



China Everbright Bank Company Limited

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

Stock Code: 6818



**2025**  
ANNUAL REPORT

## Important Notice

The Board of Directors, Directors and Senior Management of the Bank hereby warrant the authenticity, accuracy and completeness of the contents of this Report and that there are no false representations, misleading statements or material omissions, and jointly and severally assume full responsibility for the information in this Report.

The 5th Meeting of the Tenth Session of the Board of Directors of the Bank was convened in Beijing on 30 March 2026, at which the *2025 Annual Report of the Bank* was considered and approved. 15 out of 15 Directors attended this meeting.

The financial statements of the Bank for the year 2025 were prepared in accordance with the PRC Generally Accepted Accounting Principles (“PRC GAAP”) and the International Financial Reporting Standards (“IFRS Accounting Standards”) and have been reviewed by KPMG Huazhen LLP and KPMG in accordance with the China Standards on Auditing (CSA) and the International Standards on Auditing (ISA), respectively. Both auditors issued standard unqualified auditor’s reports.

Chairman Mr. Wu Lijun, President Mr. Hao Cheng, Executive Vice President and CFO Ms. Liu Yan, and General Manager of Finance and Accounting Department of the Bank Mr. Lin Zezhong, hereby warrant the authenticity, accuracy and completeness of the financial statements in this Report.

Unless otherwise stated, all monetary sums stated in this Report are expressed in Renminbi/RMB.

The Board of Directors of the Bank proposed distributing a final ordinary share dividend of RMB0.70 (tax included) per 10 shares for the year 2025. Combined with the distributed interim cash dividend, the total dividend for the year 2025 will be RMB1.75 (tax included) per 10 shares. Please refer to “Significant Events” for details.

Forward-looking statements, such as future plans of the Bank mentioned in this Report, do not constitute actual commitments of the Bank to the investors. The investors and related parties should be fully aware of the risks and understand the difference among plans, predictions and commitments.

The Bank has disclosed herein major risks and proposed risk management measures accordingly. Please refer to the relevant contents in “Management Discussion and Analysis” for details.

In this Report, “the Bank”, “whole Bank” and “China Everbright Bank” all refer to China Everbright Bank Company Limited, and “the Group” refers to China Everbright Bank Company Limited and its subsidiaries.

**The Board of Directors of  
China Everbright Bank Company Limited  
30 March 2026**



# Operating Overview

## Operating performance (RMB million)



Operating income  
**126,460**

Profit before tax  
**49,687**

Net profit  
**39,141**

## Asset quality indicators (%)



NPL ratio  
**1.27**

Loan provision ratio  
**2.22**

Provision coverage ratio  
**174.14**

## Business scale (RMB million)



Total assets  
**7,165,319**

Total liabilities  
**6,557,877**

Total loans and advances  
**3,980,218**

Balance of deposits  
**4,102,458**

## Business indicators (RMB trillion)



Finance Product  
Aggregate  
(FPA)

**5.52**

Assets Under  
Management  
(AUM)

**3.15**

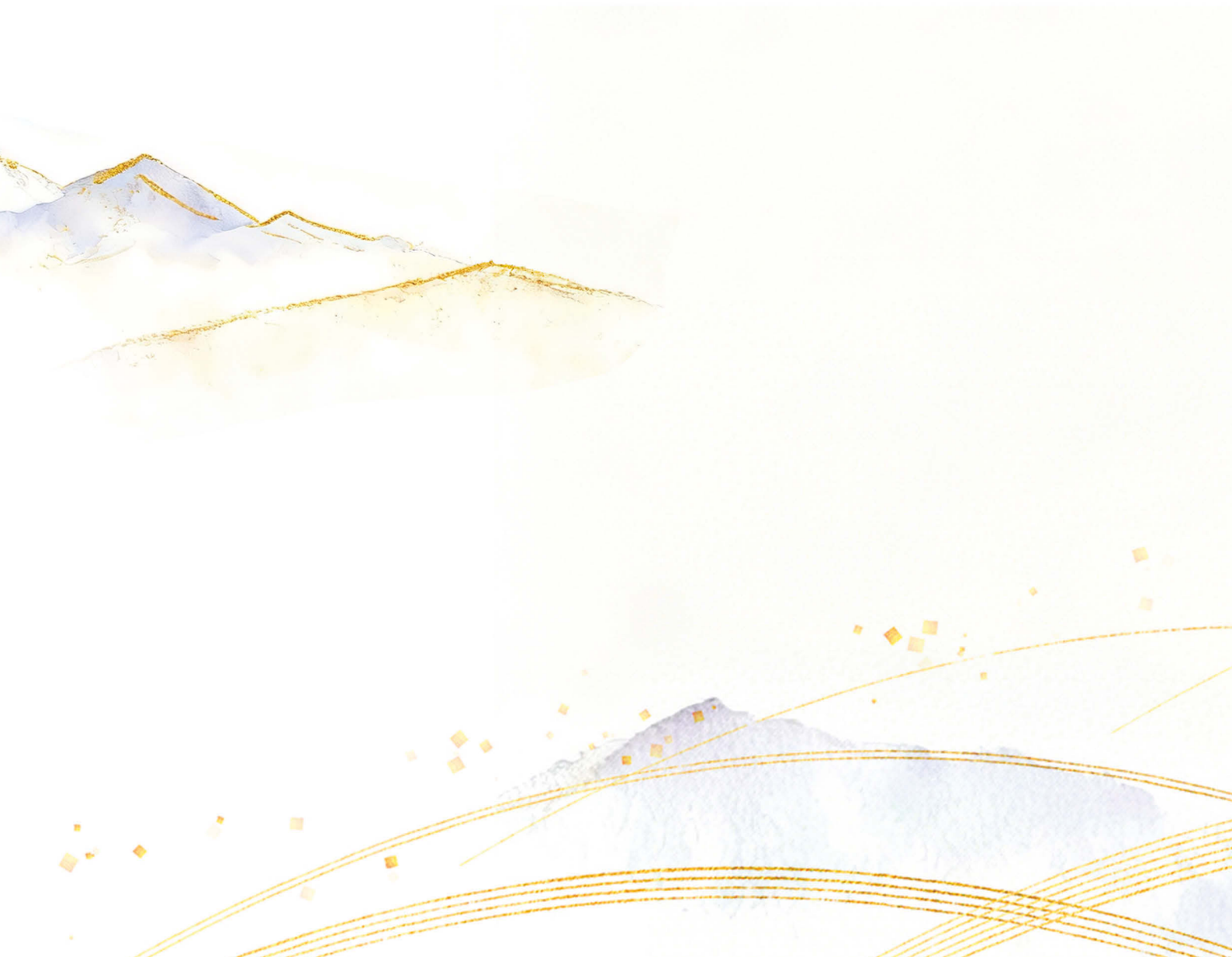
Gross Merchandise  
Volume  
(GMV)

**3.50**

# Contents

---

Definitions and Documents for Reference	4	Environmental, Social and Governance	84
Profile of the Bank	5	Significant Events	91
Honors and Awards	8	Changes in Share Capital and Shareholders	103
Message from the Chairman	10	Directors, Senior Management, Staff and Business Outlets	115
Message from the President	12	Corporate Governance	134
Key Accounting Data and Financial Indicators	14	Address Book of Head Office and Branches	152
Management Discussion and Analysis	20	Independent Auditor's Report and Financial Statements	157



