares	Long position	Beneficial owner	500,000	0.00871	0.00726
Qian Hua	Executive Director	Domestic Shares	Long position	Beneficial owner	322,202	0.0073	0.00608
		Domestic Shares	Long position	Interest of spouse	96,631		
Ye Jianguang	Executive Director	Domestic Shares	Long position	Beneficial owner	500,000	0.01742	0.01452
		Domestic Shares	Long position	Interest of spouse	500,000		
Chen Sheng	Employee Supervisor	Domestic Shares	Long position	Beneficial owner	32,210	0.00056	0.00047
Chen Huinan	Employee Supervisor	Domestic Shares	Long position	Beneficial owner	230,000	0.00401	0.00334
Wen Junhua	Employee Supervisor	Domestic Shares	Long position	Beneficial owner	70,650	0.00123	0.00103
Wong Wai Hung	Non-executive Director	Domestic Shares	Long position	Interest in controlled corporation[2]	22,285,147	0.38821	0.32351
Deng Qian	Shareholder Representative Supervisor	Domestic Shares	Long position	Beneficial owner	5,003,156	0.08732	0.07277

Name	Position	Class of Shares	Long position/ short position	Capacity	Number of Shares directly or indirectly held (shares)	Approximate % of the relevant class of Shares of the Bank[1] (%)	Approximate % of total issued Shares of the Bank[1] (%)
		Domestic Shares	Long position	Interest of spouse	9,663		
Cai Junbang	Shareholder Representative Supervisor	Domestic Shares	Long position	Interest in controlled corporation[3]	12,677,400	0.22084	0.18404
Liu Jiahao	Shareholder Representative Supervisor	Domestic Shares	Long position	Interest in controlled corporation[4]	6,442,040	0.11222	0.09352

Notes:

(1) As of the end of the Reporting Period, the total number of ordinary shares issued by the Bank was 6,888,545,510 shares, divided into 5,740,454,510 domestic Shares and 1,148,091,000 H Shares.

(2) Such 22,285,147 Domestic Shares are held by Dongguan Xingye Group Co., Ltd.* (東莞市興業集團有限公司). Among which, i) Dongguan Kangwei Industrial Investment Co., Ltd.* (東莞市康偉實業投資有限公司) holds a 48% interest in Dongguan Xingye Group Co., Ltd.; ii) Dongguan Kangwei Industrial Investment Co., Ltd.* (東莞市康偉實業投資有限公司) is wholly owned by Dongguan Weishun Property Investment Co., Ltd.* (東莞市偉順物業投資有限公司); iii) Dongguan Weishun Property Investment Co., Ltd.* (東莞市偉順物業投資有限公司) is wholly owned by HH International Investment Limited* (浩亨國際投資有限公司); and iv) Mr. Wong Wai Hung holds a 34% interest in HH International Investment Limited. Accordingly, Mr. Wong Wai Hung is deemed to be interested in all the Domestic Shares held by Dongguan Xingye Group Co., Ltd. under the SFO.

(3) Such 12,677,400 Domestic Shares are held by Dongguan Bangye Mechanical & Electrical Equipment Trading Co., Ltd.*（東莞市邦業機電設備貿易有限公司）, which is owned as to 50% by Mr. Cai Junbang. Accordingly, Mr. Cai Junbang is deemed to be interested in all the Domestic Shares held by Dongguan Bangye Mechanical & Electrical Equipment Trading Co., Ltd.*（東莞市邦業機電設備貿易有限公司）under the SFO.

(4) Such 6,442,040 Domestic Shares are held by Dongguan Jianghao Trading Co., Ltd.*（東莞市江豪貿易有限公司）, which is owned as to 50% by Mr. Liu Jiahao. Accordingly, Mr. Liu Jiahao is deemed to be interested in all the Domestic Shares held by Dongguan Jianghao Trading Co., Ltd.*（東莞市江豪貿易有限公司）under the SFO.

Save as disclosed above, none of the Directors, Supervisors or chief executives of the Bank had any interests or short positions in the Shares, underlying Shares and debentures of the Bank or its associated corporations (as defined in the part XV of the SFO) which were required to be notified to the Bank and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register of interests or short positions referred to therein, or which were required pursuant to the Model Code to be notified to the Bank and the Stock Exchange.

(VII) Securities Transactions by Directors and Supervisors

Since its listing, the Bank has adopted the Model Code as set out in Appendix C3 to the Listing Rules as the standards of securities transactions by Directors and Supervisors. Having made a specific enquiry to all Directors and Supervisors, all Directors and Supervisors have confirmed that they have complied with the Model Code during the Reporting Period.

(VIII) Rights to Acquire Securities of the Bank

None of the Bank, or any of its holding companies (if any) or subsidiaries, or any fellow subsidiaries (if any), is a party to any arrangement that enables any Director, Supervisor or chief executive of the Bank or their respective associates (as defined in the Listing Rules) to have any right to subscribe for securities of the Bank or any of its associated corporations (as defined in the SFO) or to acquire benefits by means of acquisition of shares in, or debentures of, the Bank or any other body corporate.

(IX) Directors' Interests in Competing Business

Mr. Wong Wai Hung, the non-executive director of the Bank, holds a 34% interest in HH International Investment Limited, which wholly owns Dongguan City Weishun Property Investment Co., Ltd., which wholly owns Dongguan City Kangwei Industrial Investment Co., Ltd., which holds a 48% interest in Dongguan Group Xingye Group Co., Ltd., which holds a 20% interest in Dongguan City Dongshang Small Loans Co., Ltd.*（東莞市東商小額貸款有限公司）("Dongshang Small Loans"). Dongshang Small Loans primarily engages in small loans business, with registered capital of RMB200.00 million. Given its involvement in small loans business, it may compete with the business of the Bank.

Given that the registered capital of the aforementioned competing business is relatively small compared to the Bank's registered capital, amounting to RMB200.00 million, and considering the Bank's diverse business scope, the potential competition between such competing business and the Bank is minimal. Since the relevant Director is a non-executive Director and does not participate in the bank's daily management, the Bank believes that its business operation will not be affected by the interests held by such Director in the relevant competing business. In accordance with the Bank's Articles of Association, if a Director is materially interested in any matter requiring approval by the Board of Directors meeting, such Director shall abstain from voting on relevant resolution.

(X) Financial, Business and Family Relationship among Directors, Supervisors and Senior Management

To the best of our knowledge, there is no financial, business, family or other material or relevant relationship among the Directors, Supervisors and senior management of the Bank.

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

Save for the continuing connected transactions exempted from the reporting, annual review, announcement and independent shareholders' approval under Chapter 14A of the Listing Rules, none of a Director, Supervisor or an entity connected with a Director or a Supervisor has any interest, either directly or indirectly, in significant transactions, arrangements and contracts in relation to the Group's business to which the Bank, its holding company, subsidiaries or fellow subsidiaries was a party during the Reporting Period (excluding service contracts). None of the Directors or Supervisors of the Bank has entered into any service contracts with the Bank which would require for compensation (other than statutory compensation) in the event of the contract is terminated by the Bank within one year.

V. BOARD OF DIRECTORS

(I) Responsibilities of the Board of Directors

The Board of Directors is the decision-making body of the Bank and is responsible for implementing the resolutions of Shareholders' meetings; formulating the Bank's development strategies for business development, green credit, financial innovation and consumer rights protection, supervising the implementation of the strategies and deciding on the Bank's business plans and investment plans; approving the annual financial budget and final accounts of the Bank; formulating the profit distribution plan and loss recovery plan of the Bank; formulating capital planning, assuming ultimate responsibility for capital or solvency management, formulating plans for the increase or decrease of registered capital, issuance of corporate bonds or other securities and listing; formulating plans for material acquisitions, acquisitions of shares of the Bank or merger, division, dissolution and change of corporate form of the Bank, and deciding on merger matters where the payment price shall not exceed 10% of the net assets of the Bank; deciding on the appointment or dismissal of the President and the Secretary to the Board of Directors of the Bank and their remuneration, rewards and punishments; appointing or dismissing of the vice president, assistant president and other senior management members of the Bank and their remuneration, rewards and punishments pursuant to the President's nomination decision; supervising the performance of duties by the senior management; and supervising the functions and powers to be exercised by the Board of Directors as stipulated in laws, regulations, regulatory provisions and the Articles of Association of the Bank.

(II) Composition of the Board of Directors

As of the end of the Reporting Period, the Board of Directors of the Bank consisted of 14 Directors (including those who resigned and continued with their duties), including 4 executive Directors, namely Mr. Lu Guofeng, Mr. Fu Qiang, Mr. Qian Hua and Mr. Ye Jianguang; 4 non-executive Directors, namely Ms. Li Huiqin, Mr. Wong Wai Hung, Mr. Tang Wencheng and Mr. Chan Ho Fung; 6 independent non-executive Directors, namely Mr. Zeng Jianhua, Mr. Yip Tai Him, Mr. Xu Zhi, Mr. Tan Fulong, Ms. Liu Yuou and Ms. Xu Tingting. All communication documents of the Bank containing the names of directors clearly state the categories of directors in compliance with the requirements of the Listing Rules.

The Bank has established a mechanism for the Board to obtain independent opinions and suggestions. As of the end of the Reporting Period, the Board comprises 6 independent non-executive Directors, representing more than one-third of the Board, which complies with the requirements on the number of independent non-executive directors under the Listing Rules. When the Nomination and Remuneration Committee evaluates the suitability of a candidate to serve as an independent non-executive Director, it will review his/her qualifications, skills and independent opinions with reference to the Bank's nomination policy and board diversity policy. The Nomination and Remuneration Committee also assesses annually the time commitment and independence of the independent non-executive Directors. All Directors, including independent non-executive Directors, may also have access to external independent professional advice if considered necessary. During the Reporting Period, the Board reviewed the implementation of the above mechanism and considered that the above mechanism was effective.

The roles and duties of the chairman and the president of the Bank are taken up by different individuals. Mr. Lu Guofeng, the Chairman of the Bank, is responsible for leading the Board and ensuring its efficient operation, and Mr. Fu Qiang, the President of the Bank, is responsible for the daily business operation of the Bank. There is a clear division of responsibilities in compliance with the requirements and recommendations of the regulatory provisions and the Listing Rules.

(III) The Board Diversity Policy

The Bank has formulated the board diversity policy, among others, according to the position and the continuous adoption and implementation of the policy, we are committed to ensuring that the Board of Directors of the Bank achieves an appropriate balance in terms of diversity. The Bank will consider the composition of the Board of Directors from various aspects in accordance with the board diversity policy, including but not limited to directors' gender, age, education background, professional experience, knowledge and skills, etc., to ensure a balanced distribution of skills and experience combinations of board members to provide different opinions and perspectives, insights and questions, allowing the board to effectively perform its duties, thereby enhancing the effective operation of the board and maintaining high standards of corporate governance.

During the Reporting Period, the Board of Directors considered that this policy has been effectively implemented and the members of the Board have reached the diversity targets (including gender diversity). As of the end of the Reporting Period, 4 executive Directors have been engaged in the banking industry and have rich professional experience; 4 non-executive Directors hold important positions such as corporate directors and executives and have rich experience in operation and management; 6 independent non-executive Directors all have professional skills in legal, accounting, or finance fields, one of whom is from Hong Kong, and is familiar with international accounting standards and Hong Kong capital market rules. There are three female Directors. The Board expects to maintain the proportion of its female members at least the current level and will continue to make efforts to maintain the gender diversity profile of the Board of Directors. In addition, the Nomination and Remuneration Committee of the Board of Directors annually reviews the implementation and effectiveness of the diversity policy of Board of Directors, and makes recommendations on adjustments to the Board of Directors to be made in line with the Bank's strategy.

(IV) Appointment, Re-election and Removal of Directors

According to the requirements of the Articles of Association, the term of office of the Directors shall be three years, and a Director may be re-elected and re-appointed upon expiry of his/her term of office. Before the expiry of the term of office, the general meeting shall not dismiss any Director without any reason. An independent non-executive Director may serve the Bank for not more than six years in aggregate.

Subject to the relevant laws, regulations and regulatory requirements, a Director whose term of office has not expired may be removed by an ordinary resolution at the shareholders' meeting (but such removal shall not cause prejudice to any claim which may be instituted by the Director under any contract), and an independent Director shall be removed by a special resolution.

The procedures for the appointment, re-election and removal of Directors of the Bank are set out in the Articles of Association. The qualifications of non-employee Director candidates of the Bank are reviewed by the Nomination and Remuneration Committee under the Bank's Board of Directors. After the Board of Directors approves the nomination proposal for the relevant candidates, it is submitted to the shareholders' meeting for approval. Upon approval by the shareholders' meeting, it is then reported to the banking regulatory authority of the State Council for the approval of the qualifications. Employee Directors are elected by the Bank's employees through the employee representative meeting, relevant matters are reported to the Board of Directors and the shareholders' meeting, and are subject to the approval of the qualifications by the banking regulatory authority of the State Council. The term of office of Directors shall commence from the date of approval by the banking regulatory authority of the State Council until the expiry of the term of office of the current session of the Board of Directors.

(V) Responsibilities of Directors

During the Reporting Period, the Directors of the Bank strictly complied with laws, regulations, regulatory requirements, relevant domestic and overseas rules and the provisions of the Articles of Association, and prudently, conscientiously and diligently performed their obligations and exercised their rights, actively participated at the general meetings, the meetings of the Board of Directors and its committees, kept abreast of the Bank's operation and management, treated all shareholders fairly, and safeguarded the interests of the Bank and its shareholders. During the Reporting Period, the independent non-executive Directors of the Bank did not raise any objections to the matters considered by the Board of Directors.

During the Reporting Period, the Board of Supervisors of the Bank carried out the 2024 annual performance evaluation of Directors, and submitted the evaluation results to the general meeting for consideration and approval.

(VI) Implementation of Resolutions of the Shareholder's Meeting by the Board of Directors

During the Reporting Period, the Board of Directors strictly implemented various proposals and resolutions considered and approved at the 2024 annual general meeting.

(VII) Attendance of Directors at Meetings

During the Reporting Period, the Bank convened 10 meetings of the Board of Directors, all of which were on-site meetings. 107 proposals including the Resolution in relation to Work Report of the Board of Directors of the Bank for 2024, the Resolution in relation to Operation and Management Work Report of the Bank for 2024, the Resolution in relation to Work Report of Independent Directors of the Bank for 2024, the Resolution on the Approval of the 2024 Annual Financial Report of Dongguan Rural Commercial Bank Co., Ltd. were considered and approved, and 21 reports including the Report on the Implementation of the 2024 general meeting and the Board of Directors' Decisions of Dongguan Rural Commercial Bank Co., Ltd. were reviewed.

During the Reporting Period, the attendance of Directors of the Bank at general meeting, meetings of the Board of Directors and specialized committees under the Board of Directors is as follows:

	Attendance in person/Number of meetings held during the term of office[1]							
			Board Committees					
Name of Director	General Meeting	Board of Directors	Strategic Decision and Sannong Committee	Comprehensive Risk Management Committee	Nomination and Remuneration Committee	Related Party Transaction Control Committee	Audit Committee	Consumer Rights Protection Committee
Executive Directors								
Lu Guofeng	1/1	10/10	8/8	–	–	–	–	–
Fu Qiang	1/1	10/10	8/8	–	–	–	–	5/5
Qian Hua	1/1	9/10	8/8	–	6/6	–	–	–
Ye Jianguang	1/1	8/10	–	11/11	–	7/7	–	–
Non-executive Directors								
Li Huiqin[2]	1/1	8/9	7/7	–	–	–	–	–
Wong Wai Hung[3]	1/1	6/9	5/5	–	–	–	–	1/1
Tang Wencheng	1/1	10/10	–	–	–	–	–	5/5
Chan Ho Fung[4]	1/1	9/9	–	2/3	–	–	7/7	–
Independent Non-executive Directors								
Zeng Jianhua	1/1	10/10	–	10/11	6/6	–	–	–
Yip Tai Him[5]	1/1	10/10	–	–	2/2	–	–	–
Xu Zhi	1/1	10/10	–	11/11	–	–	8/8	–
Tan Fulong	1/1	10/10	–	–	–	7/7	–	5/5
Liu Yuou	1/1	10/10	–	–	–	7/7	8/8	–
Xu Tingting[6]	1/1	10/10	–	4/4	6/6	–	–	–
Resigned Directors								
Ye Jinquan[7]	–	2/2	2/2	–	1/1	–	–	–
Zhang Qingxiang[7]	–	0/2	–	–	–	–	–	–
Chen Weiliang[7]	–	2/2	–	–	–	–	1/1	–

Notes:

(1) A Director who is unable to attend in person has appointed another Director to attend and vote on his/her behalf.

(2) Ms. Li Huiqin has been a non-executive Director, a member of the Strategic Decision and Sannong Committee since March 2025.

(3) Mr. Wong Wai Hung has been a non-executive Director and a member of the Consumer Rights Protection Committee since February 2025, and a member of the Strategic Decision and Sannong Committee since April 2025, and has ceased to serve as a member of the Consumer Rights Protection Committee since April 2025.

(4) Mr. Chan Ho Fung has been a non-executive Director, a member of the Comprehensive Risk Management Committee since February 2025, and a member of the Audit Committee since April 2025, and has ceased to serve as a member of the Comprehensive Risk Management Committee since April 2025.

(5) Mr. Yip Tai Him has ceased to serve as the chairman of the Nomination and Remuneration Committee since April 2025.

(6) Ms. Xu Tingting has ceased to serve as a member of the Comprehensive Risk Management Committee since April 2025.
(7) Mr. Ye Jinquan, Mr. Zhang Qingxiang and Mr. Chen Weiliang have ceased to serve as non-executive Directors and relevant Board committees positions since March 2025.

(VIII) Performance of the Independent Non-executive Directors

Pursuant to the Articles of Association, the independent non-executive Directors of the Bank shall represent at least one-third of the Board of Directors. Independent non-executive Directors serve as chairmen of the Related Party Transaction Control Committee, the Audit Committee, the Nomination and Remuneration Committee under the Board of Directors. As of the end of the Reporting Period, the Board of Directors of the Bank comprised of 6 independent non-executive Directors, and the qualifications, number and proportion of independent non-executive Directors met regulatory requirements. The Bank has received the annual confirmation letter of independence from each independent non-executive Director, and considers that all independent non-executive Directors have complied with the relevant guidelines set out in Rule 3.13 of the Listing Rules, and are independent persons.

During the Reporting Period, the independent non-executive Directors of the Bank actively performed their duties, attended general meetings, and meetings of the Board of Directors and its special committees, considered relevant proposals, listened to reports, and expressed material opinions on the relevant material matters.

(IX) Composition of Committees under the Board of Directors and their Performance of Duties

The Board of Directors had six specialized committees including the Strategic Decision and Sannong Committee, the Comprehensive Risk Management Committee, the Nomination and Remuneration Committee, the Related Party Transaction Control Committee, the Audit Committee and the Consumer Rights Protection Committee. During the Reporting Period, the six specialized committees under the Board of Directors of the Bank exercised their powers independently, compliantly and effectively in accordance with laws, and convened a total of 45 meetings throughout the year, at which proposals in relation to strategic planning, remuneration appraisal, comprehensive risk management, internal control, related party transactions and consumer rights protection were considered. The committees maintained communication with the Operational Management, and gave full play to their roles in assisting the Board of Directors in making scientific decisions.

As of the end of the Reporting Period, the members of the six specialized committees under the Board of Directors of the Bank are as follows:

Members of the Board	Strategic Decision and Sannong Committee	Comprehensive Risk Management Committee	Nomination and Remuneration Committee	Related Party Transaction Control Committee	Audit Committee	Consumer Rights Protection Committee
Executive Directors						
Lu Guofeng	Chairman					
Fu Qiang	Member					Chairman
Qian Hua	Member		Member			
Ye Jianguang		Chairman		Member		
Non-executive Directors						
Li Huiqin(1)	Member					
Wong Wai Hung(2)	Member					
Tang Wencheng						Member
Chan Ho Fung(3)					Member	
Independent Non-executive Directors						
Zeng Jianhua		Member	Chairman			
Yip Tai Him(4)						
Xu Zhi (5)		Member			Chairman	
Tan Fulong(5)				Chairman		Member
Liu Yuou(5)				Member	Member	
Xu Tingting(6)			Member			
Resigned Directors						
Ye Jinquan(7)	Member (former)		Member (former)			
Zhang Qingxiang (7)						
Chen Weiliang(7)					Member (former)	

Notes:

(1) Ms. Li Huiqin has been a non-executive Director, a member of the Strategic Decision and Sannong Committee since March 2025.

(2) Mr. Wong Wai Hung has been a non-executive Director and a member of the Consumer Rights Protection Committee since February 2025, and a member of the Strategic Decision and Sannong Committee since April 2025, and has ceased to serve as a member of the Consumer Rights Protection Committee since April 2025.

(3) Mr. Chan Ho Fung has been a non-executive Director, a member of the Comprehensive Risk Management Committee since February 2025, and a member of the Audit Committee since April 2025, and has ceased to serve as a member of the Comprehensive Risk Management Committee since April 2025.

(4) Mr. Yip Tai Him has ceased to be a member of the Comprehensive Risk Management Committee since April 2025, and resigned from his position as an independent non-executive Director of the Bank and relevant Board committee positions in March 2025. According to relevant requirements, Mr. Yip Tai Him shall continue to perform his duties until the qualification of the newly appointed independent non-executive Director is approved.

(5) Mr. Xu Zhi, Mr. Tan Fulong and Ms. Liu Yuou resigned from the position as an independent non-executive Director and relevant Board committee positions in November 2025. According to relevant requirements, Mr. Xu Zhi, Mr. Tan Fulong and Ms. Liu Yuou shall continue to perform their duties until the qualification of the newly appointed independent non-executive Director is approved.

(6) Ms. Xu Tingting has ceased to be a member of the Comprehensive Risk Management Committee since April 2025, and resigned from her position as an independent non-executive Director of the Bank and relevant Board committee positions in November 2025 which took effect from 11 March 2026.

(7) Mr. Ye Jinquan, Mr. Zhang Qingxiang and Mr. Chen Weiliang have ceased to serve as non-executive Directors and relevant Board committees positions since March 2025.

1. *Strategic Decision and Sannong Committee*

As at the end of the Reporting Period, the Strategic Decision and Sannong Committee consists of executive Directors and non-executive Directors, namely Mr. Lu Guofeng (chairman), Mr. Fu Qiang, Mr. Qian Hua, Ms. Li Huiqin and Mr. Wong Wai Hung. The primary duties of the Strategic Decision and Sannong Committee include:

(1) to determine the operation and management goals and long-term development and strategic plans of our Bank.

(2) to consider and propose major investment and financing proposals that are subject to the approval of the Board of Directors according to the Articles of Association.

(3) to consider and propose major capital activities and asset operation that are subject to the approval of the Board of Directors according to the Articles of Association.

(4) to consider and propose other important matters significant to the development of our Bank.

(5) to supervise and review the implementation of the annual operation plan and investment proposals of our Bank.

(6) to devise strategies for promoting green credit of the Bank, review its objectives and report from the senior management before submission to the Board of Directors for consideration and approval.

(7) to formulate business development strategies and plans for Sannong business in accordance with the Sannong development policies introduced by the government and regulatory authorities; to review annual financial development goals and service resources allocation plans for Sannong business; and to evaluate and supervise the implementation of such plans by the senior management.

(8) to supervise the formulation of Sannong business plan and related systems.

(9) to deal with other matters as required by laws and regulations, related regulatory systems and the Articles of Association or authorized by the Board of Directors.

During the Reporting Period, the Strategic Decision and Sannong Committee held 8 meetings, at which 30 proposals were considered and approved, and conducted in-depth research on development planning, operation and management, green credit, and Sannong financial services. The Strategic Decision and Sannong Committee held 2 symposiums with Sannong enterprises to know about the development of Sannong business.

2. *Comprehensive Risk Management Committee*

As at the end of the Reporting Period, the Comprehensive Risk Management Committee consists of executive Director and independent non-executive Directors, namely Mr. Ye Jianguang (chairman), Mr. Zeng Jianhua, and Mr. Xu Zhi. The primary duties of the Comprehensive Risk Management Committee include:

(1) to study and adopt the economic and financial directions, policies, laws, regulations and rules of the government, and to guide the formulation of the Bank's comprehensive risk management framework, as well as the Bank's risk strategies and general risk management policies.

(2) to supervise the risk management of our senior management at operational level in respect of credit, market, operation, liquidity, legal compliance, information technology, reputation and other aspects; to regularly evaluate risks to the Bank including risk policy, management position and risk appetite and the overall status and effectiveness of the legal compliance management of our Bank and to propose suggestions for improving risk management and internal control of our Bank.

(3) to review the effectiveness of the risk management and internal control systems, discuss the risk management and internal control systems with senior management, ensure that senior management has fulfilled its duties to establish effective systems, and to supervise the senior management to take necessary measures to effectively identify, evaluate, monitor and control/mitigate risks.

(4) to consider major investigation findings on risk management and internal control matters as delegated by the Board of Directors or on its own initiative and senior management's response to these findings.

(5) to ensure that the risk management system of our Bank is effectively reviewed and supervised by the internal audit department.

(6) to review the asset and liability management policies of our Bank and its implementation.

(7) to supervise the implementation of employee behavior management by the senior management.

(8) to organize and give guidance on case prevention as authorized by the Board of Directors, including: reviewing and approving the general policy for the case prevention, promoting the construction of the case prevention management system; clarifying the responsibilities and authority of senior management in case prevention, ensuring that senior management adopts necessary measures for the effective monitoring, alert and handling of case risk; proposing general requirements for case prevention, and reviewing case prevention work reports; assessing and evaluating the effectiveness of the Bank's case prevention; ensuring that the effective review and supervision of case prevention is conducted by the internal audit functions.

(9) to have regular individual discussion with the compliance manager and adopt other effective means to understand the implementation of compliance policies and the problems arising therefrom, provide opinions and recommendation on a timely basis to the Board of Directors or the senior management and supervise the effective implementation of compliance policies.

(10) to review and ensure that the Bank has established appropriate arrangements to allow employees to independently raise concerns about possible improprieties in internal control, and ensure that the Bank conducts fair and independent investigations and takes appropriate actions against these matters.

(11) to provide professional advice on money laundering risk management to the Board of Directors.

(12) to deal with other matters as required by laws and regulations, related regulatory systems and the Articles of Association or authorized by the Board of Directors.

During the Reporting Period, the Comprehensive Risk Management Committee held 11 meetings, at which 41 proposals were considered and approved, and conducted research on comprehensive risk management and internal control management.

3. *Nomination and Remuneration Committee*

As of the end of the Reporting Period, the Nomination and Remuneration Committee consists of executive Director and independent non-executive Directors, namely Mr. Zeng Jianhua (chairman), Mr. Qian Hua and Ms. Xu Tingting. The primary duties of the Nomination and Remuneration Committee include:

(1) to review the structure, size and composition (including the skills, knowledge and experience) of the Board of Directors annually and make recommendations on any proposed changes to the Board of Directors to complement our corporate strategy.

(2) to formulate the Board diversity policy and measurable objectives.

(3) to assess the independence of independent Directors.

(4) to determine the procedures and criteria for selection and election of Directors and senior management.

(5) to identify and recommend qualified candidates for Directors and senior management.

(6) to conduct preliminary assessment on the qualifications and terms for the appointment of Directors and senior management and provide opinions to the Board of Directors.

(7) to make recommendations to the Board of Directors on the appointment or re-appointment of Directors and succession planning for Directors (in particular the chairman and the president).

(8) to make recommendations to the Board of Directors on the remuneration policy and structure for all Directors and senior management of the Bank and on the establishment of a formal and transparent procedure for developing remuneration policy.

(9) to review the assessment criteria for performance of Directors and senior management, conduct assessment and make recommendations.

(10) to make recommendations to the Board of Directors on remuneration packages for Directors and senior management (including benefits in kind, pension rights and compensation payments, such as any compensation payable for loss or termination of their office or appointment), to supervise its implementation, provided that no Director or its associate shall participate in determining his/her own salary.

(11) to consider and approve the terms of the service contracts of executive Directors.

(12) to provide opinions on director service contracts that are subject to Shareholders' approval, informing Shareholders whether the terms are fair and reasonable, advising on whether the contracts are in the best interests of the Bank and its Shareholders as a whole, and providing recommendations on how Shareholders should vote.

(13) to review and approve the remuneration proposals of the management with reference to the goals and objectives determined by the Board of Directors.

(14) to consider salaries paid by comparable banks, time commitment and responsibilities and employment conditions elsewhere in the Group.

(15) to review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and reasonable and not excessive.

(16) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate.

(17) to review the remuneration management system and policy of our Bank. The remuneration management system includes the basic remuneration system, remuneration management system etc. within the scope of the Bank's system, but excludes assessment plans.

(18) to review matters relating to share schemes under the Listing Rules.

(19) to deal with other matters as required by laws and regulations, related regulatory systems and the Articles of Association or authorized by the Board of Directors.

During the Reporting Period, the Nomination and Remuneration Committee held 6 meetings, at which 14 proposals were considered and approved, and conducted research on the nomination of candidates for the Board of Directors, the appointment of senior management, and the annual budget and allocation of senior management remuneration. These proposals, including the Proposal on Amending the Dongguan Rural Commercial Bank Co., Ltd. Directors and Supervisors Remuneration Policies, the Proposal on the Performance Evaluation Results of Directors and Senior Management Conducted by the Board of Directors of the Dongguan Rural Commercial Bank Co., Ltd. , and the Proposal on Appointment of Additional Independent Non-executive Directors to the Fifth Session of Board of Directors, were considered and approved. The committee has further refined the Directors remuneration system and, in compliance with the requirements of the Board's diversity policy and nomination procedures, conducted a rigorous assessment of Director candidates in terms of their professional capabilities, gender, skills, independence (applicable to independent non-executive Directors) and other relevant qualifications.

4. *Related Party Transaction Control Committee*

As of the end of the Reporting Period, the Related Party Transaction Control Committee consists of executive Director and independent non-executive Directors, namely Mr. Tan Fulong (chairman), Mr. Ye Jianguang and Ms. Liu Yuou. The primary duties of the Related Party Transaction Control Committee include:

(1) to implement and manage the policies regarding related party transactions.

(2) to promptly review related party transactions and to provide opinions accordingly.

(3) to control the risks of related party transactions.

(4) to focus on the compliance, fairness and necessity of related party transactions.

(5) to deal with other matters in relation to the duties of the committee as required by laws and regulations, related regulatory systems and the Articles of association or authorized by the Board of Directors.

During the Reporting Period, the Related Party Transaction Control Committee held 7 meetings, at which 15 proposals were considered and approved, and conducted research on the related party management and related party transaction management.

5. *Audit Committee*

As of the end of the Reporting Period, the Audit Committee consists of non-executive Director and independent non-executive Directors, namely Mr. Xu Zhi (chairman), Mr. Chan Ho Fung, and Ms. Liu Yuou. The primary duties of the Audit Committee include:

(1) to review the financial and accounting policies, financial position and financial reporting procedures of our Bank and their implementation.

(2) to review and supervise the completeness of the financial statements, annual reports and accounts, interim reports and quarterly report (if intended to be published) of our Bank; to review significant financial reporting judgments contained in them; to determine and report on the truthfulness, completeness and accuracy of the information set out in the audited financial reports; and to decide on whether the same should be submitted to the Board of Directors; to liaise with the Board of Directors and senior management and meet, at least twice a year, with the external auditors of our Bank; to review the relevant reports before submission to the Board of Directors, with particular focus on: ① any changes in accounting policies and practices. ② major judgmental areas. ③ significant adjustments resulting from audit. ④ going concern assumptions and any qualifications. ⑤ compliance with accounting standards. ⑥ compliance with the Listing Rules and legal requirements in relation to financial reporting. The committee shall consider any significant or unusual items that shall reflect, or may need to be reflected, in the report and accounts, with due consideration given to any matters that have been raised by our staff responsible for the accounting and financial reporting function, audit department or auditors.

(3) to review the external auditor's management letter, any material queries raised by the external auditor to senior management about accounting records, financial accounts or systems of control and management's response; and to ensure that the Board of Directors will provide a timely response to the issues raised in the external auditor's management letter.

(4) to approve the internal audit regulations, medium-to-long-term audit plans and annual audit plans.

(5) to submit regular audit reports to the Board of Directors as well as the senior management and the Board of Supervisors.

(6) to supervise the implementation of remedial measures by the senior management for issues identified during audit and the implementation of audit recommendations.

(7) to review objections on the audit conclusion raised by the audit subject department.

(8) to make suggestions to the Board of Directors to hold the internal audit manager and the person-in-charge accountable.

(9) to make recommendations to the Board of Directors on the appointment, re-appointment, removal or replacement of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and to handle any issue in relation to the resignation or removal of such external auditor.

(10) to review and monitor the external auditor's independence, objectivity and the effectiveness of the audit process in accordance with applicable standards; and discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences.

(11) to develop and implement policy on an external auditor, including any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally, to supply non-audit services; and report to the Board of Directors, identifying and making recommendations on any matters where action or improvement is needed.

(12) to supervise the establishment and implementation of the internal audit system of our Bank.

(13) to review arrangements that employees of our Bank can use, in confidence, to raise concerns about possible improprieties in financial reporting, or other matters; and to ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action.

(14) to establish a whistle blowing policy and system for employees and those who deal with our Bank (e.g., customers and suppliers) to raise concerns in confidence, with the Audit Committee about possible improprieties in any matter related to our Bank.

(15) to act as the key representative body for overseeing our relations with the external auditor, responsible for the communication between internal audit and external auditor and to monitor their relationship; ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within our Bank, and to review and monitor its effectiveness.

(16) to review the financial control, financial information and its disclosures of our Bank.

(17) to discuss with senior management the adequacy of resources, staff qualifications and experience, training programs and budget of the Bank's accounting and financial reporting function.

(18) to report to the Board of Directors on the matters under the code provision D.3 of the Corporate Governance Code under the Listing Rules.

(19) to research other topics as defined by the Board of Directors.

(20) to deal with other matters as required by laws and regulations, related regulatory systems and the Articles of Association or authorized by the Board of Directors.

During the Reporting Period, the Audit Committee held 8 meetings, at which 27 proposals were considered and approved. The committee regularly reviewed financial reports and internal and external audit reports, supervised and verified the truthfulness, accuracy and timeliness of financial report information, and grasped the problems discovered in internal audit in a timely manner. By continuously strengthening the communication and connection with internal and external auditors, to promote the formation of an effective communication mechanism between internal and external auditors.

In accordance with the requirements of the Administrative Measures for the Audit of Annual Financial Statements of the Bank, the Audit Committee performed the following duties during the preparation and review of the 2025 Annual Report:

(1) The Audit Committee held a symposium with the statutory accounting firm, listened to the report on the operation of the Bank in 2025, communicated about the work in the audit and the progress of the audit, reviewed the financial and accounting statements of the Company, and formed written opinions on the above matters.

(2) Before the convening of the meeting of the Board of Directors, the Audit Committee reviewed the 2025 Annual Report of the Bank, and agreed to submit it to the Board of Directors for approval.

6. *Consumer Rights Protection Committee*

As of the end of the Reporting Period, the Consumer Rights Protection Committee consists of executive Directors, non-executive Directors and independent non-executive Directors, namely Mr. Fu Qiang (chairman), Mr. Zhang Qingxiang, Mr. Tang Wencheng and Mr. Tan Fulong. The primary duties of the Consumer Rights Protection Committee include:

(1) to report to the Board of Directors on consumer rights protection work report and annual report, carry out related work according to the authorization of the Board of Directors, discuss and decide on related matters, and research major issues and important policies concerning consumer rights protection.

(2) to oversee the establishment and enhancement of consumer rights protection system to ensure that the relevant policies are consistent with our corporate governance, corporate culture development and operational development strategy.

(3) to supervise the comprehensiveness, timeliness and effectiveness of the implementation of consumer rights protection related works by the senior management and Consumer Rights Protection Department in accordance with regulatory requirements, our strategies and policies and fulfillment status of our objectives.

(4) to convene consumer rights protection working meetings periodically and to review the work report by senior management and Consumer Rights Protection Department; to study the annual audit reports, regulatory notices, internal assessment results of the Consumer Rights Protection Department, and to urge the senior management and relevant departments to promptly implement and rectify various issues identified.

(5) to deal with other matters in relation to the duties of the committee as required by laws and regulations, related regulatory systems and the Articles of Association or authorized by the Board of Directors.

During the Reporting Period, the Consumer Rights Protection Committee held 5 meetings, at which 8 proposals were considered and approved, and conducted research on the consumer rights protection work plan and the construction of the consumer rights protection system.

(X) Continuous Professional Development Plan of Directors

During the Reporting Period, the Bank attached great importance to the continuous training of Directors, and organized all Directors to participate in compliance management and case prevention capacity enhancement training, anti-money laundering and anti-terrorist financing training, to study and research on regulatory policies, industry development, regional economy and other aspects, which effectively broadened the macro decision-making vision, and improved the performance capability of Directors. The Directors' participation in training during the Reporting Period is set out below:

Compliance management and case prevention capacity enhancement training, anti-money laundering and anti-terrorist financing training (participated directors: Lu Guofeng, Fu Qiang, Qian Hua, Ye Jianguang, Li Huiqin, Wong Wai Hung, Tang Wencheng, Chan Ho Fung, Zeng Jianhua, Yip Tai Him, Xu Zhi, Tan Fulong, Liu Yuou, Xu Tingting).

(XI) Directors' Responsibilities for Consolidated Financial Statements

The Directors acknowledge their responsibility for the preparation of the financial statements of the Group. In preparing the financial statements of 2025, International Financial Reporting Standards (IFRSs) have been adopted, appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgments and estimates have been made. The Board of Directors is not aware of any material uncertainties relating to events or conditions which may cast significant doubt over the Group's ability to continue as a going concern. Accordingly, the Board of Directors has continued to adopt the going concern basis in preparing the financial statements.

VI. THE BOARD OF SUPERVISORS

(I) Responsibilities and Duties of the Board of Supervisors

The Board of Supervisors is the Bank's internal supervision body, which is accountable to the general meeting. In addition to performing its duties in accordance with the Company Law of the People's Republic of China and other laws and regulations and the Articles of Association, the Board of Supervisors focuses on supervising the duty performance, financial activities, internal control and risk management etc. of the Board of Directors, senior management and their members of the Bank. Since 11 March 2026, the Bank has ceased to establish the Board of Supervisors. The Audit Committee shall exercise the powers of the Board of Supervisors as stipulated by laws, regulations, and regulatory provisions such as the Company Law of the People's Republic of China. The audit department will be reorganized from a branch of the senior management to the one of the Audit Committee.