## Topics

## Cases

Topic 1:	Sunshine Tech Innovation: Deeply Cultivating Technology Finance with the “Five Excellences” Framework	48	Case 1:	Technology Finance Innovating Product Design	50
Topic 2:	Sunshine Investment Banking: Enhancing the Quality and Efficiency of Comprehensive Financial Services	52	Case 2:	Inclusive Finance Serving Micro and Small Enterprises (MSEs)	51
Topic 3:	Sunshine Transaction Banking: Facilitating Capital Flows Across the Chains to Empower the Real Economy	55	Case 3:	Sunshine Investment Banking Advocating Value Co-creation	54
Topic 4:	Sunshine Wealth: Professional Services Paving a New Path to Prosperity	60	Case 4:	Sunshine Transaction Banking Enabling Ecosystem-based Empowerment	57
Topic 5:	Cloud Fee Payment: Convenient Services Enhancing People’s Well-being	64	Case 5:	Pension Finance Providing Warm Care	62
Topic 6:	Sunshine Financial Market: Serving Diversified Markets Through Ecosystem Co-building	67	Case 6:	Digital Finance Championing Smart Living	66
			Case 7:	The “Visiting Stock Exchanges with Everbright” Events	69
			Case 8:	Sunshine Wealth Facilitating Steady and Sustainable Growth	70
			Case 9:	Fintech Empowering Business Operation	73
			Case 10:	Green Finance Delivering Benefits	85

# Definitions and Documents for Reference

## I. DEFINITIONS

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

MOF	:	Ministry of Finance of the People's Republic of China
PBOC	:	The People's Bank of China
NFRA	:	National Financial Regulatory Administration
CSRC	:	China Securities Regulatory Commission
CHI	:	Central Huijin Investment Ltd.
CEG	:	China Everbright Group Ltd.
CITIC Financial AMC	:	China CITIC Financial Asset Management Co., Ltd.
OCT Group	:	Overseas Chinese Town Holdings Company
SSE	:	Shanghai Stock Exchange
SZSE	:	Shenzhen Stock Exchange
HKEX	:	Hong Kong Exchanges and Clearing Limited
SEHK	:	The Stock Exchange of Hong Kong Limited
<i>Articles of Association of the Bank</i>	:	<i>Articles of Association of China Everbright Bank Company Limited</i>
<i>Hong Kong Listing Rules</i>	:	<i>Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited</i>
<i>Model Code</i>	:	<i>Appendix C3 to the Hong Kong Listing Rules – The Model Code for Securities Transactions by Directors of Listed Issuers</i>
“Two Renewals”	:	the large-scale renewal of equipment and the trade-in of consumer goods
“Two Majors”	:	encouraging greater private sector participation in major national projects and programs including those aligned with major national strategies, and building up security capacity in key areas

## II. DOCUMENTS FOR REFERENCE

- i. Financial statements bearing the signatures and seals of the Chairman, President, Executive Vice President & CFO and General Manager of the Finance and Accounting Department of the Bank
- ii. The original auditor's reports bearing the seals of the accounting firms and the signatures and seals of certified public accountants
- iii. The originals of documents and announcements of the Bank disclosed to the public during the reporting period
- iv. A share annual report and financial statements prepared in accordance with PRC GAAP published by the Bank on the website of SSE during the reporting period

The originals of the aforesaid documents for reference shall be kept at the Office of the Board of Directors of the Bank.

# Profile of the Bank

## I. BASIC INFORMATION

### i. Name of the Bank

Registered Chinese Company Name: 中國光大銀行股份有限公司 (Abbreviation: 中國光大銀行 or 光大銀行)  
 Registered English Company Name: CHINA EVERBRIGHT BANK COMPANY LIMITED  
 (Abbreviation: CEB BANK)

### ii. Relevant persons

Legal Representative: Wu Lijun  
 Authorized Representatives: Hao Cheng, Qi Ye  
 Secretary to the Board of Directors: Zhang Xuyang  
 Joint Company Secretaries: Zhang Xuyang, Yeung Siu Wai Kitty  
 Securities Affairs Representative: Zeng Wenxue

### iii. Contacts

Contact Address: China Everbright Center, No. 25 Taipingqiao Street, Xicheng District, Beijing  
 Postal Code: 100033  
 Tel: 86-10-63636363  
 Fax: 86-10-63639066  
 E-mail: IR@cebbank.com  
 Investor Hotline: 86-10-63636388  
 Customer Service Hotline & Customer Complaint Hotline: 95595

### iv. Corporate information

Office Address: China Everbright Center, No. 25 and No. 25 A Taipingqiao Street, Xicheng District, Beijing  
 Registered Address and Its Change Records:  
 1992-1995: 16/F, New Century Hotel Office Building, No. 6 Shoudutiyuguan South Road, Beijing  
 1995-2012: Everbright Building, No. 6 Fuxingmenwai Street, Xicheng District, Beijing  
 2012-today: China Everbright Center, No. 25 and No. 25 A Taipingqiao Street, Xicheng District, Beijing  
 Website of the Bank: www.cebbank.com  
 Uniform Social Credit Code: 91110000100011743X  
 Code of Financial Authority: B0007H111000001  
 Scope of Business: taking deposits from the public; granting short-term, medium-term and long-term loans; handling domestic and overseas settlement; handling bill acceptance and discount; issuing financial bonds; issuing, honoring and underwriting government bonds as an agent; trading government bonds and financial bonds; interbank borrowing and lending; trading foreign exchange proprietarily and as an agent; conducting bank card business; providing L/C services and guarantee; offering agency collection and payment and agency insurance services; offering safe deposit box services; and providing other businesses approved by the NFRA.

## Profile of the Bank

### v. Principal place of business in Hong Kong

CEB Hong Kong Branch: 23/F, Everbright Center, 108 Gloucester Road, Wan Chai, Hong Kong

### vi. Websites and media designated for information disclosure

Websites designated for publication of A share annual report: SSE's website: [www.sse.com.cn](http://www.sse.com.cn)  
The Bank's website: [www.cebbank.com](http://www.cebbank.com)

Media designated for publication of A share annual report: *China Securities Journal*: [www.cs.com.cn](http://www.cs.com.cn)  
*Securities Times*: [www.stcn.com](http://www.stcn.com)

*Securities Daily*: [www.zqrb.cn](http://www.zqrb.cn)

Websites designated for publication of H share annual report: HKEXnews website: [www.hkexnews.hk](http://www.hkexnews.hk)  
The Bank's website: [www.cebbank.com](http://www.cebbank.com)

Copies of this annual report are available at: Office of the Board of Directors of the Bank  
Shanghai Stock Exchange

### vii. Stock exchanges for listing of shares

A Shares: Shanghai Stock Exchange (SSE)

Abbreviated Name of Ordinary Shares: Everbright Bank, Code: 601818

Abbreviated Name of Preference Shares: Everbright P1, Everbright P2, Code: 360013, 360022  
(SSE Comprehensive Business Platform)

H Shares: The Stock Exchange of Hong Kong Limited (SEHK)

Abbreviated Name: CEB Bank, Code: 6818

### viii. Auditors during the reporting period

Domestic Auditor: KPMG Huazhen LLP

Office Address: 8/F, Office Tower E2, Oriental Plaza, No. 1 East Chang An Avenue, Beijing

Certified Public Accountants for Signature: Huang Aizhou, Ge Mingyi

Overseas Auditor: KPMG

Office Address: 8/F, Prince's Building, 10 Chater Road, Central, Hong Kong SAR

Certified Public Accountant for Signature: Fong Hoi Wan

### ix. Legal advisors to the Board of Directors during the reporting period

A Share Legal Advisor: JunHe LLP

H Share Legal Advisor: Clifford Chance LLP

### x. Securities depository

A Share Ordinary Shares and Preference Shares Depository: Shanghai Branch, China Securities Depository and Clearing Corporation Limited

Office Address: No. 188 Yanggao South Road, Pudong New Area, Shanghai

H Share Registrar: Computershare Hong Kong Investor Services Limited

Office Address: Shops 1712-1716, 17/F, Hopewell Center, 183 Queen's Road East, Wan Chai, Hong Kong

## II. INTRODUCTION

China Everbright Bank, established in August 1992 and headquartered in Beijing, is a national joint-stock commercial bank approved by the State Council of China and the PBOC. The Bank was listed on the SSE in August 2010 (stock code: 601818) and the SEHK in December 2013 (stock code: 6818).

Actively committed to ensuring that financial work is politically oriented and better represents the people, the Bank takes “serving the real economy and national strategies while meeting people’s growing financial needs in economic and social development” as its primary responsibility. Leveraging China Everbright Group’s advantages in comprehensive finance, industry-finance collaboration and cross-border operation, the Bank has placed customers at the center to accelerate innovation in products, channels and service models through integrated, characteristic, asset-light and digital development. The Bank has forged competitive edges in wealth management, fintech and comprehensive finance, formed a pattern featuring balanced development of all business sectors, continuous improvement of risk management and gradual enhancement of innovation capabilities. In this way, the Bank has achieved positive outcomes in operation and management.

As at the end of the reporting period, in the domestic market, the Bank had established 1,330 branches and outlets, covering all provincial administrative regions and extending its business reach to 150 economic center cities. Focusing on primary responsibilities and main businesses while centering on its overall strategy, the Bank basically formed a modern, comprehensive financial service system that covers both domestic and overseas markets, both online and offline channels, as well as areas such as financial leasing, bank wealth management, consumer finance and digital finance. In the overseas market, serving China’s high-standard opening-up, CEB had set up nine overseas institutions (6 branches, 2 subsidiaries and 1 representative office), forming a service system featuring the integration of commercial banking and investment banking to cover both domestic and overseas markets and enhancing comprehensive cross-border financial service capabilities. Everbright Financial Leasing Co., Ltd. vigorously developed leasing business in manufacturing industries such as aviation, shipping, automobiles and new energy, Everbright Wealth Management Co., Ltd. focused on asset management and wealth management business, and Beijing Sunshine Consumer Finance Co., Ltd. engaged in the specialized consumer finance market. The Bank’s Everbright Cloud Fee Payment, an online convenient platform with a focus on people’s livelihood services and financial scenarios, served hundreds of millions of people. Actively fulfilling its social responsibilities, the Bank improved its corporate image continuously as it was awarded the case of “People’s Choice Craftsmanship Service” by People’s Daily Online and the honor of “Excellent Institution in Serving the Real Economy” by *Securities Daily*.

Along with the evolution of Chinese economy and the growth of Chinese financial sector, the Bank’s brand image and market value have improved continuously. While rendering quality financial services to its customers and the public, it has become a listed bank with a strong brand reputation and market influence.



# Honors and Awards



1. In March 2025, the Bank's case titled "Everbright Cloud Fee Payment Creating a New Paradigm of Digital Convenience Service" was awarded the "Online Financial Service Innovation Case", and the case titled "Credit Card Center Dual-track Agreement Signing Guarantee Mechanism" was awarded the "Excellent Case of Financial Consumer Protection Mechanism Innovation" according to the list of "2025 Excellent Cases of Financial Consumer Protection and Service Innovation" released by China Financial Media Company Limited (CFMC).
2. In July 2025, the Bank's public welfare project titled "Accompanying the Gray-haired in Villages" was awarded "Social Welfare Project of the Year in the Financial Industry" at the 2025 9th Jinnuo Financial Brand Influence Case Selection by *China Banking and Insurance News*.
3. In July 2025, the Bank's "Fulfilling Social Responsibilities by Building Everbright ESG as an Example" was awarded the "Social Responsibility Case of the Year", and "Being Your Full-life-cycle Technology Finance Guardian" was awarded the "Technology Finance Case of the Year" according to the "7th Annual Financial Industry Brand Case Awards" by the *China Finance* magazine.
4. In September 2025, the Bank won the "Top Technology Finance Institution Award" in the "Top Financial Institutions in China 2025" selection by Cailian Press.
5. In October 2025, the Bank won the "2025 Bank Digital Transformation Outstanding Case Award" at the "FIS Digital Finance Cup" selection at the 2025 China Financial Industry Digital Innovation Summit.
6. In November 2025, the Bank was awarded the "Leading Retail Bank of the Year" in the 20th "21st Century" Annual Finance Summit hosted by *21st Century Business Herald*.
7. In November 2025, the Bank was awarded the "Inclusive Finance Pioneer Bank", "Excellent Wealth Management Bank" and "Outstanding Retail Bank of the Year" in the 2025 Hexun Finance China Annual Conference & the 23rd China's Financial Annual Champion Awards.
8. In November 2025, the Bank's Enterprise Administrative Management Platform ("Xin Yue Tong") was awarded the "Competitive Digital Finance Innovation Product of the Year" at the "Golden Tripod Awards" selection by *National Business Daily*.
9. In November 2025, the Bank won the "2025 Tianji Award for Pension Finance Service Bank" at the "Tianji Awards" selection by *Securities Times*.



10. In November 2025, the Bank was awarded “Custodian Bank of the Year” and “Wealth Management Bank of the Year” at the “Trustworthy Financial Institutions” Selection by *The Economic Observer*.
11. In November 2025, the Bank’s “Sci-tech Innovation Bond” was selected as one of the “Financial Reform Cases of the Year” at the 2025 CCTV Finance and Economics Financial Power Annual Ceremony by China Media Group.
12. In December 2025, the Bank was awarded the “Excellent Practice Case” at the selection of the “2025 Best Practice Cases of the Board of Directors of Listed Companies” by the China Association for Public Companies.
13. In December 2025, the Bank was awarded the “2025 Excellent Practice of Financial New-quality Productive Forces” at the 2025 Boao Forum for Entrepreneurs & Forum for Brand Credit System Construction hosted by China Economic Information Service (CEIS).
14. In December 2025, the Bank’s wealth management product “Sunshine Orange – Fund Selection” was awarded the “Golden Bull Hybrid Wealth Management Product” at the “Golden Bull Awards” selection by *China Securities Journal*.
15. In December 2025, the Bank’s Mobile Banking 13.0 was awarded “User Favorite Product of the Year” by Finance Net.
16. In December 2025, the Bank was awarded the Golden Courser Award for “Excellent Institution in Serving the Real Economy” at the 2025 Securities Market Annual Conference hosted by *Securities Daily*.
17. In December 2025, the Bank was awarded the honor of “Smart Innovation Case” at the 2025 (5th) “Jinxintong” fintech innovation application case selection during the 2025 (8th) Fintech Industry Conference hosted by the China Academy of Information and Communications Technology.
18. In December 2025, the Bank’s Cloud Fee Payment Platform was awarded the case of “People’s Choice Craftsmanship Service” at the 2025 People’s Choice Craftsmanship Brand Promotion and Exhibition Event hosted by People’s Daily Online.

## Message from the Chairman

The year 2025 stood out as truly remarkable. Amid increasingly complex and severe domestic and international landscapes, the Chinese economy, under the strong leadership of the Communist Party of China (CPC) Central Committee with Comrade Xi Jinping at its core, demonstrated strong resilience and robust vitality, which affirms its underlying trend of long-term sound growth. Over the past year, China Everbright Bank (CEB) has remained steadfast in following the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, fully implemented the guiding principles of the Fourth Plenary Session of the 20th CPC Central Committee and Central Economic Work Conference, adhered to the philosophy that the financial work is politically oriented and can better represent the people, and firmly stayed anchored to the main course of serving the real economy. We not only forged resilience by striving under pressure, but also gathered momentum by pursuing innovation and quality, striving to get off to a good start in the 15th Five-Year Plan period.

During the past year, firmly upholding a clear political stance, we prominently strengthened the guiding role of Party building. CEB solidly conducted a study campaign for fully implementing the Party Central Committee's eight-point decision on improving work conduct, advanced inspection and rectification in depth with a close focus on prominent problems, fully leveraged the supervisory function of internal inspection and audit, and strengthened work conduct improvement across the bank, laying a solid political foundation to ensure steady and sustainable business development. Remaining true to the founding mission of serving the nation through finance, we steadily enhanced the quality and effectiveness of serving the real economy. CEB focused closely on the five target areas of finance to advance the implementation of incremental financial policies. To serve major national strategies and address the financing needs of the real economy, we fully leveraged our advantages in comprehensive finance, continuously enhancing the quality and efficiency in serving the real economy, national strategies and social well-being. Adhering to the principle of seeking progress while ensuring stability and improving quality, we continuously optimized operation and management in such areas as strengthening business features and refined management, improving customer management system, promoting service quality, and fostering stronger comprehensive operational capabilities.