(II) Composition of the Board of Supervisors

As of the end of the Reporting Period, the Board of Supervisors of the Bank consists of 12 Supervisors (including those who resigned but continued to perform their duties), including 4 employee Supervisors, namely Mr. Chen Sheng, Mr. Chen Huinan, Ms. Wen Junhua and Ms. Liu Liping; 4 Shareholder representative Supervisors, namely Ms. Deng Qian, Mr. Cai Junbang, Mr. Liu Jiahao and Mr. Li Guoyu; and 4 external Supervisors, namely Ms. Wei Haiying, Mr. Zhang Bangyong, Ms. Mai Xiuhua and Mr. Liu Sheng.

(III) Meetings of the Board of Supervisors and Committees Thereunder

During the Reporting Period, the Bank held a total of 10 meetings of the Board of Supervisors, including 7 on-site meetings and 3 meetings by circulation of written resolutions. The Board of Supervisors mainly considered and approved 63 proposals, including the Resolution in relation to Work Report of the Board of Supervisors of the Bank for 2024 and the Resolution in relation to 2024 Annual Report Written Review Opinions of the Board of Supervisors of the Bank, and reviewed 140 reports.

As of the end of the Reporting Period, the Board of Supervisors established two specialized committees, namely the Nomination Committee and the Supervision Committee. During the Reporting Period, the two specialized committees under the Board of Supervisors of the Bank exercised their functions and rights independently, in compliance with laws and regulations and effectively. They held a total of 16 meetings and considered 78 proposals, including the Resolution in relation to the Report on the Performance Evaluation Results of Directors, Supervisors, and Senior Management of the Bank for 2024 and the Resolution in relation to the Report on the Supervisory Work of the Board of Supervisors of the Bank for 2024. They maintained communication with the Board of Directors and the management and gave full play to their supervisory role.

(IV) Attendance of Supervisors at Meetings of the Board of Supervisors and its Committees

During the Reporting Period, the attendance of the Supervisors is set out as follows:

	Number of actual attendance/ number of meetings held(1)		
		Committees under the Board of Supervisors	
Name of Supervisor	**Meetings of the Board of Supervisors**	**Nomination Committee**	**Supervisory Committee**
Employee Supervisors			
Chen Sheng	10/10	6/6	–
Chen Huinan	10/10	–	10/10
Wen Junhua	10/10	6/6	–
Liu Liping	9/10	–	10/10
Shareholder Supervisors			
Deng Qian	10/10	–	–
Cai Junbang	10/10	–	–
Liu Jiahao	10/10	–	–
Li Guoyu	10/10	–	–
External Supervisors			
Wei Haiying	10/10	6/6	–
Zhang Bangyong	9/10	–	10/10
Mai Xiuhua	10/10	–	10/10
Liu Sheng	10/10	6/6	–

Note:

(1) A Supervisor who is unable to attend in person has appointed another Supervisor to attend and vote on his/her behalf.

(V) Duty Performance of External Supervisors

In 2025, pursuant to relevant laws and regulations and the provisions of the Articles of Association of the Bank, the external Supervisors of the Bank performed their supervisory duties with integrity, diligence, independence, objectivity, and compliance in accordance with the law. They have effectively exercised the role of external Supervisors in promoting the stable operation of the Bank and safeguarding the legitimate rights and interests of all shareholders and stakeholders. Firstly, they actively attended relevant meetings and participated in discussions in compliance with laws and regulations, including general meetings, meetings of the Board of Supervisors and the subordinate committees, meetings of the Board and the subordinate committees, and joint meetings on business management and supervision, etc. They focused on supervising aspects such as corporate governance, strategic management, risk management, internal control compliance, and financial management, and actively voiced views and provided constructive opinions and suggestions based on their own professional knowledge, experience and judgement. Secondly, they took the lead in conducting special research on consumer finance, which focused on the pain points and difficulties encountered in the development of the Bank's consumer finance business, and provided suggestions and solutions accordingly. Thirdly, they actively participated in business training to deeply study the regulations and requirements of the "Three Measures" (Measures for the Management of Working Capital Loans, Measures for the Management of Personal Loans, and Measures for the Management of Fixed Asset Loans), anti-money laundering and anti-terrorism financing, compliance management and improvement of case prevention ability, thereby continuously improving their professional knowledge and business quality.

VII. SENIOR MANAGEMENT

(I) Responsibilities and Duties of Senior Management

The senior management of the Bank shall be accountable to the Board of Directors and supervised by the Audit Committee in accordance with the Articles of Association. The senior management shall carry out operation and management in accordance with the Articles of Association and the authorization of the Board of Directors to ensure that the operation of the Bank is in line with the development strategies, risk preference and other polices of the Board of Directors.

The operation and management activities of the senior management within their terms of reference shall not be interfered. Senior management shall exercise, including but not limited to, the following functions and rights: to lead the business operation of the Bank, organize the implementation of the resolutions of the shareholders' meeting and the Board of Directors and report the work to the Board of Directors; to submit business plans and investment plans to the Board of Directors, and to organize the implementation upon approval by the Board of Directors; to prepare plans for the establishment of the internal management structure of the Bank; to establish the basic management system of the Bank; to formulate detailed regulations of the Bank; to propose to the Board of Directors the appointment or dismissal of vice presidents and other senior management pursuant to the provisions of pursuant to laws and regulations to be appointed or dismissed by the Board of Directors (excluding the secretary to the Board of Directors); to authorize senior management, persons in charge of internal functional departments and branches in operating activities; to adopt emergency measures in the event of a bank run or other major emergencies of the Bank, and promptly report to the Board of Directors and the banking regulatory authorities under the State Council; and other functions and rights that should be exercised in accordance with laws, regulations and the Articles of Association or granted by the Board of Directors.

(II) Composition of Senior Management

As of the end of the Reporting Period, the senior management of the Bank consists of 6 senior management personnel, including 1 president, namely Mr. Fu Qiang; 3 vice presidents, namely Mr. Qian Hua, Mr. Ye Jianguang, and Mr. Ye Yunfei; 1 assistant to the president, namely Mr. Zhong Guobo; 1 Chief Risk Officer, namely Mr. Zheng Renhe.

At the senior management level, the Bank has established Assets and Liabilities Management Committee, Product Management Committee, Information Technology Management Committee, and Comprehensive Risk Management Execution Committee. Each committee is under operation independently according to relevant functions.

VIII. COMPANY SECRETARIES

As of the end of the Reporting Period, Mr. Ye Jianguang and Mr. Wong Wai Chiu served as the joint company secretaries of the Bank. Mr. Ye Jianguang is the primary contact person of the Bank. Each Director can discuss, consult with and acquire data from the company secretaries. Both Mr. Ye Jianguang and Mr. Wong Wai Chiu confirmed that they had received relevant professional trainings for at least 15 hours during the Reporting Period in accordance with the requirements of the Listing Rules.

IX. EMPLOYEES

The Group strictly complies with relevant laws and regulations, and strives to create a fairer employment environment and a diversified workplace atmosphere. The Bank places great emphasis on safeguarding the rights and interests of female employees. Through initiatives such as organizing activities for International Women's Day and establishing mother-and-baby care rooms, the Bank created a comfortable, equal and convenient environment for female employees and fully protected their rights and interests. As at the end of the Reporting Period, the Group had 7,802 employees, including 4,565 male employees and 3,237 female employees. The details of the employees are as follows:

(I) Employees Functional Structure

Function type	Number	Percentage (%)
Corporate banking business	1,090	13.97%
Personal banking business	3,053	39.13%
Treasury business	94	1.20%
Finance, accounting and operation	1,450	18.58%
Risk management, internal control and legal compliance	755	9.68%
Information technology	388	4.97%
Administrative management	702	9.00%
Others	270	3.46%
Total	**7,802**	**100.00%**

(II) Employee Educational Background Structure

Educational background type	Number	Percentage (%)
Postgraduate and above	398	5.10%
Undergraduate	6,318	80.98%
Associate college	892	11.43%
Technical secondary school and below	194	2.49%
Total	**7,802**	**100.00%**

(III) Employee Title Structure

Title category	Number	Percentage (%)
Senior title	147	1.88%
Intermediate title	1,676	21.48%
Assistant title	1,946	24.94%
Employee level and below	4,033	51.69%
Total	**7,802**	**100.00%**

Note: The number of employees mentioned above refers to the number of in-service employees who have signed labor contracts with the Group, excluding non-active personnel such as retired and early retired personnel, and personnel under labor dispatch or outsourcing arrangement.

(IV) Employee Remuneration Policy

The Bank's employee remuneration policy aligns with the strategic planning and operational objectives, with the goal of improving and perfecting the incentive and restraint mechanism, preventing operational risks, and adhering to the basic principles of total quantity control, performance linkage, and risk control, so as to continuously enhance performance and remuneration management levels to serve the overall development of the Bank.

1. Remuneration management structure and decision-making procedures

According to the operation and management needs, the Bank has established the remuneration management organizational structure. The highest decision-making body is the Shareholder's Meeting of the Bank, which is responsible for the remuneration management of Directors and Supervisors. The Nomination and Remuneration Committee under the Board of Directors is responsible for reviewing the remuneration management system and policies of the Bank, making recommendations on remuneration proposals to the Board of Directors, and assessing Directors and senior management. The Human Resources Department, the Planning and Finance Department and other relevant departments are responsible for the implementation of specific remuneration management and assessment issues in accordance with the division of functions. The Bank is committed to creating an open, transparent, prudent and sound remuneration appraisal atmosphere, fully exerting the leading role of remuneration appraisal in operation management and business development.

2. Total annual remuneration expense and remuneration structure and distribution

The total remuneration expense of the Group was RMB2.893 billion in 2025, which consists of short-term remuneration, post-employment benefits-defined contribution plan and termination benefits. Among them, the remuneration of active employees is mainly composed of position salary, allowances and subsidies, performance salary and welfare income, etc. Position salary is determined based on the employee's position and level, while performance salary is linked to their annual results and risk compliance assessment results. Based on the audit data, the short-term compensation of the Group (including position salary, allowances and subsidies, performance-based compensation, employee welfare expenses, medical insurance fees, work injury insurance fees, maternity insurance fees, housing provident fund, union funds and employee training funds) amounted to RMB2.502 billion, the post-employment benefit defined contribution plans (including basic old-age insurance, unemployment insurance fees, and enterprise annuity contributions) were RMB383 million, and severance benefits were RMB9 million.

3. Balance of remuneration and results, standards of risk adjustment

The Bank continued to optimize the construction of the remuneration system and performance incentive and restraint mechanism, established a risk compliance assessment indicator system and strengthened the assessment of risk compliance management. Remuneration is directly linked to the completion of the business target and the results of risk control.

4. Deferred and revoked payment and non-cash remuneration

The Bank continued to implement the Dongguan Rural Commercial Bank Deferral Payment of Performance-based Salary Management Measures and the Dongguan Rural Commercial Bank Co., Ltd. Revoked Payment of Performance Compensation Management Measures, and continued to improve the mechanism of the deferred and revoked payment of performance-based compensation. The scope of deferred payment of performance-based compensation included senior management of the Bank, employees in positions that have significant impact on risks, and other individuals who engage in credit and credit-like business, with payment deferral period of 3 years. If there were instances of legal violations, disciplinary breaches, key risks, or negligence causing losses to the Bank or abnormal risk exposure during the deferral period, responsibility will be determined according to the Bank's relevant regulations, and corresponding compensation will be revoked based on the determination results. If there was no revoked during the deferral period, the deferred compensation will be paid annually in provision ratios of 30%, 30%, and 40%. The Bank divided different provision ratios according to the positions and ranks of deferred payment subject. In particular, the deferral ratio of performance-based compensation for key senior management of the Bank is as high as 51%. In 2025, the total number of individuals to whom the Bank implemented deferral payment of performance-based compensation was 1,425, the total provision amount of deferred payment was RMB88.18 million, and the total amount of penalties deducted was RMB3.66 million, which was recognized and revoked in accordance with the requirements.

5. *Formulation, filing of annual compensation plan and assessment on completion of economic, risk and social responsibility indicators*

The Bank followed the remuneration payment philosophy of "post-based and performance-based remuneration payment" and enhanced the linkage between performance-based compensation and results, reflecting the value of positions and incentive orientation. The performance appraisal is primarily based on annual business objectives, covering risk management, compliance operation, operation efficiency, development transformation and social responsibility, etc. The main performance appraisal indicators shall be considered and approved by the Board of Directors and reported to the local financial regulatory authority. In addition, the Bank strengthened the assessment of risk compliance and social responsibility, etc., and achieved good results in ensuring the safety of customer funds, improving customer satisfaction, preventing cases and supporting the development of the real economy, making sure the security of the Bank's economy or reputation.

(V) Staff Training

Closely centering on the strategic development goals, the Bank deepened the construction of a learning and development-oriented organization, strengthened training and inheritance, and activated the potential for talent development. The first is to forge leading forces and deepen the training of management teams. Based on the role positioning and key abilities of management personnel at all levels, the Bank conducted systematic and differentiated training through diverse formats such as benchmark enterprise visits, university courses, and complex topic discussions, cultivating a high-quality management team with business thinking and professional capabilities. The second is to solidify the professional foundation and focus on improving business capabilities. In line with business development needs, the Bank continuously strengthened the professional abilities of employees by conducting project-based training that integrated theoretical learning with practical application, and comprehensively established a job qualification system to provide employees with specialized skill reserves for their roles. The third is to leverage organizational wisdom and accelerate internal talent cultivation. The Bank steadily promoted the construction of a high-quality internal trainer team and an in-house curriculum system, deepened mentorship-based training method, and organized outstanding case sharing sessions across the entire bank, to build a continuously iterative internal knowledge empowerment system and achieve effective inheritance of organizational experience and wisdom.

X. BRANCHES AND SUBSIDIARIES

(I) Branches

As of the end of the Reporting Period, the Bank has established 39 tier-one branches and subbranches, 194 tier-two sub-branches and 181 offices. Details of tier-one branches and sub-branches are as follows:

No.	Name of entity	Address	Telephone
1	Zhongxin sub-branch	No. 2 Hongfu East Road, Dongcheng Street, Dongguan City	0769–22866666
2	Zhongtang sub-branch	No. 101 Zhongxing Road, Zhongtang Town, Dongguan City	0769–88818522
3	Wangniudun sub-branch	Room 102, No. 25, Zhenzhong Road, Wangniudun Town, Dongguan City	0769–88851262
4	Daojiao sub-branch	No. 120 Zhenxing Road North, Daojiao Town, Dongguan City	0769–88833111
5	Hongmei sub-branch	No. 69 Qiaodong Road, Hongmei Town, Dongguan City	0769–88841546
6	Machong sub-branch	No. 5 Zhenxing Road, Machong Town, Dongguan City	0769–88821389
7	Wanjiang sub-branch	Room 135, No. 3 Wanjiang Road North, Wanjiang District, Dongguan City	0769–22288628
8	Humen sub-branch	No. 138 Humen Avenue, Humen Town, Dongguan City	0769–85123142
9	Chang'an sub-branch	No. 286 Changqing South Street, Chang'an Town, Dongguan City	0769–85310223
10	Houjie sub-branch	No. 16 Kangle North Road, Houjie Town, Dongguan City	0769–85588841
11	Shatian sub-branch	Room 101, Room 104, Room 117–122, Room 124, Room 125, Room 143, Room 153, Room 154, Room 203–207, Room 210, Room 211, No. 59 Sha Tian Avenue, Shatian Town, Dongguan City	0769–88861903
12	Nancheng sub-branch	No. 44 Nancheng Road Section, Guantai Road, Dongguan City	0769–22818522
13	Dongcheng sub-branch	No. 7 Dongcheng East Road, Dongcheng District, Dongguan City	0769–22239029
14	Liaobu sub-branch	No. 2 Jiaoyu Road, Liaobu Town, Dongguan City	0769–83329710
15	Dalingshan sub-branch	Room 101, No. 460 Dalingshan Section, Guanchang Road, Dalingshan Town, Dongguan City	0769–83351158
16	Dalang sub-branch	No. 568 Meijing Central Road, Dalang Town, Dongguan City	0769–83311102

No.	Name of entity	Address	Telephone
17	Huangjiang sub-branch	No. 65 Huangjiang Avenue, Huangjiang Town, Dongguan City	0769–83365136
18	Zhangmutou sub-branch	No.105, Zhangmutou Section, Guanzhang Road, Zhangmutou Town, Dongguan City	0769–87719118
19	Qingxi sub-branch	No. 2 Xiangmang Central Road, Qingxi Town, Dongguan City	0769–87730998
20	Tangxia sub-branch	No. 17 Yingbin Avenue, Tangxia Town, Dongguan City	0769–87728810
21	Fenggang sub-branch	No. 69 Yongsheng Street, Fenggang Town, Dongguan City	0769–87750947
22	Xiegang sub-branch	Room 101–601, Building 1, No. 72, Xiegang Garden Avenue, Xiegang Town, Dongguan City	0769–87765619
23	Changping sub-branch	Room 103, No. 36, Changping Avenue, Changping Town, Dongguan City	0769–83331409
24	Qiaotou sub-branch	No. 197 Qiaoguang Avenue, Qiaotou Town, Dongguan City	0769–83342244
25	Hengli sub-branch	No. 580 Zhongshan Road, Hengli Town, Dongguan City	0769–83371841
26	Dongkeng sub-branch	No. 74 Dongkeng Avenue, Dongkeng Town, Dongguan City	0769–83880995
27	Qishi sub-branch	No. 8 Jiangbin Road, Qishi Town, Dongguan City	0769–86665038
28	Shipai sub-branch	No. 297 Shipai Avenue Central, Shipai Town, Dongguan City	0769–86657030
29	Chashan sub-branch	No.82, Caihong Road, Chashan Town, Dongguan City	0769–86641493
30	Shijie sub-branch	No. 4 Dongfeng South Road, Shijie Town, Dongguan City	0769–86636495
31	Gaobu sub-branch	Office Building No. 13, New Century Yilongwan III, Xiansha Village, Gaobu Town, Dongguan City	0769–88871317
32	Donglian sub-branch	Room 101, Building 6, No.1 International, No. 200 Hongfu Road, Nancheng Street, Dongguan City	0769–22856679
33	Shilong sub-branch	No. 8 Fangzheng Central Road, Shilong Town, Dongguan City	0769–86602831

No.	Name of entity	Address	Telephone
34	Songshanhu Keji sub-branch	Room 101, Unit 1, Building No. 20, No. 6 Libin Road, Songshan Lake Science and Technology Industrial Park, Dongguan City	0769–22891811
35	Binhai Bay New District sub-branch	Room 106, No. 1 Bay Area Avenue, Binhai Bay New District, Dongguan City	0769–88007788
36	Huizhou branch	No.8, Chenjiang Avenue, Chenjiang Street, Zhongkai High-tech Zone, Huizhou City	0752–3223850
37	Qingxin sub-branch	1/F, Block C, Kaixuancheng, No. 38 Jianshe Road South, Taihe Town, Qingxin District, Qingyuan City	0763–5206869
38	Nansha branch in Guangdong Pilot Free Trade Zone	Rooms 311, 312, 313, and 314, podium building, Block 17, Zhonghui Bilong Bay, No. 3 Wangjiang 2nd Street, Nansha District, Guangzhou City	020–39391183
39	Hengqin branch in Guangdong Pilot Free Trade Zone	Shop No. 104, Huitong 3rd Road, Shop No. 106, Huitong 3rd Road, and Shop No. 305, No. 83 Huitong 5th Road, Guangdong-Macao In-Depth Cooperation Zone, Hengqin	0756–2992623

Note: The list contains the tier-one branches and sub-branches only and subsidiaries are not included.

(II) Major Subsidiaries

As of the end of the Reporting Period, the Bank's major subsidiaries include Zhanjiang RCB, Guangdong Chaoyang RCB, Yunfu Xinxing Dongying County Bank and Hezhou Babu Dongying County Bank, with a total of 37 tier-one branches and sub-branches, 66 tier-two sub-branches and 64 offices. Details of tier-one branches and sub-branches of the Bank's major subsidiaries are as follows:

No.	Subsidiary	Name of entity	Address	Telephone
1	Zhanjiang Rural Commercial Bank	Economic and Technological Development Zone sub-branch	No. 119 Haibin Avenue Central, Zhanjiang	0759–2326990
2	Zhanjiang Rural Commercial Bank	Mazhang sub-branch	No. 14 Mazhi Road, Mazhang Town, Mazhang District, Zhanjiang	0759–2278377
3	Zhanjiang Rural Commercial Bank	Chikan sub-branch	1–8/F, No. 19, Haibin Sixth Road, Chikan District, Zhanjiang	0759–3205195
4	Zhanjiang Rural Commercial Bank	Donghai sub-branch	West of Zhanlin Road, Dongshan Town, Donghai Island, Zhanjiang	0759–2962057
5	Zhanjiang Rural Commercial Bank	Potou sub-branch	No. 7 Beishan Road, Potou District, Zhanjiang	0759–3950886
6	Zhanjiang Rural Commercial Bank	Xiashan sub-branch	Office No. A-7, Ground Floor, Xingfa Garden Commercial and Residential Building, No. 70 Haibin Avenue South, Development Zone, Zhanjiang	0759–2122381
7	Guangdong Chaoyang Rural Commercial Bank	Chengqu sub-branch	No. 38 (Ground Floor) Huancheng Road, West Wenguang Street, Chaoyang District, Shantou	0754–83820377
8	Guangdong Chaoyang Rural Commercial Bank	Wenguang sub-branch	Block E (1–3/F), Fudongzhuang, Shuimen Road, Wenguang Street, Chaoyang District, Shantou	0754–83845382
9	Guangdong Chaoyang Rural Commercial Bank	Chengdong sub-branch	No. 132 (1st and 2nd Floors) Zhongshan Middle Road, Wenguang Street, Chaoyang District, Shantou	0754–83816105
10	Guangdong Chaoyang Rural Commercial Bank	Jinpu sub-branch	Beside Jinmei Avenue, Sanbao Neighborhood Committee, Jinpu Street, Chaoyang District, Shantou	0754–86645440
11	Guangdong Chaoyang Rural Commercial Bank	Heping sub-branch	No. 305 Laohehui Road, Zhongzhai Neighborhood Committee, Heping Town, Chaoyang District, Shantou	0754–82251265
12	Guangdong Chaoyang Rural Commercial Bank	Runze sub-branch	Shops 01–05, 1st and 2nd Floors, Block 1, Runze Mountain Villa, Chengbei 1st Road, Wenguang Street, Chaoyang District, Shantou	0754–86561317
13	Guangdong Chaoyang Rural Commercial Bank	Miancheng sub-branch	Taoyuan Intersection, Chaohai Road, Chaoyang District, Shantou	0754–83835884

No.	Subsidiary	Name of entity	Address	Telephone
14	Guangdong Chaoyang Rural Commercial Bank	Pingbei sub-branch	Shop No. 98, Pingbei Market, Mianbei Street, Chaoyang District, Shantou	0754–88719271
15	Guangdong Chaoyang Rural Commercial Bank	Haimen sub-branch	No. 8–12, Building 1, Haian Garden, Haimen Town, Chaoyang District, Shantou	0754–86631170
16	Guangdong Chaoyang Rural Commercial Bank	Guiyu sub-branch	No. 118 Huamei Road section, Guojing Road, Guiyu Town, Chaoyang District, Shantou	0754–84448174
17	Guangdong Chaoyang Rural Commercial Bank	Tongyu sub-branch	No. 11 Xinxing Road, Tongboyu Village, Tongyu Town, Chaoyang District, Shantou	0754–87595696
18	Guangdong Chaoyang Rural Commercial Bank	Gurao sub-branch	No. 84 Lifeng Road, Shangbao Neighborhood Committee, Gurao Town, Chaoyang District, Shantou	0754–87610385
19	Guangdong Chaoyang Rural Commercial Bank	Jinyu sub-branch	Yupu Yuhua West Road, Jinzao Town, Chaoyang District, Shantou	0754–83391401
20	Guangdong Chaoyang Rural Commercial Bank	Xilu sub-branch	No. 2 Xinxing Road, Xiyi Neighborhood Committee, Xilu Town, Chaoyang District, Shantou	0754–83311907
21	Guangdong Chaoyang Rural Commercial Bank	Hexi sub-branch	Xitian Village Road, Xitian Village, Hexi Town, Chaoyang District, Shantou	0754–83422827
22	Guangdong Chaoyang Rural Commercial Bank	Guanbu sub-branch	Beside Guanjin Road, Guanbu Town, Chaoyang District, Shantou	0754–83361382
23	Guangdong Chaoyang Rural Commercial Bank	Xiashan sub-branch	Shops No. 42 to 48, 1st and 2nd Floors of Shop No. 50, and 2nd Floor of Shop No. 51 (Room 202, Building 13), Dijingyuan, Xiashan Road, Xiashan Street, Chaonan District, Shantou	0754–87761955
24	Guangdong Chaoyang Rural Commercial Bank	Simapu sub-branch	East Market, Simapu Town, Chaonan District, Shantou	0754–87732754
25	Guangdong Chaoyang Rural Commercial Bank	Lugang sub-branch	No. 228 Xihe Road, Lugang Town, Chaonan District, Shantou	0754–82281361
26	Guangdong Chaoyang Rural Commercial Bank	Shalong sub-branch	No. 12 Haoxi Road section, Shalong, Hehui Road, Chaonan District, Shantou	0754–82224606
27	Guangdong Chaoyang Rural Commercial Bank	Chengtian sub-branch	No. 89 Shencheng Road, Chengtian Town, Chaonan District, Shantou	0754–82231331

No.	Subsidiary	Name of entity	Address	Telephone
28	Guangdong Chaoyang Rural Commercial Bank	Jingdu sub-branch	Shenshan Neighborhood Committee, Jingdu Town, Chaonan District, Shantou	0754–86691239
29	Guangdong Chaoyang Rural Commercial Bank	Tianxin sub-branch	No. 69 (next to the Post and Telecommunications Bureau) Tianzhong Road, Tianxin Tian'er Village, Chaonan District, Shantou	0754–83511532
30	Guangdong Chaoyang Rural Commercial Bank	Liangying sub-branch	1–3/F of Shops 07 to 11, 2–3/F of Shops 05 to 06, A1 Block, Shengyue Haoting, No. 001 Dongying Road, Guxiyang, Chenku Neighborhood Committee, Liangying Town, Chaonan District, Shantou	0754–85571824
31	Guangdong Chaoyang Rural Commercial Bank	Chendian sub-branch	No. 30, Bei Si Street, Kewei Guanghe, Chendian Town, Chaonan District, Shantou	0754–84485394
32	Guangdong Chaoyang Rural Commercial Bank	Xiancheng sub-branch	No. 418 Chenxian Highway, Xiancheng Town, Chaonan District, Shantou	0754–84421743
33	Guangdong Chaoyang Rural Commercial Bank	Hongchang sub-branch	Left side of the Hongchang Town Government, Chaonan District, Shantou	0754–83752146
34	Guangdong Chaoyang Rural Commercial Bank	Leiling sub-branch	Chuandi, Leiling Town, Chaonan District, Shantou	0754–85521026
35	Yunfu Xinxing Dongying County Bank	Chengnan sub-branch	No. 6 Xinglong Road, Xincheng Town, Xinxing County	0766–2989811
36	Hezhou Babu Dongying County Bank	Xindu sub-branch	Xiangyun Road, Xindu Town, Babu District, Hezhou	0774–5081889
37	Hezhou Babu Dongying County Bank	Pinggui sub-branch	No. 15 Pinggui Avenue, Pinggui District, Hezhou	0774–8833001

For details about the major subsidiaries, please refer to the Note 20 "Subsidiaries" in the "Financial Report" chapter in this Report.

XI. RISK MANAGEMENT AND INTERNAL CONTROL

Pursuant to the Guidelines for Comprehensive Risk Management of Financial Institutions in the Banking Industry (《銀行業金融機構全面風險管理指引》), the Bank continuously identifies and assesses the credit risk, liquidity risk, market risk, interest rate risk in the banking book, operational risk, compliance risk, legal risk, money laundering risk, information technology risk, reputational risk, strategic risk, country risk and other main risks which the Bank and its subsidiaries expose to, and prudently evaluates current risks and formulates corresponding management measures, and report regularly to senior management and the Board of Directors. Upon review by the Board of Directors, the established comprehensive risk management system of the Bank is sufficient and effective, and no significant risks requiring special attention have occurred in the Reporting Period. In addition, the comprehensive risk management system built by subsidiaries with the Bank's assistance is also effective and complies with their respective own positioning.

In accordance with the Guidelines for Internal Control of Commercial Banks (《商業銀行內部控制指引》) and relevant regulations and under the guidance of the Board of Directors and the Audit Committee of the Board of Directors, the Bank organized and carried out the internal control evaluation. Upon review by the Board of Directors, the internal control system established by the Bank was sound and effective, and was capable of effectively identifying and controlling various risks, and no major deficiency in internal control were found during the Reporting Period.

Since the comprehensive risk management and internal control system is to manage rather than to eliminate the risk of failure to achieve business objectives, the Board of Directors can only make reasonable rather than absolute assurance that there would be no material misstatement or loss.

For details of the Bank's risk management and internal control, please refer to the "Risk Management" section in the "Management Discussion and Analysis" chapter of this Report.

XII. INSIDE INFORMATION MANAGEMENT

The Bank attached great importance to the inside information management, strictly followed the regulatory requirements, strengthened the management of inside information, and timely standardized the disclosure of relevant information. In addition, the Bank revised and improved the Administrative Measures for the Information Disclosure of Dongguan Rural Commercial Bank Co., Ltd. in accordance with related regulatory requirements to further clarify the scope of inside information, confidentiality measures, approval process, release form, division of responsibilities and duties, accountability and evaluation, and strengthen the management of inside information and insiders, striving to ensure the truthfulness, accuracy, timeliness, completeness and fairness of information disclosure, and protect the legitimate interests of the shareholders.

XIII. MANAGEMENT OF CONSOLIDATED ENTITIES

(I) Organizational Structure of Management of Consolidated Entities

As of the end of the Reporting Period, the organizational structure of management of consolidated entities of the Bank consists of the Board of Directors, the Board of Supervisors, senior management and relevant functional departments. The Board of Directors formulates the management policies of consolidated entities and includes the groupwide management into development strategies. The Board of Supervisors continuously supervises the operation of the management mechanism of consolidated entities of the Group. The senior management of the Bank is responsible for promoting the implementation of management policies of consolidated entities, urging functional departments to continuously improve different lines of management of consolidated entities, and regularly report the management of consolidated entities to the Board of Directors.

As of the end of the Reporting Period, consolidated entities of the Bank included Zhanjiang RCB, Guangdong Chaoyang RCB, Yunfu Xinxing Dongying County Bank, and Hezhou Babu Dongying County Bank.

(II) Main Measures for Management of Consolidated Entities

1. Enhancement to management system of consolidated entities

During the Reporting Period, the Bank pushed the consolidated entities to finalize enhancements to governance and organizational structures, building a uniform, standardized and sound group governance mechanism and a group-based management system.

2. Consolidated management capital

During the Reporting Period, the Bank formulated the capital planning of the Group, actively carried out capital replenishment, and disclosed the Group's consolidated capital adequacy ratio as required. During the period, the capital of consolidated entities of the Group was adequate, and complied with regulatory requirements.

3. Internal transaction management

During the Reporting Period, the internal transactions between the Bank and its subsidiaries and the internal transactions between its subsidiaries were free from improper transfer of interests, infringement of the interests of shareholders or consumption interests of customers, and there were no major internal transactions.

4. *Risk management of the Group*

During the Reporting Period, the Bank facilitated the development of risk management system of the Group, unified risk management policies and risk preferences, and promoted the construction of a Group-wide unified credit business management platform while enhancing the Group's credit policy management. The Bank enhanced risk monitoring of subsidiaries by establishing a regular Group-wide risk monitoring system using data and systems and through special inspections and audits to gain an in-depth understanding of their operations, management, and risk controls, thereby effectively promoting the sound business development and standardized internal management of these entities. In addition, the Bank strengthened its guidance on the institutional framework development of subsidiaries, established Group-wide institutional standards, and organized comprehensive evaluations of the regulatory and management systems across all subsidiaries, further improving the consistency of institutional management system development within the Group.

XIV.AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Bank, based on the actual circumstances, proposed amendments to the Articles of Association of Dongguan Rural Commercial Bank Co., Ltd. in accordance with laws, regulations, and domestic and overseas regulatory requirements including the Company Law of the People's Republic of China (2023 Revision) (《中華人民共和國公司法(2023修訂)》), the Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》), the Hong Kong Stock Exchange's Consolidated Main Board Listing Rules (《香港聯交所綜合主板上市規則》), and the Administrative Measures on the Qualifications of Directors (Council Members) and Senior Management of Banking Financial Institutions (《銀行業金融機構董事(理事)和高級管理人員任職資格管理辦法》). The proposed amendments to the Articles of Association included, but are not limited to, the dissolution of the Board of Supervisors and its special committees, with the Audit Committee to assume the functions of the Board of Supervisors, adjustments to the composition of the Board of Directors, and updates to relevant provisions in accordance with the aforementioned laws and regulations. The amended Articles of Association were considered and approved at the general meeting of the Bank on 8 January 2026, and were approved by the National Financial Regulatory Administration Dongguan Branch on 11 March 2026. For the full text of the amended Articles of Association, please refer to the Articles of Association published on 13 March 2026 by the Bank on the HKExnews website of the Hong Kong Stock Exchange and the official website of the Bank.

XV. AUDITORS AND THEIR COMPENSATION

At the 2024 annual general meeting, it was considered and approved to appoint KPMG and Pan-China Certified Public Accountants LLP as the Bank's international and domestic auditors for the year of 2025, respectively. Their appointments will remain in effect until the conclusion of the Bank's next annual general meeting.

The 2025 annual financial statements prepared by the Bank in accordance with the International Accounting Standards have been audited by KPMG who issued a standard unqualified audited report; and the 2025 annual financial statements prepared by the Bank in accordance with the Chinese Accounting Standards have been audited by Pan-China Certified Public Accountants LLP who issued a standard unqualified audited report.

An analysis of the remuneration paid/payable to the external auditors by the Bank, in respect of audit services and other services for the year ended 31 December 2025 is set out below:

(Unit: RMB)

Service	KPMG	Pan-China Certified Public Accountants LLP
Audit services	3,773,585	2,253,170
Non-audit services	833,167	452,830
Total	**4,606,752**	**2,706,000**

During the Reporting Period, the 2025 interim financial report and 2025 annual financial report of the Group prepared in accordance with the International Financial Reporting Standards Accounting Standards were reviewed and audited by KPMG, and the total audit fee was RMB3.77 million. The 2025 annual financial report of the Group prepared in accordance with the PRC Accounting Standards for Business Enterprises was audited by Pan-China Certified Public Accountants LLP, and the total audit fee was RMB2.25 million. Other audit services included auditing of financial reports of the subsidiaries.

During the Reporting Period, KPMG and its group member provided the Group with non-audit services such as tax consultation at the fee of RMB830,000. The fees for non-audit services provided by Pan-China Certified Public Accountants LLP to the Group totaled RMB450,000, and the services mainly related to issuing bonds. KPMG and Pan-China Certified Public Accountants LLP confirmed that such non-audit services would not impair their audit independence.

XVI.CORPORATE CULTURE

The Bank has established a comprehensive core value system, clearly defining the mission, vision, values, and business philosophy as part of the corporate culture spirit genealogy, ensuring alignment of corporate culture with the Bank's strategic development goals and business development model. The Bank, with happiness and openness as its core, builds and promotes a striving culture of dedication and contribution, a compliance culture of prudence and robustness, and a home culture of warmth and harmony, creating a corporate atmosphere of equality, mutual trust, mutual assistance, mutual love, and common progress, fully stimulating the intrinsic motivation of employees to achieve the shared vision of the enterprise and its employees.

XVII. WHISTLEBLOWING AND ANTI-CORRUPTION

First, the Bank established a supervision and whistleblowing mechanism to provide smooth reporting channels. Employees have the right to report violations of laws and disciplines in a timely manner according to regulations, and can report the problems through various channels such as the disciplinary committee visit day, letter, disciplinary inspection platform, e-mail, complaint hotline, etc. Second, the Bank strengthened financial anti-corruption efforts and strictly implemented discipline accountability. The Bank has formulated the management measures for employees' violations, and those who violate the requirements of integrity will be held accountable as required. Those who violate the criminal law shall be transferred to the judicial authority for handling according to law. Third, the Bank promoted the construction of a clean financial culture and created a clean and positive working atmosphere. The Bank has strengthened the construction of a clean financial culture, conducted the first lesson on professional integrity for new employees, held integrity talks with newly appointed cadres and offered integrity-themed lectures for all employees to reinforce warning education, as well as provided training focused on thoroughly implementing the spirit of the Central Committee's Eight-Point Decision and on the Party constitution, Party regulations, and Party discipline for Party members and cadres, thereby fortifying the ideological defense line against corruption and degeneration among employees.

XVIII. COMPLIANCE WITH CORPORATE GOVERNANCE CODE

During the Reporting period, the Bank adopted and complied with the code provisions set out in Part 2 of the Corporate Governance Code.

Chapter VII Report of the Board of Directors

I. BUSINESS REVIEW

(I) Principal Activities

Licensed item: banking business. (For projects subject to approval according to law, business activities can only be carried out after approval by relevant departments. For specific operation items, approval documents or licenses of relevant departments shall prevail.)

(II) Business Review

The Board of Directors has reviewed the business and operation of the Bank during the Reporting Period pursuant to the requirements of Schedule 5 to the Hong Kong Companies Ordinance. Please refer to the "Management Discussion and Analysis" chapter in this Report for the discussion and analysis of financial performance, major risks and uncertainty factors and future development plans during the Reporting Period; and please refer to the "Other Matters" chapter in this Report for significant events during and after the Reporting Period.

During the Reporting Period, the Bank conducted operation in compliance with laws and its decision-making procedures were in line with laws, regulations and the Articles of Association.

II. PROFITS AND DIVIDENDS

The Group's operation results during the Reporting Period and financial condition as of the end of the Reporting Period are set out in the "Financial Report" chapter in this Report.