We fortified risk defense lines on all fronts, prudently defused risks in key areas, and refined the internal control and compliance system, thereby maintaining stable asset quality.

Looking ahead to 2026, the Chinese economy has a solid foundation, advantages in many areas, strong resilience and great potential. The conditions underpinning China's long-term growth and its underlying trend remain unchanged. At its fourth plenary session, the 20th CPC Central Committee has set out an inspiring blueprint for China's development over the next five years, and the Central Economic Work Conference has provided important guidance for accomplishing various tasks in 2026. Adhering to the general principle of seeking progress while ensuring stability, CEB will fully and faithfully apply the new development philosophy on all fronts, promote higher-quality growth while achieving an appropriate increase in output in a coordinated manner with technological innovation as the guidance and serving the real economy as the fundamental mission, and deliver high-quality financial services to support socio-economic development and facilitate the sustained and sound economic growth of the economy, thereby getting off to a good start in the 15th Five-Year Plan period.

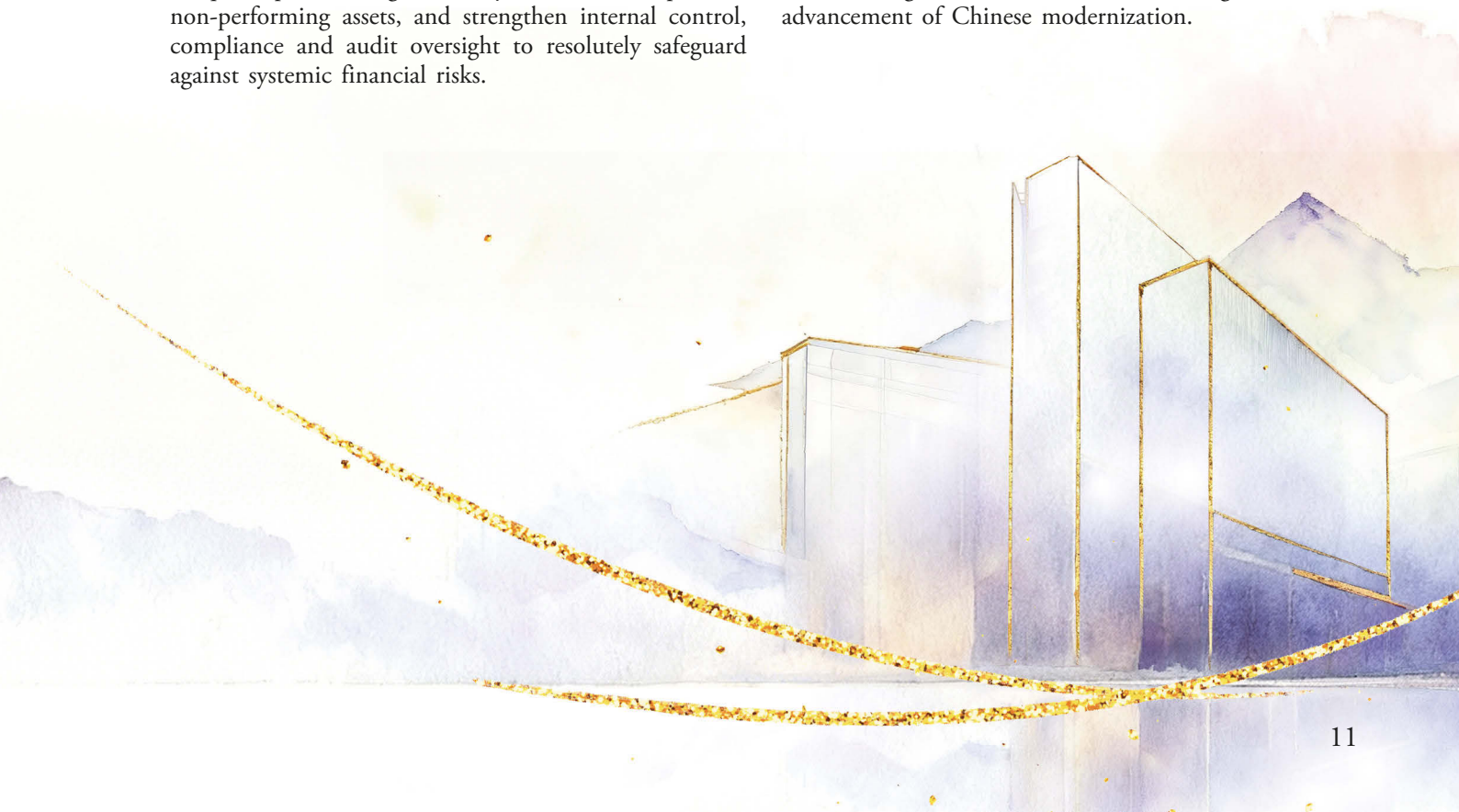
In the year ahead, we will have a correct understanding of what it means to perform well and act accordingly, accurately steering the course towards high-quality development. We will stay committed to giving play to the guiding role of Party building, firmly anchor to the original mission of delivering benefits for the people, and uphold a clear orientation of hard work and strong responsibility. We will stay committed to seeking truth from facts and respecting objective laws, act with the conscientiousness to aspire to and deliver real work as well as the competence to perform effectively and achieve tangible results, and resolutely break away from the dependence on "scale-only" and "speed-only" approaches. We will stay committed to taking a long-term and holistic perspective, properly coordinate the relationship between steady growth and risk prevention, and between immediate interests and long-term development, and eliminate short-sighted behaviors driven by the craving for quick success and instant benefits, thereby striving to deliver solid achievements that can stand the test of practice, the people and history.

In the year ahead, we will have a correct understanding of development and act accordingly, strictly implementing the requirements of focusing on core businesses, improving governance and pursuing differentiated development. Remaining true to the original mission of financial work, we will delve deeply into the key areas relating to serve the real economy, adopt multiple measures to serve well the five target areas of finance, and deeply integrate into major national strategies. We will optimize the corporate governance framework, elevate the level of refined management, and promote in-depth integration of business, data and technology by strengthening technological empowerment and deepening “AI+” applications. Based on our own strengths, we will build distinctive development approaches, develop new arenas of growth in fostering new quality productive forces, and enhance the quality and efficiency in serving the real economy with business features, thereby contributing to boosting China’s financial strength through our own high-quality development.

In the year ahead, we will have a correct understanding of risks and act accordingly, solidifying the defense lines for sound operation. By ensuring both development and security, we will remain committed to the main line of work defined by preventing risks, strengthening supervision and promoting high-quality development, determine the risk appetite of the bank in a realistic and pragmatic manner, and solidly conduct risk management effectiveness assessment. We will build forward-looking risk early warning and response mechanism, maintain adequate provisioning, intensify efforts to dispose of non-performing assets, and strengthen internal control, compliance and audit oversight to resolutely safeguard against systemic financial risks.

In the year ahead, we will strengthen talent team building by forging a competent and enterprising workforce. Upholding the Party’s leadership over cadres and talents, we will forge a resilient workforce in the course of reform and development, strengthen positive incentives, establish a talent selection orientation that values hard work and tangible results, and improve the assessment and evaluation system to stimulate the enthusiasm and creativity of all employees across the bank. We will deepen the efforts to improve work conduct, strengthen the awareness of responsibility and commitment among cadres and employees, continuously enhance professional competence, and build a contingent of financial talents with strong political integrity, outstanding professional abilities and sound work conduct.

When calm tides embrace broad shores, we are urged to press on; with favorable winds at our backs, the moment to sail has come. The year 2026 marks the beginning of the 15th Five-Year Plan period, which is also a pivotal year for boosting China’s financial strength. Always bearing in mind top national priorities, CEB will remain true to its original aspiration of serving the nation through finance, unswervingly follow the path of financial development with Chinese characteristics, serve the real economy with professional expertise, foster core competitive edges with an innovative spirit, safeguard financial security with a strong sense of responsibility, and strive to achieve new breakthroughs in high-quality development, thereby contributing Everbright’s strength to the development of Chinese economy and the society, the building of China’s financial strength and the advancement of Chinese modernization.



## Message from the President

At its fourth plenary session successfully convened in 2025, the 20th Communist Party of China (CPC) Central Committee called for building on the favorable trend to continuously advance Chinese modernization. In the face of rapid changes and growing uncertainties in the external environment, China Everbright Bank (CEB) remained steadfast in following the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly studied and implemented the guiding principles of the Fourth Plenary Session of the 20th CPC Central Committee and the Central Economic Work Conference, adhered to the general principle of seeking progress while ensuring stability, made steady headway in pursuing high-quality development, and persistently consolidated and built on the stable growth momentum.

During the year, we remained confident and took proactive actions. With the trust and support of all shareholders, customers and business partners, we sought progress while maintaining stability in advancing high-quality development, with the pre-set goals and tasks well completed. CEB's business scale reached new heights, as exemplified by the following: total assets exceeded RMB7 trillion, an increase of 2.96% over the end of the previous year; total liabilities reached RMB6.56 trillion, an increase of 2.97% over the end of the previous year; and fee-based income amounted to RMB20,252 million, an increase of 6.19% over the previous year. CEB issued RMB40 billion of perpetual capital bonds, ensuring that capital adequacy ratio, Tier 1 capital adequacy ratio and common equity Tier 1 capital adequacy ratio continuously met regulatory requirements. According

to the regulatory evaluation results for consumer rights and interests protection, CEB has been ranked in the forefront among joint-stock commercial banks in China for two consecutive years.

Staying committed to the functional positioning, we leveraged Everbright's strengths to serve national strategies, better integrating into and serving high-quality development in key regions, including the Beijing-Tianjin-Hebei Region, the Yangtze River Delta, the Guangdong-Hong Kong-Macao Greater Bay Area, the paired assistance programs in Xinjiang Uygur Autonomous Region and the special customs operations in the Hainan Free Trade Port. We remained committed to improving social well-being and people's livelihood by implementing the policy of consumer loan interest subsidies, launching the "Ice and Snow Happy Festival" campaign, and supporting consumer goods trade-in programs, so as to enhance the accessibility and convenience of financial services aimed at expanding domestic demand. Centering on the original mission of serving the real economy, we advanced the implementation of services for the five target areas of finance, with loans for technology finance, green finance, inclusive finance, the elderly care industry and the key industries of digital economy realizing fairly rapid growth. We provided support for creating a new development model for the real estate sector by carrying out loan renewal for whitelisted projects in an orderly manner and better leveraging the role of urban real estate financing coordination mechanism. In addition, we proactively implemented MSE financing coordination mechanism, granting loans of more than RMB390 billion to over 55 thousand enterprises on the designated list.

Adopting a differentiated development approach, we accelerated the pace to build business features and forge unique competitive edges. Notably, we developed the signature “Sunshine Tech Innovation” business, set up 80 dedicated technology finance institutions, and drove innovation and upgrading of products such as Technology R&D Loan and Investment-linked Loan to provide stronger credit support for technology enterprises. We expanded Cloud Fee Payment services further into counties and rural areas, broadened livelihood service coverage continuously, and introduced over 19.6 thousand fee payment items to the platform, with the cumulative amount of fee payments exceeding RMB970 billion. We optimized and strengthened the “Sunshine Transaction Banking” business by launching “e-series” standardized online products that cover the upstream and downstream supply chains, adding 34 benchmark supply chain finance projects, facilitated the Belt and Road cooperation, supported enterprises going global, and enhanced cross-border finance service capabilities. We established the “Sunshine Wealth” product shelf with full range of products to meet the diversified needs of investors, with retail banking AUM reaching RMB3.15 trillion. We advanced specialized operation for the “Sunshine Financial Market” business by refining the trading strategies for proprietary investments to enhance the investment capabilities in financial markets. Furthermore, we built the “Sunshine Investment Banking” featured brand to improve comprehensive financing service capabilities. During the year, CEB underwrote over RMB410 billion of bonds and granted RMB27,469 million of M&A loans.

Regarding risk prevention as a top priority, we adhered to law-based and compliant operation to ensure that no systemic risks arose. In line with the requirement of the Central Economic Work Conference to prudently defuse risks in key areas, we focused on effectively addressing risks associated with the real estate sector and local government financing platforms, by expanding channels for resolving risks in the real estate sector and providing support for defusing existing debt risks in local government financing platforms. We promptly adjusted risk management strategies, strengthened the management and control of retail credit assets, and reinforced the localization management responsibilities for credit card business, thereby effectively keeping emerging risks under control. We refined the risk breakwater mechanism and formed the multi-tiered risk defense mechanism. As a result, CEB sustained sound asset quality, with both the scale and the proportion of risk-prone assets declined over the end of the previous year.

In 2026, a year that marks the beginning of the 15th Five-Year Plan period, guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, CEB will fully implement the strategic deployments made by the CPC Central Committee on economic and financial work, stay committed to its functional positioning, cultivate distinctive strengths, pursue differentiated development, and shore up risk defenses. By rallying collective efforts to advance high-quality development across the bank, we will strive to get off to a good start for the 15th Five-Year Plan period.



# Key Accounting Data and Financial Indicators

## I. KEY ACCOUNTING DATA AND INDICATORS

Item	2025	2024	Change in 2025 over 2024 (%)	2023	2022	2021
<b>Operating performance (RMB million)</b>						
Net interest income	92,101	96,666	(4.72)	107,480	113,655	112,155
Net fee and commission income	20,252	19,071	6.19	23,698	26,744	27,314
Operating income	126,460	135,595	(6.74)	145,735	151,865	153,366
Operating expenses	(40,342)	(43,569)	(7.41)	(43,909)	(45,227)	(45,540)
Impairment losses on assets	(36,431)	(40,565)	(10.19)	(52,105)	(50,609)	(54,795)
Profit before tax	49,687	51,474	(3.47)	49,757	55,966	52,941
Net profit	39,141	41,911	(6.61)	41,076	45,040	43,639
Net profit attributable to shareholders of the Bank	38,826	41,696	(6.88)	40,792	44,807	43,407
<b>Per share (in RMB)</b>						
Net assets per share attributable to ordinary shareholders of the Bank <sup>1</sup>	8.46	8.17	3.55	7.57	7.46	6.99
Basic earnings per share <sup>2</sup>	0.58	0.62	(6.45)	0.62	0.74	0.71
Diluted earnings per share <sup>3</sup>	0.58	0.62	(6.45)	0.61	0.67	0.65
<b>Scale indicators (RMB million)</b>						
Total assets	7,165,319	6,959,021	2.96	6,772,796	6,300,510	5,902,069
Total loans and advances to customers	3,980,218	3,933,902	1.18	3,786,954	3,572,276	3,307,304
Provision for impairment of loans <sup>4</sup>	88,069	88,582	(0.58)	85,371	83,180	76,889
Total liabilities	6,557,877	6,368,790	2.97	6,218,011	5,790,497	5,417,703
Deposits from customers	4,102,458	4,035,687	1.65	4,094,528	3,917,168	3,675,743
Total equity	607,442	590,231	2.92	554,785	510,013	484,366
Total equity attributable to shareholders of the Bank	604,800	587,700	2.91	552,391	507,883	482,489
Share capital	59,086	59,086	-	59,086	54,032	54,032
<b>Profitability indicators (%)</b>						
Return on average total assets	0.55	0.61	-0.06 percentage point	0.63	0.74	0.77
Return on weighted average equity <sup>5</sup>	7.00	7.93	-0.93 percentage point	8.38	10.27	10.64
Net interest spread	1.32	1.45	-0.13 percentage point	1.68	1.93	2.07
Net interest margin	1.40	1.54	-0.14 percentage point	1.74	2.01	2.16
Proportion of fee and commission income in operating income	16.01	14.06	+1.95 percentage points	16.26	17.61	17.81
Cost-to-income ratio	30.67	30.91	-0.24 percentage point	28.95	28.62	28.64
<b>Asset quality indicators (%)</b>						
NPL ratio	1.27	1.25	+0.02 percentage point	1.25	1.25	1.25
Provision coverage ratio <sup>6</sup>	174.14	180.59	-6.45 percentage points	181.27	187.93	187.02
Loan provision ratio <sup>7</sup>	2.22	2.26	-0.04 percentage point	2.27	2.35	2.34

Notes:

1. Net assets per share attributable to ordinary shareholders of the Bank = (net assets attributable to shareholders of the Bank – preference shares related portion of other equity instruments and non-fixed-term capital bonds)/total number of ordinary shares as at the end of the period.
2. Basic earnings per share = net profit attributable to ordinary shareholders of the Bank/weighted average number of ordinary shares outstanding; net profit attributable to ordinary shareholders of the Bank = net profit attributable to shareholders of the Bank – dividends of the preference shares and interest of non-fixed-term capital bonds declared during the period.