(I) 2025 Profit Distribution Plan

The Bank proposed to (i) provide 10% or RMB391 million of the audited net profit of the Bank for the year of 2025 as statutory surplus reserve, (ii) provide 30% or RMB1,172 million of the net profit as general reserve to satisfy the requirements that the balance of general reserve shall not less than 1.5% of risk assets, and (iii) based on total share capital, cash dividends of RMB0.22 per share (tax inclusive). Remaining undistributed profit will be carried forward to next year. The implementation of the above profit distribution plan is subject to consideration and approval at the 2025 annual general meeting.

The final dividend, if approved by the Shareholders at the 2025 annual general meeting, is expected to be paid on or before 30 June 2026 and are denominated in Renminbi and will be paid to Domestic Shareholders in Renminbi and H Shareholders in Hong Kong dollars. The dividend to be paid to H Shareholders in Hong Kong dollars will be converted at the average middle rate of Renminbi against Hong Kong dollars quoted by PBoC on the date of approval of such dividend at the 2025 annual general meeting and the four preceding business days.

Further details in relation to the distribution of the final dividend and the relevant closure of register of members arrangement will be announced in the circular of 2025 annual general meeting of the Bank.

(II) Profit Distribution in the Past Three Years

Item	2025(1)	2024	2023
Bonus shares for every share held (shares)	–	–	–
Shares issued on capitalization of surplus reserve for every share held (shares)	–	–	–
Distribution amount per share (tax inclusive, RMB)	0.22	0.25	0.265
Cash dividend (tax inclusive, in millions of RMB)	1,515	1,722	1,825
Percentage of cash dividend to net profit attributable to the Parent Company	39.32%	37.24%	35.37%

Note:

(1) The profit distribution plan for 2025 is subject to consideration and approval at the 2025 annual general meeting.

No shareholder has waived or agreed to waive any dividend under any arrangement.

(III) Profit Distribution Policy and Implementation Thereof

The profit distribution of the Bank attaches great importance to the reasonable investment returns to investors, maintains the continuity and stability of the profit distribution policy, and takes into account the overall interests of all shareholders and the sustainable development of the Bank. After the Bank has made allocations to the reserve fund and the general reserve, the remaining profits after tax may be distributed to shareholders in proportion to their shareholdings in accordance with the distribution plan approved at the shareholders' meeting.

The Bank's dividend distribution complies with the provisions of the Articles of Association and the requirements of the resolutions of the shareholders' meeting. The dividend distribution standards and proportion are clear, and the decision-making procedures and mechanisms are complete. The independent non-executive directors shall express their opinions. Minority shareholders can fully express their opinions and demands, and their legitimate rights and interests are fully protected.

(IV) Taxation and Tax Relief

1. Domestic Shareholders

In accordance with the applicable provisions of the Enterprise Income Tax Law of the People's Republic of China and the Individual Income Tax Law of the People's Republic of China and its implementation rules, for individual Domestic Shareholders, the Bank will withhold and pay the individual income tax at the rate of 20% according to the national tax law, while for corporate Domestic Shareholders, the Bank will not withhold enterprise income tax. Corporate Domestic Shareholders should fulfill its own taxation reporting and payment obligation in accordance with the requirements of the national tax law.

2. *H Shareholders*

Corporate H Shareholders

Pursuant to the Enterprise Income Tax Law of the People's Republic of China and its implementation rules and the relevant regulations, the Bank has the obligation to withhold and pay enterprise income tax at a tax rate of 10% on behalf of the non-resident enterprise Shareholders whose names appear on the H Share register in the distribution of final dividend for 2025. Any H Shares registered in the name of non-individual Shareholders, including HKSCC Nominees Limited, other nominees, trustees or other organizations and groups, will be treated as Shares held by non-resident enterprise Shareholders, and the dividends to be received will be subject to withholding of enterprise income tax. Upon receipt of the dividends, a non-resident enterprise Shareholder may apply to the competent tax authorities for relevant treatment under the tax treaties/arrangements in person or through a proxy or a withholding agent by providing evidence in support of its status as a beneficial owner that complies with the requirement of the relevant tax treaties/arrangements. Upon verification by the competent tax authorities, the difference between the tax levied and the amount of tax payable as calculated at the tax rate under the tax treaties/arrangements will be refunded.

Individual H Shareholders

According to the Individual Income Tax Law of the People's Republic of China and its implementation rules, the Notice on Issues Relating to Individual Income Tax after the Abolishment of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)) and the Administrative Measures for Tax Convention Treatment for Non-resident Taxpayers (SAT Announcement [2019] No. 35) (《非居民納稅人享受協定待遇管理辦法》(國家稅務總局公告2019年第35號)) (the "Tax Convention Announcement"), the Bank has responsibility to withhold and pay individual income tax on behalf of H Shareholders who is an individual in the distribution of final dividend for 2025. However, Individual H Shareholders are entitled to the relevant favourable tax treatments pursuant to the provisions of the tax treaties between the countries (regions) in which they are domiciled and the PRC or the tax arrangements between the PRC and Hong Kong or Macau. Therefore, the Bank will withhold and pay individual income tax on behalf of the Individual H Shareholders in accordance with the following arrangements:

- For Individual H Shareholders receiving dividends who are Hong Kong or Macau residents or citizens from countries (regions) that have entered into tax treaty with the PRC with a tax rate of 10%, the Bank will withhold and pay individual income tax at the rate of 10% in the distribution of final dividend;

- For Individual H Shareholders receiving dividends who are residents from countries (regions) that have entered into tax treaty with the PRC with a tax rate of less than 10%, the Bank will temporarily withhold and pay individual income tax at the rate of 10% in the distribution of final dividend. If relevant Individual H Shareholders would like to apply for a refund of the excess amount of tax withheld and paid, the Bank will handle, on their behalf, the applications for tax preferential treatments under relevant tax treaties according to the Tax Convention Announcement. Qualified Shareholders shall submit in time a letter of entrustment and all application materials as required under the Tax Convention Announcement to the Bank's H Share registrar, Computershare Hong Kong Investor Services Limited. The Bank will then submit the above documents to competent tax authorities and, after their examination and approval, the Bank will assist in refunding the excess amount of tax withheld and paid;

- For Individual H Shareholders receiving dividends who are residents from countries (regions) that have entered into tax treaty with the PRC with a tax rate of more than 10% but less than 20%, the Bank will withhold and pay individual income tax at the effective tax rate stipulated in the relevant tax treaty in the distribution of final dividend;

- For Individual H Shareholders receiving dividends who are residents from countries (regions) that have entered into tax treaty with the PRC stipulating a tax rate of 20% or without tax treaties with the PRC or other circumstances, the Bank will withhold and pay the individual income tax at the rate of 20% in the distribution of final dividend.

III. ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

Further announcement will be made by the Bank on the details of the 2025 annual general meeting and closure of register of members of the Bank.

IV. SHARES ISSUED

As of the end of the Reporting Period, the Bank issued 6,888,545,510 Shares. Among which, 5,740,454,510 shares are Domestic Shares and 1,148,091,000 shares are H Shares.

V. ISSUANCE, PURCHASE, SALE OR REDEMPTION OF BONDS

During the Reporting Period, in accordance with the Affirmative Decision of Administration License of the People's Bank of China on Granting (Yin Xu Zhun Yu Jue Zi [2025] No. 25), the Bank issued bonds in the national inter-bank bond market, namely the first tranche of financial bonds for 2025, the first tranche of science and technology innovation bonds for 2025, and the second tranche of financial bonds for 2025 of Dongguan Rural Commercial Bank Co., Ltd., respectively.

(Unit: RMB'000)

Bonds	Scale	Term	Coupon rate
The first tranche of financial bonds of Dongguan Rural Commercial Bank Co., Ltd. for 2025	2,500,000	Three years	1.90%
The first tranche of science and technology innovation bonds of Dongguan Rural Commercial Bank Co., Ltd. for 2025	1,500,000	Five years	1.98%
The second tranche of financial bonds of Dongguan Rural Commercial Bank Co., Ltd. for 2025	2,000,000	Three years	1.91%

Save as disclosed above, the Bank did not purchase, sell or redeem any bonds issued by the Group during the Reporting Period.

VI. SUMMARY OF FINANCIAL INFORMATION

A summary of the Group's operating results, assets and liabilities for the last five years as of the end of the Reporting Period is set out in the "Accounting Data and Financial Indicators Highlights" chapter in this Report.

VII. DISTRIBUTABLE RESERVES

Details of the Group's distributable reserves during the Reporting Period are set out in the "Consolidated Statement of Changes in Shareholders' Equity" in the "Financial Report" chapter in this Report.

VIII. DONATIONS

Charity and other donations made by the Bank during the Reporting Period totaled RMB2.805 million.

IX. PROPERTY AND EQUIPMENT

Details of movements in the property and equipment of the Group during the Reporting Period are set out in note 22 "Property and equipment" to the Consolidated Financial Statements in the "Financial Report" chapter of this Report.

X. RETIREMENT BENEFITS

Details of retirement benefits provided to employees by the Group are set out in note 33(a) "Employee benefits payable" to the Consolidated Financial Statements in the "Financial Report" chapter of this Report. As of the end of the Reporting Period, there was no forfeited contributions under the Group's retirement benefit scheme may be used to deduct the contributions due in future years.

XI. MAJOR CUSTOMERS

As of the end of the Reporting Period, the balance of loans to any single borrower granted by the Bank did not exceed 10% of the net capital of the Bank.

XII. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

For details of Directors, Supervisors and senior management of the Bank during the Reporting Period, including the list of the Directors and changes thereof, interests of Directors and Supervisors in the transaction, arrangements or contracts, contractual interests and service contracts of Directors and Supervisors, please refer to the "Directors, Supervisors and Senior Management" section in the "Corporate Governance Report" chapter in this Report.

XIII. MANAGEMENT CONTRACTS

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

XIV. PERMITTED INDEMNITY PROVISION

During the Reporting Period, the Bank has maintained appropriate liability insurance for Directors, Supervisors and senior management of the Bank in respect of legal litigation initiated against them arising from conduction of business activities of the Bank.

XV. EQUITY LINKED AGREEMENT

During the Reporting Period, the Bank did not enter into or renew any equity linked agreement.

XVI.ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

During the Reporting Period, none of the Bank or its subsidiaries was a party to any arrangements to enable the Directors and Supervisors of the Bank to acquire benefits by means of the acquisition of shares in, or debentures of, the Bank or any other body corporate.

XVII. CORPORATE GOVERNANCE

Please refer to the "Corporate Governance Report" chapter of this Report for details.

XVIII. RELATED PARTY TRANSACTIONS

The Group entered into certain transactions with "related parties" as defined under the International Accounting Standards. A summary of the related party transactions entered into by the Group during the Reporting Period is contained in note 42 "Related party transactions" to the Consolidated Financial Statements under the "Financial Report" section of this Report.

(I) Related Party Transactions within the Regulatory Scope

As of the end of the Reporting Period, the Bank's largest single related party credit balance was RMB0.992 billion, accounting for 1.52% of the Bank's net capital, which complied with regulatory requirements of no more than 10%; the aggregate credit balance granted to the largest single related corporate or unincorporated organization by the Bank was RMB2.639 billion, accounting for 4.05% of the Bank's net capital, which complied with the regulatory requirements of no more than 15%; the credit balance granted to all related parties by the Bank was RMB7.588 billion, accounting for 11.65% of the Bank's net capital, which complied with the regulatory requirements of no more than 50%. The Bank's related party transactions were conducted based on the fair and equitable business principles and on terms no more favorable than those of similar customers. The indicators of all related party transactions were in compliance with regulatory provisions, and the risks were controllable, safeguarding the interests of all shareholders.

(II) Connected Transactions under the Listing Rules

Pursuant to Chapter 14A of the Listing Rules, transactions between the Bank and connected person (as defined in the Listing Rules) will constitute connected transactions of the Bank. However, such connected transactions are exempt from all requirements of reporting, annual review, announcement and independent Shareholders' approval. Except for the above disclosure, the Bank has reviewed all connected transactions during the Reporting Period and confirmed that the connected transactions of the Bank were all conducted in the ordinary and usual course of the Bank's business under normal commercial terms, and in compliance with the full exemptions of Chapter 14A of the Listing Rules.

Chapter 14A of the Listing Rules defines connected person differently from IAS 24 *Related Party Disclosures* and the IASB. The certain related party transactions set out in note 42 to the consolidated financial statements in the section headed "Financial Report" in this Report constitute connected transactions or continuing connected transactions under the Listing Rules, but none of which constitute discloseable connected transaction under Chapter 14A of the Listing Rules.

XIX.ENVIRONMENTAL POLICIES AND PERFORMANCE

During the Reporting Period, the Bank fully integrated the concept of environmental, social and corporate governance ("ESG") into the daily operation and management. The Bank went back to original aspiration to support rural revitalization, integrated industry and finance to promote regional development, developed green finance to support carbon peaking and neutrality goals, and strengthened services to protect customer rights. The Bank gave back to society with practical actions, actively fulfilled its social responsibility, promoted sustainable development of the economy, environment and society. For more details on environmental policies and performance, please refer to the section headed "Corporate Governance Report" of this Report and the Bank's "2025 Sustainability Report (Environmental, Social and Governance Report)".

XX. STAKEHOLDERS COMMUNICATION

During the Reporting Period, the Bank strictly followed the requirements of the "Environmental, Social and Governance Reporting Guide" of the Hong Kong Stock Exchange, continued to deepen communication and cooperation with stakeholders, incorporated stakeholders communication into the sustainable development governance system, collected and analyzed the demands of all parties through online and offline diversified channels, identified the needs and expectations of stakeholders, responded to stakeholder concerns, and accepted stakeholder supervision. For more details on the Bank's relationship with employees, customers, suppliers and other stakeholders, please refer to the section headed "Corporate Governance Report" of this Report and the Bank's "2025 Sustainability Report (the Environmental, Social and Governance Report)".

XXI.CONSUMER RIGHT PROTECTION

During the Reporting Period, the Bank attached great importance to the protection of consumer rights and interests, practiced the political and people-oriented nature of financial work, and incorporated the requirements of financial consumer rights protection into the entire process of corporate governance and operation and management. The first is to improve the consumer protection system and working mechanism and consolidate the management foundation. The Bank established an inter-departmental coordination mechanism for consumer protection work and improve the organizational structure of consumer protection governance; continued to improve the consumer protection system and integrate consumer protection requirements into all aspects of business. The second is to deepen complaint management and smooth complaint channels. The Bank solidly carried out and implement a series of activities and measures of the "Complaint Management Year". A total of 1,407 consumer complaints have been accepted and handled, with a complaint resolution rate of 100%. From the perspective of regional distribution of consumer complaints, complaints from Dongguan, Huizhou, Qingyuan and Zhuhai represented 98.58%, 0.5%, 0.78%, and 0.14% of all complaints, respectively. From the perspective of the business type of complaints, bank card business, loan business, and RMB savings business represented 54.23%, 37.03%, 1.99% of all complaints, respectively. The third is to carry out diversified financial education to improve public financial literacy. The Bank actively fulfilled social responsibilities, focused on focus on key customer groups such as "the elderly, the young, and the new", and used online and offline channels to organize and carry out various forms of financial knowledge popularization and education activities.

Chapter VIII Report of the Board of Supervisors

In 2025, under the correct leadership of the Party Committee of the Head Office, the Board of Supervisors of the Bank adhered to the guidance of Party building, closely focused on the Bank's strategic development goals and the central work of the year, firmly pursued the objective of "strengthening supervision to serve business development", faithfully fulfilled its supervisory duties, effectively exerted its supervisory role in corporate governance, and contributed to the stable development of the Bank. The report on the work of the Board of Supervisors for 2025 is as follows:

I. MAIN WORK OF THE BOARD OF SUPERVISORS

(I) Standardized and Orderly Operations to Enhance the Efficiency of Corporation Governance

Firstly, organizing the meetings of the Board of Supervisors in an orderly manner. In 2025, the Board of Supervisors organized a total of 10 meetings, reviewed 63 proposals, examined 140 proposals; organized 16 committee meetings, and reviewed 78 proposals. All supervisors carefully reviewed and examined the proposals, while maintaining close communication and exchange with the Board of Directors and the senior management. They regularly studied various business management reports and audit reports, covering internal control compliance, risk management, financial analysis and other aspects. Through thorough research and discussion, the members of the Board of Supervisors actively put forward objective and independent opinions and suggestions on such aspects as credit asset quality control, management of consolidated entities, and related party transactions, ensuring that all decisions were lawful, scientific, and reasonable. They also faithfully fulfilled their supervisory duties and safeguarded the Bank's standardized operations. Secondly, actively attending important meetings. The Board of Supervisors organized supervisors to attend the general meeting and ensured full attendance at the meetings of the Board of Directors and its special committees, the President's office meetings, and important operation management meetings of the Bank. Supervisors actively provided objective and independent opinions and suggestions, implemented a responsive communication mechanism, and promptly submitted their observations and suggestions from the meetings to the relevant committees for implementation. They adhered to the principle of providing timely alerts on major risk issues and engaging early on critical issues relating to development and operations, earnestly fulfilling their supervisory duties. Thirdly, enhancing the professional competence of supervisors. Supervisors further improved their professional competence by organizing thematic training on the "Three Measures," participating in the Bank's internal training on compliance, anti-money laundering, and counter-terrorist financing, and regularly studying new regulatory rules, enforcement actions, and hot topics in the banking sector.

(II) Optimizing Supervision and Evaluation to Ensure Duty Performance in Compliance with Laws and Regulations

Firstly, conducting performance evaluations in a scientific manner. The Board of Supervisors, in accordance with regulatory requirements and the Bank's relevant rules and measures for performance evaluation, further optimized the performance evaluation system, organized the improvement and refinement of the content of the performance evaluation forms and reports, and carried out comprehensive and multi-level performance evaluation through diversified approaches, such as self-assessments and peer assessments, performance review forums, and external evaluations conducted by external institutions, based on which detailed evaluation results were formulated and timely reported to the general meeting and regulatory authorities, thereby continuously elevating the standard of duty performance. Secondly, effectively conducting special audits. The Board of Supervisors focused on conducting annual special audits of the committees under the Board of Directors and senior management, and thoroughly examined the performance of each specialized committee in decision making and execution through various methods such as on-site inspections and document reviews. In particular, it comprehensively reviewed the actual operations, implementation, and decision-making processes of the optimized and restructured committees, and put forward suggestions for improvement, promoting standardized functioning of the committees.

(III) Fortifying Security Defenses to Support Stable Business Development

1. Conducting targeted strategic supervision. The Board of Supervisors continuously strengthened the supervision of strategy implementation processes, and carefully reviewed the annual implementation reports on the development strategic plan. By prioritizing the implementation of the national economic and financial decision making and deployment as the key of strategic supervision, supervisors consistently monitored the Bank's work arrangements related to the "Five Major Financial Tasks", focusing on the requirements of the special initiative for consumption boost. Meanwhile, they conducted special investigations on "consumer finance" to explore and analyze the common problems, pain points, and difficulties encountered by the Bank in the process of advancing consumer finance, and timely prepared the Special Investigation Report on Consumer Finance to promote the enhancement of the quality and efficiency of consumer financial services.

2. Continuously conducting financial supervision. The Board of Supervisors supervised the performance of the Board of Directors and senior management in such areas as capital management and financial management, tracked the implementation of major financial decisions, reviewed the periodic reports and profit distribution plans, and raised independent opinions. It also supervised the management and re-engagement of external audit institutions, strengthened communication with external auditors regarding the preparation and disclosure of periodic reports, and exercised supervision over the independence and effectiveness of the external audit work.

3. Deeply engaging in risk supervision. Closely following the guidance of regulatory policies and focusing on key issues, the Board of Supervisors conducted special supervision and research on credit process optimization, information technology risk management, compliance case prevention management, and outlets planning, and proposed the Suggestions on Special Supervision of Credit Management and the Suggestions on Special Supervision of Information Technology Management and other supervisory opinions to further promote stable operations in compliance with laws and regulations. In addition, the Board of Supervisors organized risk management discussion meetings with certain subsidiaries and the Bank's anti-money laundering management department, and conducted operation management supervision and research at some branches and sub-branches to urge them to address deficiencies, strengthen management, enhance business operations and standardize internal management.

4. Emphasizing the role of joint prevention and collaborative governance. The Board of Supervisors, in collaboration with the Audit Department, conducted special audits on multiple key areas, including financial management and proprietary fund businesses, effectively fulfilled its supervisory and inspection duties and contributed to the advancement of corporate governance. In addition, it regularly organized and convened joint meetings on operation management and supervision based on the findings of daily supervision and inspection, provided suggestions in areas such as proactive and forward-looking supervision, focus on regulatory priorities, and facilitation of remedial actions, thus contributing to the enhancement of supervisory effectiveness.

5. Effectively promoting problem rectification. The Board of Supervisors regularly supervised the implementation of its resolutions, supervisors' opinions and suggestions, and observations made at meetings, urged the parties responsible for rectification to address issues thoroughly through measures such as taking immediate corrective actions, establishing long-term mechanisms, and drawing lessons from past experience to prevent recurrence, thus ensuring that rectifying one issue would help avoid similar problems and improve governance across relevant areas, converting rectification outcomes into enhanced governance capabilities and continuously elevating the Bank's risk and compliance management standards.

(IV) Improving Processes and Mechanisms to Establish a Standardized Governance Structure

The Board of Supervisors promptly reviewed and continuously improved the work processes and mechanisms, laying a solid foundation for efficient and compliant supervision. Firstly, improving the corporate governance mechanism. In line with the new Company Law, the Guidelines for the Articles of Association of Listed Companies, and the latest regulatory requirements, the Board of Supervisors assisted in revising and improving the Articles of Association of the Bank, further ensuring the standardized operation and efficient exercise of powers within the corporate governance structure at the institutional level. Secondly, guiding the improvement of the governance structure of subsidiaries. In accordance with the requirements of the Work Plan for Optimizing the Governance Structure of Affiliated (Managed) Institutions, the Board of Supervisors organized and convened communication meetings on governance structure optimization and supervision work for affiliated (managed) institutions, and provided timely guidance to affiliated (managed) institutions on advancing the cancellation of their boards of supervisors, strengthened efforts to empower their performance of duties, and ensured the effective alignment and implementation of responsibilities between the Board of Supervisors and the Audit Committee.

II. WORK OF EXTERNAL SUPERVISORS

In 2025, Ms. Wei Haiying, Mr. Zhang Bangyong, Ms. Mai Xiuhua and Mr. Liu Sheng, the external supervisors of the Bank, strictly performed their supervisory duties in accordance with the provisions of the Bank's Articles of Association. They actively attended all meetings of the Board of Supervisors and meetings of the special committees, participated in the general meeting and attended the meetings of the Board of Directors and its committees in accordance with the regulations, and conscientiously devoted themselves to the research and decision-making on important matters of the Bank. They led the special research on the "Consumer Finance" and actively provided suggestions for the Bank's continued work on business operation. They also actively participated in special research of branches and sub-branches, as well as special audits of committees under the Board of Directors and senior management, continuously enhancing support and empowerment for operation management work. Furthermore, they actively participated in training related to the "Three Measures", compliance and anti-money laundering, and counter-terrorist financing, and complied with the statutory requirements when working at the Bank.

III. INDEPENDENT OPINIONS OF THE BOARD OF SUPERVISORS ON RELEVANT MATTERS

(I) Operation According to Law

During the Reporting Period, the Bank's business decision-making procedures were legal and effective. Directors and senior management members were prudent, conscientious, diligent and dutiful in the course of business operations and management, with no violations of laws, regulations, the Articles of Association, or actions detrimental to the interests of the Company and shareholders detected.

(II) Truthfulness of Financial Report

The annual financial report has been audited by the accounting firm in accordance with the International Standards on Auditing and the Chinese Standards on Auditing for Certified Public Accountants, and the financial report truthfully, objectively and accurately reflects the financial position and operating results of the Bank.

(III) Distribution of Profits

The Bank formulated its profit distribution policy by taking into account factors such as needs for sustainable development and regulatory requirements for capital adequacy. The formulation procedure was in compliance with the provisions of the Articles of Association, and there was no circumstance detrimental to the interests of shareholders. The formulation was consistent with the Bank's current operation status.

(IV) Internal Control

During the Reporting Period, the Bank continuously strengthened and improved internal control, and no material deficiencies were found in the completeness, rationality, or effectiveness of the Bank's internal control mechanisms and systems.

(V) Use of Proceeds

During the Reporting Period, the use of proceeds raised by the Bank was consistent with the purposes promised in the prospectus.

(VI) Acquisition and Disposal of Assets

During the Reporting Period, no insider transaction, infringement of shareholders' rights and interests or loss of the Bank's assets was found in the acquisition or disposal of assets by the Bank.

(VII) Related Party Transactions

During the Reporting Period, the related party transactions of the Bank were fair and reasonable, and the review, voting, disclosure, performance and other procedures of related party transactions were in compliance with national laws, regulations and the Articles of Association. No situation was found that harmed the interests of shareholders and the Bank.

(VIII) Implementation of Resolutions of the General Meeting

The Board of Supervisors had no objection to the reports and proposals submitted by the Board of Directors to the general meeting for consideration during the Reporting Period. The Board of Supervisors supervised the implementation of the resolutions of the general meeting and considered that the Board of Directors of the Bank could diligently implement the relevant resolutions of the general meeting.

(IX) Information Disclosure

During the Reporting Period, the Bank fulfilled its information disclosure obligations in accordance with regulatory requirements and disclosed corporate information in accordance with the law. No false information, misleading statements or major omissions were found.

(X) Social Responsibilities

During the Reporting Period, the Bank always kept in mind the mission of "finance for the people", took serving national strategies as its guiding principle, and earnestly fulfilled its social responsibilities as a local corporate financial institution. Grounded in empowering the real economy and safeguarding the ecological environment, the Bank has implemented "The Development Strategy Plan of Dongguan Rural Commercial Bank (Group) (2024–2028)", and made significant strides in advancing the "Five Major Financial Tasks" by leveraging digital finance as a key enabler to promote the development of technology finance, inclusive finance, and pension finance, while continuously increasing the share of green finance.

(XI) Supervision and Evaluation of the Performance of the Board of Directors and Senior Management

In terms of comprehensive risk management, during the Reporting Period, the Board of Directors and senior management of the Bank respectively assumed the ultimate responsibility and implementation responsibility for comprehensive risk management. The Chief Risk Officer took charge of comprehensive risk management, with clearly defined risk management responsibilities at all levels, and made ongoing efforts to advance the independent approver system, optimize risk management processes, improve risk control tools, deepen the application of digital risk management, accelerate non-performing asset disposal, and cultivate a risk management culture, thereby enhancing the Bank's overall risk response capacities and management level.

In terms of liquidity risk management, during the Reporting Period, the Bank established a governance structure with clearly defined roles and responsibilities among the Board of Directors, senior management and functional departments. The management system operated in an orderly manner, and relevant management systems were continuously improved. The Bank stressed the organic coordination of liquidity risk management with asset-liability planning and market trends, and continuously optimized asset-liability allocation while safeguarding liquidity safety, so as to achieve a balance between risk and return.

In terms of operational risk management, during the Reporting Period, the Board of Directors and senior management of the Bank continuously improved the management of operational risks. By adopting measures such as strengthening system development, promoting the Bank-wide application of the three core tools for operational risk management, strengthening supervision and inspection, monitoring risk indicators, and advancing the digitalization of internal control supervision, it further mitigated operational risks and ensured that business operations were in compliance with laws and regulations.

In terms of stress testing management, during the Reporting Period, the Board of Directors and senior management of the Bank diligently fulfilled their management responsibilities, continuously improved the stress testing work mechanism, standardized management processes, and steadily enriched stress testing scenarios. They regularly organized and conducted stress tests, strengthened the application of test results, and enhanced the forward-looking nature of risk management.

In terms of reputation risk management, during the Reporting Period, the Board of Directors and senior management of the Bank continuously improved the reputation risk management mechanism by regularly identifying risk points and implementing proactive response measures. They strengthened the emergency response mechanism to enhance rapid handling capabilities, while actively engaging in positive publicity to disseminate the Bank's core values and social contributions. They also strengthened the building of a reputation risk culture and promoted participation from all employees.

In terms of capital management and capital measurement, during the Reporting Period, the Board of Directors and senior management of the Bank continuously deepened capital management by optimizing business structure through planning, allocation and assessment to enhance capital returns. They also conducted capital adequacy stress tests, monitoring and reporting, and carried out rigorous internal capital adequacy assessments to maintain a stable capital adequacy level.

In terms of market risk management, during the Reporting Period, the Board of Directors and senior management of the Bank earnestly fulfilled their market risk management responsibilities by strictly complying with regulatory requirements to enhance the market risk management system, dynamically optimizing risk management strategies, and continuously strengthening market risk assessments for the Bank's overall operations, which ensured that the Bank's market risk management direction aligns with its overall business strategy, and that risk monitoring is timely and effective.

Chapter IX
Other Matters

I. PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association and the Shareholders have not been granted any pre-emptive rights.

II. CONVERTIBLE SECURITIES, OPTIONS, WARRANTS AND OTHER SIMILAR RIGHTS

The Bank had no convertible security, option, warrant or other similar right during the Reporting Period.

III. SHARE OPTION SCHEME AND EQUITY INCENTIVE PLAN

During the Reporting Period, the Bank did not have any share option scheme and equity incentive plan.

IV. MAJOR ASSET ACQUISITIONS, DISPOSALS AND CORPORATE MERGERS

During the Reporting Period, the Bank did not have any other major asset acquisitions, disposals, and corporate mergers.

V. MAJOR CAPITAL OPERATION

During the Reporting Period, the Bank had no major capital operation.

VI. FUTURE PLANS FOR MATERIAL INVESTMENTS AND PURCHASE OF CAPITAL ASSET

During the Reporting Period, the Bank had no material investments or plans for purchase of capital assets.

VII. CONTRACTS OF SIGNIFICANCE AND THEIR PERFORMANCE

During the Reporting Period, the Bank had no other significant contractual matters requiring disclosure, other than those disclosed in this report.

VIII. SIGNIFICANT LITIGATION AND ARBITRATION

The Bank was involved in certain legal proceedings in the ordinary course of business, most of which were initiated to recover non-performing assets. During the Reporting Period, the total principal amount of newly-added loans involved in cases (including litigations and arbitrations) in which the Bank acted as a plaintiff or respondent, where the individual loan principal was RMB10 million or greater, amounted to RMB9,435.58 million, and the Bank had no new outstanding cases (including litigations and arbitrations) as the defendant or respondent with a subject amount greater than or equal to RMB10 million. The Bank will continue to follow up the handling of the above cases, and the above litigations and arbitrations will not have a material and adverse impact on the Bank's financial or operating results.

IX. CREDIT STANDING

During the Reporting Period, there had not been any significant court judgment with which the Bank has not complied, nor were there any significant debts that had fallen due but remained unpaid.

X. PUNISHMENT OF THE BANK AND THE DIRECTORS AND SUPERVISORS, SENIOR MANAGEMENT OF THE BANK

During the Reporting Period, none of the Bank, or its Directors, Supervisors and senior management members had been subject to inspection, administrative sanctions, and criticism by the CSRC, or had been subject to any penalty by other regulatory bodies that caused a significant impact on the Bank's operation.

XI. SIGNIFICANT EVENTS OF SUBSIDIARIES

During the Reporting Period, there were no other material matters in respect of the subsidiaries.

XII. SUBSEQUENT EVENTS

Subsequent to the Reporting Period, no events or cases have had a significant impact on the Bank.

Chapter X Financial Report

Independent auditor's report

Independent auditor's report to the shareholders of Dongguan Rural Commercial Bank Co., Ltd.
(A joint stock company incorporated in the People's Republic of China with limited liability)

Opinion

We have audited the consolidated financial statements of Dongguan Rural Commercial Bank Co., Ltd. (the "Bank") and its subsidiaries ("the Group") set out on pages 171 to 306, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code"), as applicable to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Loss allowances of loans and advances to customers and financial investments measured at amortized cost

Refer to Note 18 and Note 19 to the consolidated financial statements and the accounting policies in Note 2(11).

The Key Audit Matter	How the matter was addressed in our audit
The determination of loss allowances for loans and advances to customers and financial investments measured at amortized cost using the expected credit loss model is subject to the application of a number of key parameters and assumptions. Extensive management judgement is involved in the selection of those parameters and the application of the assumptions. In particular, the determination of the expected credit loss model is heavily dependent on the external macro environment and the Group's internal credit risk management strategy. The loss allowances for corporate loans and advances and financial investments measured at amortized cost are derived from estimates including the historical losses rate, external credit grading and other adjustment factors. The loss allowances for personal loans and advances are derived from estimates whereby management takes into consideration historical overdue data, the historical loss experience for personal loans and advances and other adjustment factors. Management also exercises judgement in determining the quantum of loss given default based on a range of factors. The enforceability, timing and means of realization of collateral can also have an impact on the recoverable amount of collateral and, therefore, the amount of loss allowances as at the end of the reporting period. We identified the loss allowances of loans and advances to customers and financial investments measured at amortized cost as a key audit matter because of the inherent uncertainty and management judgement involved and because of its significance to the financial results and capital of the Group.	Our audit procedures to assess loss allowances of loans and advances to customers and financial investments measured at amortized cost included the following: • understanding key internal controls of financial reporting over the credit grading process and the measurement of loss allowances of loans and advances to customers and financial investments measured at amortized cost; • understanding the expected credit loss model used by management in determining loss allowances and involving our financial risk management specialists to assess the appropriateness of the expected credit loss model and the appropriateness of the key parameters and assumptions used in the expected credit loss model; • examining key data inputs to the expected credit loss models on a sample basis to assess their accuracy and completeness; and • challenging management's revisions to estimates and input parameters by comparing with prior period and considered the consistency of judgement. We compared the macro-economic factors used in the models with market information to assess whether they were aligned with market and economic development;

Loss allowances of loans and advances to customers and financial investments measured at amortized cost

Refer to Note 18 and Note 19 to the consolidated financial statements and the accounting policies in Note 2(11).

The Key Audit Matter	How the matter was addressed in our audit
	• evaluating the appropriateness of management's assessment on whether the credit risk of loans and advances to customers and financial investments measured at amortized cost has, or has not, increased significantly since initial recognition and whether the loan and advances to customers and financial investments measured at amortized cost are credit-impaired. We checked related assets overdue information, checked the credit risk status of the borrower and researched external information about borrowers on a sample basis; • for selected samples of loans and advances to customers and financial investments measured at amortized cost that are credit-impaired, recalculating the amount of credit loss allowance, so as to compare the measurement results with the results of the Group; and • evaluating whether the disclosures on loss allowances of loans and advances to customers and financial investments measured at amortised cost comply with the disclosure requirements of the prevailing accounting standards.

Consolidation of structured entities

Refer to Note 40 to the consolidated financial statements and the accounting policies in Note 3(2).

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 or retain an ownership equity interest in a structured entity, through issuing non-principal-guaranteed wealth management products, or through investing in an asset management plan, a trust plan, or an asset-backed security and so on. In determining whether a structured entity is required to be consolidated by the Group, management is required to consider the power it possesses, its exposure to variable returns, and its ability to use its power to affect returns. In certain circumstances, the Group may be required to consolidate a structured entity even though it has no equity interest therein. We identified the consolidation of structured entities as a key audit matter because it involves significant management judgement to determine whether a structured entity is required to be consolidated by the Group or not and because the impact of consolidating a structured entity on the consolidated statement of financial position could be significant.	Our audit procedures to assess the consolidation of structured entities included the following: • understanding the key internal controls of financial reporting over consolidation of structured entities; • selecting certain structure entities and performing the following procedures: — inspecting the terms of the relevant contracts to assess whether the Group should consolidate a structured entity on a sample basis; — assessing the Group's analysis and conclusions as to whether it controls the structured entities based on the Group's analysis on its power over structured entities and the variable returns from the Group's involvement in such structured entities; and • evaluating whether the disclosures in the consolidated financial statements in relation to structured entities comply with the requirements of the prevailing accounting standards.

Information other than the consolidated financial statements and auditor's report thereon.

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

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

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

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

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

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the 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.

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 Li Ka Lam.

KPMG
Certified Public Accountants

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

27 March 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended December 31, 2025

(All amounts in RMB thousand, unless otherwise stated)

		Year ended 31 December	
	Notes	**2025**	2024
Interest income	4	**19,958,312**	21,922,067
Interest expense	4	**(11,131,089)**	(12,747,780)
Net interest income		**8,827,223**	9,174,287
Fee and commission income	5	**687,165**	815,809
Fee and commission expense	5	**(288,215)**	(358,772)
Net fee and commission income		**398,950**	457,037
Net trading gains	6	**579,299**	1,847,599
Net gains on financial instruments	7	**1,827,988**	708,453
Other operating income	8	**63,118**	124,552
Operating income		**11,696,578**	12,311,928
Operating expenses	9	**(4,624,046)**	(4,752,665)
Impairment losses on assets	12	**(3,385,739)**	(3,479,797)
Operating profit		**3,686,793**	4,079,466
Share of profits of associates	21	**45,001**	24,444
Profit before tax		**3,731,794**	4,103,910
Income tax	13	**145,029**	756,649
Net profit for the year		**3,876,823**	4,860,559
Net profit attributable to:			
Shareholders of the Bank		**3,853,908**	4,624,651
Non-controlling interests		**22,915**	235,908

Consolidated Statement of Profit or Loss and Other Comprehensive Income *(Continued)*

For the year ended December 31, 2025

(All amounts in RMB thousand, unless otherwise stated)

	Note	Year ended 31 December 2025	2024
Other comprehensive income Items which may be reclassified to profit or loss:			
Changes in fair value of financial assets at fair value through other comprehensive income		**(1,934,113)**	3,292,809
Credit impairment provision for financial assets at fair value through other comprehensive income		**16,167**	(493,388)
Impact on income tax on changes in fair value and credit impairment provision of financial assets at fair value through other comprehensive income		**479,487**	(699,855)
Items will not be reclassified to profit or loss:			
Changes in fair value of equity instruments designated at fair value through other comprehensive income		**(91,568)**	185,367
Impact on income tax on changes in fair value of equity instruments designated at fair value through other comprehensive income		**22,892**	(46,342)
Other comprehensive income for the year, net of tax		**(1,507,135)**	2,238,591
Total comprehensive income for the year		**2,369,688**	7,099,150
Total comprehensive income attributable to:			
Shareholders of the Bank		**2,454,649**	6,747,265
Non-controlling interests		**(84,961)**	351,885
Total comprehensive income for the year		**2,369,688**	7,099,150
Basic and diluted earnings per share for profit attributable to the shareholders of the Bank (expressed in RMB per share)	14	**0.56**	0.67

The notes on pages 178 to 306 form part of these financial statements.