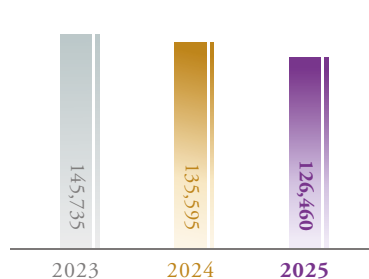
The Bank distributed total dividends of RMB2,807 million (tax included) for the preference shares and interest of RMB1,840 million (tax included) for non-fixed-term capital bonds for the year 2025.

3. Diluted earnings per share = (net profit attributable to ordinary shareholders of the Bank + effect of dilutive potential ordinary shares on net profit attributable to ordinary shareholders of the Bank)/(weighted average number of ordinary shares outstanding + weighted average number of potential dilutive ordinary shares converted into ordinary shares).
4. It only includes provision for impairment of loans measured at amortized cost.
5. Return on weighted average equity = net profit attributable to ordinary shareholders of the Bank/weighted average equity attributable to ordinary shareholders of the Bank.
6. Provision coverage ratio = (provision for impairment of loans measured at amortized cost + provision for impairment of loans at fair value through other comprehensive income)/balance of non-performing loans.
7. Loan provision ratio = (provision for impairment of loans measured at amortized cost + provision for impairment of loans at fair value through other comprehensive income)/total loans and advances to customers.

The above figures with notes 1, 2, 3 and 5 were calculated according to the *Compilation Rules for Information Disclosure by Companies that Offer Securities to the Public (No.9): Calculation and Disclosure of Rate of Return on Equity and Earnings per Share (2010 Revision)* issued by the CSRC.

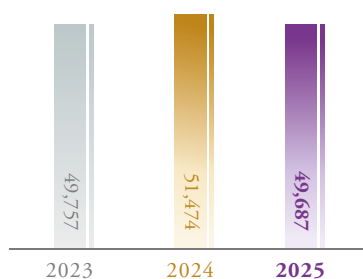
### Operating income

Unit: RMB million



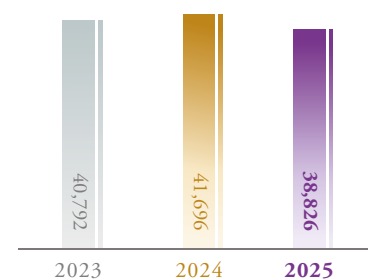
### Profit before tax

Unit: RMB million



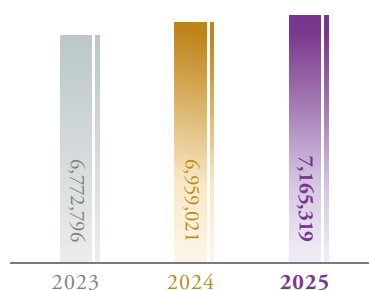
### Net profit attributable to shareholders of the Bank

Unit: RMB million



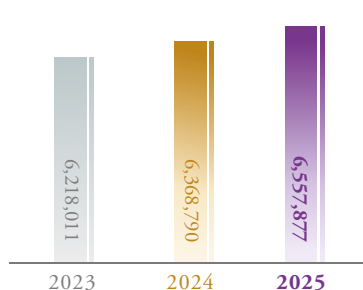
### Total assets

Unit: RMB million



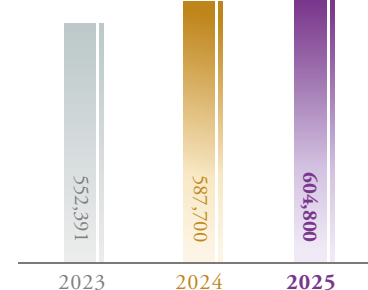
### Total liabilities

Unit: RMB million



### Equity attributable to shareholders of the Bank

Unit: RMB million



## Key Accounting Data and Financial Indicators

### II. QUARTERLY OPERATING INDICATORS OF THE YEAR

Item	Unit: RMB million			
	Q1	Q2	Q3	Q4
Operating income	33,101	32,850	28,386	32,123
Net profit attributable to shareholders of the Bank	12,464	12,158	12,396	1,808
Net cash flows from operating activities	57,080	155,205	6,212	(55,590)

### III. SUPPLEMENTARY FINANCIAL INDICATORS

Item	Standard value	Unit: %			
		31 December 2025	31 December 2024	31 December 2023	
Liquidity ratio	RMB	≥25	83.74	83.42	76.71
	Foreign currencies	≥25	102.62	69.53	77.51
Percentage of loans to single largest customer		≤10	1.51	2.08	2.24
Percentage of loans to top ten customers		≤50	8.48	10.23	10.51

Note: The above indicators were calculated on a non-consolidated basis.

### IV. CAPITAL COMPOSITION AND CHANGES

The capital adequacy ratio (CAR) indicators calculated in accordance with the *Rules on Capital Management of Commercial Banks* (Decree No. 4 of NFRA in 2023) are as follows:

Item	31 December 2025		31 December 2024		31 December 2023	
	Consolidated <sup>1</sup>	Non-consolidated	Consolidated <sup>1</sup>	Non-consolidated	Consolidated <sup>1</sup>	Non-consolidated
Net capital <sup>2</sup>	699,961	663,213	687,077	653,449	651,382	619,209
Common equity Tier 1 capital	501,168	479,603	483,973	466,431	448,686	434,433
Common equity Tier 1 capital deductions	(6,348)	(17,370)	(6,257)	(17,296)	(5,586)	(18,435)
Net common equity Tier 1 capital <sup>2</sup>	494,820	462,233	477,716	449,135	443,100	415,998
Additional Tier 1 capital	105,078	104,906	105,056	104,899	105,059	104,899
Additional Tier 1 capital deductions	-	-	-	-	-	-
Net Tier 1 capital <sup>2</sup>	599,898	567,139	582,772	554,034	548,159	520,897
Tier 2 capital	100,063	96,074	104,305	99,415	103,223	98,312
Tier 2 capital deductions	-	-	-	-	-	-
Credit risk-weighted assets	4,775,075	4,633,653	4,518,186	4,391,695	4,464,348	4,339,626
Market risk-weighted assets	79,555	76,473	79,291	73,948	78,907	80,346
Operational risk-weighted assets	251,608	239,426	265,643	254,582	281,023	268,786
Total risk-weighted assets	5,106,238	4,949,552	4,863,120	4,720,225	4,824,278	4,688,758
Common equity Tier 1 CAR	9.69	9.34	9.82	9.52	9.18	8.87
Tier 1 CAR	11.75	11.46	11.98	11.74	11.36	11.11
CAR	13.71	13.40	14.13	13.84	13.50	13.21

Notes:

- All domestic and overseas branches, as well as invested financial institutions within the scope of consolidated management in accordance with the *Rules on Capital Management of Commercial Banks*, shall be included in the calculation of the consolidated CARs. Among these, the invested financial institutions within the scope of consolidated management include Everbright Financial Leasing Co., Ltd., Everbright Wealth Management Co., Ltd., Beijing Sunshine Consumer Finance Co., Ltd., CEB International Investment Corporation Limited, China Everbright Bank (Europe) S.A., Shaoshan Everbright Rural Bank Co., Ltd., Jiangsu Huai'an Everbright Rural Bank Co., Ltd., and Jiangxi Ruijin Everbright Rural Bank Co., Ltd.
- Net common equity Tier 1 capital = common equity Tier 1 capital – common equity Tier 1 capital deductions; net Tier 1 capital = net common equity Tier 1 capital + additional Tier 1 capital – additional Tier 1 capital deductions; net capital = net Tier 1 capital + Tier 2 capital – Tier 2 capital deductions.
- The Group's capital adequacy ratios of all tiers of capital met the regulatory requirements for systemically important banks.
- The indicators of 2023 were calculated in accordance with the *Regulation Governing Capital of Commercial Banks (Provisional)* (Decree No. 1 of CBRC in 2012).
- The Bank has disclosed the *Pillar 3 Disclosure Report for 2025*. Please refer to the official website of the Bank for details.