Consolidated Statement of Financial Position

As at December 31, 2025

(All amounts in RMB thousand, unless otherwise stated)

		As at 31 December	
	Notes	**2025**	2024
ASSETS			
Cash and balances with the central bank	15	**37,340,992**	36,333,987
Financial assets held under resale agreements and deposits and placements with banks and other financial institutions	16	**17,212,818**	16,818,580
Derivative financial assets	17	**378,443**	601,062
Loans and advances to customers	18	**395,067,042**	367,364,491
Financial investments	19	**332,050,603**	313,641,516
— Financial investments at fair value through profit or loss		**51,543,670**	43,268,319
— Financial investments at amortised cost		**144,943,419**	140,564,544
— Financial investments at fair value through other comprehensive income		**135,563,514**	129,808,653
Investment in associates	21	**691,202**	644,456
Property and equipment	22	**2,274,308**	2,288,747
Right-of-use assets	23	**1,146,740**	1,176,183
Goodwill	24	**520,521**	520,521
Deferred tax assets	25	**5,755,405**	4,732,688
Other assets	26	**3,577,628**	1,782,257
Total assets		**796,015,702**	745,904,488
LIABILITIES			
Borrowings from the central bank	27	**43,658,994**	31,982,838
Financial assets sold under repurchase agreements and deposits and placements from banks and other financial institutions	28	**12,697,542**	31,123,784
Financial liabilities at fair value through profit or loss	29	**2,122,696**	1,676,073
Derivative financial liabilities	17	**302,294**	530,460
Deposits from customers	30	**555,048,197**	530,171,576
Debt securities issued	31	**114,899,573**	83,544,009
Taxes payable	32	**387,011**	290,369
Lease liabilities	23	**476,532**	498,048
Other liabilities	33	**3,398,922**	3,621,431
Total liabilities		**732,991,761**	683,438,588

Consolidated Statement of Financial Position *(Continued)*

As at December 31, 2025

(All amounts in RMB thousand, unless otherwise stated)

		As at 31 December	
	Notes	**2025**	2024
EQUITY			
Share capital	34	**6,888,546**	6,888,546
Capital reserve	35	**6,333,920**	6,323,045
Revaluation reserve	36	**1,640,185**	3,039,444
Surplus reserve	37	**9,663,899**	9,273,110
General reserve	37	**9,042,500**	7,867,224
Retained earnings		**26,725,791**	26,160,083
Total equity attributable to shareholders of the Bank		**60,294,841**	59,551,452
Non-controlling interests		**2,729,100**	2,914,448
Total equity		**63,023,941**	62,465,900
Total liabilities and equity		**796,015,702**	745,904,488

Approved and authorized for issue by the Board of Directors on 27 March 2026.

Lu Guofeng	**Fu Qiang**	**Ye Jianguang**	**Zhong Xuemei**
Chairman	*President*	*Person-in-charge of Accounting*	*Head of the Accounting Department*

The notes on pages 178 to 306 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended December 31, 2025

(All amounts in RMB thousand, unless otherwise stated)

	Notes	Equity attributable to shareholders of the Bank							
		Share capital (Note 34)	Capital reserve (Note 35)	Revaluation reserve (Note 36)	Surplus reserve (Note 37)	General reserve (Note 37)	Retained earnings	Non-controlling interests	Total
As at 1 January 2025		**6,888,546**	**6,323,045**	**3,039,444**	**9,273,110**	**7,867,224**	**26,160,083**	**2,914,448**	**62,465,900**
Net profit for the year		**–**	**–**	**–**	**–**	**–**	**3,853,908**	**22,915**	**3,876,823**
Other comprehensive income		**–**	**–**	**(1,399,259)**	**–**	**–**	**–**	**(107,876)**	**(1,507,135)**
Total comprehensive income		**–**	**–**	**(1,399,259)**	**–**	**–**	**3,853,908**	**(84,961)**	**2,369,688**
Appropriation to surplus reserve		**–**	**–**	**–**	**390,789**	**–**	**(390,789)**	**–**	**–**
Appropriation to general reserve		**–**	**–**	**–**	**–**	**1,175,276**	**(1,175,276)**	**–**	**–**
Acquisition of subsidiary with non-controlling interests	35	**–**	**(5,187)**	**–**	**–**	**–**	**–**	**(47,640)**	**(52,827)**
Dividend distribution	38	**–**	**–**	**–**	**–**	**–**	**(1,722,135)**	**(52,747)**	**(1,774,882)**
Share of other reserves of investments accounted for using the equity method	35	**–**	**16,062**	**–**	**–**	**–**	**–**	**–**	**16,062**
As at 31 December 2025		**6,888,546**	**6,333,920**	**1,640,185**	**9,663,899**	**9,042,500**	**26,725,791**	**2,729,100**	**63,023,941**
As at 1 January 2024		6,888,546	6,342,779	850,285	8,829,850	7,422,108	24,315,819	2,839,150	57,488,537
Net profit for the year		–	–	–	–	–	4,624,651	235,908	4,860,559
Other comprehensive income		–	–	2,122,614	–	–	–	115,977	2,238,591
Total comprehensive income		–	–	2,122,614	–	–	4,624,651	351,885	7,099,150
Appropriation to surplus reserve		–	–	–	443,260	–	(443,260)	–	–
Appropriation to general reserve		–	–	–	–	445,116	(445,116)	–	–
Merger by absorption of subsidiaries	35	–	(19,734)	–	–	–	–	(222,166)	(241,900)
Dividend distribution	38	–	–	–	–	–	(1,825,466)	(54,421)	(1,879,887)
Other comprehensive income transferred to retained earnings		–	–	66,545	–	–	(66,545)	–	–
As at 31 December 2024		6,888,546	6,323,045	3,039,444	9,273,110	7,867,224	26,160,083	2,914,448	62,465,900

The notes on pages 178 to 306 form part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended December 31, 2025

(All amounts in RMB thousand, unless otherwise stated)

	Notes	Year ended 31 December 2025	2024
Cash flows from operating activities:			
Profit before tax		**3,731,794**	4,103,910
Adjust for:			
Impairment losses on assets	12	**3,385,739**	3,479,797
Interest income from financial investments	4	**(6,278,080)**	(6,453,512)
Interest expense on debt securities issued	4	**2,004,488**	1,804,171
Interest expense on lease liabilities	4	**15,082**	18,662
Net trading gains	6	**(669,455)**	(1,826,752)
Net gains on financial instruments	7	**(1,827,988)**	(708,453)
Net gains on disposal of property, equipment and other long-term assets	8	**(7,931)**	(6,249)
Depreciation and amortisation	9	**446,956**	429,392
Share of profits of associates	21	**(45,001)**	(24,444)
Unrealized foreign exchange gains		**139,270**	39,626
Others		**(10,419)**	(18,274)
		884,455	837,874
Net increase in operating assets:			
Net increase in balances with the central bank		**(898,590)**	(512,808)
Net increase in financial assets held under resale agreements and deposits and placements with banks and other financial institutions		**(2,403,432)**	(4,450,672)
Net increase in loans and advances to customers		**(29,976,857)**	(27,425,592)
Net increase in other operating assets		**(2,352,979)**	(705,796)
		(35,631,858)	(33,094,868)
Net increase in operating liabilities:			
Net increase/(decrease) in borrowings from the central bank		**11,785,401**	(6,438,979)
Net decrease in financial assets sold under repurchase agreements and deposits and placements from banks and other financial institutions		**(18,844,022)**	(9,634,107)
Net increase in deposits from customers		**24,011,942**	33,127,983
Net increase in other operating liabilities		**351,623**	1,371,993
		17,304,944	18,426,890
Cash used in operating activities		**(17,442,459)**	(13,830,104)
Income tax paid		**76,225**	(11,868)
Net cash used in operating activities		**(17,366,234)**	(13,841,972)

Consolidated Statement of Cash Flows *(Continued)*

For the year ended December 31, 2025

(All amounts in RMB thousand, unless otherwise stated)

	Notes	Year ended 31 December	
		2025	2024
Cash flows from investing activities:			
Cash received from investment income and disposal of financial investments		**284,135,767**	283,851,434
Net cash received from disposal of property, equipment and other long-term assets		**6,838**	19,814
Cash dividends received		**54,880**	54,608
Cash paid to acquire financial investments		**(295,704,281)**	(283,651,215)
Cash paid to acquire property, equipment and other long-term assets		**(376,164)**	(252,424)
Net cash (used in)/generated from investing activities		**(11,882,960)**	22,217
Cash flows from financing activities:			
Cash received from debt securities issued		**168,703,821**	161,529,767
Cash payments for debt securities issued		**(139,352,600)**	(151,621,900)
Cash payments for distribution of dividends		**(1,772,509)**	(1,876,177)
Cash payments for leases		**(133,096)**	(345,861)
Cash paid for acquisition of non-controlling interests		**(52,827)**	(241,900)
Net cash generated from financing activities		**27,392,789**	7,443,929
Effect of foreign exchange rate changes on cash and cash equivalents		**(26,061)**	17,361
Net decrease in cash and cash equivalents		**(1,882,466)**	(6,358,465)
Cash and cash equivalents at the beginning of the year		**16,950,135**	23,308,600
Cash and cash equivalents at the end of the year	39	**15,067,669**	16,950,135

The notes on pages 178 to 306 form part of these financial statements.

Notes to the Consolidated Financial Statements

(All amounts in RMB thousand, unless otherwise stated)

1 General information

Dongguan Rural Commercial Bank Co., Ltd. ("the Bank") primary established in 1952, formerly known as Dongguan Rural Credit Cooperative Union ("Dongguan Cooperative Union"). Subsequently, as per the approval by the former China Banking and Insurance Regulatory Commission (In 2023, the regulator was renamed the National Financial Regulatory Administration, hereinafter referred to as the "NFRA"), Dongguan Cooperative Union was restructured into a joint-stock commercial bank, and officially changed its name to Dongguan Rural Commercial Bank Co., Ltd. on 22 December 2009.

The Bank operates under financial services certificate NO. B1054H344190001 issued by Dongguan Office of the NFRA, and the Business License issued by Dongguan Administration for Market Regulation (registration ID: 914419007829859746). The registered address is Hongfu East Road No. 2, Dongcheng Street, Dongguan, Guangdong. On 29 September 2021, the Bank was listed on The Stock Exchange of Hong Kong Limited with the stock code of 09889.

The Bank and its subsidiaries (collectively referred to as "the Group") operate in the People's Republic of China (the "PRC") and are principally engaged in the following activities: corporate and individual deposits, loans and advances, payment and settlement, treasury and other banking business approved by the NFRA.

2 Summary of material accounting policies

(1) Statement of compliance

These financial statements have been prepared in accordance with the IFRS Accounting Standards, which collective term includes all applicable individual IFRS Accounting Standards, International Accounting Standards and Interpretations issued by the International Accounting Standards Board (the "IASB") and the disclosure requirements 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.

(2) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Bank and its subsidiaries (together referred to as the "Group") and the Group's interest in associates.

Except for certain financial instruments which are measured at fair value, the measurement basis used in the preparation of the financial statements is the historical basis.

2 Summary of material accounting policies *(Continued)*

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

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 judgement about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Judgements made by management in the application of IFRS Accounting Standards that have a significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 3.

The financial statements are presented in RMB, rounded to the nearest thousand, which is the functional currency of the Group.

(3) Changes in accounting policies

The Group has applied amendments to IAS 21, *The effects of changes in foreign exchange rates — Lack of exchangeability* to these financial statements for the current accounting period. The amendments do not have a material 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.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(4) Basis of consolidation

In the Bank's statement of financial position, its investments in subsidiaries are stated at cost, less impairment losses, if any.

2 Summary of material accounting policies *(Continued)*

(5) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair value of the assets transferred by the Group, liabilities incurred or assumed by the Group, and any equity instruments issued by the Group. Acquisition related costs are recognised in the consolidated statement of profit or loss and other comprehensive income as incurred.

At the acquisition date, irrespective of non-controlling interests, the identifiable assets acquired, and liabilities and contingent liabilities assumed are recognised at their fair values; except that deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 — Income Taxes and IAS 19 — Employee Benefits, respectively.

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

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Bank, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability.

Non-controlling interests that represent ownership interests in the acquiree and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are accounted for at either fair value or the non-controlling interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Bank. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Bank.

2 Summary of material accounting policies *(Continued)*

(6) Subsidiaries

Subsidiaries are entities controlled by the Group. 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. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealized profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealized losses resulting from intra-group transactions are eliminated in the same way as unrealized gains but only to the extent that there is no evidence of impairment.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognized.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognized in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognized at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Note 2(11)) or, when appropriate, the cost on initial recognition of an investment in an associate (see Note 2(7)).

In the Bank's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(21)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(7) Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not constitute control or joint control over those policy decisions.

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

2 Summary of material accounting policies *(Continued)*

(7) Associates *(Continued)*

At the end of each reporting period, the Group considers whether there are circumstances that indicate the possibility of impairment of the Group's investment in an associate; when that is the case, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 — Impairment of Assets, as a single asset by comparing its recoverable amount (the higher of fair value less costs to sell and value in use) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of an impairment loss is recognised, to the extent that the recoverable amount of the investment subsequently increases.

When an entity in the Group transacts with the Group's associate, profits and losses resulting from the transaction are recognised in the Group's consolidated financial statements only to the extent of the interest in the associate that are not related to the Group. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

(8) Goodwill

Goodwill represents the excess of the cost of an acquisition less the fair value of the Group's share of the net identifiable assets of acquired subsidiaries and associates at the date of acquisition. Goodwill on acquisitions of subsidiaries is presented separately in the consolidated statement of financial position. Goodwill on acquisition of associates is included in investment in associates.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGU") or groups of CGUs that is expected to benefit from the synergies of the business combination.

A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

A CGU to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the CGU, which is the higher of fair value less costs to sell and value in use, is less than its carrying amount, the deficit, reflecting an impairment loss, is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on a pro-rata basis, based on the carrying amount of each asset in the CGU. Any goodwill impairment loss is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

2 Summary of material accounting policies *(Continued)*

(9) Foreign currency translation

The functional currency of the Group is Chinese RMB ("RMB"). The presentation currency of the Group and the Bank is RMB.

In preparing the financial statements of each individual Group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchange prevailing at the dates of the transactions. At the end of the reporting year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognized in profit or loss in the period in which they arise.

Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the consolidated statement of profit or loss for the year except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which cases, the exchange differences are also recognized directly in other comprehensive income.

(10) Cash and cash equivalents

Cash and cash equivalents are short-term and highly liquid assets, which are readily convertible into known amounts of cash and subject to an insignificant risk of changes in value. Cash and cash equivalents include cash and assets with original maturity of three months or less under cash and balances with the central bank, deposits with banks and other financial institutions, placements with banks and other financial institutions and financial assets held under resale agreements. Cash and cash equivalents are assessed for expected credit losses (ECL) in accordance with the policy set out in Note 2(11).

(11) Financial instruments

(i) Recognition and initial measurement of financial assets and financial liabilities

Financial assets or financial liabilities are recognized in the balance sheet when the Group becomes a party to the contractual provisions of a financial instrument.

Financial assets and financial liabilities are measured initially at fair value. For financial assets and financial liabilities at fair value through profit or loss, any related directly attributed transaction costs are charged to profit or loss; for other categories of financial assets and financial liabilities, any related directly attributable transaction costs are included in their initial costs.

2 Summary of material accounting policies *(Continued)*

(11) Financial instruments *(Continued)*

(ii) Classification and subsequent measurement of financial assets

(a) Classification of financial assets

The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. On initial recognition, a financial asset is classified as measured at amortized cost, at fair value through other comprehensive income ("FVOCI"), or at fair value through profit or loss ("FVTPL").

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

— It is held within a business model whose objective is to hold assets to collect contractual cash flows; and

— Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For equity investment not held for trading, the Group may irrevocably designate it as financial asset at FVOCI upon initial recognition. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The business model refers to how the Group manages its financial assets in order to generate cash flows. That is, the Group's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The Group determines the business model for managing the financial assets according to the facts and based on the specific business objective for managing the financial assets determined by the Group's key management personnel.

2 Summary of material accounting policies *(Continued)*

(11) Financial instruments *(Continued)*

(ii) Classification and subsequent measurement of financial assets (Continued)

(a) Classification of financial assets (Continued)

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the financial assets. For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The Group also assesses whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

(b) Subsequent measurement of financial assets

— Financial assets at FVTPL

These financial assets are subsequently measured at fair value. Net gains and losses, including interest or dividend income, are recognized in profit or loss unless the financial assets are part of a hedging relationship.

— Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. A gain or loss on a financial asset that is measured at amortized cost and is not part of a hedging relationship shall be recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize impairment gains or losses.

— Financial assets measured at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, impairment and foreign exchange gains and losses are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

2 Summary of material accounting policies *(Continued)*

(11) Financial instruments *(Continued)*

(ii) Classification and subsequent measurement of financial assets (Continued)

(b) Subsequent measurement of financial assets (Continued)

— Equity investments measured at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to retained earnings.

(iii) Classification and subsequent measurement of financial liabilities

Financial liabilities are classified as measured at FVTPL or amortized cost.

— Financial liabilities at FVTPL

A financial liability is classified as at FVTPL if it is classified as held-for-trading (including derivative financial liability) or it is designated as such on initial recognition.

Financial liabilities at FVTPL are subsequently measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss, unless the financial liabilities are part of a hedging relationship.

— Financial liabilities at amortized cost

Other financial liabilities are subsequently measured at amortized cost using the effective interest method.

(iv) Offsetting

Financial assets and financial liabilities are generally presented separately in the balance sheet and are not offset. However, a financial asset and a financial liability are offset and the net amount is presented in the balance sheet when both of the following conditions are satisfied:

— The Group currently has a legally enforceable right to set off the recognized amounts;

— The Group intends either to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously.

2 Summary of material accounting policies *(Continued)*

(11) Financial instruments *(Continued)*

(v) Derecognition of financial assets and financial liabilities

Financial asset is derecognized when one of the following conditions is met:

— The Group's contractual rights to the cash flows from the financial asset expire;

— The financial asset has been transferred and the Group transfers substantially all of the risks and rewards of ownership of the financial asset;

— The financial asset has been transferred, although the Group neither transfers nor retains substantially all of the risks and rewards of ownership of the financial asset, it does not retain control over the transferred asset.

Where a transfer of a financial asset in its entirety meets the criteria for derecognition, the difference between the two amounts below is recognized in profit or loss:

— The carrying amount of the financial asset transferred measured at the date of derecognition;

— The sum of the consideration received from the transfer and, when the transferred financial asset is a debt investment measured at FVOCI, any cumulative gain or loss that has been recognized directly in other comprehensive income for the part derecognized.

The Group derecognizes a financial liability (or part of it) only when its contractual obligation (or part of it) is extinguished.

(vi) Impairment

The Group recognizes loss allowances for expected credit loss (ECL) on:

— Financial assets measured at amortized cost

— Loans and advances to customers and debt investments measured at FVOCI

— Credit commitments

Other financial assets measured at fair value, including debt or equity securities at FVTPL and equity securities designated at FVOCI (non-recycling), are not subject to the ECL assessment.

2 Summary of material accounting policies *(Continued)*

(11) Financial instruments *(Continued)*

(vi) Impairment (Continued)

Measurement of ECLs

The Group assesses on a forward-looking basis the ECL associated with its debt instrument assets carried at amortised cost and FVOCI and exposures arising from some loan commitments and financial guarantee contracts.

ECL refer to the weighted average of credit losses with the respective risks of a default occurring as the weights. Credit loss refers to the difference between all contractual cash flows discounted by the original effective interest rate that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, i.e., the present value of all cash shortfalls (among them, for the purchased or originated credit-impaired ("POCI") financial assets, discount shall be based on the credit-adjusted effective interest rate of the financial assets).

The Group measures 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 balance sheet date about past events, current conditions and forecasts of future economic conditions.

The description of inputs, assumptions and estimation techniques used in measuring the ECL is presented in Note 44.1.

The Group applies the impairment requirements for the recognition and measurement of a loss allowance for debt instruments that are measured at FVOCI. The loss allowance is recognised in other comprehensive income and the impairment loss is recognised in profit or loss, and it should not reduce the carrying amount of the financial asset in the statement of financial position.

If the Group has measured the loss allowance for a financial instrument other than POCI at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on the financial instruments has increased significantly since initial recognition is no longer met, the Group measures the loss allowance at an amount equal to 12-month expected credit losses at the current reporting date and the amount of expected credit losses reversal is recognised in profit or loss. For POCI financial assets, at the reporting date, the Group only recognises the cumulative changes in lifetime expected credit losses since initial recognition.

2 Summary of material accounting policies *(Continued)*

(11) Financial instruments *(Continued)*

(vi) Impairment (Continued)

Presentation of allowances for ECL

ECLs are remeasured at each balance sheet date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognized as an impairment gain or loss in profit or loss. The Group recognizes an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for debt investments that are measured at FVOCI, for which the loss allowance is recognized in other comprehensive income.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognized as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(vii) Modification of loans

The Group will renegotiate or modify customer loan contracts due to certain special circumstances at times, which will in turn lead to changes in contract cash flows. In such cases, the Group will assess if there is a substantial change in the modified contractual terms. In making the assessment, factors need to be considered include:

— Where a modification of contract occurs when the borrower is suffering from financial difficulties, whether the modification only reduces the contract cash flows to the amount that is expected to be repaid by the borrower;

— If there's any newly added substantial term, for example, a term in regard to right to profits/equity returns is newly added, resulting in a substantial change in the risk characteristics of the contract;

— The loan term is significantly extended in the absence of financial difficulties for the borrower;

— Material change happens to the loan interest rate;

— Change happens to the loan currency;

— New collateral and other credit enhancements dramatically change the level of loan credit risk.

2 Summary of material accounting policies *(Continued)*

(11) Financial instruments *(Continued)*

(vii) Modification of loans (Continued)

If the terms are substantially different, the Group derecognises the original financial asset and recognises a "new" asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Group also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for POCI financial assets).

(viii) Derivative financial instruments

Derivative financial instruments are initially recognized at fair value on the date on which the Group becomes a contractual party of a derivative contract and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Certain derivatives, such as foreign exchange rate based interest payments embedded in structured deposits, are embedded into hybrid contracts. In the case of a hybrid contract whose host contract is a financial asset, it is classified and measured as a whole. In the case of a hybrid contract whose host contract is not a financial asset, the embedded derivatives are separated as independent derivatives if the following criterion are met:

- The economic characteristics and risks of the embedded derivatives are not closely related to those of the host contract;
- The instruments that have the same terms but exist independently meet the definition of derivatives; and
- The hybrid instruments are not designated at fair value and changes included into the profits and losses for the period.

The Group can either designate the separated embedded derivatives as at fair value and changes included into the profits and losses for the period or designate the hybrid contract whose host contract is not related to financial assets as at fair value and changes included into the profits and losses for the period.

2 Summary of material accounting policies *(Continued)*

(11) Financial instruments *(Continued)*

(ix) Financial guarantee contracts and loan commitments

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, in accordance with the terms of a debt instrument.

Financial guarantees are initially recognised at fair value on the date the guarantee was given. Subsequent to initial recognition, the Group's liabilities under such guarantees are measured at the higher of the initial amount, less amortization of guaranteed fees, and the expected credit loss provision required to settle the guarantee. Any increase in the liability relating to guarantees is taken to the consolidated statement of profit or loss.

The impairment allowance of loan commitments provided by the Group is measured using ECL models. The Group has not provided any commitment to provide loans at a below-market interest rate, or that can be settled net in cash or by delivering or issuing another financial instrument.

For loan commitments and financial guarantee contracts, the loss allowance is recognised as a provision. However, for contracts that include both a loan and an undrawn commitment and the Group cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognised as a provision.

(12) Fair value measurement

Unless otherwise specified, the Group measures fair value as follows:

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.

When measuring fair value, the Group takes into account the characteristics of the particular asset or liability (including the condition and location of the asset and restrictions, if any, on the sale or use of the asset) that market participants would consider when pricing the asset or liability at the measurement date, and uses valuation techniques that are appropriate in the circumstances and for which sufficient data and other information are available to measure fair value. Valuation techniques mainly include the market approach, the income approach and the cost approach.

2 Summary of material accounting policies *(Continued)*

(13) Financial assets held under resale and repurchase agreements

Financial assets purchased under agreements to resale are reported not as purchases of the assets but as receivables and are carried in the statements of financial position at amortized cost. Financial assets held under resale agreements are assessed for ECL in accordance with the policy set out in Note 2(11).

Financial assets sold subject to a simultaneous agreement to repurchase these assets are retained in the statements of financial position and measured in accordance with their original measurement principles. The proceeds from the sale are reported as liabilities and are carried at amortized cost.

Interest earned on resale agreements and interest incurred on repurchase agreements are recognised respectively as interest income and interest expense over the life of each agreement using the effective interest method.

(14) Precious metals

Precious metals that are not related to the Group's trading activities are initially measured at acquisition cost and subsequently measured at the lower of cost and net realizable value. Precious metals that are related to the Group's trading activities are initially recognized at fair value, with changes in fair value arising from remeasurement recognized directly in profit or loss in the period in which they arise.

(15) Property and equipment and construction in progress

Property and equipment is asset held by the Group for the conduct of business and is expected to be used for more than one year. Construction-in-progress, an item of property, represents property under construction and is transferred to property when ready for its intended use.

(a) Cost

Property and equipment is stated at cost upon initial recognition. Costs of a purchased property and equipment comprise purchase price, related taxes, and any directly attributable expenditures for bringing the asset to working condition for its intended use. Costs of a self-constructed property and equipment comprise construction materials, direct labor costs and those expenditures necessarily incurred for bringing the asset to working condition for its intended use.

Subsequent to initial recognition, property and equipment is stated at cost less accumulated depreciation and impairment losses.

Where an item of property and equipment comprises, major components having different useful lives, they are accounted for as separate items of property, plant and equipment.

2 Summary of material accounting policies *(Continued)*

(15) Property and equipment and construction in progress *(Continued)*

(a) **Cost** *(Continued)*

The subsequent costs including the cost of replacing part of an item of property and equipment are recognized in the carrying amount of the item if the recognition criteria are satisfied, and the carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

(b) Depreciation

Depreciation is calculated to write-off the cost, less residual value if applicable, of property and equipment and is charged to profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

The estimated useful lives and depreciation rate (amortization rate) are as follows:

Category of assets	Estimated useful lives	Depreciation rates
Buildings	20–50 years	2.00%–5.00%
Motor vehicles	4 years	25.00%
Machinery and equipment	3–10 years	10.00%–33.33%

The residual value and useful lives of assets are reviewed, and adjusted if appropriate, as of each reporting date.

(c) Disposal and retirement

Gains or losses arising from the disposal or retirement of property and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss on the date of disposal or retirement.

(d) Construction in progress

Properties in the course of construction for supply of services or administrative purposes are carried at cost, as construction in progress, less any impairment loss. Construction in progress is reclassified to the appropriate category of property and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property and equipment, commences when the assets are ready for their intended use.

2 Summary of material accounting policies *(Continued)*

(16) Investment properties

Investment properties are properties held to earn rental income or for capital appreciation, or both.

Investment properties are initially measured at cost, including costs that are directly attributable to the properties at the time of acquisition. The Group adopts the cost model for subsequent measurement of investment properties. The type of assets, estimated useful lives and depreciation rate (amortization rate) are as follows:

Category of assets	Estimated useful lives	Depreciation rates
Buildings	20 years	5.00%
Land use rights	50 years	2.00%

As at the balance sheet date, the Group reviews investment properties item by item. If the carrying amount of an asset is higher than the estimated recoverable amount, the carrying amount is reduced to its recoverable amount. The recoverable amount is recognized at the higher of the fair value less cost of sales and value in use.

(17) Intangible assets

Intangible assets are initially recognized at cost. The cost less estimated net residual values (if any) of the intangible assets is amortized on a straight-line basis over their useful lives, and charged to profit or loss. Impaired intangible assets are amortized net of accumulated impairment losses. The estimated useful lives of the Group's intangible assets are 3–10 years. The amortization rates of the Group's intangible assets are 10.00%–33.33%. The residual value and useful lives of assets are reviewed, and adjusted if appropriate, as of each reporting date.

Intangible assets with indefinite useful lives are not amortized but are subject to annual impairment assessment.

(18) Land use rights

The Group recognizes land use rights as right-of-use assets. Land use rights are initially measured at cost and amortized on a straight-line basis over their statutory useful lives. The cost of land use rights is amortized on a straight-line basis over the granted using period and is recognized in profit or loss for the current period. For land use rights, when charging the depreciation, the accumulated amount of provision for impairment losses will be deducted.

2 Summary of material accounting policies *(Continued)*

(19) Foreclosed assets

Foreclosed assets are physical assets or property rights obtained by the Group from debtors, warrantors or third parties following the enforcement of its creditor's rights. Foreclosed assets are initially recognized at fair value and subsequently measured at the lower of their carrying amount and fair value, less costs to sell at the end of each reporting period. When the fair value, less costs to sell, is lower than a foreclosed asset's carrying amount, an impairment loss is recognized in profit or loss.

Any gain or loss arising on the disposal of the foreclosed asset is included in profit or loss in the period in which the item is disposed.

The Group disposes of foreclosed assets through various means. In principle, foreclosed assets should not be transferred for own use, but, in the event that they are needed for the Group's own business or management purposes, they are transferred at their net carrying amounts and managed as newly acquired property and equipment.

(20) Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognizes a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets which, for the Group are primarily laptops and office furniture. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalize the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalized are recognized as an expense on a systematic basis over the lease term.

Where the lease is capitalized, the lease liability is initially recognized at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortized cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

2 Summary of material accounting policies *(Continued)*

(20) Leases *(Continued)*

(i) ***As a lessee*** *(Continued)*

The right-of-use asset recognized when a lease is capitalized is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets 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, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Note 2(21)).

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(ii) ***As a lessor***

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognized in accordance with Note 2(26).

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described in Note 2(20)(i), then the Group classifies the sub-lease as an operating lease.

2 Summary of material accounting policies *(Continued)*

(21) Impairment of non-financial assets

The carrying amounts of the following assets are reviewed at each balance sheet date based on internal and external sources of information to determine whether there is any indication of impairment:

— Property and equipment;

— Construction in progress;

— Investment properties measured at cost;

— Foreclosed assets of non-financial assets;

— Right-of-use assets;

— Intangible assets and Land use rights;

— Long-term deferred expenses; and

— Investments in subsidiaries and associates.

If there is any indication that those assets have suffered an impairment loss, the recoverable amount of the asset is estimated to determine the extent of the impairment loss, if any.

An asset group is composed of assets directly related to cash generation and is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or asset groups.

The recoverable amount of an asset (or asset group, set of asset groups) is the higher of its fair value less costs to sell and its present value of expected future cash flows. If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset; if it is not possible to estimate the recoverable amount of the individual asset, the Group determines the recoverable amount of the asset group or set of asset groups to which the assets belong.

The present value of expected future cash flows of an asset is determined by discounting the future cash flows, estimated to be derived from continuing use of the asset and from its ultimate disposal to their present value using an appropriate pre-tax discount rate, taking into account the expected future cash, useful life and discount rate.

2 Summary of material accounting policies *(Continued)*

(21) Impairment of non-financial assets *(Continued)*

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in profit or loss and a provision for impairment of the asset is recognised accordingly. Impairment losses related to an asset group or a set of asset groups are allocated first to reduce the carrying amount of any goodwill allocated to the asset group or set of asset groups, and then to reduce the carrying amount of the other assets in the asset group or set of asset groups on a pro rata basis. However, such allocation would not reduce the carrying amount of an asset below the highest of its fair value less costs to sell (if measurable), its present value of expected future cash flows (if determinable) and zero.

(22) Employee benefits

(i) Short-term employee benefits

Employee wages or salaries, bonuses, social security contributions such as medical insurance, work injury insurance, maternity insurance and housing fund, measured at the amount incurred or accrued at the applicable benchmarks and rates, are recognised as a liability as the employee provides services, with a corresponding charge to profit or loss or included in the cost of assets where appropriate. If the liability is not expected to be fully paid within 12 months after the end of the annual reporting period in which the employee provides the services, and the financial impact is significant, the liability is measured at the discounted amount.

(ii) Post-employment benefits

The Group's post-employment benefits are primarily the payments for basic pensions and unemployment insurance related to government mandated social welfare programs, as well as the annuity scheme established. All these post-employment benefits are defined contribution plans, under which, the Group makes fixed contributions into a separate fund and will have no legal or constructive obligation to make further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee services in the current and prior periods.

Contributions to the basic pensions and unemployment insurance plan are recognised in the consolidated statement of profit or loss for the period in which the related payment obligation is incurred.

The employees of the Group participate in an annuity scheme established by the Group (the "Annuity Scheme"). The Group pays annuity contributions with reference to employees' salaries, and such contributions are expensed in the consolidated statement of profit or loss when incurred. The Group has no further obligation if the Annuity Scheme does not have sufficient assets for the payment of any retirement benefits to employees funded by the Annuity Scheme.

2 Summary of material accounting policies *(Continued)*

(22) Employee benefits *(Continued)*

(iii) Termination benefits

When the Group terminates the employment with employees before the employment contracts expire, or provides compensation under an offer to encourage employees to accept voluntary redundancy, a provision is recognised with a corresponding expense in profit or loss at the earlier of the following dates:

— When the Group cannot unilaterally withdraw the offer of termination benefits because of an employee termination plan or a curtailment proposal;

— When the Group has a formal detailed restructuring plan involving the payment of termination benefits and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

(23) Income tax

Current and deferred 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 because it excludes items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Deferred tax assets and liabilities are not recognized for temporary difference related to goodwill or related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development or the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither taxable profit nor accounting profit.

Deferred tax liabilities are recognized 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 recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

2 Summary of material accounting policies *(Continued)*

(23) Income tax *(Continued)*

Current and deferred income tax *(Continued)*

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that the temporary difference will not reverse in the foreseeable future or it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Current and deferred tax is recognized in profit or loss, except when it relates to items that are recognized in other comprehensive income or directly in equity, in which case the current and deferred tax is also recognized in other comprehensive income or directly in equity, respectively.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

(24) Provisions and contingent liabilities

(i) Provisions

Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

2 Summary of material accounting policies *(Continued)*

(24) Provisions and contingent liabilities *(Continued)*

(ii) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognized because it is not probable that an outflow of economic resources will be required, or the amount of obligation cannot be measured reliably.

A contingent liability is not recognized, but disclosed, unless the possibility of an outflow of resources embodying economic benefits is probable.

(25) Fiduciary activities

The Group acts as a custodian, trustee and in other fiduciary capacities to safeguard assets for customers in accordance with custody agreements between the Group and securities investment funds, social security funds, insurance companies, trust companies, qualified foreign institutional investors, annuity schemes and other institutions and individuals. The Group receives fees in return for its services provided under the custody agreements and does not have any interest in the economic risks and rewards related to assets under custody. Therefore, assets under custody are not recognized in the Group's consolidated statement of financial position.

The Group conducts entrusted lending arrangements for its customers. Under the terms of entrusted loan arrangements, the Group grants loans to borrowers, as an intermediary, according to the instruction of its customers who are the lenders providing funds for the entrusted loans. The Group is responsible for the arrangement and collection of the entrusted loans and receives a commission for the services rendered. As the Group does not assume the economic risks and rewards of the entrusted loans and the funding for the corresponding entrusted funds, they are not recognized as assets and liabilities of the Group.

(26) Income recognition

Income is recognized when the Group satisfies the performance obligation in the contract which by transferring the control over relevant goods or services to the customers.

The following is the description of accounting policies regarding income from the Group's principal activities.

(i) Interest income

Interest income for financial assets is recognized in profit or loss as it is incurred, based on the time for alienation of right to use capital and effective interest rates. Interest income includes the amortization of any discount or premium or differences between the initial carrying amount of an interest-bearing asset and its amount at maturity calculated using the effective interest rate.

2 Summary of material accounting policies *(Continued)*

(26) Income recognition *(Continued)*

(i) Interest income *(Continued)*

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating the interest income over the Relevant Periods. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract, transaction costs and all other premiums or discounts that are an integral part of the effective interest rate.

Interest on the impaired assets is recognized using the rate of interest used to discount future cash flows for the purpose of measuring the related impairment loss.

(ii) Fee and commission income

The Group earns fee and commission income from a diverse range of services it provides to its customers. The fee and commission income recognized by the Group reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring promised services to customers, and income is recognized when its performance obligation in contracts is satisfied.

The Group recognizes income over time by measuring the progress towards the complete satisfaction of a performance obligation, if one of the following criteria is met:

— The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

— The customer controls the service provided by the Group in the course of performance;

— The Group does not provide service with an alternative use to the Group, and the Group has an enforceable right to payment for performance completed to date; or

— In other cases, the Group recognizes revenue at a point in time at which a customer obtains control of the promised services.

2 Summary of material accounting policies *(Continued)*

(26) Income recognition *(Continued)*

(iii) Government grants

Government grants are recognized in the statements of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognized as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognized in profit or loss over the useful life of the asset by way of reduced depreciation expense.

(iv) Dividend income

Dividend is recognised in profit or loss only when the Group's right to receive payment of the dividends is established.

(v) Other income

Other income is recognized on an accrual basis.

(27) Expense recognition

(i) Interest expenses

Interest expenses from financial liabilities are accrued on a time proportion basis with reference to the amortised cost and the applicable effective interest rate.

(ii) Other expenses

Other expenses are recognised on an accrual basis.

(28) Dividend distribution

Dividend distribution to the Bank's equity holders is recognized as a liability in the Group's and the Bank's financial statements in the period in which the dividends are approved by the equity holders in the annual general meeting of the Bank.

2 Summary of material accounting policies *(Continued)*

(29) Related parties

(i) A person, or a close member of that person's family, is related to the Group if that person:

(a) has control or joint control over the Group;

(b) has significant influence over the Group; or

(c) is a member of the key management personnel of the Group or the Group's parent.

(ii) An entity is related to the Group if any of the following conditions applies:

(a) The entity and the Group are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Group of which the other entity is a member);

(c) Both entities are joint ventures of the same third party;

(d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(e) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(f) The entity is controlled or jointly controlled by a person identified in (i);

(g) A person identified in (i)(a) 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);

(h) The entity, or any member of a Group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

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.

2 Summary of material accounting policies *(Continued)*

(30) Segment reporting

An operating segment is a component of the Group that satisfies all of the following conditions: (1) the component is able to earn revenues and incur expenses from its ordinary activities; (2) whose operating results are regularly reviewed by the Group's management to make decisions about resources to be allocated to the segment and to assess its performance, and (3) for which the information on financial position, operating results and cash flows is available to the Group. If two or more operating segments have similar economic characteristics and satisfy certain conditions, they are aggregated into one single operating segment.

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision-maker for the purposes of allocating resources and assessing performance. The Group considers the business from different perspectives including products and services and geographic areas. The operating segments that meet the specified criteria have been aggregated, and the operating segments that meet quantitative thresholds have been reported separately.

Intersegment revenues are measured based on actual transaction price for such transactions for segment reporting, and segment accounting policies are consistent with those for the consolidated financial statements.

3 Accounting estimates and judgement

Preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and judgements are based on historical experience and other relevant factors including reasonable expectations for future events, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and judgements are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(1) Measurement of expected credit loss

The measurement of the expected credit loss allowance for financial assets measured at amortized cost and FVOCI and for exposures arising from some loan commitments and financial guarantee contracts, is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in Note 44.1 Credit risk.

3 Accounting estimates and judgement *(Continued)*

(1) Measurement of expected credit loss *(Continued)*

It requires a lot of significant judgements to measure ECL under relevant accounting standards, such as:

- Segmentation of portfolio sharing similar credit risk characteristics, selection of appropriate models and determination of relevant key measurement parameters;
- Criteria for determining whether there was a significant increase in credit risk, or a default or credit impaired was occurred;
- Economic indicators used in the forward-looking measurement, and the application of economic scenarios and weightings; and
- Estimation of future cash flows for corporate loans and advances and debt investments in stage 3.

Detailed information on the above judgements and estimates is set out in Note 44.1.

(2) Consolidation of structured entities

Where the Group acts as asset manager of or investor in structured entities, the Group makes significant judgement on whether the Group controls and should consolidate these structured entities. When performing this assessment, the Group assesses the Group's contractual rights and obligations in light of the transaction structures, and evaluates the Group's power over the structured entities, performs analysis and tests on the variable returns from the structured entities, including but not limited to commission income and asset management fees earned as the asset manager, the retention of residual income, and, if any, the liquidity and other support provided to the structured entities. The Group also assesses whether it acts as a principal or an agent through analysis of the scope of its decision-making authority over the structured entities, the remuneration to which it is entitled for asset management services, the Group's exposure to variability of returns from its other interests in the structured entities, and the rights held by other parties in the structured entities.

(3) Fair value of financial instruments

The Group uses valuation techniques to estimate the fair value of financial instruments which are not quoted in an active market. These valuation techniques include the use of recent transaction prices of the same or similar instruments, discounted cash flow analysis and generally accepted pricing models. To the extent practical, market observable inputs and data, such as interest rate yield curves, are used when estimating fair value through a valuation technique. Where market observable inputs are not available, they are estimated using assumptions that are calibrated as closely as possible to market observable data. However, areas such as the credit risk of the Group and the counterparty, liquidity, volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the estimated fair value of financial instruments.

3 Accounting estimates and judgement *(Continued)*

(4) Goodwill impairment

Goodwill impairment reviews are undertaken annually or more frequently, and it is also needed if events or changes indicate a potential impairment. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating unit (the "CGU"). The Group forecasts future cash flow of the CGU, and applies appropriate discount rate for the calculation of the present value of future cash flow.

(5) Taxes

There are certain transactions and activities in the ordinary course of the Group's business for which the ultimate tax effect is uncertain. The Group made certain estimation and judgement for items of uncertainty in the application of tax legislations, taking into account existing tax legislation and past practice of tax authorities. Where the final tax outcome of these matters is different from the amounts that were initially estimated, based on management's assessment, such differences will affect the current income tax and deferred income tax during the period in which such a determination is made.

4 Net interest income

	Year ended 31 December	
	2025	2024
Interest income		
Balances with the central bank	**447,661**	429,757
Financial assets held under resale agreements and deposits and placements with banks and other financial institutions	**454,472**	609,829
Loans and advances to customers	**12,778,099**	14,428,969
Financial investments	**6,278,080**	6,453,512
Sub-total	**19,958,312**	21,922,067
Interest expense		
Borrowings from the central bank	**(530,849)**	(874,448)
Financial assets sold under repurchase agreements and deposits and placements from banks and other financial institutions	**(490,078)**	(1,062,533)
Deposits from customers	**(8,090,592)**	(8,987,966)
Debt securities issued	**(2,004,488)**	(1,804,171)
Lease liabilities	**(15,082)**	(18,662)
Sub-total	**(11,131,089)**	(12,747,780)
Net interest income	**8,827,223**	9,174,287

5 Net fee and commission income

	Year ended 31 December	
	2025	2024
Fee and commission income		
Custodian and other fiduciary	**207,006**	187,492
Wealth management agency services	**201,005**	265,865
Bank cards	**155,384**	206,059
Settlement and clearing services	**61,404**	73,463
Others	**62,366**	82,930
Sub-total	**687,165**	815,809
Fee and commission expense		
Transaction services	**(184,545)**	(157,520)
Settlement and clearing services	**(75,689)**	(160,777)
Platform cooperation services	**(27,745)**	(38,782)
Others	**(236)**	(1,693)
Sub-total	**(288,215)**	(358,772)
Net fee and commission income	**398,950**	457,037

6 Net trading gains

	Year ended 31 December	
	2025	2024
Net gains on financial assets held for trading	**481,618**	1,817,873
Exchange (losses)/gains	**(89,161)**	34,233
Net gains on precious metal	**187,837**	8,879
Financial liabilities at fair value through profit or loss	**(995)**	(13,386)
Total	**579,299**	1,847,599

7 Net gains on financial instruments

		Year ended 31 December	
	Note	**2025**	2024
Net gains on financial assets at fair value through other comprehensive income		**929,440**	420,034
Net gains on financial instruments at fair value through profit or loss		**749,565**	325,329
Net gains on derecognition of financial investments measured at amortised cost		**287,432**	180,322
Dividend income from equity instruments		**40,563**	41,153
Others	29(a)	**(179,012)**	(258,385)
Total		**1,827,988**	708,453

8 Other operating income

	Note	Year ended 31 December 2025	2024
Rental income		**27,152**	29,166
Government grants	(a)	**23,573**	81,431
Gains on disposal of property, equipment and other long-term assets		**7,931**	6,249
Others		**4,462**	7,706
Total		**63,118**	124,552

(a) Government grants mainly comprise incentives for inclusive loans support tool to small and micro entities as well as subsidies for employment stabilization.

9 Operating expenses

	Note	Year ended 31 December 2025	2024
Staff costs	10	**2,893,478**	3,058,456
General and administrative expenses		**1,139,299**	1,114,876
Depreciation and amortisation		**446,956**	429,392
Taxes and surcharges		**137,000**	143,090
Auditors' remuneration		**7,313**	6,851
— Audit service		**6,027**	6,036
— Non-audit service		**1,286**	815
Total		**4,624,046**	4,752,665

10 Staff costs

	Year ended 31 December 2025	2024
Salaries, bonuses, allowances and subsidies	**1,964,662**	2,129,559
Social benefits and others	**756,416**	729,451
Enterprise annuity scheme	**131,269**	153,960
Labour union funds and employee education funds	**41,131**	45,486
Total	**2,893,478**	3,058,456

11 Emoluments of directors, supervisors and the highest-paid staff

(a) Emoluments of directors and supervisors are as follows:

		Year ended 31 December 2025						
Name	*Notes*	Fees	Salaries	Discretionary bonuses	Subsidies and physical benefits	Pension plan contributions	Total (Before Tax)	Number of paid months
Chairman								
Lu Guofeng		–	980	642	114	108	1,844	12.00
Executive directors								
Fu Qiang		–	980	642	114	108	1,844	12.00
Ye Jianguang		–	875	573	114	108	1,670	12.00
Qian Hua		–	875	573	114	108	1,670	12.00
Non-executive directors								
Li Huiqin	(1)	184	–	–	–	–	184	9.61
Wong Wai Hung	(1)	195	–	–	–	–	195	10.18
Tang Wencheng		230	–	–	–	–	230	12.00
Chan Ho Fung	(1)	195	–	–	–	–	195	10.18
Independent non-executive directors								
Zeng Jianhua		230	–	–	–	–	230	12.00
Yip Tai Him		230	–	–	–	–	230	12.00
Xu Zhi		230	–	–	–	–	230	12.00
Tan Fulong		230	–	–	–	–	230	12.00
Liu Yuou		230	–	–	–	–	230	12.00
Xu Tingting		230	–	–	–	–	230	12.00
Supervisors								
Chen Sheng	(2)	–	875	573	114	108	1,670	12.00
Chen Huinan		–	647	1,037	114	108	1,906	12.00
Wen Junhua		–	660	1,172	114	108	2,054	12.00
Liu Liping		–	544	945	114	108	1,711	12.00
Deng Qian		230	–	–	–	–	230	12.00
Cai Junbang		230	–	–	–	–	230	12.00
Liu Jiahao		230	–	–	–	–	230	12.00
Li Guoyu		230	–	–	–	–	230	12.00
Wei Haiying		230	–	–	–	–	230	12.00
Zhang Bangyong		230	–	–	–	–	230	12.00
Mai Xiuhua		230	–	–	–	–	230	12.00
Liu Sheng		230	–	–	–	–	230	12.00
Directors who resigned								
Ye Jinquan	(3)	58	–	–	–	–	58	3.00
Zhang Qingxiang	(3)	58	–	–	–	–	58	3.00
Chen Weiliang	(3)	58	–	–	–	–	58	3.00
Total		4,198	6,436	6,157	912	864	18,567	

(1) The general meeting of shareholders recommended the appointment of Ms. Li Huiqin as a non-executive director on 30 May 2024. The appointment of Ms. Li Huiqin as a non-executive director has been approved by Dongguan Office of the NFRA on 13 March 2025.

The general meeting of shareholders recommended the appointments of Mr. Wong Wai Hung and Mr. Chan Ho Fung as non-executive directors on 30 May 2024. The appointments of Mr. Wong Wai Hung and Mr. Chan Ho Fung as non-executive directors have been approved by Dongguan Office of the NFRA on 24 February 2025.

(2) Mr. Chen Sheng resigned as a supervisor of the Bank on 12 November 2025. The Workers' Congress recommended the appointment of Mr. Chen Sheng as an employee director on 21 November 2025. His qualification still needs to be reviewed and approved by Dongguan Office of the NFRA.

11 Emoluments of directors, supervisors and the highest-paid staff *(Continued)*

(a) Emoluments of directors and supervisors are as follows: *(Continued)*

(3) Mr. Ye Jinquan, Mr. Zhang Qingxiang and Mr. Chen Weiliang resigned as directors of the Bank on 31 March 2025.

(4) The total amount of pre-tax emoluments of the Group's directors and supervisors who are fully remunerated is still in the process of being confirmed and the remainder will be disclosed upon confirmation of payment.

		Year ended 31 December 2024						
Name	*Notes*	Fees	Salaries	Discretionary bonuses	Subsidies and physical benefits	Pension plan contributions	Total (Before Tax)	Number of paid months
Chairman								
Lu Guofeng		–	1,380	638	104	108	2,230	12.00
Executive directors								
Fu Qiang		–	1,380	638	104	108	2,230	12.00
Ye Jianguang		–	1,132	660	104	108	2,004	12.00
Qian Hua	(1)	–	283	165	26	27	501	3.00
Non-executive directors								
Ye Jinquan		230	–	–	–	–	230	12.00
Zhang Qingxiang		230	–	–	–	–	230	12.00
Chen Weiliang		230	–	–	–	–	230	12.00
Tang Wencheng		230	–	–	–	–	230	12.00
Independent non-executive directors								
Zeng Jianhua		230	–	–	–	–	230	12.00
Yip Tai Him		230	–	–	–	–	230	12.00
Xu Zhi		230	–	–	–	–	230	12.00
Tan Fulong		230	–	–	–	–	230	12.00
Liu Yuou		230	–	–	–	–	230	12.00
Xu Tingting		230	–	–	–	–	230	12.00
Supervisors								
Chen Sheng		–	1,132	660	104	108	2,004	12.00
Chen Huinan	(2)	–	378	527	61	63	1,029	7.00
Wen Junhua	(2)	–	370	695	61	63	1,189	7.00
Liu Liping	(2)	–	317	606	61	63	1,047	7.00
Deng Qian	(2)	134	–	–	–	–	134	7.00
Cai Junbang	(2)	134	–	–	–	–	134	7.00
Liu Jiahao	(2)	134	–	–	–	–	134	7.00
Li Guoyu	(2)	134	–	–	–	–	134	7.00
Wei Haiying		230	–	–	–	–	230	12.00
Zhang Bangyong		230	–	–	–	–	230	12.00
Mai Xiuhua		230	–	–	–	–	230	12.00
Liu Sheng	(2)	134	–	–	–	–	134	7.00
Directors who resigned								
Lai Chun Tung	(3)	96	–	–	–	–	96	5.00
Wang Junyang	(3)	96	–	–	–	–	96	5.00
Cai Guowei	(3)	96	–	–	–	–	96	5.00
Chen Haitao	(3)	96	–	–	–	–	96	5.00
Supervisors who resigned								
Deng Yanwen	(3)	–	190	239	43	45	517	5.00
Wu Lixin	(3)	–	248	244	43	45	580	5.00
Liang Zhifeng	(3)	–	282	266	43	45	636	5.00
Wang Zhujin	(3)	96	–	–	–	–	96	5.00
Liang Jiepeng	(3)	96	–	–	–	–	96	5.00
Lu Chaoping	(3)	96	–	–	–	–	96	5.00
Zou Zhibiao	(3)	96	–	–	–	–	96	5.00
Yang Biao	(3)	96	–	–	–	–	96	5.00
Total		4,524	7,092	5,338	754	783	18,491	

11 Emoluments of directors, supervisors and the highest-paid staff *(Continued)*

(a) Emoluments of directors and supervisors are as follows: *(Continued)*

(1) The general meeting of shareholders recommended the appointment of Mr. Qian Hua as an executive director on 30 May 2024. The appointment of Mr. Qian Hua as an executive director has been approved by Dongguan Office of the NFRA on 14 October 2024.

(2) On 30 May 2024, Ms. Deng Qian, Mr. Cai Junbang, Mr. Liu Jiahao, Mr. Li Guoyu and Mr. Liu Sheng were elected as the Supervisors of the fifth session of the Board of Supervisors of the Bank at the 2023 Annual General Meeting of Shareholders. And the Workers' Congress recommended the appointment of Mr. Chen Huinan, Ms. Wen Junhua, Ms. Liu Liping as supervisors on 30 May 2024.

(3) Mr. Lai Chun Tung, Mr. Wang Junyang, Mr. Cai Guowei and Mr. Chen Haitao resigned as directors of the Bank on 30 May 2024. And Ms. Deng Yanwen, Mr. Wu Lixin, Mr. Liang Zhifeng, Mr. Wang Zhujin, Mr. Liang Jiepeng, Mr. Lu Chaoping, Mr. Zou Zhibiao and Mr. Yang Biao resigned as supervisors of the Bank on 30 May 2024.

(4) The Group implements the deferred payment system of performance pay according to regulations. In 2024, the total amount of deferred performance-based compensation for the above personnel was RMB3,615 thousand, including RMB664 thousand for Lu Guofeng, RMB664 thousand for Fu Qiang, RMB687 thousand for Ye Jianguang, RMB172 thousand for Qian Hua, RMB687 thousand for Chen Sheng, RMB344 thousand for Chen Huinan, RMB229 thousand for Wu Lixin, RMB168 thousand for Liang Zhifeng. The deferred performance-based compensation has not been paid to individuals for the time being. Whether and how to pay the deferred performance-based compensation will be determined according to the actual operation and risk loss identification of the Group in the future and the relevant system of the Group.

11 Emoluments of directors, supervisors and the highest-paid staff *(Continued)*

(b) Five highest paid individuals:

The five highest paid individuals comprises directors, supervisor and non-director and non-supervisor as below:

	Note	**Year ended 31 December** **2025**	2024
Directors		**–**	4
Supervisor		**1**	1
Non-director and non-supervisor	(1)	**4**	2
Total		**5**	7

(1) The emoluments payable to the remaining individuals during the years ended 31 December 2025 and 2024 are as follows:

	Year ended 31 December **2025**	2024
Salaries, subsidies and other benefits	**3,452**	1,515
Discretionary bonuses	**4,587**	2,387
Pension plan contributions	**432**	216
Total	**8,471**	4,118

The emoluments of the remaining individuals during the years ended 31 December 2025 and 2024 fell within the following band:

	Year ended 31 December **2025**	2024
RMB1,500,000 to RMB2,500,000	**4**	2

11 Emoluments of directors, supervisors and the highest-paid staff *(Continued)*

(c) Other benefits and interests of directors and supervisors

For the years ended 31 December 2025 and 2024, the Group:

- paid no emoluments to any director, supervisor, senior management or any of the five highest paid individuals as its bonus for joining, or compensation for termination.

- paid no retirement benefits to any director, supervisor, senior management or any of five highest paid individuals except for enterprise Annuity Scheme and Pension Scheme (Note 2 (22) Employee benefits).

- paid no consideration to any third party for related services provided to the Group by directors or supervisors;

- no director or supervisor waived any emolument.

The loans issued by the Group to its directors, supervisors or certain controlled body corporates and connected entities of the directors or supervisors and the balances were disclosed in Note 42. The Group provided no guarantee or security for the loans of any directors, supervisors or certain controlled body corporates and connected entities of the directors or supervisors.

12 Impairment losses on assets

	Year ended 31 December	
	2025	2024
Loans and advances to customers		
— Measured at amortised cost	**3,224,678**	3,873,812
— Measured at fair value through other comprehensive income	**4,253**	(40,190)
Financial investments		
— Measured at amortised cost	**34,433**	(200,515)
— Measured at fair value through other comprehensive income	**36,953**	(121,356)
Financial assets held under resale agreements and deposits and placements with banks and other financial institutions	**1,310**	(30,163)
Loan commitments and guarantee contracts	**25,279**	(38,966)
Other assets	**58,833**	37,175
Total	**3,385,739**	3,479,797

13 Income tax

	Note	Year ended 31 December **2025**	2024
Current income tax		**79,223**	28,335
Deferred income tax	25	**(520,338)**	(768,511)
Tax filing differences		**296,086**	(16,473)
Total		**(145,029)**	(756,649)

The actual amount of tax paid by the Group is different from the amount calculated based on the profit before tax of the Group and statutory tax rate applicable to the Group. The major adjustments are as follows:

	Notes	Year ended 31 December **2025**	2024
Profit before tax		**3,731,794**	4,103,910
Income tax calculated at statutory tax rate of 25%		**932,949**	1,025,978
Tax effect of income non-taxable for tax purpose	(a)	**(1,440,076)**	(1,747,011)
Share of profits of associates		**(11,250)**	(6,111)
Non-deductible expenses		**83,931**	71,706
Recognition of previously unrecognised deductible temporary differences		**(25,067)**	(4,471)
Reversal of previously recognized deferred tax assets		**17,781**	14,742
Tax effect of unused tax losses not recognised		**(1,036)**	(100,672)
Current-year losses for which no deferred tax asset is recognised		**–**	3,924
Effect of preferential tax rate applicable to a subsidiary	(b)	**1,653**	1,739
Adjustments for current tax of prior periods		**296,086**	(16,473)
Income tax		**(145,029)**	(756,649)

(a) The non-taxable income of the Group principally includes interest income from PRC treasury bonds, municipal government bonds and dividend income.

(b) According to *Announcement on the Continuation of the Enterprise Income Tax Policy for the Western Development* (Cai Shui Fa [2020] No. 23), Hezhou Babu Dongying County Bank Company Limited, the Group's subsidiary, is entitled to a preferential income tax rate of 15% from 1 January 2021 to 31 December 2030.

14 Basic and diluted earnings per share

(a) Basic earnings per share are calculated by dividing the net profit attributable to the shareholders of the Bank by the weighted average number of ordinary shares issued by the Bank during the years.

	Year ended 31 December	
	2025	2024
Net profit attributable to the shareholders of the Bank (RMB'000)	**3,853,908**	4,624,651
Weighted average number of ordinary shares (thousand shares)	**6,888,546**	6,888,546
Basic earnings per share (RMB)	**0.56**	0.67

(b) Diluted earnings per share

For the years ended 31 December 2025 and 2024, the Bank had no potential diluted ordinary share, so the diluted earnings per share equaled the basic earnings per share.

15 Cash and balances with the central bank

		As at 31 December	
	Notes	**2025**	2024
Cash		**2,830,505**	2,566,580
Mandatory reserve deposits with the central bank	(a)	**26,892,077**	25,934,793
Surplus reserve deposits	(b)	**7,453,994**	7,607,072
Other deposits with the central bank	(c)	**150,634**	212,299
Sub-total		**37,327,210**	36,320,744
Accrued interest		**13,782**	13,243
Total		**37,340,992**	36,333,987

15 Cash and balances with the central bank *(Continued)*

(a) Mandatory reserve deposits with the central bank represent the general reserve that the Group maintains with the People's Bank of China ("PBOC") in accordance with relevant regulations. The deposit ratios for the reserve of the Bank as at 31 December 2025 and 2024 were as follows, respectively:

	As at 31 December	
	2025	2024
Mandatory reserve rate for deposits denominated in RMB	**5.00%**	5.00%
Mandatory reserve rate for deposits denominated in foreign currencies	**4.00%**	4.00%

The aforementioned mandatory reserve deposits with the central bank cannot be used for daily operating activities. The ratios for RMB deposits in the reserve of the Bank's subsidiaries are in accordance with regulations of the PBOC.

(b) Surplus reserve deposits with the central bank are mainly for the purpose of clearing and settlement.

(c) Other deposits with the central bank primarily represent fiscal deposits that are not available for use in the Group's daily operations.

16 Financial assets held under resale agreements and deposits and placements with banks and other financial institutions

		As at 31 December	
	Note	**2025**	2024
Deposits with domestic banks and other financial institutions		**2,975,370**	2,444,307
Deposits with oversea banks and other financial institutions		**1,202,063**	1,166,474
Placements with domestic banks and other financial institutions		**12,040,000**	12,867,781
Bonds held under resale agreements	(a)	**996,000**	325,598
Sub-total		**17,213,433**	16,804,160
Accrued interest		**19,267**	33,048
Provision for impairment losses		**(19,882)**	(18,628)
Total		**17,212,818**	16,818,580

(a) For the years ended 31 December 2025 and 2024, the Group did not use financial assets held under resale agreements as pledged or mortgaged assets for repurchase agreements with other financial institutions.

17 Derivative financial instruments

	As at 31 December 2025		
		Fair value	
	Nominal amount	Assets	Liabilities
Interest rate swap	**28,570,000**	**199,401**	**(182,521)**
Structured deposits	**192,209**	**113,802**	**(113,802)**
Foreign exchange swap	**16,728,544**	**63,827**	**(5,290)**
Others	**1,992,253**	**1,413**	**(681)**
Total	**47,483,006**	**378,443**	**(302,294)**

	As at 31 December 2024		
		Fair value	
	Nominal amount	Assets	Liabilities
Interest rate swap	31,060,000	349,844	(318,834)
Structured deposits	376,522	178,115	(178,115)
Foreign exchange swap	5,915,192	72,323	(28,618)
Others	482,534	780	(4,893)
Total	37,834,248	601,062	(530,460)

18 Loans and advances to customers

(a) Loans and advances to customers are summarised as follows:

	As at 31 December	
	2025	2024
Loans and advances to customers measured at amortised cost		
Corporate loans and advances		
— Corporate loans	**239,938,429**	218,380,176
— Discounted bills	**6,703,771**	4,367,947
Sub-total	**246,642,200**	222,748,123
Personal loans and advances		
— Business loans	**44,552,066**	46,616,324
— Property mortgages	**42,575,975**	40,688,088
— Personal consumption loans	**36,070,928**	36,434,537
— Credit cards	**3,328,317**	4,481,750
Sub-total	**126,527,286**	128,220,699
Accrued interest	**1,145,799**	734,502
Total loans and advances to customers measured at amortised cost	**374,315,285**	351,703,324
Impairment provision for loans and advances measured at amortised cost	**(15,109,982)**	(14,414,904)
Net book value of loans and advances to customers at amortised cost	**359,205,303**	337,288,420
Loans and advances to customers at fair value through other comprehensive income		
Corporate loans and advances		
— Inter-bank discounted bills	**20,317,900**	17,152,300
— Forfaiting	**6,615,522**	6,167,869
— Discounted bills	**991,405**	–
Loans and advances to customers at fair value through profit or loss		
Corporate loans and advances		
— Inter-bank discounted bills	**7,936,912**	6,755,902
Net loans and advances to customers	**395,067,042**	367,364,491

As at 31 December 2025 and 2024, the expected credit loss rates for loans and advances to customers at amortized cost of the Group were 4.04% and 4.10% respectively.

18 Loans and advances to customers *(Continued)*

(b) Changes in provision for impairment losses of loans and advances to customers by assessment type:

Loans and advances to customers measured at amortised cost	*Notes*	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2025		**4,340,672**	**3,799,070**	**6,275,162**	**14,414,904**
Net transfers in:					
— Stage 1		**(149,444)**	**–**	**–**	**(149,444)**
— Stage 2		**–**	**(679,406)**	**–**	**(679,406)**
— Stage 3		**–**	**–**	**828,850**	**828,850**
Originated or purchased		**1,854,631**	**–**	**–**	**1,854,631**
Remeasurement	(i)	**(371,208)**	**2,128,117**	**3,266,890**	**5,023,799**
Repayment or transfer out		**(2,021,334)**	**(531,101)**	**(1,018,773)**	**(3,571,208)**
Write-off	(ii)	**–**	**–**	**(2,612,144)**	**(2,612,144)**
As at 31 December 2025		**3,653,317**	**4,716,680**	**6,739,985**	**15,109,982**
As at 1 January 2024		4,801,711	3,134,574	5,355,579	13,291,864
Net transfers in:					
— Stage 1		115,023	–	–	115,023
— Stage 2		–	(1,200,600)	–	(1,200,600)
— Stage 3		–	–	1,085,577	1,085,577
Originated or purchased		2,280,086	–	–	2,280,086
Remeasurement	(i)	(958,508)	2,645,957	3,753,576	5,441,025
Repayment or transfer out		(1,897,640)	(780,861)	(2,097,158)	(4,775,659)
Write-off	(ii)	–	–	(1,822,412)	(1,822,412)
As at 31 December 2024		4,340,672	3,799,070	6,275,162	14,414,904

For the years ended 31 December 2025 and 2024 all the movements in ECL allowance on loans and advances to customers at fair value through other comprehensive income are in stage 1.

(i) Remeasurement are caused by parameter changes or transfers between stages.

(ii) The contractual amount outstanding on loans and advances to customers that were written off during the year ended 31 December 2025 and that are still subject to enforcement activity is RMB2,612 million (2024: RMB1,822 million).

18 Loans and advances to customers *(Continued)*

(c) Loans and advances to customers by assessment type:

	Carrying amounts				
As at 31 December 2025	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Not Applicable**	**Total**
Total loans and advances to customers measured at amortised cost	**350,099,106**	**16,655,342**	**7,560,837**	**–**	**374,315,285**
Provision for impairment losses	**(3,653,317)**	**(4,716,680)**	**(6,739,985)**	**–**	**(15,109,982)**
Net loans and advances to customers measured at amortised cost	**346,445,789**	**11,938,662**	**820,852**	**–**	**359,205,303**
Total loans and advances to customers at fair value through other comprehensive income	**27,924,827**	**–**	**–**	**–**	**27,924,827**
Total loans and advances to customers at fair value through profit or loss	**–**	**–**	**–**	**7,936,912**	**7,936,912**
Net loans and advances to customers	**374,370,616**	**11,938,662**	**820,852**	**7,936,912**	**395,067,042**

	Carrying amounts				
As at 31 December 2024	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Not Applicable	Total
Total loans and advances to customers measured at amortised cost	330,722,904	13,799,612	7,180,808	–	351,703,324
Provision for impairment losses	(4,340,672)	(3,799,070)	(6,275,162)	–	(14,414,904)
Net loans and advances to customers measured at amortised cost	326,382,232	10,000,542	905,646	–	337,288,420
Total loans and advances to customers at fair value through other comprehensive income	23,320,169	–	–	–	23,320,169
Total loans and advances to customers at fair value through profit or loss	–	–	–	6,755,902	6,755,902
Net loans and advances to customers	349,702,401	10,000,542	905,646	6,755,902	367,364,491

19 Financial investments

	Notes	As at 31 December 2025	2024
Financial investments at fair value through profit or loss	(a)	**51,543,670**	43,268,319
Financial investments at amortised cost	(b)	**144,943,419**	140,564,544
Financial investments at fair value through other comprehensive income	(c)	**135,563,514**	129,808,653
Total		**332,050,603**	313,641,516

(a) Financial investments at fair value through profit or loss

	Notes	As at 31 December 2025	2024
Debt securities			
— Government bonds		**4,996,690**	7,289,320
— Financial institution bonds		**13,345,514**	7,693,047
— Corporate bonds		**778,681**	438,655
— Interbank certificates of deposits		**3,226,991**	1,191,995
Sub-total		**22,347,876**	16,613,017
Fund Investments		**27,849,548**	25,097,285
Trust beneficiary rights	(i)	**1,346,246**	1,558,017
Sub-total		**29,195,794**	26,655,302
Total		**51,543,670**	43,268,319
Listed	(ii)	**22,347,876**	16,613,017
Unlisted		**29,195,794**	26,655,302
Total		**51,543,670**	43,268,319

(i) For the years ended 31 December 2025 and 2024, trust beneficiary rights primarily invest in loan and foreclosed assets.

(ii) Debt securities traded on the China Domestic Interbank Bond Market are classified as "Listed".

19 Financial investments *(Continued)*

(b) Financial investments at amortised cost

	As at 31 December	
	2025	2024
Debt securities		
— Government bonds	**106,842,088**	106,825,455
— Financial institution bonds	**35,061,325**	30,416,365
— Corporate bonds	**60,125**	60,382
— Interbank certificates of deposits	**998,601**	1,318,006
Sub-total	**142,962,139**	138,620,208
Certificate treasury bonds	**529,901**	424,930
Accrued interest	**1,662,778**	1,696,376
Provision for impairment losses	**(211,399)**	(176,970)
Total	**144,943,419**	140,564,544
Listed	**144,383,192**	140,117,546
Unlisted	**560,227**	446,998
Total	**144,943,419**	140,564,544

19 Financial investments *(Continued)*

(b) Financial investments at amortised cost *(Continued)*

(i) Analyzed by movements in loss allowance:

	Note	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
As at 1 January 2025		**176,970**	**–**	**–**	**176,970**
Net transfers in:					
— Stage 1		**–**	**–**	**–**	**–**
— Stage 2		**–**	**–**	**–**	**–**
— Stage 3		**–**	**–**	**–**	**–**
Originated or purchased		**36,302**	**–**	**–**	**36,302**
Remeasurement	(1)	**15,831**	**–**	**–**	**15,831**
Repayment or transfer out		**(17,704)**	**–**	**–**	**(17,704)**
As at 31 December 2025		**211,399**	**–**	**–**	**211,399**

	Note	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2024		374,843	2,641	–	377,484
Net transfers in:					
— Stage 1		–	–	–	–
— Stage 2		–	–	–	–
— Stage 3		–	–	–	–
Originated or purchased		35,225	–	–	35,225
Remeasurement	(1)	(142,163)	–	–	(142,163)
Repayment or transfer out		(90,935)	(2,641)	–	(93,576)
As at 31 December 2024		176,970	–	–	176,970

(1) Remeasurement are caused by parameter changes.

19 Financial investments *(Continued)*

(c) Financial investments at fair value through other comprehensive income

	As at 31 December	
	2025	2024
Debt securities		
— Government bonds	**79,266,466**	106,709,853
— Financial institution bonds	**52,532,950**	18,721,459
— Corporate bonds	**469,131**	662,819
— Interbank certificates of deposit	**871,407**	1,051,975
Sub-total	**133,139,954**	127,146,106
Equity instruments designated at fair value through other comprehensive income	**1,081,935**	1,173,395
Accrued interest	**1,341,625**	1,489,152
Total	**135,563,514**	129,808,653
Listed	**134,514,672**	128,618,013
Unlisted	**1,048,842**	1,190,640
Total	**135,563,514**	129,808,653

19 Financial investments *(Continued)*

(c) Financial investments at fair value through other comprehensive income *(Continued)*

(i) Analyzed by movements in loss allowance:

	Note	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
As at 1 January 2025		**84,251**	**1,091**	**1,036,444**	**1,121,786**
Net transfers in:					
— Stage 1		**–**	**–**	**–**	**–**
— Stage 2		**–**	**–**	**–**	**–**
— Stage 3		**–**	**–**	**–**	**–**
Originated or purchased		**78,017**	**–**	**–**	**78,017**
Remeasurement	(1)	**3,149**	**–**	**(14,895)**	**(11,746)**
Repayment or transfer out		**(31,397)**	**(1,091)**	**(2,127)**	**(34,615)**
Write-off		**–**	**–**	**(19,742)**	**(19,742)**
As at 31 December 2025		**134,020**	**–**	**999,680**	**1,133,700**

	Note	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2024		161,113	5,314	1,408,556	1,574,983
Net transfers in:					
— Stage 1		2,657	–	–	2,657
— Stage 2		–	31	–	31
— Stage 3		–	–	(2,688)	(2,688)
Originated or purchased		40,373	–	–	40,373
Remeasurement	(1)	(55,005)	(4,254)	(23,923)	(83,182)
Repayment or transfer out		(64,887)	–	(28,102)	(92,989)
Write-off		–	–	(317,399)	(317,399)
As at 31 December 2024		84,251	1,091	1,036,444	1,121,786

(1) Remeasurement are caused by parameter changes or transfers between stages.

20 Subsidiaries

	Note	As at 31 December 2025	2024
Investment cost	(a)	**3,600,314**	3,547,487

Subsidiaries invested by the Bank are set out below:

Name of entity	*Note*	Date and place of incorporation/establishment	Authorized/ paid-in capital	Percentage of equity interest 31 December 2025	Percentage of equity interest 31 December 2024	Percentage of voting rights 31 December 2025	Percentage of voting rights 31 December 2024	Principal activities
Yunfu Xinxing Dongying County Bank Company Limited		23 December 2011 Yunfu, Guangdong	RMB100,000,000	**51.00%**	51.00%	**51.00%**	51.00%	Banking
Hezhou Babu Dongying County Bank Company Limited	(a)	8 August 2012 Hezhou, Guangxi	RMB100,000,000	**95.00%**	51.00%	**95.00%**	51.00%	Banking
Zhanjiang Rural Commercial Bank Co., Ltd.	(b)	26 October 2019 Zhanjiang, Guangdong	RMB1,655,000,000	**49.41%**	49.41%	**49.41%**	49.41%	Banking
Guangdong Chaoyang Rural Commercial Bank Co., Ltd.		27 December 2020 Shantou, Guangdong	RMB1,202,000,000	**67.03%**	67.03%	**67.03%**	67.03%	Banking

(a) On 25 July 2025, Guangxi Office of the NFRA issued "the Approval from Guangxi Office of the National Financial Regulatory Administration on Transfer of Hezhou Babu Dongying County Bank's Equity" (Gui Jin Fu [2025] No. 127), approving the Bank's acquisition of 44 million shares, equivalent to 44% of the total equity of Hezhou Babu Dongying County Bank Co., Ltd. ("Hezhou Dongying"). The aforementioned equity transfer was completed on 3 September 2025. Following the completion of the transaction, the Bank holds 95% of the equity of Hezhou Dongying.

(b) The business combination of Zhanjiang Rural Commercial Bank Co., Ltd. ("Zhanjiang RCB") was completed on 26 October 2019. Upon the acquisition, the Bank holds 49.41% shares and the remaining shareholdings are widely dispersed. Therefore, the Bank controls Zhanjiang RCB.

21 Investment in associates

	Note	Year ended 31 December 2025	2024
Opening balance		**644,456**	633,467
Share of changes of other reserves	35	**16,062**	—
Share of net profits		**45,001**	24,444
Dividends received		**(14,317)**	(13,455)
Ending balance		**691,202**	644,456

The Group's investments in associates are ordinary shares of non-listed companies, and the results of these associates and their assets and liabilities are summarized below:

Investee	Notes	Place of registration	Assets	Net assets	Revenue for the current year	Net profit for the current year	Shareholding (%)
As at 31 December 2025							
Ya'an Rural Commercial Bank Co., Ltd.	(a)	Ya'an, Sichuan	**86,299,856**	**6,533,280**	**1,367,875**	**420,648**	**7.45%**
Guangdong Lechang Rural Commercial Bank Co., Ltd.	(b)	Lechang, Guangdong	**12,192,009**	**1,103,332**	**289,936**	**90,269**	**8.00%**
Guangdong Xuwen Rural Commercial Bank Co., Ltd.	(c)	Xuwen, Guangdong	**12,633,128**	**1,088,823**	**416,320**	**81,128**	**7.94%**
As at 31 December 2024							
Ya'an Rural Commercial Bank Co., Ltd.	(a)	Ya'an, Sichuan	81,830,305	6,258,160	1,445,514	413,716	7.62%
Guangdong Lechang Rural Commercial Bank Co., Ltd.	(b)	Lechang, Guangdong	11,654,164	1,038,492	271,512	81,800	8.00%
Guangdong Xuwen Rural Commercial Bank Co., Ltd.	(c)	Xuwen, Guangdong	12,467,673	1,031,697	405,029	106,452	7.94%

(a) One of the seven members of the board of directors of Ya'an Rural Commercial Bank Co., Ltd. ("Ya'an RCB") is a representative of the Group, therefore the Group is able to exercise significant influence over Ya'an RCB and accounts for Ya'an RCB as an associate.

According to the approval of the Ya'an Supervision Branch of the NFRA, Ya'an RCB raised 57.8 million shares from Sichuan Rural Commercial Union Bank through private placement and completed the registration of changes in registered capital in September 2025. After the transaction, the registered capital of Ya'an RCB has been changed from RMB2,450 million to RMB2,507.8 million. The proportion of equity held by the Group in Ya'an RCB has decreased from 7.62% to 7.45%.