## V. LEVERAGE RATIO

The leverage ratio indicators calculated in accordance with the *Rules on Capital Management of Commercial Banks* (Decree No. 4 of NFRA in 2023) are as follows:

Item	Unit: RMB million, %			
	31 December 2025	30 September 2025	30 June 2025	31 March 2025
Leverage ratio	7.27	7.20	7.14	7.00
Net Tier 1 capital	599,898	597,588	589,852	581,548
Adjusted balance of on- and off-balance-sheet assets	8,256,069	8,304,464	8,261,936	8,303,537

Note: The Group's leverage ratios met the regulatory requirements for systemically important banks.

## VI. LIQUIDITY COVERAGE RATIO

The liquidity coverage ratio indicators calculated in accordance with the *Measures for the Administration of Liquidity Risk of Commercial Banks* (Decree No. 3 of CBIRC in 2018) are as follows:

Item	Unit: RMB million, %			
	31 December 2025	30 September 2025	30 June 2025	31 March 2025
Liquidity coverage ratio	143.11	134.01	142.11	138.97
High quality liquid assets	982,358	962,916	1,027,335	1,051,504
Net cash outflows in the next 30 days	686,419	718,529	722,936	756,668

Note: All indicators of liquidity risk of the Group met regulatory requirements. There was no other additional regulatory requirement on liquidity to the Group by regulatory authorities.

## VII. NET STABLE FUNDING RATIO

The net stable funding ratios calculated in accordance with the *Measures for the Information Disclosure Regarding Net Stable Funding Ratios of Commercial Banks* (CBIRC [2019] No. 11) are as follows:

Item	Unit: RMB million, %			
	31 December 2025	30 September 2025	30 June 2025	31 March 2025
Net stable funding ratio	107.66	107.09	107.20	108.39
Available stable funding	4,110,592	4,059,781	4,103,563	4,173,763
Required stable funding	3,818,052	3,791,094	3,828,008	3,850,807

For details of net stable funding ratio, please refer to "Unaudited Supplementary Financial Information".

## VIII. INDICATORS OF LARGE EXPOSURES

The indicators of large exposures calculated in accordance with the *Administrative Measures for Large Exposures of Commercial Banks* (Decree No. 1 of CBIRC in 2018) are as follows:

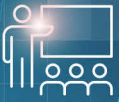
Item	31 December 2025		31 December 2024	
	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Percentage of loans to the single largest non-bank customer in net capital	1.50	1.58	2.08	2.19
Percentage of exposures of the single largest non-bank customer in net Tier 1 capital	6.08	6.43	2.46	2.59
Percentage of exposures of the single largest non-bank group customer or economically interdependent customer in net Tier 1 capital	2.83	2.99	3.15	3.32
Percentage of exposures of the single largest interbank customer in net Tier 1 capital	17.81	18.26	6.08	5.28
Percentage of exposures of the single largest interbank group customer in net Tier 1 capital	18.11	18.58	7.69	7.17

Note: All indicators of large exposures of the Group met regulatory requirements. There was no other additional regulatory requirement on large exposures to the Group by regulatory authorities.





# Management Discussion and Analysis



# Management Discussion and Analysis

## I. ECONOMIC, FINANCIAL AND REGULATORY ENVIRONMENT DURING THE REPORTING PERIOD

In 2025, as changes unseen in a century were evolving at an accelerating pace such as profound adjustments in the international balance of forces, increasingly frequent geopolitical conflicts, and severe challenges confronting the international economic and trade order, the global economy was restrained by insufficient growth momentum, more complex and intense competition among major countries, and exacerbating effects imposed by the external environment.

The Chinese government tightened macro control, fully considered both domestic and international priorities, and implemented more proactive and effective macro policies, successfully achieving key economic and social development targets. China's economy forged ahead under pressure, moving towards higher-quality and innovation-driven growth. Progress was made in building a modern industrial system and new strides were taken in China's reform and opening-up. Positive results were achieved in mitigating risks in key areas and people's well-being were better secured with overall social stability maintained. China's economic strength, scientific and technological capability, national defense capacity and overall national strength reached new heights, with full-year GDP surpassing RMB140 trillion, representing a year-on-year increase of 5.0%.

PBOC adopted a moderately accommodative monetary policy, continuously strengthening support and making timely policy adjustments. It strengthened counter-cyclical adjustments and employed a comprehensive array of monetary policy tools to support the high-quality development of the real economy, creating a favorable monetary and financial environment for steady economic growth. China's loan prime rate (LPR) continued to deliver its effectiveness, and the market-oriented adjustment mechanism for deposit interest rates effectively came into play, as the efficiency of monetary policy transmission was improved and the financing costs remained at a historic low. The foreign exchange market achieved a basic supply-demand balance supported by ample foreign exchange reserves. The RMB exchange rate maintained two-way fluctuations within a reasonable and balanced range. Overall, China's financial market operated steadily.

NFRA issued multiple policies and measures to further refine the regulatory rules for commercial banks and urge financial institutions to strengthen risk management and improve quality and efficiency in serving the real economy. NFRA guided financial institutions to keep increasing financial supply, optimize resource allocation and accelerate the smooth flow of funds, with a view to fully supporting economic recovery. NFRA urged financial institutions to improve positioning and governance, accelerate optimizing the modern financial enterprise system with Chinese characteristics, strengthen internal control and risk management, boost resilience against risks, and uphold the red line of financial security. NFRA continued to expand high-standard opening-up in the financial industry, guided financial institutions to optimize cross-border financial services and deeply integrate into the high-quality Belt and Road cooperation, encouraged qualified foreign institutions to participate in various business trials, and supported them to develop their business intensively and operate steadily in China.

## II. INDUSTRY LANDSCAPE AND STATUS OF THE BANK

In 2025, China's banking financial institutions actively implemented macro control policies, optimized the structure of capital supply, enhanced the efficiency of fund usage, and improved the quality and efficiency of serving the real economy, supporting the national economy's transition towards an innovation-driven and higher-quality model. A series of regulations and industry policies were promulgated by regulatory authorities to encourage commercial banks to strengthen risk prevention and maintain sound development. For banking financial institutions, both assets and liabilities expanded steadily, overall asset quality remained stable, risk buffering capacity was generally adequate, and liquidity indicators stayed stable.

Adhering to the general principle of seeking progress while maintaining stability, the Bank focused on core responsibilities and businesses, fulfilled responsibilities as a centrally-administered state-owned enterprise, comprehensively deepened reforms in institutions and mechanisms, continuously improved corporate governance mechanism, advanced the integration of finance and technology, and constantly enhanced online service capabilities, with the level of digitalization, intelligence and intensification significantly improved. The Bank fully implemented national strategies, precisely supported major strategies, key areas and weak links, and continuously enhanced financial service capabilities and levels, as manufacturing loans, strategic emerging industry loans, technology loans, green loans, inclusive loans and loans to private enterprises grew rapidly. The Bank strengthened comprehensive risk management by taking targeted measures for different risk categories to effectively prevent and resolve financial risks, uphold the red line of risk strictly, and enhanced its capacity for high-quality development.