(b) One of the eight members of the board of directors of Guangdong Lechang Rural Commercial Bank Co., Ltd. ("Lechang RCB") is a representative of the Group, therefore the Group is able to exercise significant influence over Lechang RCB and accounts for Lechang RCB as an associate.

(c) One of the nine members of the board of directors of Guangdong Xuwen Rural Commercial Bank Co., Ltd. ("Xuwen RCB") is a representative of the Group, therefore the Group is able to exercise significant influence over Xuwen RCB and accounts for Xuwen RCB as an associate.

22 Property and equipment

	Buildings	Motor vehicles	Machinery and equipment	Construction in progress	Total
Cost					
As at 1 January 2025	3,156,152	40,695	1,151,010	506,019	4,853,876
Addition	35,352	59	89,324	100,353	225,088
Transfers in/(out)	180,864	–	7,064	(193,480)	(5,552)
Disposal	–	(5,537)	(89,735)	–	(95,272)
As at 31 December 2025	3,372,368	35,217	1,157,663	412,892	4,978,140
Accumulated depreciation					
As at 1 January 2025	(1,477,748)	(38,109)	(1,048,415)	–	(2,564,272)
Depreciation	(161,989)	(1,217)	(70,703)	–	(233,909)
Disposal	–	5,490	89,716	–	95,206
As at 31 December 2025	(1,639,737)	(33,836)	(1,029,402)	–	(2,702,975)
Provision for impairment losses					
As at 1 January 2025	(857)	–	–	–	(857)
Charge for the year	–	–	–	–	–
As at 31 December 2025	(857)	–	–	–	(857)
Net book value					
As at 31 December 2025	1,731,774	1,381	128,261	412,892	2,274,308

22 Property and equipment *(Continued)*

	Buildings	Motor vehicles	Machinery and equipment	Construction in progress	Total
Cost					
As at 1 January 2024	2,702,261	39,663	1,108,851	858,058	4,708,833
Addition	8,973	1,940	75,705	146,713	233,331
Transfers in/(out)	447,353	–	19,345	(498,752)	(32,054)
Disposal	(2,435)	(908)	(52,891)	–	(56,234)
As at 31 December 2024	3,156,152	40,695	1,151,010	506,019	4,853,876
Accumulated depreciation					
As at 1 January 2024	(1,325,456)	(37,074)	(1,038,029)	–	(2,400,559)
Depreciation	(153,834)	(1,886)	(62,550)	–	(218,270)
Disposal	1,542	851	52,164	–	54,557
As at 31 December 2024	(1,477,748)	(38,109)	(1,048,415)	–	(2,564,272)
Provision for impairment losses					
As at 1 January 2024	(857)	–	–	–	(857)
Charge for the year	–	–	–	–	–
As at 31 December 2024	(857)	–	–	–	(857)
Net book value					
As at 31 December 2024	1,677,547	2,586	102,595	506,019	2,288,747

As at 31 December 2025, the property rights of buildings in the Group with original costs of RMB495 million and net values at RMB73 million are defective. (31 December 2024: original costs of RMB492 million and net values at RMB79 million).

All properties of the Group and the Bank are located in the mainland of China.

23 Right-of-use assets and lease liabilities

	Property	Equipment	Land use rights	Total
Right-of-use assets				
Cost				
As at 1 January 2025	671,969	5,350	967,612	1,644,931
Increase	131,964	213	114	132,291
Decrease	(118,823)	(310)	(1,764)	(120,897)
As at 31 December 2025	685,110	5,253	965,962	1,656,325
Accumulated depreciation				
As at 1 January 2025	(229,248)	(2,405)	(234,740)	(466,393)
Increase	(101,438)	(2,064)	(23,239)	(126,741)
Decrease	83,832	308	1,764	85,904
As at 31 December 2025	(246,854)	(4,161)	(256,215)	(507,230)
Provision for impairment losses				
As at 1 January 2025	–	–	(2,355)	(2,355)
Increase	–	–	–	–
Decrease	–	–	–	–
As at 31 December 2025	–	–	(2,355)	(2,355)
Net book value				
As at 31 December 2025	438,256	1,092	707,392	1,146,740
Lease liabilities				
Net book value				
As at 31 December 2025	475,403	1,129	–	476,532

23 Right-of-use assets and lease liabilities *(Continued)*

	Property	Equipment	Land use rights	Total
Right-of-use assets				
Cost				
As at 1 January 2024	718,245	2,904	769,283	1,490,432
Increase	141,924	3,606	199,326	344,856
Decrease	(188,200)	(1,160)	(997)	(190,357)
As at 31 December 2024	671,969	5,350	967,612	1,644,931
Accumulated depreciation				
As at 1 January 2024	(275,972)	(1,485)	(217,799)	(495,256)
Increase	(111,773)	(2,080)	(17,938)	(131,791)
Decrease	158,497	1,160	997	160,654
As at 31 December 2024	(229,248)	(2,405)	(234,740)	(466,393)
Provision for impairment losses				
As at 1 January 2024	–	–	(2,355)	(2,355)
Increase	–	–	–	–
Decrease	–	–	–	–
As at 31 December 2024	–	–	(2,355)	(2,355)
Net book value				
As at 31 December 2024	442,721	2,945	730,517	1,176,183
Lease liabilities				
Net book value				
As at 31 December 2024	495,050	2,998	–	498,048

24 Goodwill

	Note	As at 31 December 2025	2024
Zhanjiang Rural Commercial Bank Co., Ltd. ("Zhanjiang RCB")		**181,381**	181,381
Guangdong Chaoyang Rural Commercial Bank Co., Ltd. ("Chaoyang RCB")		**339,140**	339,140
Impairment allowance	(i)	**–**	–
		520,521	520,521

(i) Impairment assessment

For the business combination of Zhanjiang RCB and Chaoyang RCB, the recoverable amount of the asset group is based on the six-year budget and ten-year budget approved by the management respectively, which is then estimated based on a fixed growth rate (as described in the table below) and calculated using the cash flow forecast method.

Cash flow projections periods of the Group are determined based on the forecast of the local economic situation, the banking industry, and with reference to the Group's past operating experience. The Group estimated that Zhanjiang City and Shantou City, where the two banks are located, will experience a relatively high growth for a period more than 5 years until the economic growths of these two cities reach a stable level. In addition, the development of the banking industry is in line with the local economic development. Accordingly, the Group has incorporated the aforementioned factors into the cash projection by using six and ten years for Zhanjiang RCB and Chaoyang RCB respectively to reflect management's estimation of the future local economic forecasts and the related banking business growth.

	Zhanjiang RCB		Chaoyang RCB	
	As at 31 December 2025	As at 31 December 2024	**As at 31 December 2025**	As at 31 December 2024
Stable period growth rate	**2.00%**	2.00%	**2.00%**	2.00%
Pre-tax discount rate	**13.52%**	13.43%	**14.80%**	14.80%

The growth rate is the weighted average growth rate used by the Group to forecast the cash flow after six years for Zhanjiang RCB and ten years for Chaoyang RCB respectively. The management uses the cost of equity as the discount rate which can reflect the specific risks of the relevant asset group. The above assumptions are used to analyses the recoverable amounts of the asset group within the business division.

The Directors and management have considered and assessed reasonably possible changes for key assumptions and have not identified other instances that could cause the carrying amount of the CGUs to exceed its recoverable amount.

25 Deferred income tax

Deferred tax assets and liabilities can be offset only when the Group has the right to offset income tax assets and liabilities within the Group and the deferred tax assets and liabilities are associated with the same tax authority.

(a) Main items of deferred tax assets and liabilities and their movements are as follows:

	Allowance for impairment losses	Changes in fair value of financial assets	Employee benefits payable	Accelerated depreciation of property and equipment	Deductible tax losses	Fair value gain from business combination	Lease liabilities/ Right-of-use assets	Total
As at 1 January 2025	**3,902,975**	**14,872**	**334,278**	**(10,109)**	**549,343**	**(71,710)**	**13,039**	**4,732,688**
Recognised in profit or loss	**592,175**	**96,764**	**(58,966)**	**5,344**	**(123,190)**	**12,014**	**(3,803)**	**520,338**
Recognised in other comprehensive income	**(4,042)**	**506,421**	**–**	**–**	**–**	**–**	**–**	**502,379**
As at 31 December 2025	**4,491,108**	**618,057**	**275,312**	**(4,765)**	**426,153**	**(59,696)**	**9,236**	**5,755,405**
As at 1 January 2024	3,497,694	944,228	329,393	(24,033)	29,133	(83,724)	17,683	4,710,374
Recognised in profit or loss	281,934	(59,812)	4,885	13,924	520,210	12,014	(4,644)	768,511
Recognised in other comprehensive income	123,347	(869,544)	–	–	–	–	–	(746,197)
As at 31 December 2024	3,902,975	14,872	334,278	(10,109)	549,343	(71,710)	13,039	4,732,688

25 Deferred income tax *(Continued)*

(b) The deferred tax assets and liabilities before offsetting and the corresponding temporary differences are as follows:

	As at 31 December 2025		As at 31 December 2024	
	Deductible/(taxable) temporary differences	Deferred tax assets/(liabilities)	Deductible/(taxable) temporary differences	Deferred tax assets/(liabilities)
Deferred tax assets:				
Allowance for impairment losses	17,995,678	4,491,108	15,636,775	3,902,975
Changes in fair value of financial assets	2,472,227	618,057	59,488	14,872
Employee benefits payable	1,102,799	275,312	1,338,892	334,278
Deductible tax losses	1,705,255	426,153	2,197,370	549,343
Lease liabilities	476,532	118,136	498,048	123,251
Sub-total	23,752,491	5,928,766	19,730,573	4,924,719
Deferred tax liabilities:				
Fair value gain from business combination	(238,784)	(59,696)	(286,840)	(71,710)
Accelerated depreciation of property and equipment	(19,060)	(4,765)	(40,434)	(10,109)
Right-of-use assets	(439,348)	(108,900)	(445,666)	(110,212)
Sub-total	(697,192)	(173,361)	(772,940)	(192,031)
Total	23,055,299	5,755,405	18,957,633	4,732,688

26 Other assets

	Notes	As at 31 December 2025	2024
Precious metals		**2,063,569**	277,217
Research and development expenditure		**351,972**	275,694
Long-term deferred expenses		**196,355**	203,239
Intangible assets — software	(a)	**159,326**	93,159
Prepayments		**158,646**	137,795
Foreclosed assets	(b)	**145,682**	163,637
Receivables from disposal of long-term assets		**106,049**	105,765
Interest receivable	(c)	**79,219**	67,184
Investment properties	(d)	**5,600**	7,231
Clearing and settlement		**2,882**	12,366
Others		**308,328**	438,970
Total		**3,577,628**	1,782,257

(a) Intangible assets — software

	As at 31 December 2025	2024
Cost		
Opening balance	**307,065**	223,952
Addition	**102,803**	83,113
Decrease	**–**	–
Ending balance	**409,868**	307,065
Accumulated amortisation		
Opening balance	**(213,906)**	(181,242)
Amortisation	**(36,636)**	(32,664)
Decrease	**–**	–
Ending balance	**(250,542)**	(213,906)
Net book value		
Ending balance	**159,326**	93,159

26 Other assets *(Continued)*

(b) Foreclosed assets

	As at 31 December	
	2025	2024
Property and equipment	**363,049**	363,049
Land use rights	**107,461**	107,461
Sub-total	**470,510**	470,510
Provision for impairment losses	**(324,828)**	(306,873)
Total	**145,682**	163,637

(c) Interest receivable

	As at 31 December	
	2025	2024
Loans and advances to customers	**103,374**	74,806
Financial investments	**92,506**	90,119
Provision for impairment losses	**(116,661)**	(97,741)
Total	**79,219**	67,184

(d) Investment properties

	As at 31 December	
	2025	2024
Cost		
Opening balance	**64,928**	67,237
Disposal	**–**	(2,309)
Ending balance	**64,928**	64,928
Accumulated depreciation		
Opening balance	**(57,697)**	(58,339)
Depreciation	**(1,631)**	(1,667)
Decrease	**–**	2,309
Ending balance	**(59,328)**	(57,697)
Net book value		
Ending balance	**5,600**	7,231

27 Borrowings from the central bank

	As at 31 December	
	2025	2024
Medium-term Lending Facility	**26,490,000**	17,080,000
Refinancing loans	**16,685,774**	14,379,184
Re-discounted bills	**278,495**	209,684
Sub-total	**43,454,269**	31,668,868
Accrued interest	**204,725**	313,970
Total	**43,658,994**	31,982,838

As of 31 December 2025 and 2024, borrowings from the central bank were refinancing loans, re-discounted bills and Medium-term Lending Facility. The collateral provided by the Group and the Bank under borrowing agreements are disclosed in Note 41 to this report.

28 Financial assets sold under repurchase agreements and deposits and placements from banks and other financial institutions

		As at 31 December	
	Note	**2025**	2024
Deposits from domestic banks		**2,139,329**	4,342,680
Deposits from other domestic financial institutions		**453,504**	1,453,252
Placements from domestic banks		**757,051**	6,242,506
Bonds sold under repurchase agreements	(a)	**7,321,221**	18,667,486
Bills sold under repurchase agreements	(a)	**2,003,891**	323,322
Sub-total		**12,674,996**	31,029,246
Accrued interest		**22,546**	94,538
Total		**12,697,542**	31,123,784

(a) The securities provided by the Group as collateral under repurchase agreements are disclosed in Note 41 to this report.

29 Financial liabilities at fair value through profit or loss

	Note	As at 31 December	
		2025	2024
Gold deposit		**440,029**	151,527
Others	(a)	**1,682,667**	1,524,546
Total		**2,122,696**	1,676,073

(a) On 20 December 2022, the Group has worked with Guangdong Utrust Investment Holdings Co., Ltd. ("Utrust Holdings") in using the small and medium banks development supporting Special Bonds issued by Guangdong Provincial Government to replenish capital of Guangdong Puning Rural Commercial Bank Co., Ltd. ("Puning RCB"), and entered into transaction agreements in relation to the transfer of the shares of Puning RCB ("Subject Shares") and the trust beneficial interest ("Subject Beneficial Interest") with Utrust Holdings. Based on the transaction agreements, the Group shall acquire, by tranches, Subject Shares and the Subject Beneficial Interest held by Utrust Holdings. The total consideration payable by the Group to Utrust Holdings for the acquisition of the Subject Shares and the Subject Beneficial Interest should in any event be capped at the Special Bonds principal and interest plus the corresponding taxes and fees, less the disposal proceeds received. As of 31 December 2025, the shortfall in the discounted value of the future cash flows of Special Bonds Fund that shall be obliged to pay under the transaction agreement less the corresponding asset values of Subject Beneficial Interest and the value of Subject Shares is RMB1,683 million (31 December 2024: RMB1,525 million).

30 Deposits from customers

	As at 31 December	
	2025	2024
Corporate demand deposits	**96,345,805**	92,317,178
Corporate time deposits	**108,857,549**	104,334,518
Individual demand deposits	**116,734,188**	113,232,554
Individual time deposits	**210,886,864**	201,227,007
Pledged deposits	**11,205,614**	8,954,586
Other deposits	**181,822**	182,396
Sub-total	**544,211,842**	520,248,239
Accrued interest	**10,836,355**	9,923,337
Total	**555,048,197**	530,171,576

31 Debt securities issued

	Notes	As at 31 December 2025	2024
Fix-rated financial bond	(a)	**8,999,645**	4,499,879
Financial bonds for small and micro enterprise	(b)	**5,999,910**	5,999,845
Tier 2 capital bond	(c)	**3,999,054**	3,999,067
Green financial bonds	(d)	**1,499,960**	1,499,889
Sci-tech innovation bonds	(e)	**1,499,959**	–
Sannong financial bond	(f)	**999,990**	999,973
Interbank certificates of deposit	(g)	**91,738,660**	66,413,246
Sub-total		**114,737,178**	83,411,899
Accrued interest		**162,395**	132,110
Total		**114,899,573**	83,544,009

(a) In November 2023, the Bank issued a 3-year fixed rate financial bond amounting to RMB1.50 billion with nominal annual interest rate of 2.83%, and the bond pays interest annually.

In May 2024, the Bank issued a 3-year fixed rate financial bond amounting to RMB3 billion with nominal annual interest rate of 2.25%, and the bond pays interest annually.

In August 2025, the Bank issued a 3-year fixed rate financial bond amounting to RMB2.50 billion with nominal annual interest rate of 1.90%, and the bond pays interest annually.

In November 2025, the Bank issued a 3-year fixed rate financial bond amounting to RMB2 billion with nominal annual interest rate of 1.91%, and the bond pays interest annually.

(b) In September and October 2023, the Bank issued the first phase and second phase of 3-year fixed rate financial bonds for small and micro enterprise amounting to RMB2.50 billion and RMB1.50 billion with nominal annual interest rate of 2.73% and 2.80%, respectively, and these bonds pays interest annually.

In June 2024, the Bank issued a 3-year fixed rate financial bonds for small and micro enterprise amounting to RMB2 billion with nominal annual interest rate of 2.16%, and the bond pays interest annually.

(c) In December 2022, the Bank issued a 10-year fixed rate Tier-2 capital bond amounting to RMB4 billion with nominal annual interest rate of 4.30%, and the bond pays interest annually.

(d) In July 2023, the Bank issued a 3-year fixed rate green financial bond amounting to RMB1.50 billion with nominal annual interest rate of 2.66%, and the bond pays interest annually.

(e) In September 2025, the Bank issued a 5-year fixed rate Sci-tech innovation bonds amounting to RMB1.50 billion with nominal annual interest rate of 1.98%, and these bonds pays interest annually.

31 Debt securities issued *(Continued)*

(f) In July 2023, the Bank issued a 3-year fixed rate Sannong financial bond amounting to RMB1 billion with nominal annual interest rate of 2.73%, and the bond pays interest annually.

(g) Interbank certificates of deposit are as follows:

	As at 31 December	
	2025	2024
Reference rates of return	**1.60%–1.99%**	1.64%–2.31%
Original maturity	**1 to 12 months**	3 to 12 months

As at 31 December 2025 and 2024, the Group did not have any overdue principal and interest on interbank certificates of deposit or other defaults.

32 Taxes payable

	As at 31 December	
	2025	2024
Income tax	**86,183**	542
VAT and others	**300,828**	289,827
Total	**387,011**	290,369

33 Other liabilities

	Notes	As at 31 December 2025	2024
Employee benefits payable	(a)	**1,910,379**	2,154,189
Accrued expenses		**551,832**	565,499
Purchases payable		**350,442**	363,092
Clearing and settlement		**291,509**	259,847
Provisions	(b)	**131,655**	106,385
Dividends payable		**6,385**	4,012
Others		**156,720**	168,407
Total		**3,398,922**	3,621,431

(a) Employee benefits payable

	As at 31 December 2025	2024
Wages and salaries, bonuses, allowances and subsidies	**1,641,912**	1,858,320
Labour union funds and employee education funds	**112,428**	124,197
Social benefits and others	**111,282**	70,370
Enterprise annuity scheme	**44,757**	101,302
Total	**1,910,379**	2,154,189

(b) Provisions

	Note	As at 31 December 2025	2024
Loan commitments and financial guarantee contracts	(1)	**131,655**	106,385

33 Other liabilities *(Continued)*

(b) Provisions *(Continued)*

(1) Analysis of movements in provisions of loan commitments and financial guarantee contracts measured using the ECL model.

	Note	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
As at 1 January 2025		**83,931**	**533**	**21,921**	**106,385**
Net transfers in:					
— Stage 1		**319**	**–**	**–**	**319**
— Stage 2		**–**	**(180)**	**–**	**(180)**
— Stage 3		**–**	**–**	**(139)**	**(139)**
Originated or purchased		**115,723**	**398**	**2,580**	**118,701**
Remeasurement	(i)	**5,039**	**718**	**1,753**	**7,510**
Decrease		**(76,767)**	**(724)**	**(23,450)**	**(100,941)**
As at 31 December 2025		**128,245**	**745**	**2,665**	**131,655**

	Note	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2024		111,609	12,535	21,195	145,339
Net transfers in:					
— Stage 1		—	—	—	—
— Stage 2		—	—	—	—
— Stage 3		—	—	—	—
Originated or purchased		71,057	—	—	71,057
Remeasurement	(i)	(3,193)	(297)	2,831	(659)
Decrease		(95,542)	(11,705)	(2,105)	(109,352)
As at 31 December 2024		83,931	533	21,921	106,385

(i) Remeasurement are caused by parameter changes or transfers between stages.

34 Share capital

	Number of shares (in thousand)	**Nominal amount**
As at 31 December 2025 and 31 December 2024	6,888,546	6,888,546

The share capital of the Bank consists of authorised share capital issued and fully paid, with par value of RMB1 per share.

35 Capital reserve

	1 January 2025	**Increase**	**Decrease**	**31 December 2025**
Share premium	**6,230,429**	**–**	**–**	**6,230,429**
Other capital reserve	**92,616**	**16,062**	**(5,187)**	**103,491**
Total	**6,323,045**	**16,062**	**(5,187)**	**6,333,920**

	1 January 2024	Increase	Decrease	31 December 2024
Share premium	6,230,429	—	—	6,230,429
Other capital reserve	112,350	—	(19,734)	92,616
Total	6,342,779	—	(19,734)	6,323,045

36 Revaluation reserve

	2025	2024
As at January 1	**3,039,444**	850,285
Changes in fair value recognized in other comprehensive income	**(1,024,289)**	3,681,469
Transfer to profit or loss upon disposal	**(877,512)**	(380,373)
Transfer to retained earnings upon disposal	**–**	88,726
Changes in impairment losses recognized in other comprehensive income	**36,122**	(470,943)
Less: Deferred income tax	**466,420**	(729,720)
As at December 31	**1,640,185**	3,039,444

37 Surplus reserve and general reserve

	Surplus reserve (a)	General reserve (b)
1 January 2025	**9,273,110**	**7,867,224**
Appropriation to surplus reserve	**390,789**	**–**
Appropriation to general reserve	**–**	**1,175,276**
31 December 2025	**9,663,899**	**9,042,500**
1 January 2024	8,829,850	7,422,108
Appropriation to surplus reserve	443,260	–
Appropriation to general reserve	–	445,116
31 December 2024	9,273,110	7,867,224

(a) Surplus reserve

For the years ended 31 December 2025 and 2024, the surplus reserve represented statutory surplus reserve and discretionary surplus reserve.

Pursuant to the PRC Company Law and the Articles of Association of the Bank, the Bank is required to appropriate 10% of its net profit as on an annual basis determined under the PRC Generally Accepted Accounting Principles ("GAAP") until the balance reaches 50% of its registered capital as statutory surplus reserve. The Bank may also appropriate to the discretionary surplus reserve in accordance with the resolution of the shareholders.

The Bank appropriated RMB391 million and RMB443 million to the statutory surplus reserve for the years ended 31 December 2025 and 2024, respectively.

(b) General reserve

Pursuant to Caijin [2012] No. 20 "Requirements on Impairment Allowance for Financial Institutions" (the "Requirement") issued by the MOF, effective 1 July 2012, in addition to impairment allowances, the Bank and its subsidiaries are required to establish and maintain a general reserve within equity through the appropriation of profit to address unidentified potential impairment risks. The general reserve should not be less than 1.5% of the aggregate amount of risk assets on an annual basis as defined by the Requirement.

38 Dividends

		As at 31 December	
	Notes	**2025**	2024
Dividends on ordinary shares declared			
Cash dividend related to 2024	(a)	**1,722,135**	–
Cash dividend related to 2023	(b)	**–**	1,825,466

Under the PRC Company Law and the Bank's Articles of Association, the net profit after tax as reported in the PRC statutory financial statements can only be distributed as dividends after:

- Making up prior year's cumulative losses, if any;
- Allocations to the non-distributable statutory reserve of 10% of the net profit of the Bank.

(a) Distribution of final dividend for 2024

A dividend of RMB0.25 per share (tax inclusive) in respect of the year ended 31 December 2024, with a total of RMB1,722 million was approved in the annual general meeting on 30 May 2025.

(b) Distribution of final dividend for 2023

A dividend of RMB0.265 per share (tax inclusive) in respect of the year ended 31 December 2023, with a total of RMB1,825 million was approved in the annual general meeting on 30 May 2024.

39 Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following amounts which have original maturities of less than three months and are used to meet short-term cash commitments:

	As at 31 December	
	2025	2024
Cash	**2,830,505**	2,566,580
Surplus reserve deposits with the central bank	**7,453,994**	7,607,072
Deposits with banks and other financial institutions	**3,537,170**	3,450,885
Placements with banks and other financial institutions	**250,000**	3,000,000
Financial assets held under resale agreements	**996,000**	325,598
Total	**15,067,669**	16,950,135

40 Structured entities

(a) Consolidated structured entities

Structured entities consolidated by the Group include non-principal guaranteed WMPs and asset management plans, managed and/or invested by the Group. The Group controls these entities because the Group has power over, is exposed to, or has rights to, variable returns from its involvement with these entities and has the ability to use its power over these entities to affect the amount of the Group's returns.

As of 31 December 2025, the total consolidated structured entities were RMB8,799 million (31 December 2024: RMB6,398 million).

(b) Non-principal-guaranteed Wealth-Management Products ("WMPs") issued by the Group

Non-principal-guaranteed WMPs are not subject to any guarantee by the Group of the principal invested or interest to be paid.

The WMPs invest in a range of primarily fixed rate assets, most typically money market instruments, debt securities and other debt assets. As the manager of these WMPs, the Group invests, on behalf of the investors in these WMPs, the funds raised in the investment plan as described related to each WMP and receives fee and commission income.

As at 31 December 2025 and 2024, there were no non-principal-guaranteed WMPs consolidated and the unconsolidated non-principal-guaranteed WMPs amounted to RMB37,277 million and RMB37,789 million respectively.

For the year ended 31 December 2025 and 2024, the Group's fee and commission income earned from WMPs amounted to RMB201 million and RMB266 million, respectively.

(c) Unconsolidated structured entities set up in third-party organisations

The Group invests in other unconsolidated structured entities which are sponsored and managed by other entities for investment returns, and records trading gains or losses and interest income therefrom. For the years ended 31 December 2025 and 2024, the carrying amounts of the Group's interests in structured entities set up in third-party organisations by directly holding the investment were as follows:

		As at 31 December	
	Notes	**2025**	2024
Financial investments at fair value through profit or loss	19(a)		
— Fund investments		**27,849,548**	25,097,285
— Trust beneficiary rights		**1,346,246**	1,558,017
Total		**29,195,794**	26,655,302

40 Structured entities *(Continued)*

(c) Unconsolidated structured entities set up in third-party organisations *(Continued)*

For the years ended 31 December 2025 and 2024, the maximum exposures of the above structured entities were their carrying amounts.

41 Contingent liabilities and commitments

(a) Financial guarantees and other credit commitments

	As at 31 December	
	2025	2024
Bank acceptances	**14,512,813**	10,339,944
Unused limit of credit cards	**6,296,763**	7,568,439
Guarantees	**2,090,757**	2,794,279
Letters of credit	**932,847**	1,156,542
Total	**23,833,180**	21,859,204

(b) Credit risk weighted amounts of financial guarantees and credit commitments

	As at 31 December	
	2025	2024
Financial guarantees and credit commitments	**11,269,149**	10,516,523

Credit risk weighted amounts refer to amounts which depend on the status of counterparties and the maturity characteristics and are calculated in accordance with the NFRA guidance. Risk weightings used for contingent liabilities and credit commitments range from 0% to 100%.

(c) Capital commitments

	As at 31 December	
	2025	2024
Contracted, but not provided for	**61,587**	103,357

(d) Legal proceedings

The litigation cases of the Group are not expected to have a significant impact on the Group.

41 Contingent liabilities and commitments *(Continued)*

(e) Collateral

Assets as collateral

The fair value of the Group's assets pledged as collateral under borrowings from the central bank are as follows:

	As at 31 December	
	2025	2024
Debt securities	**50,690,998**	36,754,448
Loans	**4,719,742**	6,359,376
Bills	**278,495**	209,684
Total	**55,689,235**	43,323,508

The liabilities of above collateral were presented in Note 27.

The fair value of the Group's assets pledged as collateral under repurchase agreements are as follows:

	As at 31 December	
	2025	2024
Debt securities	**8,426,665**	21,155,309
Bills	**2,001,434**	324,062
Total	**10,428,099**	21,479,371

The liabilities of above collateral were presented in Note 28. All repurchase agreements are due within 12 months from their effective dates.

Collateral accepted

The Group accepts bonds and bills as collateral in relevant securities borrowing and lending and resale agreement businesses. As at 31 December 2025 and 2024, the Group did not hold any collateral that can be resold or re-pledged.

41 Contingent liabilities and commitments *(Continued)*

(f) Redemption commitments of certificate treasury bonds

The Group is entrusted by the MOF to underwrite certain PRC government savings bonds (in certificate form). The investors of the bonds have a right to redeem the bonds they hold at any time before their maturities, while the Group is obligated to meet redemption requests. The early redemption proceeds for these government bonds (in certificate form) are the principal of the bonds plus unpaid interest accrued in accordance with the early redemption agreement.

As of 31 December 2025, the balance of the principals of the Group's PRC government savings bonds (in certificate form) with early redemption obligations was RMB2,207 million (31 December 2024: RMB1,808 million). The original maturities of these government bonds are 3 or 5 years. Management expects the Group's exposure to early redemptions of these bonds will not be material. The MOF will not provide funding for the early redemptions of these government bonds on a back-to-back basis but will settle the principal and interest upon maturity.

42 Related party transactions

(a) Related parties of the Bank

Related parties of the Bank include subsidiaries, associates and other related parties. Other related parties could be natural persons or legal persons, including directors, supervisors, senior managers of the Bank and their close family members; entities controlled or jointly controlled by directors, supervisors, senior managers of the Bank and their closely related family members, etc.

42 Related party transactions *(Continued)*

(b) Related party transactions and balances

(i) Transactions and balances with subsidiaries

As at each of the balance sheet dates, the Bank had the following transactions and balances with subsidiaries:

	As at 31 December	
	2025	2024
Financial assets held under resale agreements and deposits and placements with banks and other financial institutions	**60,096**	216
Financial assets sold under repurchase agreements and deposits and placements from banks and other financial institutions	**88,782**	81,122
Property and equipment	**3**	–

	Year ended 31 December	
	2025	2024
Interest income	**1,012**	527
Interest expense	**526**	1,556
Other operating income	**43**	–

	Year ended 31 December	
Range of rates	**2025**	2024
Financial assets held under resale agreements and deposits and placements with banks and other financial institutions	**0.05%–2.50%**	0.35%
Financial assets sold under repurchase agreements and deposits and placements from banks and other financial institutions	**0.72%**	0.72%

The transactions with related parties are based on normal commercial terms and market price.

42 Related party transactions *(Continued)*

(b) Related party transactions and balances *(Continued)*

(ii) Transactions and balances with associates

As at each of the balance sheet dates, the Bank had the following transactions and balances with associates:

	As at 31 December	
	2025	2024
Financial assets held under resale agreements and deposits and placements with banks and other financial institutions	**4**	13,902

	Year ended 31 December	
	2025	2024
Interest income	**30**	49

	Year ended 31 December	
Range of rates	**2025**	2024
Financial assets held under resale agreements and deposits and placements with banks and other financial institutions	**0.28%–0.31%**	0.35%

The transactions with related parties are based on normal commercial terms and market price.

42 Related party transactions *(Continued)*

(b) Related party transactions and balances *(Continued)*

(iii) Transaction and balances with other related parties

As at each of the balance sheet dates, the Bank had the following transactions and balances with other related parties:

	Note	As at 31 December 2025	As at 31 December 2024
Loans and advances to customers		**7,330,732**	10,880,235
Deposits from customers		**2,883,617**	2,438,024
Non-principal-guaranteed WMPs issued by the Bank		**142,131**	119,804
Right-of-use assets	(1)	**2,792**	2,180
Lease liabilities	(1)	**2,819**	2,225
Off-balance sheet item			
Credit Commitment		**5,000**	166,906

	Year ended 31 December 2025	Year ended 31 December 2024
Interest income	**295,569**	558,096
Interest expense	**14,042**	14,464
Leasing expenses	**1,814**	1,881
Fee and commission income	**185**	3,110

Range of rates	Year ended 31 December 2025	Year ended 31 December 2024
Loans and advances to customers	**2.45%–5.45%**	2.75%–5.92%
Deposits from customers	**0.05%–4.05%**	0.05%–5.15%
Management fee rate of non-principal-guaranteed WMPs issued by the Bank	**0.01%–0.50%**	0%–0.50%

(1) During the years ended 31 December 2025 and 2024, the Bank incurred RMB2.42 million and RMB0 million for lease contracts with related parties respectively. The lease term ranges from 1 year to 3 years. These leases were accounted for under IFRS 16 and the respective right-of-use assets and lease liabilities were recognised in the consolidated statement of financial position.

The transactions with related parties are based on normal commercial terms and market price.

42 Related party transactions *(Continued)*

(c) Remuneration of key management personnel

Key management personnel refer to those persons who have the authority and responsibility to plan, conduct and control the Bank's activities.

The remuneration of key management personnel in each of the reporting years is as follows:

	Year ended 31 December	
	2025	2024
Salaries and fees	**12,683**	14,574
Subsidies and physical benefits	**1,225**	1,057
Discretionary bonuses	**7,498**	7,306
Pension plan contributions	**1,161**	1,098
Total	**22,567**	24,035

(d) Loans and advances balances with directors, supervisors and their certain controlled body corporates and connected entities

	As at 31 December	
	2025	2024
Directors	**–**	19,500
Certain controlled body corporates and connected entities of the directors	**7,059,316**	10,551,342
Certain controlled body corporates and connected entities of the supervisors	**226,511**	117,314
Total	**7,285,827**	10,688,156

43 Segmental analysis

(a) Business segments

The Group manages its operations from both business and regional perspectives. From a business perspective, the Group mainly provides financial services through four business segments, which are listed below:

- Corporate banking: Corporate banking business segment covers financial products and services to corporate customers, governments, and financial institutions. These products and services include corporate loans and advances, trade finance, deposits, and various other corporate intermediary businesses.

- Personal banking: Personal banking business segment covers financial products and services to individual customers. These products and services include personal loans and advances, deposits, bank cards, and various other individual intermediary businesses.

- Treasury: Treasury segment covers the Group's money market transactions, repurchase transactions, debt instrument investments, wealth management products and precious metals.

- Others: The others segment covers the remaining businesses of the Group that cannot be directly attributed to the above segments, and some assets, liabilities, income or expenses of the Head Office that have not been properly allocated.

From a regional perspective, all businesses of the Group are conducted in Mainland China.

43 Segmental analysis *(Continued)*

(a) Business segments *(Continued)*

	Year ended 31 December 2025				
	Corporate banking	Personal banking	Treasury	Others	Total
External interest income	9,664,723	3,016,361	7,277,228	–	19,958,312
External interest expense	(3,563,508)	(4,745,376)	(2,822,205)	–	(11,131,089)
Intersegment net interest income or expense	(1,371,439)	5,279,611	(3,908,172)	–	–
Net interest income	4,729,776	3,550,596	546,851	–	8,827,223
Net fee and commission income	84,551	287,126	41,640	(14,367)	398,950
Net trading gains or losses	43,773	823	534,703	–	579,299
Net gains or losses on financial investments	62,928	–	1,896,965	(131,905)	1,827,988
Other operating income	11,586	506	707	50,319	63,118
Operating income	4,932,614	3,839,051	3,020,866	(95,953)	11,696,578
Operating expense	(1,582,777)	(2,115,161)	(447,785)	(478,323)	(4,624,046)
— Depreciation and amortisation	(128,056)	(191,694)	(68,231)	(58,975)	(446,956)
Impairment losses on assets	(1,867,241)	(1,386,969)	(131,529)	–	(3,385,739)
Share of profits of associates	–	–	–	45,001	45,001
Profit before tax	1,482,596	336,921	2,441,552	(529,275)	3,731,794
Capital expenditure	110,907	166,021	59,093	51,077	387,098

	As at 31 December 2025				
	Corporate banking	Personal banking	Treasury	Others	Total
Segment assets	278,031,253	122,314,737	384,673,555	5,240,752	790,260,297
Unallocated assets					5,755,405
Total assets					796,015,702
Segment liabilities	215,209,875	343,005,434	173,968,475	789,977	732,991,761

43 Segmental analysis *(Continued)*

(a) Business segments *(Continued)*

	Year ended 31 December 2024				
	Corporate banking	Personal banking	Treasury	Others	Total
External interest income	10,696,143	3,570,068	7,655,856	–	21,922,067
External interest expense	(4,209,629)	(5,035,824)	(3,502,327)	–	(12,747,780)
Intersegment net interest income or expense	(1,973,548)	5,554,466	(3,580,918)	–	–
Net interest income	4,512,966	4,088,710	572,611	–	9,174,287
Net fee and commission income	74,881	333,527	35,739	12,890	457,037
Net trading gains or losses	131,687	2,138	1,713,774	–	1,847,599
Net gains or losses on financial investments	(202)	–	1,023,345	(314,690)	708,453
Other operating income	63,628	2,200	1,003	57,721	124,552
Operating income	4,782,960	4,426,575	3,346,472	(244,079)	12,311,928
Operating expense	(1,640,171)	(2,130,261)	(449,973)	(532,260)	(4,752,665)
— Depreciation and amortisation	(126,156)	(191,020)	(71,765)	(40,451)	(429,392)
Impairment losses on assets	(2,627,169)	(1,167,487)	314,859	–	(3,479,797)
Share of profits of associates	–	–	–	24,444	24,444
Profit before tax	515,620	1,128,827	3,211,358	(751,895)	4,103,910
Capital expenditure	90,678	137,300	51,583	29,076	308,637

	As at 31 December 2024				
	Corporate banking	Personal banking	Treasury	Others	Total
Segment assets	247,484,125	125,007,294	365,406,726	3,273,655	741,171,800
Unallocated assets					4,732,688
Total assets					745,904,488
Segment liabilities	205,434,487	328,008,454	149,166,615	829,032	683,438,588

44 Financial risk management

Overview

The Group's activities expose it to a variety of financial risks. The Group analyses and evaluates its risk exposures and accepts and manages a certain level of such risks or combined risks. Financial risk management is critical to the financial industry in which the Group operates, and business operations inevitably involve financial risks. The Group's aim is to achieve an appropriate balance between risk and return to minimise potential adverse effects on the Group's financial statements.

The Group's risk management policies are designed to identify and analyse related risks, so as to set appropriate risk limits and control processes, and to monitor risks and their limits through reliable processes.

The Board of Directors of the Group is responsible for setting out the overall risk preference, reviewing and approving the Group's risk management objectives and strategies. Senior management is responsible for developing and implementing appropriate risk management policies and procedures based on risk management objectives and strategies. The Board of Supervisors is responsible for supervising and inspecting the risk management and internal control and spurring remedial measures where necessary.

The major financial risks faced by the Group are credit risk, market risk and liquidity risk, and market risk mainly comprises interest rate risk and foreign exchange risk.

44.1 Credit risk

44.1.1 Credit risk management

The Group is exposed to credit risk, which is the risk that a customer or counterparty will be unable or unwilling to meet its obligations under a contract. The concentrations of credit risk will increase when counterparties are within similar industry distribution or geographical regions. On-balance-sheet credit exposure includes loans and advances to customers, financial investments, deposits and placements with banks and certain other financial assets. There is also off-balance-sheet credit exposure, such as credit commitments, letters of credit, guarantees, and acceptance notes. Currently, the Group's principal business is primarily concentrated in Dongguan City of Guangdong Province in China, which indicates that the Group is more susceptible to changes in regional economic conditions. As a result, the management monitors its credit risk prudently. The Risk Management Department at Head Office of the Group is responsible for the daily management of the Group's overall credit risk, and reports to the Group's senior management timely.

44 Financial risk management *(Continued)*

44.1 Credit risk *(Continued)*

44.1.1 Credit risk management *(Continued)*

The Group adopts standardised management for the whole business procedure of credit business, including credit investigation and declaration, credit review and approval, loan issuance, post-lending monitoring and non-performing loans (NPL) management. It comprehensively improves the credit risk management level by strictly regulating credit operation procedures, strengthening end-to-end loan management from prelanding investigation, rating and assigning credit limits, review and approval, loan drawdown review, to post-lending monitoring, improving the risk mitigation effect of collateral, accelerating the recovering and disposal of NPLs, and promoting the upgrading of credit management system.

For the year ended 31 December 2025 and 2024, the domestic economy was hit by various unexpected factors, and as a result, negative impact on the asset quality of the Group's credit assets and investments. In response to the government's policies, the Group delivered timely solutions to assist existing customers who had been affected by economic downswing, including relief measures, and at the same time, further enhanced its credit risk monitoring and early warning management system to step up credit risk monitoring. The Group and the Bank actively respond to the change of the credit environment by conducting regular analysis on credit risk situations and matters and taking precautionary risk control measures with a forward-looking vision.

The Comprehensive Risk Management Execution Committee is responsible for supervising the recovery and disposal of NPLs. The Group manages its NPLs mainly by the following methods: (1) collection; (2) restructuring; (3) disposal of collateral or seeking recourse against guarantors; (4) litigation or arbitration; and (5) write-off according to regulatory requirements, to minimise its losses from credit risks. If the Group, after executing all necessary procedures, still considers that it is not reasonably possible to expect to recover the whole or part of a loan, it shall be written off. For the years ended 31 December 2025 and 2024, the loans and advances to customers written off by the Group amounted to RMB2,612 million and RMB1,822 million respectively.

In addition to risks arising from credit assets, the Group manages the credit risk of treasury operations by carefully selecting banks and other financial institutions with appropriate credit levels as counterparties, balancing credit risk and investment return, comprehensively referring to internal and external credit rating information, grading credit, and using a timely credit line management system to review and adjust the credit line. In addition, the Group provides off-balance-sheet commitments and guarantees for customers. There is a possibility that the Group will make payments on behalf of customers due to their default, and bear the risk similar to loans. Therefore, the Group adopts risk control procedures and policies similar to the credit business to reduce the credit risk.

44 Financial risk management *(Continued)*

44.1 Credit risk *(Continued)*

44.1.2 Measurement of credit risk

(a) *Loans*

According to the Rules on Risk Classification of Financial Assets of Commercial Banks issued by the NFRA and the People's Bank of China, the Group establishes a management system regarding to the classification of loan risks, and implements five-level classification management. Loans are classified into five categories based on their risk levels, namely pass, special-mention, sub-standard, doubtful and loss, the latter three of which are regarded as non-performing loans. The primary factors considered in impairment assessment for loans include probability of loan repayment and recoverability of principal and interest, which reflect borrowers' repayment ability, repayment record and intention, profitability, guarantees or collateral and legal responsibility of repayment.

The five categories into which the Group classifies its loans and advances to customers are set out below:

- Pass: Borrowers can fulfil the contract without objective evidence that the principal, interest, or income cannot be paid in full on a timely basis.
- Special-mention: Although there are some factors that may have an adverse impact on the performance of the contract, borrowers currently has the ability to repay the principal, interest, or income.
- Sub-standard: Borrowers cannot fully repay the loan principal and interest or income, or the financial assets have experienced credit impairment.
- Doubtful: Borrowers have been no longer able to fully repay the loan principal and interest or income, and the financial assets have experienced significant credit impairment.
- Loss: After taking all possible measures, only a very small portion of financial assets can be recovered, or all financial assets can be lost.

(b) *Bonds and other notes*

The Group manages its credit risk exposures to bonds and other notes by setting restriction of investment size, issuer profile and rating and also post-investment management.

44 Financial risk management *(Continued)*

44.1 Credit risk *(Continued)*

44.1.2 *Measurement of credit risk* *(Continued)*

(c) *Other financial investments*

Other financial investments mainly comprise trust beneficiary rights, fund investments and asset management plans. The Group has rating-based access policies in place towards the cooperating trust companies, securities companies and fund companies. Subsequent risk management is carried out on a regular basis.

(d) *Interbank transactions*

The Group reviews and monitors credit risk of individual financial institutions periodically and credit quota has been maintained for each bank and other institutions that have transactions with the Group.

(e) *Financial guarantees and credit commitments*

The primary purpose of financial guarantees and credit commitments is to ensure that customers can acquire the funds needed. Guarantees, acceptances of bills and letters of credit represent irrevocable commitments of the Group to fulfil the obligations of payment to a third party when the customers are unable to do so, with the same credit risk as loans. The amount of potential credit risk faced by the Group is equal to the total amount of its financial guarantees and credit commitments.

44.1.3 *Risk limit control and mitigation measures*

The Group prudently manages and controls the concentration of credit risk, including single borrower, group, industry and region. The Group has established related mechanism to set up credit risk limit which is bearable for single borrower, and makes an assessment on credit risk limit at least once a year.

The Group has established a series of policies and taken various measures to mitigate the credit risk. Obtaining collateral, deposits and corporates' or individuals' guarantee are important means for the Group to control the credit risk. The collateral policy established by the Group stipulates the type of specific collateral that is acceptable, mainly including:

- Housing;
- Business assets such as premises, inventory and accounts receivable;
- Financial instruments such as debt securities and stocks.

44 Financial risk management *(Continued)*

44.1 Credit risk *(Continued)*

44.1.3 Risk limit control and mitigation measures *(Continued)*

The fair value of collateral or pledge is generally determined with the help of specialised valuation agencies recognized by the Group. In order to reduce the credit risk, the Group has defined the maximum loan-to-value ratio (the ratio of the loan amount to the fair value of collateral or pledge) for different collateral or pledge. The main types of collateral or pledge for loans and advances and the corresponding maximum loan-to-value ratio are as follows:

Collateral	Maximum loan-to-value ratio	Pledge	Maximum loan-to-value ratio
Real estate — residential	80%	Wealth Management Products	95%
Real estate — commercial	60%	Certificates of deposit	100%
Machineries and Equipment	30%	Treasury bonds (certificate bonds and saving bonds)	95%
		Bank acceptance bills	90%
Mining right	40%	Precious metal	80%
Forest rights	40%	Inventories	50%
Rural land use rights	50%	Shares of public company listed on main boards	60%
		Intellectual properties	20%

For loans guaranteed by a third-party guarantor, the Group will assess the financial condition, credit history and ability to meet obligations of the guarantor.

44.1.4 Policies on provision for expected credit loss

The Group uses the "ECL model" to make provision for the impairment of financial assets measured at amortised cost and those measured at fair value through other comprehensive income, loan commitments and financial guarantee contracts.

44 Financial risk management *(Continued)*

44.1 Credit risk *(Continued)*

44.1.4 Policies on provision for expected credit loss *(Continued)*

(1) Division of stages

For financial instruments included in the measurement of ECL, the Group applies the "three-stage" impairment model to measure the loss allowance and recognise the ECL in assessing whether the credit risk on a financial instrument has increased significantly since initial recognition.

- Stage 1: Financial instruments where credit risk has not significantly increased since initial recognition are classified as Stage 1.
- Stage 2: Financial instruments where credit risk has significantly increased since initial recognition but have not been considered to have incurred credit impairment are classified as Stage 2.
- Stage 3: Financial instruments that have incurred credit impairment are classified as Stage 3.

The loss allowance for the financial instruments at Stage 1 is determined at the amount of the ECL on the financial instrument within the next 12 months. The loss allowance for the financial instruments at Stage 2 and Stage 3 is determined at the amount of the ECL on the financial instrument within the lifetime.

Various factors, such as five-level classification, number of overdue days and changes in credit ratings, will be taken into account when the credit risk increases significantly during assessment. These three stages are transferable. Financial instruments in the Stage 1 should be downgraded into Stage 2 in case of significant deterioration of credit risk.

44 Financial risk management *(Continued)*

44.1 Credit risk *(Continued)*

44.1.4 Policies on provision for expected credit loss *(Continued)*

(2) *Judgement criteria for significant increase in credit risk*

When one or more of the following quantitative and qualitative criteria or limit indicators are triggered, the Group considers that the credit risk of financial instrument has been significantly increased:

- The debtor breaches the contract and the principal or interest of the contract was overdue for more than 30 days.

- The significant negative influences appears in business, financing or economic position and indication for cash flow or liquidity problems for debtor.

- The principal or interest of bills, financial investments and financial assets with banks and other financial institutions was overdue for no more than 30 days.

- The debtor's external credit rating (issuer rating) is lower than the AA and higher than the CCC investment grade, comparing with its initial recognition date.

- There are significant changes in the economic, technical or legal environment in which the debtor is located in the current period or in the near future, and the Group will be affected adversely.

44 Financial risk management *(Continued)*

44.1 Credit risk *(Continued)*

44.1.4 Policies on provision for expected credit loss *(Continued)*

(3) Definition of default and incurred loss

A financial asset will be defined as defaulted if it meets one or more of the following quantitative and qualitative criteria or limit indicators. These criteria are consistent with the definition of incurred loss:

- The debtor breached the contract and the principal or interest of the contract was overdue for more than 90 days.

- The principal or interest of bills, financial investments and financial assets with banks and other financial institutions was overdue for more than 30 days.

- The debtor's external credit rating (issuer rating) is lower than the CCC (inclusive) investment grade, or a default has occurred, comparing with its initial recognition date.

- The debtor is likely to go bankrupt or face other financial restructuring.

- The issuer of the financial instruments held by the group company of debtor is experiencing significant financial difficulty.

- The group company of debtor, for economic or legal reasons, grants a concession to the debtor who has financial difficulty.

- The active market for relevant financial assets disappears due to the financial difficulty of the borrower.

The above criteria apply to all financial instruments held by the Group. The definition of default is consistently applied to the ECL calculation process of the Group, including the model building of probability of default (PD), exposure at default (EAD) and loss given default (LGD).

When a financial instrument does not qualify for default for six consecutive months, the Group no longer considers it as an asset in default (it has been reversed). The Group adopts an observation period of six months based on relevant analyses in which the Group has considered the possibility of a financial instrument being reclassified as the default status in various scenarios after it has been reversed.

44 Financial risk management *(Continued)*

44.1 Credit risk *(Continued)*

44.1.4 Policies on provision for expected credit loss *(Continued)*

(4) *Calculation of expected credit loss: description of parameters, assumptions, and estimation techniques*

The Group calculates the provision for impairment losses of different types of assets as 12-month ECL or lifetime ECL based on whether there was significant increase in credit risk and whether credit impairment occurred for assets. ECL is the product of exposure at default (EAD), probability of default (PD) and loss given default (LGD) after term adjustment and discount. Relevant definitions are as follows:

PD refers to the possibility that borrowers are unable to perform their repayment obligation in the next 12 months or during the rest of the lifetime.

LGD refers to the percentage of the risk exposure loss in the event of default. LGD varies with the type of the counterparty in the transaction, and the accessibility of collateral and other credit supports.

EAD refers to the repayment due to the Group when default occurs in the next 12 months or during the rest of the lifetime. The Group's EAD is determined based on the expected repayment arrangements and different types of products will have different EAD. For loans repaid on an instalment basis or in a lump sum, the Group determines the EAD based on the repayment plan as agreed in the contract.

The Group determines the ECL by estimating the PD, LGD and EAD of an individual loan in each period. It multiplies these three values and adjusts their existence (in case of no early repayment or default). This approach can effectively calculate the ECL of each future period. The calculation results of all periods are then discounted to the reporting date and summed up. Discount rates used to calculate the ECL are the actual interest rate or the approximation thereof.

In 2025 and 2024, there was no significant change in the above estimation techniques or key assumptions.

44 Financial risk management *(Continued)*

44.1 Credit risk *(Continued)*

44.1.4 Policies on provision for expected credit loss *(Continued)*

(5) *Forward-looking information in the expected credit loss model*

The Group considers internal and external data, expert forecasts and statistical analysis to determine the relationship between these economic indicators and PD. The Group regularly conducts the forecast on three types of domestic macro scenarios and macro-economic indicators such as optimistic, basic and pessimistic for asset impairment model.

Through historical data analysis, the Group identifies key economic indicators that affect the credit risk and ECL of each business types, such as banking industry climate index, total export-import volume, year-on-year (YOY) growth rate of currency in circulation (M0), consumer price index (CPI), quarterly year-on-year (YOY) growth rate of real gross domestic product (GDP).

As at 31 December 2025, the Group has assessed and forecasted the relevant macro economic indicators for 2026, of which the forecast value of 2025 YOY growth rate of M0 under each scenario is as follows: 11.84% under based scenario, 13.80% under optimistic scenario, and 9.89% under pessimistic scenario.

If the weight of optimistic scenario increases by 10% while the weight of based scenario decreases by 10%, provision for credit impairment as at 31 December 2025 decreases by RMB533 million (31 December 2024: RMB253 million); if the weight of pessimistic scenario increases by 10% while the weight of based scenario decreases by 10%, provision for credit impairment increases by RMB483 million (31 December 2024: RMB349 million).

44 Financial risk management *(Continued)*

44.1 Credit risk *(Continued)*

44.1.4 Policies on provision for expected credit loss *(Continued)*

(6) Grouping for ECL provision

The Group classified the exposures with similar characteristics when collectively assessing the ECL provision.

The characteristics for grouping are as follows:

Personal loans

- Product types (for instance, personal business loans, personal consumption loans, personal property mortgages, credit cards)

Corporate loans

- Industry

Exposures evaluated by impairment assessment

- Corporate loans in Stage 3

Credit risk team monitors and reviews the grouping appropriateness regularly.

44 Financial risk management *(Continued)*

44.1 Credit risk *(Continued)*

44.1.5 *Maximum exposures to credit risk before considering collateral held or other credit enhancements*

	Note	As at 31 December 2025				
		Stage 1	Stage 2	Stage 3	Not Applicable	Total
Assets						
Balances with the central bank		34,510,487	–	–	–	34,510,487
Financial assets held under resale agreements and deposits and placements with banks and other financial institutions		17,212,818	–	–	–	17,212,818
Derivative financial assets		–	–	–	378,443	378,443
Loans and advances to customers		374,370,616	11,938,662	820,852	7,936,912	395,067,042
Financial investments						
— Financial investments at fair value through profit or loss		–	–	–	51,543,670	51,543,670
— Financial investments at amortised cost		144,943,419	–	–	–	144,943,419
— Financial investments at fair value through other comprehensive income		134,407,400	–	74,179	1,081,935	135,563,514
Other financial assets	(i)	133,238	64,626	74,583	–	272,447
Sub-total		705,577,978	12,003,288	969,614	60,940,960	779,491,840
Off-balance sheet items						
Bank acceptances		14,512,813	–	–	–	14,512,813
Letters of credit		932,847	–	–	–	932,847
Guarantees		2,090,757	–	–	–	2,090,757
Unused limit of credit cards		6,296,763	–	–	–	6,296,763
Sub-total		23,833,180	–	–	–	23,833,180
Total		729,411,158	12,003,288	969,614	60,940,960	803,325,020

44 Financial risk management *(Continued)*

44.1 Credit risk *(Continued)*

44.1.5 ***Maximum exposures to credit risk before considering collateral held or other credit enhancements*** *(Continued)*

		As at 31 December 2024				
	Note	Stage 1	Stage 2	Stage 3	Not Applicable	Total
Assets						
Balances with the central bank		33,767,407	–	–	–	33,767,407
Financial assets held under resale agreements and deposits and placements with banks and other financial institutions		16,818,580	–	–	–	16,818,580
Derivative financial assets		–	–	–	601,062	601,062
Loans and advances to customers		349,702,401	10,000,542	905,646	6,755,902	367,364,491
Financial investments						
— Financial investments at fair value through profit or loss		–	–	–	43,268,319	43,268,319
— Financial investments at amortised cost		140,564,544	–	–	–	140,564,544
— Financial investments at fair value through other comprehensive income		128,489,755	82,590	62,913	1,173,395	129,808,653
Other financial assets	(i)	276,733	66,424	62,870	–	406,027
Sub-total		669,619,420	10,149,556	1,031,429	51,798,678	732,599,083
Off-balance sheet items						
Bank acceptances		10,339,944	–	–	–	10,339,944
Letters of credit		1,156,542	–	–	–	1,156,542
Guarantees		2,726,278	8,001	60,000	–	2,794,279
Unused limit of credit cards		7,568,439	–	–	–	7,568,439
Sub-total		21,791,203	8,001	60,000	–	21,859,204
Total		691,410,623	10,157,557	1,091,429	51,798,678	754,458,287

(i) Other financial assets include interest receivable and other receivables.

44 Financial risk management *(Continued)*

44.1 Credit risk *(Continued)*

44.1.6 *Loans and advances to customers*

(a) Industry analysis

	As at 31 December 2025		As at 31 December 2024	
	Amount	Percentage	Amount	Percentage
Corporate loans and advances				
Manufacturing	81,341,965	19.84%	68,282,390	17.89%
Leasing and commercial services	57,085,351	13.92%	45,980,235	12.04%
Wholesale and retail	32,421,874	7.90%	34,705,044	9.09%
Construction	22,606,473	5.52%	22,025,959	5.77%
Real estate	19,021,818	4.64%	19,943,590	5.22%
Transportation, logistics and postal services	6,975,148	1.70%	6,797,399	1.78%
Production and supply of power, gas and water	6,626,474	1.62%	6,059,792	1.59%
Scientific research and technical services and geological prospecting	4,110,430	1.00%	3,522,077	0.92%
Water, environment and public utilities management	2,942,724	0.72%	2,926,510	0.77%
Finance	2,671,195	0.65%	3,113,725	0.82%
Education	2,632,040	0.64%	3,260,091	0.85%
Hotels and catering industries	2,548,234	0.62%	2,585,371	0.68%
Agriculture, forestry, animal husbandry and fishery	2,299,578	0.56%	2,041,277	0.53%
Health, social security and welfare	1,455,865	0.35%	1,590,038	0.42%
Information transmission, software and IT services	1,238,850	0.30%	1,211,983	0.32%
Residential services and other services	395,874	0.10%	315,877	0.08%
Culture, sports and entertainment	141,734	0.03%	153,787	0.04%
Mining	38,324	0.01%	32,900	0.01%
Sub-total	246,553,951	60.12%	224,548,045	58.82%
Personal loans and advances				
Business loans	44,552,066	10.86%	46,616,324	12.21%
Property mortgages	42,575,975	10.38%	40,688,088	10.66%
Personal consumption loans	36,070,928	8.79%	36,434,537	9.54%
Credit cards	3,328,317	0.81%	4,481,750	1.17%
Sub-total	126,527,286	30.84%	128,220,699	33.58%
Discounted bills	35,949,988	8.76%	28,276,149	7.41%
Accrued interest	1,145,799	0.28%	734,502	0.19%
Total loans and advances to customers	410,177,024	100.00%	381,779,395	100.00%

44 Financial risk management *(Continued)*

44.1 Credit risk *(Continued)*

44.1.6 Loans and advances to customers *(Continued)*

(b) *Type of collateral analysis*

	As at 31 December	
	2025	2024
Collateralised loans	**189,490,844**	188,641,114
Guaranteed loans	**108,807,540**	102,829,362
Unsecured loans	**67,469,400**	52,601,681
Pledged loans	**43,263,441**	36,972,736
Sub-total	**409,031,225**	381,044,893
Accrued interest	**1,145,799**	734,502
Total	**410,177,024**	381,779,395

(c) *Concentration analysis by geographical regions*

	As at 31 December 2025		As at 31 December 2024	
	Amount	**Percentage**	Amount	Percentage
Dongguan	**344,594,913**	**84.01%**	312,745,357	81.92%
Zhanjiang	**19,516,749**	**4.76%**	19,080,088	5.00%
Others	**44,919,563**	**10.95%**	49,219,448	12.89%
Accrued interest	**1,145,799**	**0.28%**	734,502	0.19%
Total	**410,177,024**	**100.00%**	381,779,395	100.00%

Concentration analysis of overdue loans and advances to customers by geographical regions

	As at 31 December 2025		As at 31 December 2024	
	Amount	**Percentage**	Amount	Percentage
Dongguan	**7,291,056**	**78.15%**	6,221,906	68.71%
Zhanjiang	**654,852**	**7.02%**	726,778	8.03%
Others	**1,383,693**	**14.83%**	2,105,887	23.26%
Total	**9,329,601**	**100.00%**	9,054,571	100.00%

44 Financial risk management *(Continued)*

44.1 Credit risk *(Continued)*

44.1.6 *Loans and advances to customers* *(Continued)*

(d) Analysis by overdue days and impairment evaluation

(1) The maximum credit risk exposures of loans and advances are analysed by overdue days as follows:

	As at 31 December 2025			
Loans and advances	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Overdue days				
Not overdue	377,903,413	14,653,708	353,390	392,910,511
Between 0 and 30 days	120,520	926,183	61,974	1,108,677
Between 30 and 60 days	–	576,598	25,569	602,167
Between 60 and 90 days	–	498,853	134,153	633,006
More than 90 days/Default	–	–	6,985,751	6,985,751
Total	378,023,933	16,655,342	7,560,837	402,240,112
Provision for ECL	(3,653,317)	(4,716,680)	(6,739,985)	(15,109,982)
Net amount	374,370,616	11,938,662	820,852	387,130,130

	As at 31 December 2024			
Loans and advances	Stage 1	Stage 2	Stage 3	Total
Overdue days				
Not overdue	353,885,566	11,874,366	208,990	365,968,922
Between 0 and 30 days	157,507	820,939	26,499	1,004,945
Between 30 and 60 days	–	547,407	93,807	641,214
Between 60 and 90 days	–	556,900	114,798	671,698
More than 90 days/Default	–	–	6,736,714	6,736,714
Total	354,043,073	13,799,612	7,180,808	375,023,493
Provision for ECL	(4,340,672)	(3,799,070)	(6,275,162)	(14,414,904)
Net amount	349,702,401	10,000,542	905,646	360,608,589

44 Financial risk management *(Continued)*

44.1 Credit risk *(Continued)*

44.1.6 Loans and advances to customers *(Continued)*

(d) Analysis by overdue days and impairment evaluation (Continued)

(2) Overdue loans and advances to customers are set out by collateral type and overdue days as follows:

	As at 31 December 2025				
	Overdue between 1 and 90 days (inclusive)	Overdue between 90 days and 1 year (inclusive)	Overdue between 1 and 3 years (inclusive)	Overdue for more than 3 years	Total
Collateralised loans	956,053	1,200,832	1,473,815	153,774	3,784,474
Guaranteed loans	862,653	719,400	1,588,669	63,837	3,234,559
Unsecured loans	524,919	614,074	907,742	152,101	2,198,836
Pledged loans	225	88,257	21,912	1,338	111,732
Total	2,343,850	2,622,563	3,992,138	371,050	9,329,601

	As at 31 December 2024				
	Overdue between 1 and 90 days (inclusive)	Overdue between 90 days and 1 year (inclusive)	Overdue between 1 and 3 years (inclusive)	Overdue for more than 3 years	Total
Collateralised loans	1,346,775	1,182,662	1,952,086	52,483	4,534,006
Guaranteed loans	472,308	1,710,266	512,426	48,316	2,743,316
Unsecured loans	491,842	801,656	349,971	84,072	1,727,541
Pledged loans	6,932	21,924	–	20,852	49,708
Total	2,317,857	3,716,508	2,814,483	205,723	9,054,571

44 Financial risk management *(Continued)*

44.1 Credit risk *(Continued)*

44.1.6 ***Loans and advances to customers*** *(Continued)*

(e) *Loans and advances to customers impaired/at Stage 3*

The total amounts of loans and advances to customers impaired/at Stage 3 are set out as follows:

	As at 31 December	
	2025	2024
Corporate loans and advances	**3,791,056**	4,169,456
Personal loans and advances	**3,769,781**	3,011,352
Total	**7,560,837**	7,180,808
Fair value of collateral		
— Corporate loans and advances	**2,686,940**	3,378,276
— Personal loans and advances	**1,581,372**	1,442,159
Total	**4,268,312**	4,820,435

The fair value of collateral is determined based on the latest available external valuation prices, adjusted for the current experiences of collateral realisation and market conditions.

Concentration of loans and advances to customers impaired/at Stage 3 by geographical regions

	As at 31 December 2025		As at 31 December 2024	
	Amount	**Percentage**	Amount	Percentage
Dongguan	**6,109,443**	**80.80%**	5,807,481	80.88%
Zhanjiang	**356,017**	**4.71%**	295,929	4.12%
Others	**1,095,377**	**14.49%**	1,077,398	15.00%
Total	**7,560,837**	**100.00%**	7,180,808	100.00%

As at 31 December 2025, the Group's loans and advances to customers impaired/at Stage 3 accounted for 1.84% (31 December 2024: 1.88%) of the loans.

44 Financial risk management *(Continued)*

44.1 Credit risk *(Continued)*

44.1.7 Foreclosed assets

Foreclosed assets are sold as soon as practicable with the proceeds used to reduce the outstanding indebtedness. Usually the Group does not use recovered foreclosed assets for business activities. As at 31 December 2025 and 2024, foreclosed assets were listed under other assets.

44.1.8 Debt instrument investments

The credit risks of debt instrument investments are classified mainly based on their external credit ratings.

(a) Debt instrument investments classified by borrower ratings

(1) The exposures of financial investments at amortised cost are analysed as follows:

		As at 31 December 2025			
	Note	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Credit ratings					
AA to AAA		**21,365,936**	**–**	**–**	**21,365,936**
Unrated	(i)	**123,788,882**	**–**	**–**	**123,788,882**
Total		**145,154,818**	**–**	**–**	**145,154,818**
Provision for ECL		**(211,399)**	**–**	**–**	**(211,399)**
Net book value		**144,943,419**	**–**	**–**	**144,943,419**

		As at 31 December 2024			
	Note	Stage 1	Stage 2	Stage 3	Total
Credit ratings					
AA to AAA		12,334,551	–	–	12,334,551
Unrated	(i)	128,406,963	–	–	128,406,963
Total		140,741,514	–	–	140,741,514
Provision for ECL		(176,970)	–	–	(176,970)
Net book value		140,564,544	–	–	140,564,544

44 Financial risk management *(Continued)*

44.1 Credit risk *(Continued)*

44.1.8 *Debt instrument investments* *(Continued)*

(a) *Debt instrument investments classified by borrower ratings (Continued)*

(2) The exposures of financial investments at fair value through other comprehensive income are analysed as follows:

		As at 31 December 2025			
	Note	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Credit ratings					
AA to AAA		**46,261,655**	**–**	**–**	**46,261,655**
CCC+ to AA-		**–**	**–**	**–**	**–**
Default		**–**	**–**	**74,179**	**74,179**
Unrated	(i)	**88,145,745**	**–**	**–**	**88,145,745**
Net book value		**134,407,400**	**–**	**74,179**	**134,481,579**

		As at 31 December 2024			
	Note	Stage 1	Stage 2	Stage 3	Total
Credit ratings					
AA to AAA		14,993,225	74,121	–	15,067,346
CCC+ to AA-		–	8,469	–	8,469
Default		–	–	62,913	62,913
Unrated	(i)	113,496,530	–	–	113,496,530
Net book value		128,489,755	82,590	62,913	128,635,258

44 Financial risk management *(Continued)*

44.1 Credit risk *(Continued)*

44.1.8 Debt instrument investments (Continued)

(b) Debt instrument investments classified by facility ratings

		As at 31 December 2025			
	Note	Financial investments at fair value through profit or loss	Financial investments at amortised cost	Financial investments at fair value through other comprehensive income	Total
AA to AAA		4,508,040	78,682,362	69,901,865	153,092,267
CCC+ to AA-		2,939	–	7,466	10,405
CCC and below		–	–	36	36
Unrated	(i)	47,032,691	66,261,057	64,572,212	177,865,960
Total		51,543,670	144,943,419	134,481,579	330,968,668

		As at 31 December 2024			
	Note	Financial investments at fair value through profit or loss	Financial investments at amortised cost	Financial investments at fair value through other comprehensive income	Total
AA to AAA		3,724,572	69,063,033	45,849,305	118,636,910
CCC+ to AA-		–	–	11	11
CCC and below		–	–	36	36
Unrated	(i)	39,543,747	71,501,511	82,785,906	193,831,164
Total		43,268,319	140,564,544	128,635,258	312,468,121

(i) The Group's unrated debt instrument investments comprise mainly of treasury bonds, local government bonds, financial bonds issued by policy banks, commercial bank bonds and non-bank financial institutions bonds.

44 Financial risk management *(Continued)*

44.2 Market risk

44.2.1 Overview

Market risk represents the potential loss arising from changes in market rates of interest and foreign exchange, as well as the commodity and equity prices. Market risk arises from both the Group's proprietary positions and customer driven transactions, in both cases related to on and off-balance sheet activities.

The Group is primarily exposed to interest rate risk through its fixed-income and funding activities. Interest rate risk is inherent in many of the Group's businesses.

Foreign exchange rate risk is the potential loss related to changes in foreign exchange rates affecting the translation of foreign currency denominated monetary assets and liabilities. The risk of loss results from movements in foreign currency exchange rates.

The Group's commodity risk is mainly from the fluctuation in price of gold. The Group considers that the market risk from commodity prices of trade and investment portfolios is not significant.

44.2.2 Market analysis metrics

To enhance the effectiveness of market risk management, as well as the accuracy of determining the levels of regulatory capital required related to market risk, the Group segregates all financial instruments and commodities, both on-and off-balance sheet, into either the trading book or banking book. The trading book is comprised of financial instruments and commodity positions held for trading. Any other financial instruments are included in the banking book.

The Group manages market risk in the trading book using several methodologies, including limit monitoring, sensitivity analysis, duration analysis, exposure analysis and stress testing. The Group has formulated policies, which are subject to review annually or as circumstances otherwise dictate, to manage market risk. Further, in this regard, the Group's market risk management is focused on movements in domestic and global financial markets, as well as the composition of the trading book and management's trading strategies, within approved limits. Moreover, the Group has implemented specific policies for financial instruments, closely monitoring the exposure to specific issuers and counterparties, as well as the tenor of individual positions and trading strategies.

44 Financial risk management *(Continued)*

44.2 Market risk *(Continued)*

44.2.2 Market analysis metrics *(Continued)*

Market risk exposure limits of the Group are set based on the characteristics of the underlying instruments or transactions, including exposure limit monitoring, enforcement of stop-loss limits, and stress testing.

The Group is committed to continuous improvement of its market risk exposure limit management. The Group establishes exposure limits reflecting its risk appetite and continuously refines the categorization of market risk exposure limits. Further, it regularly monitors, reports, refines, and implements improvements to the market risk exposure limit process.

44.2.3 Interest rate risk

The interest rate risk existing in the banking book broadly relates to the mismatch of the maturity or re-pricing dates of interest rate-sensitive financial assets and financial liabilities, as well as inconsistencies in the change of the benchmark interest rates on which most domestic interest rate-sensitive financial assets and financial liabilities are based.

The Group closely monitors changes in the macro-economic environment and the monetary policies of the PBOC, enabling it to timely and flexibly adjusts its pricing strategy. The Group establishes comprehensive interest rate risk management policies and protocols and has improved the consistency of interest rate risk measurement, monitoring, analysis and management of interest rate risk across the Group.

The Group regularly measures and analyzes the Group's interest rate risk by conducting gap analysis, sensitivity analysis, scenario analysis and stress testing to manage interest rate risk within established limits.

44 Financial risk management *(Continued)*

44.2 Market risk *(Continued)*

44.2.3 Interest rate risk (Continued)

The tables below summarize the contractual maturity or re-pricing date, whichever is earlier, of the Group's financial assets and liabilities at the end of each reporting period.

As at 31 December 2025	Within 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	34,359,373	–	–	–	2,981,619	37,340,992
Financial assets held under resale agreements and deposits and placements with banks and other financial institutions	11,609,244	5,384,478	199,829	–	19,267	17,212,818
Derivative financial assets	–	–	–	–	378,443	378,443
Loans and advances to customers	179,309,367	182,445,802	26,353,541	5,812,533	1,145,799	395,067,042
Financial investments						
— Financial investments at fair value through profit or loss	1,368,893	11,151,821	5,925,329	3,722,016	29,375,611	51,543,670
— Financial investments at amortised cost	13,384,268	14,190,677	44,851,082	70,854,614	1,662,778	144,943,419
— Financial investments at fair value through other comprehensive income	3,772,929	13,498,855	74,072,066	41,796,104	2,423,560	135,563,514
Other financial assets	–	–	–	–	272,447	272,447
Total financial assets	243,804,074	226,671,633	151,401,847	122,185,267	38,259,524	782,322,345
Liabilities						
Borrowings from the central bank	6,242,600	37,211,669	–	–	204,725	43,658,994
Financial assets sold under repurchase agreements and deposits and placements from banks and other financial institutions	11,546,026	1,128,970	–	–	22,546	12,697,542
Financial liabilities at fair value through profit or loss	–	–	–	–	2,122,696	2,122,696
Derivative financial liabilities	–	–	–	–	302,294	302,294
Deposits from customers	281,767,072	133,632,127	128,600,654	6	11,048,338	555,048,197
Debt securities issued	38,827,672	60,910,939	10,999,512	3,999,055	162,395	114,899,573
Lease liabilities	28,865	82,841	224,649	140,177	–	476,532
Other financial liabilities	–	–	–	–	641,951	641,951
Total financial liabilities	338,412,235	232,966,546	139,824,815	4,139,238	14,504,945	729,847,779
Interest rate gap	(94,608,161)	(6,294,913)	11,577,032	118,046,029	23,754,579	52,474,566

44 Financial risk management *(Continued)*

44.2 Market risk *(Continued)*

44.2.3 *Interest rate risk (Continued)*

As at 31 December 2024	Within 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	33,648,442	–	–	–	2,685,545	36,333,987
Financial assets held under resale agreements and deposits and placements with banks and other financial institutions	12,172,632	4,612,900	–	–	33,048	16,818,580
Derivative financial assets	–	–	–	–	601,062	601,062
Loans and advances to customers	208,958,207	135,851,587	15,233,792	6,587,950	732,955	367,364,491
Financial investments						
— Financial investments at fair value through profit or loss	1,810,615	6,045,588	5,615,224	3,074,888	26,722,004	43,268,319
— Financial investments at amortised cost	10,418,842	9,449,852	50,328,719	68,670,755	1,696,376	140,564,544
— Financial investments at fair value through other comprehensive income	5,874,687	12,938,666	65,633,978	42,698,775	2,662,547	129,808,653
Other financial assets	–	–	–	–	406,027	406,027
Total financial assets	272,883,425	168,898,593	136,811,713	121,032,368	35,539,564	735,165,663
Liabilities						
Borrowings from the central bank	14,321,899	17,346,969	–	–	313,970	31,982,838
Financial assets sold under repurchase agreements and deposits and placements from banks and other financial institutions	25,592,325	5,436,921	–	–	94,538	31,123,784
Financial liabilities at fair value through profit or loss	–	–	–	–	1,676,073	1,676,073
Derivative financial liabilities	–	–	–	–	530,460	530,460
Deposits from customers	270,486,325	104,962,656	144,562,654	179	10,159,762	530,171,576
Debt securities issued	16,219,340	50,193,907	12,999,586	3,999,066	132,110	83,544,009
Lease liabilities	30,012	85,142	248,493	134,401	–	498,048
Other financial liabilities	–	–	–	–	622,939	622,939
Total financial liabilities	326,649,901	178,025,595	157,810,733	4,133,646	13,529,852	680,149,727
Interest rate gap	(53,766,476)	(9,127,002)	(20,999,020)	116,898,722	22,009,712	55,015,936

44 Financial risk management *(Continued)*

44.2 Market risk *(Continued)*

44.2.3 *Interest rate risk* *(Continued)*

The following table illustrates the potential impact, of a parallel upward or downward shift of 100 basis points in relevant interest rate curves on the Group's net profit and other comprehensive income for the next twelve months from the reporting date, based on the Group's positions of interest-earning assets and interest-bearing liabilities at the end of each reporting period. This analysis assumes that interest rates of all maturities move by the same amount, and does not reflect the potential impact of unparalleled yield curve movements.

The sensitivity analysis on net profit is based on reasonably possible changes in interest rates with the assumption that the structure of financial assets and financial liabilities held at the period end remains unchanged, and does not take changes in customer behaviour, basis risk or any prepayment options on debt securities into consideration.

The sensitivity analysis on other comprehensive income reflects only the effect of changes in fair value of those financial assets at fair value through other comprehensive income held, whose fair value changes are recorded as an element of other comprehensive income.

	Expected changes of net profit	
	As at 31 December	
	2025	2024
+100 basis point parallel move in all yield curves	**(1,088,354)**	(318,510)
-100 basis point parallel move in all yield curves	**1,107,993**	335,183

	Expected changes of other comprehensive income	
	As at 31 December	
	2025	2024
+100 basis point parallel move in all yield curves	**(3,886,559)**	(2,880,171)
-100 basis point parallel move in all yield curves	**4,181,327**	3,124,380

44 Financial risk management *(Continued)*

44.2 Market risk *(Continued)*

44.2.3 ***Interest rate risk*** *(Continued)*

The assumptions do not reflect actions that might be taken under the Group's capital and interest rate risk management policy to mitigate changes to the Group's interest rate risk. Therefore the above analysis may differ from the actual situation.

In addition, the presentation of interest rate sensitivity above is for illustration purposes only, showing the potential impact on net interest income and other comprehensive income of the Group under different parallel yield curve movements, relative to their position at period-end.

44.2.4 ***Foreign exchange risk***

Foreign exchange rate risk relates to the mismatch of foreign currency denominated monetary assets and liabilities, and the potential loss related to changes in foreign exchange rates, which largely arises through operational activities.

The Group performs monitoring and sensitivity analysis of foreign exchange rate risk exposure, manages the mismatch of foreign currency denominated assets and liabilities to effectively manage foreign exchange rate risk exposure within acceptable limits.

44 Financial risk management *(Continued)*

44.2 Market risk *(Continued)*

44.2.4 ***Foreign exchange risk*** *(Continued)*

The Group primarily conducts its business activities in RMB, with certain transactions denominated in USD, HKD and, to a lesser extent, other currencies. The composition of all financial assets and liabilities at the end of each reporting period analyzed by currency is as follows:

As at 31 December 2025	USD (RMB equivalent)	HKD (RMB equivalent)	Others (RMB equivalent)
Assets			
Cash and balances with the central bank	94,354	106,569	–
Financial assets held under resale agreements and deposits and placements with banks and other financial institutions	800,186	412,982	40,811
Loans and advances to customers	144,747	2,332	–
Financial investments			
— Financial investments at amortised cost	568,760	–	–
— Financial investments at fair value through other comprehensive income	12,219,217	–	–
Other financial assets	–	12	–
Total financial assets	13,827,264	521,895	40,811
Liability			
Deposits from customers	1,521,007	587,157	28,218
Financial assets sold under repurchase agreements and deposits and placements from banks and other financial institutions	922,268	–	–
Total financial liabilities	2,443,275	587,157	28,218
Net on-balance sheet position	11,383,989	(65,262)	12,593
Net notional amount of derivatives	16,668,427	17	–
Financial guarantees and credit commitments	49,711	–	–

44 Financial risk management *(Continued)*

44.2 Market risk *(Continued)*

44.2.4 Foreign exchange risk *(Continued)*

As at 31 December 2024	USD (RMB equivalent)	HKD (RMB equivalent)	Others (RMB equivalent)
Assets			
Cash and balances with the central bank	74,657	85,072	–
Financial assets held under resale agreements and deposits and placements with banks and other financial institutions	1,008,695	212,899	48,431
Loans and advances to customers	222,467	2,184	–
Financial investments			
— Financial investments at amortised cost	–	–	–
— Financial investments at fair value through other comprehensive income	3,490,247	–	–
Other financial assets	–	12	–
Total financial assets	4,796,066	300,167	48,431
Liability			
Deposits from customers	987,482	578,286	26,256
Financial assets sold under repurchase agreements and deposits and placements from banks and other financial institutions	4,474,823	–	–
Total financial liabilities	5,462,305	578,286	26,256
Net on-balance sheet position	(666,239)	(278,119)	22,175
Net notional amount of derivatives	(1,188,221)	19	–
Financial guarantees and credit commitments	503,974	–	–

44 Financial risk management *(Continued)*

44.2 Market risk *(Continued)*

44.2.4 Foreign exchange risk *(Continued)*

The table below indicates the potential effect on net profit arising from a 10% appreciation or depreciation of RMB spot and forward foreign exchange rates against USD on the net positions of foreign currency monetary assets and liabilities in the consolidated statement of financial position.

	As at 31 December	
	2025	2024
USD/RMB10% appreciation	**2,103,931**	(139,085)
USD/RMB10% depreciation	**(2,103,931)**	139,085

The effect on net profit and other comprehensive income is calculated based on the assumption that the Group's foreign currency sensitive exposures at the end of each reporting period remain unchanged. The Group mitigates its foreign exchange rate risk through active management of its foreign currency exposures, based on management expectation of future foreign currency exchange rate movements. Such analysis does not take into account the correlation effect of changes in different foreign currencies, nor any further actions that could be taken by management to mitigate the effect of foreign exchange differences. Therefore, the sensitivity analysis above may differ from actual results occurring through changes in foreign exchange rates.

44.3 Liquidity risk

44.3.1 Overview

Liquidity risk is the risk that funds will not be available to meet liabilities as they fall due. This may arise from cash flows or maturity mismatches of assets and liabilities.

The Group's Planning and Finance Department and Financial Market Department manage its liquidity risk via:

— Optimising the asset and liability structures;

— Making projections of future cash flows, and evaluating the appropriate liquid asset position;

— Maintaining reasonable liquidity reserve;

— Conducting stress testing regularly.

44 Financial risk management *(Continued)*

44.3 Liquidity risk *(Continued)*

44.3.2 *Analysis of the undiscounted contractual cash flows*

The tables below set forth undiscounted contractual cash flows of the Group's financial assets and liabilities by remaining contractual maturities at the end of the reporting period:

As at 31 December 2025	On demand	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Undated	Total
Non-derivative financial assets								
Cash and balances with the central bank	10,298,281	–	–	–	–	–	27,042,711	37,340,992
Financial assets held under resale agreements and deposits and placements with banks and other financial institutions	3,994,394	3,965,493	3,673,488	5,456,152	207,417	–	–	17,296,944
Loans and advances to customers	1,960,958	13,473,647	28,707,808	90,926,893	134,046,927	210,685,458	6,694,080	486,495,771
Financial investments								
— Financial investments at fair value through profit or loss	27,849,548	126,936	1,306,029	11,725,028	6,896,339	4,746,921	–	52,650,801
— Financial investments at amortised cost	–	8,491,701	8,346,877	23,479,135	89,699,785	432,382,249	–	562,399,747
— Financial investments at fair value through other comprehensive income	–	1,122,866	3,565,784	15,654,835	80,918,907	47,902,088	1,156,114	150,320,594
Other financial assets	254,633	–	–	–	–	–	17,814	272,447
Total financial assets	44,357,814	27,180,643	45,599,986	147,242,043	311,769,375	695,716,716	34,910,719	1,306,777,296
Non-derivative financial liabilities								
Borrowings from the central bank	–	1,113,938	5,161,917	37,538,903	–	–	–	43,814,758
Financial assets sold under repurchase agreements and deposits and placements from banks and other financial institutions	911,602	10,406,434	246,653	1,144,202	–	–	–	12,708,849
Financial liabilities at fair value through profit or loss	–	–	–	–	–	–	2,122,696	2,122,696
Deposits from customers	213,936,273	26,675,221	43,764,555	140,140,759	138,223,096	7	–	562,739,911
Debt securities issued	–	17,030,000	21,870,000	61,469,900	11,627,000	5,204,000	–	117,200,900
Lease liabilities	–	10,214	20,392	88,056	246,526	169,917	–	535,105
Other financial liabilities	291,509	13,629	27,670	309,143	–	–	–	641,951
Total financial liabilities	215,139,384	55,249,394	71,091,187	240,690,963	150,096,622	5,373,924	2,122,696	739,764,170
Net position	(170,781,570)	(28,068,751)	(25,491,201)	(93,448,920)	161,672,753	690,342,792	32,788,023	567,013,126
Derivative cash flows								
Derivative financial instruments settled on a net basis	–	(222)	(704)	(2,409)	20,776	–	–	17,441
Derivative financial instruments settled on a gross basis								
— Total inflow	–	5,293,808	2,942,146	9,216,728	344,378	–	–	17,797,060
— Total outflow	–	(84,665)	(117,112)	(926,838)	–	–	–	(1,128,615)

44 Financial risk management *(Continued)*

44.3 Liquidity risk *(Continued)*

44.3.2 Analysis of the undiscounted contractual cash flows *(Continued)*

As at 31 December 2024	On demand	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Undated	Total
Non-derivative financial assets								
Cash and balances with the central bank	10,186,895	–	10,980	2,363	–	–	26,133,749	36,333,987
Financial assets held under resale agreements and deposits and placements with banks and other financial institutions	3,458,862	2,833,777	5,946,054	4,687,249	–	–	–	16,925,942
Loans and advances to customers	1,863,019	9,074,310	28,917,435	97,794,215	118,516,274	195,858,837	6,520,608	458,544,698
Financial investments								
— Financial investments at fair value through profit or loss	25,097,285	874,733	982,835	6,518,916	6,621,629	3,670,469	–	43,765,867
— Financial investments at amortised cost	–	6,644,452	4,749,180	12,411,310	61,359,755	72,844,726	–	158,009,423
— Financial investments at fair value through other comprehensive income	–	609,636	6,110,739	15,279,147	70,624,255	43,313,330	1,249,201	137,186,308
Other financial assets	402,326	–	–	–	–	–	3,701	406,027
Total financial assets	41,008,387	20,036,908	46,717,223	136,693,200	257,121,913	315,687,362	33,907,259	851,172,252
Non-derivative financial liabilities								
Borrowings from the central bank	–	5,561,738	8,909,510	17,651,842	–	–	–	32,123,090
Financial assets sold under repurchase agreements and deposits and placements from banks and other financial institutions	1,119,415	21,965,097	2,805,962	5,569,733	–	–	–	31,460,207
Financial liabilities at fair value through profit or loss	–	–	–	–	–	–	1,676,073	1,676,073
Deposits from customers	206,581,625	26,241,574	39,905,006	109,878,607	158,294,857	73,810	–	540,975,479
Debt securities issued	–	1,030,000	15,240,000	50,640,000	13,771,900	5,376,000	–	86,057,900
Lease liabilities	–	11,414	21,703	91,600	274,730	169,326	–	568,773
Other financial liabilities	259,847	12,542	25,465	325,085	–	–	–	622,939
Total financial liabilities	207,960,887	54,822,365	66,907,646	184,156,867	172,341,487	5,619,136	1,676,073	693,484,461
Net position	(166,952,500)	(34,785,457)	(20,190,423)	(47,463,667)	84,780,426	310,068,226	32,231,186	157,687,791
Derivative cash flows								
Derivative financial instruments settled on a net basis	–	(708)	886	(739)	31,807	–	–	31,246
Derivative financial instruments settled on a gross basis								
— Total inflow	–	2,164,297	37,939	485,428	–	–	–	2,687,664
— Total outflow	–	(1,722,883)	(238,250)	(1,914,733)	–	–	–	(3,875,866)

44 Financial risk management *(Continued)*

44.3 Liquidity risk *(Continued)*

44.3.3 *Analysis of the remaining contractual maturity of financial assets and financial liabilities*

The table below summarises the maturity analysis of the carrying amounts of the Group's financial assets and liabilities by remaining contractual maturities at the end of the reporting period:

As at 31 December 2025	On demand	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Undated	Total
Financial assets								
Cash and balances with the central bank	10,298,281	–	–	–	–	–	27,042,711	37,340,992
Financial assets held under resale agreements and deposits and placements with banks and other financial institutions	3,994,394	3,963,225	3,661,257	5,392,888	201,054	–	–	17,212,818
Derivative financial assets	–	53,107	50,031	99,395	175,910	–	–	378,443
Loans and advances to customers	1,951,344	11,933,827	28,393,616	88,396,156	118,258,135	139,497,126	6,636,838	395,067,042
Financial investments								
— Financial investments at fair value through profit or loss	27,849,548	123,377	1,288,600	11,520,483	6,364,028	4,397,634	–	51,543,670
— Financial investments at amortised cost	–	7,365,152	6,984,051	14,871,400	44,868,202	70,854,614	–	144,943,419
— Financial investments at fair value through other comprehensive income	–	999,408	3,292,901	14,246,921	74,072,066	41,796,104	1,156,114	135,563,514
Other financial assets	254,633	–	–	–	–	–	17,814	272,447
Total financial assets	44,348,200	24,438,096	43,670,456	134,527,243	243,939,395	256,545,478	34,853,477	782,322,345
Financial liabilities								
Borrowings from the central bank	–	1,113,123	5,157,757	37,388,114	–	–	–	43,658,994
Financial assets sold under repurchase agreements and deposits and placements from banks and other financial institutions	911,602	10,404,987	246,145	1,134,808	–	–	–	12,697,542
Financial liabilities at fair value through profit or loss	–	–	–	–	–	–	2,122,696	2,122,696
Derivative financial liabilities	–	43,986	30,052	73,031	155,225	–	–	302,294
Deposits from customers	213,936,273	26,655,786	43,624,611	137,995,546	132,835,975	6	–	555,048,197
Debt securities issued	–	17,018,803	21,808,869	60,967,428	11,077,181	4,027,292	–	114,899,573
Lease liabilities	–	9,640	19,225	82,841	224,649	140,177	–	476,532
Other financial liabilities	291,509	13,629	27,670	309,143	–	–	–	641,951
Total financial liabilities	215,139,384	55,259,954	70,914,329	237,950,911	144,293,030	4,167,475	2,122,696	729,847,779
Net position	(170,791,184)	(30,821,858)	(27,243,873)	(103,423,668)	99,646,365	252,378,003	32,730,781	52,474,566

44 Financial risk management *(Continued)*

44.3 Liquidity risk *(Continued)*

44.3.3 Analysis of the remaining contractual maturity of financial assets and financial liabilities *(Continued)*

As at 31 December 2024	On demand	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Undated	Total
Financial assets								
Cash and balances with the central bank	10,186,895	–	10,980	2,363	–	–	26,133,749	36,333,987
Financial assets held under resale agreements and deposits and placements with banks and other financial institutions	3,458,862	2,826,179	5,913,465	4,620,074	–	–	–	16,818,580
Derivative financial assets	–	70,509	33,438	161,333	335,782	–	–	601,062
Loans and advances to customers	1,852,627	7,763,649	28,569,162	94,368,763	102,222,119	126,117,675	6,470,496	367,364,491
Financial investments								
— Financial investments at fair value through profit or loss	25,097,285	864,276	971,954	6,318,604	6,265,693	3,750,507	–	43,268,319
— Financial investments at amortised cost	–	6,637,116	4,692,742	10,218,858	50,345,073	68,670,755	–	140,564,544
— Financial investments at fair value through other comprehensive income	–	580,662	5,976,088	13,669,949	65,633,978	42,698,775	1,249,201	129,808,653
Other financial assets	402,326	–	–	–	–	–	3,701	406,027
Total financial assets	40,997,995	18,742,391	46,167,829	129,359,944	224,802,645	241,237,712	33,857,147	735,165,663
Financial liabilities								
Borrowings from the central bank	–	5,561,258	8,901,485	17,520,095	–	–	–	31,982,838
Financial assets sold under repurchase agreements and deposits and placements from banks and other financial institutions	1,119,415	21,717,534	2,795,651	5,491,184	–	–	–	31,123,784
Financial liabilities at fair value through profit or loss	–	–	–	–	–	–	1,676,073	1,676,073
Derivative financial liabilities	–	64,664	28,680	133,141	303,975	–	–	530,460
Deposits from customers	206,581,625	26,424,105	39,673,074	108,268,955	149,150,041	73,776	–	530,171,576
Debt securities issued	–	1,028,818	15,190,522	50,193,906	13,100,616	4,030,147	–	83,544,009
Lease liabilities	–	9,943	20,069	85,142	248,493	134,401	–	498,048
Other financial liabilities	259,847	12,542	25,465	325,085	–	–	–	622,939
Total financial liabilities	207,960,887	54,818,864	66,634,946	182,017,508	162,803,125	4,238,324	1,676,073	680,149,727
Net position	(166,962,892)	(36,076,473)	(20,467,117)	(52,657,564)	61,999,520	236,999,388	32,181,074	55,015,936

44 Financial risk management *(Continued)*

44.3 Liquidity risk *(Continued)*

44.3.4 Off-balance sheet items

The tables below summarize the amounts of credit commitments by remaining maturity. Financial guarantees are also included below at notional amounts and based on the earliest contractual maturity date.

As at 31 December 2025	**Within 1 year**	**1 to 5 years**	**Over 5 years**	**Total**
Bank acceptances	**14,512,813**	**–**	**–**	**14,512,813**
Letters of credit	**932,847**	**–**	**–**	**932,847**
Guarantees	**1,212,587**	**877,709**	**461**	**2,090,757**
Unused limit of credit cards	**6,296,763**	**–**	**–**	**6,296,763**
Total	**22,955,010**	**877,709**	**461**	**23,833,180**

As at 31 December 2024	Within 1 year	1 to 5 years	Over 5 years	Total
Bank acceptances	10,339,944	–	–	10,339,944
Letters of credit	1,156,542	–	–	1,156,542
Guarantees	1,942,881	850,937	461	2,794,279
Unused limit of credit cards	7,568,439	–	–	7,568,439
Total	21,007,806	850,937	461	21,859,204

44.4 Fair value of financial assets and liabilities

(a) Fair value hierarchy

The Group classifies financial assets and financial liabilities into the following three levels based on the extent to which inputs to valuation techniques used to measure fair value of the financial assets and financial liabilities are observable.

Level 1: fair value measurements are those derived from quoted prices (unadjusted) in an active market for identical assets or liabilities;

Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: fair value measurements are not based on observable market data.

44 Financial risk management *(Continued)*

44.4 Fair value of financial assets and liabilities *(Continued)*

(b) Financial instruments not measured at fair value

The tables below summarise the carrying amounts and fair values of financial assets and liabilities not measured at fair value. Financial assets and liabilities with similar carrying amounts and fair values, such as balances with the central bank, financial assets held under resale agreements and deposits and placements with banks and other financial institutions, loans and advances to customers, borrowings from the central bank, due to customers, financial assets sold under repurchase agreements and deposits and placements from banks and other financial institutions, and certificates of interbank deposit, are not included.

	As at 31 December 2025				
			Including:		
	Carrying amount	**Fair value**	**Level 1**	**Level 2**	**Level 3**
Financial asset					
Financial investments at amortised cost	**144,943,419**	**147,153,681**	**–**	**146,593,454**	**560,227**
Financial liability					
Debt securities issued	**114,899,573**	**115,188,976**	**–**	**115,188,976**	**–**

	As at 31 December 2024				
			Including:		
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial asset					
Financial investments at amortised cost	140,564,544	148,022,241	–	147,575,243	446,998
Financial liability					
Debt securities issued	83,544,009	84,082,792	–	84,082,792	–

44 Financial risk management *(Continued)*

44.4 Fair value of financial assets and liabilities *(Continued)*

(c) *Financial instruments measured at fair value*

		As at 31 December 2025			
	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Derivative financial assets	17	–	378,443	–	378,443
Loans and advances to customers at fair value through other comprehensive income	18(c)	–	–	27,924,827	27,924,827
Loans and advances to customers at fair value through profit or loss	18(c)	–	–	7,936,912	7,936,912
Financial investments at fair value through profit or loss	19(a)				
— Debt securities		–	22,347,876	–	22,347,876
— Fund investments		–	27,849,548	–	27,849,548
— Trust beneficiary rights		–	–	1,346,246	1,346,246
Financial investments at fair value through other comprehensive income	19(c)				
— Debt securities		–	134,407,400	74,179	134,481,579
— Equity investments		183	32,910	1,048,842	1,081,935
Total		183	185,016,177	38,331,006	223,347,366
Financial liabilities					
Financial liabilities at fair value through profit or loss	29	–	440,029	1,682,667	2,122,696
Derivative financial liabilities	17	–	302,294	–	302,294
Total		–	742,323	1,682,667	2,424,990

44 Financial risk management *(Continued)*

44.4 Fair value of financial assets and liabilities *(Continued)*

(c) *Financial instruments measured at fair value (Continued)*

		As at 31 December 2024			
	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Derivative financial assets	17	–	601,062	–	601,062
Loans and advances to customers at fair value through other comprehensive income	18(c)	–	–	23,320,169	23,320,169
Loans and advances to customers at fair value through profit or loss	18(c)	–	–	6,755,902	6,755,902
Financial investments at fair value through profit or loss	19(a)				
— Debt securities		–	16,613,017	–	16,613,017
— Fund investments		–	25,097,285	–	25,097,285
— Trust beneficiary rights		–	–	1,558,017	1,558,017
Financial investments at fair value through other comprehensive income	19(c)				
— Debt securities		–	128,572,345	62,913	128,635,258
— Equity investments		–	58,561	1,114,834	1,173,395
Total		–	170,942,270	32,811,835	203,754,105
Financial liabilities					
Financial liabilities at fair value through profit or loss	29	–	151,527	1,524,546	1,676,073
Derivative financial liabilities	17	–	530,460	–	530,460
Total		–	681,987	1,524,546	2,206,533

The fair values of financial assets and liabilities are determined as follows:

— If traded in active markets, fair values of financial assets and financial liabilities with standard terms and conditions are determined with reference to quoted market bid prices and ask prices, respectively;

— If not traded in active markets, fair values of financial assets and financial liabilities are determined by using valuation techniques. These valuation techniques include the use of recent transaction prices of the same or similar instruments, discounted cash flow analysis and generally accepted pricing models.

44 Financial risk management *(Continued)*

44.4 Fair value of financial assets and liabilities *(Continued)*

(c) *Financial instruments measured at fair value* (Continued)

The Group has established an independent valuation process for financial assets and liabilities. Financial Market Department is responsible for carrying out the valuation of financial assets and financial liabilities. Valuation methods, parameters, assumptions and results are independently verified by the Comprehensive Risk Management Department; valuation results are obtained following the valuation process and accounted for in accordance with the accounting rules by the Operation Management Department; information on financial assets and liabilities for disclosure purposes is prepared by the Planning and Finance Department based on the independently reviewed valuation results. Valuation policies and procedures for various kinds of financial instruments are approved by the Group's Risk Management Committee. Any changes in valuation policies and procedures are required to be submitted to the Risk Management Committee for approval before being put into practice. For the years ended 31 December 2025 and 2024, there were no significant transfers between the fair value levels.

Information about the Level 3 fair value measurement using material unobservable inputs is as follows:

		As at 31 December 2025		
	Notes	**Fair value**	**Valuation technique**	**Unobservable inputs Item**
Loans and advances to customers at fair value through other comprehensive income	18(c)	**27,924,827**	**Discounted cash flow**	**Risk-adjusted discount rate/Cash flow**
Loans and advances to customers at fair value through profit or loss	18(c)	**7,936,912**	**Discounted cash flow**	**Risk-adjusted discount rate/Cash flow**
Financial investments at fair value through profit or loss				
— Trust beneficiary rights	19(a)	**1,346,246**	**Discounted cash flow**	**Risk-adjusted discount rate/Cash flow**
Financial investments at fair value through other comprehensive income				
— Debt securities		**74,179**	**Discounted cash flow**	**Risk-adjusted discount rate/Cash flow**
— Equity investments		**1,048,842**	**Market approach/ Net assets method**	**Price to book ratio (P/B)/Haircuts for low liquidity**
Financial liabilities at fair value through profit or loss	29	**1,682,667**	**Discounted cash flow**	**Risk-adjusted discount rate/Cash flow**

44 Financial risk management *(Continued)*

44.4 Fair value of financial assets and liabilities *(Continued)*

(c) *Financial instruments measured at fair value* (Continued)

		As at 31 December 2024		
	Notes	Fair value	Valuation technique	Unobservable inputs Item
Loans and advances to customers at fair value through other comprehensive income	18(c)	23,320,169	Discounted cash flow	Risk-adjusted discount rate/Cash flow
Loans and advances to customers at fair value through profit or loss	18(c)	6,755,902	Discounted cash flow	Risk-adjusted discount rate/Cash flow
Financial investments at fair value through profit or loss				
— Trust beneficiary rights	19(a)	1,558,017	Discounted cash flow	Risk-adjusted discount rate/Cash flow
Financial investments at fair value through other comprehensive income				
— Debt securities		62,913	Discounted cash flow	Risk-adjusted discount rate/Cash flow
— Equity investments		1,114,834	Market approach/ Net assets method	Price to book ratio (P/B)/ Haircuts for low liquidity
Financial liabilities at fair value through profit or loss	29	1,524,546	Discounted cash flow	Risk-adjusted discount rate/Cash flow

The sensitivity of the fair value on changes in unobservable inputs for Level 3 financial instruments is measured at fair value on an ongoing basis.

44 Financial risk management *(Continued)*

44.4 Fair value of financial assets and liabilities *(Continued)*

(c) ***Financial instruments measured at fair value*** *(Continued)*

The fair value of financial instruments is, in certain circumstances, measured using valuation models which incorporate assumptions that are not supported by prices from observable current market transactions in the same instrument and are not based on observable market data. The following table shows the sensitivity of fair value due to parallel movement of plus or minus 1 percent of change in fair value to reasonably possible alternative assumptions.

	As at 31 December 2025			
	Effect on net profit		Effect on revaluation reserve	
	Favourable	(Unfavourable)	Favourable	(Unfavourable)
Loans and advances to customers at fair value through other comprehensive income	–	–	65,221	(64,611)
Loans and advances to customers at fair value through profit or loss	12,630	(12,555)	–	–
Financial investments at fair value through profit or loss				
— Trust beneficiary rights	1,693	(1,660)	–	–
Financial investments at fair value through other comprehensive income				
— Debt securities	–	–	632	(619)
— Equity investments	–	–	5,955	(5,955)
Financial liabilities at fair value through profit or loss	79,451	(83,022)	–	–

44 Financial risk management *(Continued)*

44.4 Fair value of financial assets and liabilities *(Continued)*

(c) *Financial instruments measured at fair value* *(Continued)*

	As at 31 December 2024			
	Effect on net profit		Effect on revaluation reserve	
	Favourable	(Unfavourable)	Favourable	(Unfavourable)
Loans and advances to customers at fair value through other comprehensive income	–	–	60,421	(59,837)
Loans and advances to customers at fair value through profit or loss	9,717	(9,661)	–	–
Financial investments at fair value through profit or loss				
— Trust beneficiary rights	20,154	(15,203)	–	–
Financial investments at fair value through other comprehensive income				
— Debt securities	–	–	883	(859)
— Equity investments	–	–	6,482	(6,482)
Financial liabilities at fair value through profit or loss	103,526	(109,013)	–	–

44 Financial risk management *(Continued)*

44.4 Fair value of financial assets and liabilities *(Continued)*

(c) *Financial instruments measured at fair value (Continued)*

The movement of Level 3 fair value measurements is as follows:

	Notes	1 January 2025	Transfer into Level 3	Purchases, sales and settlements		Total gains or losses		31 December 2025	Unrealised gains or losses included in profit or loss for assets and liabilities held at the end of the year
				Purchases	Sales and settlements	Recorded in profit or loss	Recorded in other comprehensive income		
Assets									
Loans and advances to customers at fair value through other comprehensive income	18(c)	23,320,169	-	27,999,889	(23,391,913)	15,447	(18,765)	27,924,827	-
Loans and advances to customers at fair value through profit or loss	18(c)	6,755,902	-	7,933,706	(6,690,668)	(62,028)	-	7,936,912	3,205
Financial investments at fair value through profit or loss									
— Trust beneficiary rights	19(a)	1,558,017	-	-	(231,930)	20,159	-	1,346,246	20,159
Financial investments at fair value through other comprehensive income									
— Debt securities		62,913	-	-	(5,133)	17,022	(623)	74,179	-
— Equity investments		1,114,834	-	-	-	-	(65,992)	1,048,842	-
Sub-total		32,811,835	-	35,933,595	(30,319,644)	(9,400)	(85,380)	38,331,006	23,364
Liabilities									
Financial liabilities at fair value through profit or loss	29	(1,524,546)	-	-	20,891	(179,012)	-	(1,682,667)	(179,012)
Total		31,287,289	-	35,933,595	(30,298,753)	(188,412)	(85,380)	36,648,339	(155,648)

44 Financial risk management *(Continued)*

44.4 Fair value of financial assets and liabilities *(Continued)*

(c) *Financial instruments measured at fair value* *(Continued)*

	Notes	1 January 2024	Transfer into Level 3	Purchases, sales and settlements		Total gains or losses		31 December 2024	Unrealised gains or losses included in profit or loss for assets and liabilities held at the end of the year
				Purchases	Sales and settlements	Recorded in profit or loss	Recorded in other comprehensive income		
Assets									
Loans and advances to customers at fair value through other comprehensive income	18(c)	29,313,748	–	23,392,240	(29,367,891)	(80,120)	62,192	23,320,169	–
Loans and advances to customers at fair value through profit or loss	18(c)	–	–	6,753,437	(203)	2,668	–	6,755,902	2,466
Financial investments at fair value through profit or loss									
— Trust beneficiary rights	19(a)	1,739,899	–	–	(231,930)	50,048	–	1,558,017	50,048
Financial investments at fair value through other comprehensive income									
— Debt securities		61,816	–	–	(576)	26,708	(25,035)	62,913	–
— Trust beneficiary rights		29,236	–	–	(56,875)	27,639	–	–	–
— Equity investments		884,837	–	–	–	–	229,997	1,114,834	–
Sub-total		32,029,536	–	30,145,677	(29,657,475)	26,943	267,154	32,811,835	52,514
Liabilities									
Financial liabilities at fair value through profit or loss	29	(1,297,742)	–	–	31,581	(258,385)	–	(1,524,546)	(258,385)
Total		30,731,794	–	30,145,677	(29,625,894)	(231,442)	267,154	31,287,289	(205,871)

44 Financial risk management *(Continued)*

44.5 Capital management

The Group's capital management objectives are as follows:

— maintain an adequate capital base to support the development of its business;

— support the Group's financial stability and profitable growth;

— allocate capital through an efficient and risk based approach to optimize risk-adjusted return to shareholders; and

— safeguard the long-term sustainability of the Group's franchise so that it can continue to provide sufficient owner returns and benefits for other stakeholders.

Capital adequacy ratio and the use of regulatory capital are monitored quarterly by the Bank's management with employing techniques based on the guidelines developed by the Basel Committee, as implemented by the NFRA, for supervisory purposes. The required information is filed with the NFRA on a quarterly basis.

The Bank calculates the capital adequacy ratio based on the Rules for Regulating the Capital Adequacy of Commercial Banks issued by the NFRA in October 2023. According to the approach, the Bank calculates the credit risk-weighted assets measurement by the weighted method, market risk-weighted assets measurement by the simplified standard method, and operation risk-weighted assets measurement by the standard method.

In accordance with "Rules for Regulating the Capital Adequacy of Commercial Banks", for non-systemically important banks, the minimum ratios for core tier-one capital adequacy ratio, tier-one capital adequacy ratio and capital adequacy ratio are 7.50%, 8.50% and 10.50%, respectively. At present, the Bank fully complies with all statutory and regulatory requirements.

44 Financial risk management *(Continued)*

44.5 Capital management *(Continued)*

The capital adequacy ratio of 31 December 2025 and 31 December 2024 under the Rules for Regulating the Capital Adequacy of Commercial Banks are as follows:

	As at 31 December	
	2025	2024
Core tier 1 capital	**61,274,728**	60,544,543
Core tier 1 capital deductions	**(679,847)**	(613,680)
Net core tier 1 capital	**60,594,881**	59,930,863
Other tier 1 capital	**130,652**	132,412
Net tier 1 capital	**60,725,533**	60,063,275
Tier 2 capital	**9,482,953**	9,077,315
Net capital	**70,208,486**	69,140,590
Total risk-weighted assets	**455,643,201**	417,971,094
Core tier 1 capital adequacy ratio	**13.30%**	14.34%
Tier 1 capital adequacy ratio	**13.33%**	14.37%
Capital adequacy ratio	**15.41%**	16.54%

45 Events after the reporting period

45.1 Dividend

Upon approval at the Board of Directors on 27 March, 2026, the Bank distributed cash dividend of RMB2.20 (tax inclusive) per ten shares, with a total amount of RMB1,515 million, to shareholders of the Bank, subject to the approval by the shareholders in the annual general meeting.

46 STATEMENT OF FINANCIAL POSITION OF THE BANK

	As at 31 December	
	2025	2024
ASSETS		
Cash and balances with the central bank	**32,563,174**	31,666,420
Financial assets held under resale agreements and deposits and placements with banks and other financial institutions	**14,896,500**	14,587,492
Derivative financial assets	**378,443**	601,062
Loans and advances to customers	**365,933,294**	339,755,555
Financial investments	**292,567,669**	273,577,116
— Financial investments at fair value through profit or loss	**48,347,808**	39,111,139
— Financial investments at amortised cost	**124,886,796**	122,032,331
— Financial investments at fair value through other comprehensive income	**119,333,065**	112,433,646
Investment in subsidiaries	**3,600,314**	3,547,487
Investment in associates	**691,202**	644,456
Property and equipment	**1,920,178**	1,868,329
Right-of-use assets	**1,063,970**	1,082,403
Deferred tax assets	**5,241,083**	4,325,248
Other assets	**3,421,680**	1,628,706
Total assets	**722,277,507**	673,284,274
LIABILITIES		
Borrowings from the central bank	**42,927,017**	30,969,886
Financial assets sold under repurchase agreements and deposits and placements from banks and other financial institutions	**10,845,648**	29,179,249
Financial liabilities at fair value through profit or loss	**2,122,696**	1,676,073
Derivative financial liabilities	**302,294**	530,460
Deposits from customers	**487,463,106**	464,428,153
Debt securities issued	**114,899,573**	83,544,009
Taxes payable	**283,871**	271,145
Lease liabilities	**403,433**	414,790
Other liabilities	**3,112,480**	3,326,073
Total liabilities	**662,360,118**	614,339,838

46 STATEMENT OF FINANCIAL POSITION OF THE BANK *(Continued)*

	As at 31 December	
	2025	2024
EQUITY		
Share capital	**6,888,546**	6,888,546
Capital reserve	**6,339,107**	6,323,045
Revaluation reserve	**1,588,517**	2,817,376
Surplus reserve	**9,663,899**	9,273,110
General reserve	**9,005,534**	7,833,168
Retained earnings	**26,431,786**	25,809,191
Total equity	**59,917,389**	58,944,436
TOTAL LIABILITIES AND EQUITY	**722,277,507**	673,284,274

Approved and authorized for issue by the Board of Directors on 27 March 2026.

Lu Guofeng	**Fu Qiang**	**Ye Jianguang**	**Zhong Xuemei**
Chairman	*President*	*Person-in-charge of Accounting*	*Head of the Accounting Department*

47 Comparative figure

To conform with the presentation of the financial statements, the Group made reclassification adjustments to certain figures for comparative period.

48 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended December 31, 2025

Up to the date of issue of these financial statements, a number of amendments, new standards and interpretations are issued which are not yet effective for the year ended 31 December, 2025 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to IFRS 9 and IFRS 7, *Contracts Referencing Nature-dependent Electricity*	1 January 2026
Amendments to IFRS 9 and IFRS 7, *Classification and Measurement of Financial Instruments*	1 January 2026
Annual Improvements to IFRS Accounting Standards — Volume 11	1 January 2026
IFRS 18, *Presentation and Disclosure in Financial Statements*	1 January 2027
IFRS 19, *Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Amendments to IFRS 10 and IAS 28, *Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture*	To be determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the financial statements.

Supplemental Information on Leverage Ratio

Appendix: Information on leverage ratio

Accounting Items Corresponding to Leverage Regulatory Items and Differences between Regulatory Items and Accounting Items

(Unit: RMB'000)

Item	December 31, 2025
Consolidated total assets	**796,546,300**
Consolidated adjustments	**–**
Adjustments on client assets	**–**
Derivatives adjustments	**(29,996)**
Securities financing transaction adjustments	**–**
Off-balance sheet item adjustments	**24,433,680**
Asset securitization transaction adjustments	**–**
Unsettled financial asset adjustments	**–**
Cash pool adjustments	**–**
Deposit reserves adjustments (if applicable)	**–**
Prudent valuation and impairment allowance adjustments	**–**
Other adjustments	**(679,847)**
Adjusted balance of on-balance and off-balance sheet assets	**820,270,138**

Notes:

(1) This table is calculated in accordance with relevant requirements of the Administrative Measures for the Capital of Commercial Banks (《商業銀行資本管理辦法》).

(2) Adjusted balance of on-and off-balance sheet assets = consolidated total assets + consolidated adjustments + adjustments on client assets + derivatives adjustments + securities financing transaction adjustments + off-balance sheet item adjustments + other adjustments.

Leverage Ratio Level, Net Tier 1 Capital, Adjusted On-Balance and Off-Balance Sheet Assets and Related Details

(Unit: RMB'000)

Item	December 31, 2025
Balance of on-balance sheet assets	
On-balance sheet assets (except derivatives instruments and securities financing transactions)	810,462,225
Less: Impairment allowance	(15,785,964)
Less: Tier 1 capital deductions	(679,847)
Adjusted balance of on-balance sheet assets (excluding derivatives instruments and securities financing transactions)	793,996,414
Balance of derivative instrument asset	
Replacement cost of various derivatives instruments (net of qualifying margin, considering the impact of the bilateral netting agreement)	104,662
Potential exposures of various derivatives instruments	254,231
Total collateral been deducted from the balance sheet	–
Less: Assets receivable due to provision of qualified margin	–
Less: Derivative instrument asset balance formed from transactions with central counterparties when providing clearing services to clients	–
Notional principal for selling credit derivatives instruments	–
Less: Deductible balance of sold credit derivatives instruments assets	–
Derivative instrument asset balance	358,893
Asset balance of securities financing transactions	
Balance of accounting asset for securities financing transactions	1,481,151
Less: balance of securities financing transaction assets that can be deducted	–
Counterparty credit exposure for securities financing transactions	–
Asset balance of securities financing transactions formed by agency securities financing transactions	–
Asset balance of securities financing transactions	1,481,151
Balance of off-balance sheet assets	
Off-balance sheet item balance	143,264,249
Less: Balance of off-balance sheet items adjusted due to credit conversion	(118,668,112)
Less: Impairment allowance	(162,457)
Adjusted off-balance sheet item balance	24,433,680
Net Tier 1 capital and adjusted balance of on-and off-balance sheet assets	
Net Tier 1 capital	60,725,533
Adjusted balance of on-and off-balance sheet assets	820,270,138
Leverage ratio	
Leverage ratio	7.40%
Leverage ratio a	7.40%
Minimum leverage ratio requirement	4.00%

Notes:

(1) This table is calculated in accordance with relevant requirements of the Administrative Measures for the Capital of Commercial Banks (《商業銀行資本管理辦法》).

(2) The leverage ratio is calculated by dividing the net Tier 1 capital by the adjusted balance of on-and off-balance sheet assets.

东莞农村商业银行
DRC Bank