### III. DEVELOPMENT STRATEGY OF THE BANK

#### i. Mission and vision

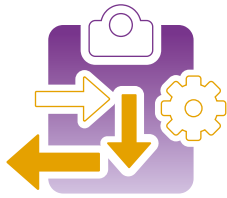
Firmly committed to ensuring that the financial work is politically-oriented and can better represent the people, the Bank takes “managing wealth and serving the society” as its corporate mission, stays true to its founding vision, concentrates on core businesses, and upholds fundamental principles while breaking new ground. Leveraging China Everbright Group’s advantages in comprehensive finance, industry-finance collaboration and cross-border operation, the Bank has placed customers at the center to accelerate transformation toward integrated, featured, asset-light and digital operation, and promote the construction of an integrated financial ecosystem featuring “One Customer, One Everbright and One Service Package”, building and providing first-class wealth management products and services for customers and the society. By investing more efforts in serving the five target areas of finance including technology finance, green finance, inclusive finance, pension finance and digital finance, the Bank strives to build its own distinct characteristics and competitive edges. Through professional financial services, the Bank contributes to economic and social development, advances common prosperity, and improves people’s well-being, acting as a principal force in serving the real economy and a ballast for safeguarding financial stability.

#### ii. Development approaches

The Bank firmly upholds the overall leadership of the Communist Party of China (CPC). Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Bank implements the guiding principles of the 20th CPC National Congress and all the plenary sessions of the 20th Central Committee on all fronts, and conscientiously implements the guiding principles of the Central Financial Work Conference and the Central Economic Work Conference as well as a series of decisions and deployments on the financial work made by the CPC Central Committee. The Bank fully and faithfully applies the new development philosophy on all fronts, fully supports the building of a new development paradigm, adheres to the overall work tone of pursuing progress while ensuring stability, and solidly advances high-quality development by reducing costs, improving quality and increasing efficiency. Centering on the original mission of serving the real economy, the Bank strives to grasp the laws governing financial development in the new era, proactively adapts to the low interest margin market environment, focuses on core responsibilities and functional positioning, actively transforms its business model, and makes concerted efforts to build core competitive advantages. The Bank improves the modern enterprise system with Chinese characteristics by continuously enhancing its core capabilities in customer service, technological support, risk management, refined management services, personnel training and corporate governance, so as to unswervingly follow the path of financial development with Chinese characteristics. The Bank closely aligns Everbright’s capabilities with the nation’s needs and people’s expectations, strives to serve the five target areas of finance including technology finance, green finance, inclusive finance, pension finance and digital finance, and continuously meets people’s growing financial needs amid socio-economic development.

## Management Discussion and Analysis

### iii. Strategic implementation



Tech firms loans

↑ 10.17%

Green loans

↑ 13.57%

Inclusive loans

↑ 6.20%

The number of customers served through the online special zone of pension finance

3.108 million person-times

Annual fee payments through Cloud Fee Payment

Over RMB970 billion

During the reporting period, the Bank actively served the real economy and national strategies, expanded key business areas, and constantly improved core competitiveness, striving to promote high-quality development.

First, the Bank made solid strides in serving the real economy and focused on serving the five target areas of finance, including technology finance, green finance, inclusive finance, pension finance and digital finance. Leveraging its strengths in specialized operation, the Bank realized fast growth in loans to key sectors, including technology finance, green finance, inclusive finance, medium- to long-term manufacturing, strategic emerging industries and private enterprises through special supportive measures such as devising separate credit plans, giving preferential funds transfer pricing (FTP) basis points for key areas and weak links and offering capital cost discounts for key projects. In technology finance, the Bank continued to optimize the “1+16+100” technology finance specialized and dedicated organization system, and built the “Five Excellences” supporting system featuring excellent services, products, ecosystems, industry research and digital intelligence, providing diversified full-life-cycle financial services for technology enterprises. As at the end of the reporting period, the balance of loans to technology enterprises stood at RMB703,723 million, up RMB64,985 million or 10.17% as compared with the end of the previous year. In green finance, the Bank continuously advanced system development, product innovation and service enhancement, and improved the green finance product spectrum that consists of green loans as the foundation, various green finance featured products and other industry-specific solutions. As at the end of the reporting period, the balance of green loans under the new statistic scope stood at RMB469,078 million, up RMB56,048 million or 13.57% as compared with the end of the previous year. In inclusive finance, the Bank deepened the implementation of the MSE financing coordination mechanism, continuously refined its “3+1+N” series of online inclusive finance products including credit loans, guarantee loans and mortgage loans, and constantly enhanced its capabilities of business expansion and risk management for inclusive finance. As at the end of the reporting period, the balance of inclusive loans amounted to RMB462,807 million, up RMB26,988 million or 6.20% as compared with the end of the previous year. In pension finance, the Bank launched the Sunshine Pension Premium (“He Guang Yi Xiang”) brand, built two key features (i.e. an integrated service model combining finance, elderly care, healthcare and tourism, and a coordinated service model featuring banking, insurance and elderly care), continuously expanded and added new “Pension Finance Service Centers”, actively implemented relevant relending policies to support consumption and elderly care, and provided all-round comprehensive financial services for elderly care service institutions. As at the end of the reporting period, the Bank offered over 1,000 pension finance products, and its online special zone of pension finance served customers for 3.108 million person-times. In digital finance, the Bank fully leveraged advanced technologies such as big data, cloud computing and artificial intelligence to accelerate the whole-process transformation of key businesses towards online operation, mobile access, intelligent processing and ecosystem integration with a focus on building scenarios such as fee payment and financing. By getting deeply rooted in serving the real economy, the Bank steadily scaled up its digital finance business and continuously advanced high-quality development.

Second, the Bank optimized asset and liability management to enhance integrated management capabilities. In terms of assets, the Bank refined asset allocation structure, focused on key areas and competition fields, strengthened industry research, and refined marketing paradigms to bolster featured and specialized advantages in competitions. In terms of liabilities, the Bank adhered to a dynamic scale-price balancing strategy, actively launched marketing campaigns for corporate deposits, deepened integrated customer operation, expanded high-frequency transaction scenarios, strengthened the collaboration of corporate banking and retail banking to advance agency payroll services, and continuously improved its capabilities of acquiring customers in batches and obtaining source funds. The Bank refined deposit structure to enhance deposit quality through four growth drivers including source fund introduction, sales-led growth, customer base management and business traffic retention, and took multiple measures to reduce costs, improve quality and increase efficiency.

Third, the Bank consolidated customer base by deepening customer group integrated operation. In terms of corporate customer group management, the Bank practiced a stratified, grouped and tiered operation approach by formulating differentiated marketing strategies for strategic, potential and basic customer groups. In terms of retail customer group management, the Bank enhanced batch customer expansion and business cross-marketing through collaboration between corporate banking and retail banking, upgraded the tiered customer management model, optimized online and offline integrated channel service capabilities, and strengthened the empowerment of digital tools and the building of professional teams to comprehensively improve customer experience and service quality.

Fourth, the Bank insisted on breaking new ground while upholding fundamental principles with a focus on developing business features. The Bank developed the technology finance business called “Sunshine Tech Innovation”, and established a full-life-cycle product system covering equity, credit, bond, custody and private banking products by focusing on key industries and deepening scenario-based integrated services. The Bank rigorously developed the “Sunshine Wealth” business, issued themed wealth management products including pension finance, inclusive finance, green finance and tech innovation, and innovatively launched the “7+” (Fixed Income Plus) wealth management product system. As at the end of the reporting period, the Bank realized an AUM of RMB1.95 trillion for wealth management products. The Bank maintained the industry-leading position of the “Cloud Fee Payment” platform, improved the inclusive “life + finance” livelihood service ecosystem, made efforts to build its digital finance scenario platform, and launched featured products such as Enterprise Administrative Management Service Platform (“Xin Yue Tong”). The Bank optimized its “Sunshine Transaction Banking” comprehensive financial ecosystem services, built the “Sunshine Transaction +” comprehensive service system, and promoted the integrated development of supply chain finance, international business and cash management. As at the end of the reporting period, the number of supply chain finance customers exceeded 20,000. The Bank continued to promote the “Sunshine Investment Banking” business and enhanced comprehensive financing service capabilities. During the year, the Bank underwrote RMB412,784 million of bonds and granted RMB27,469 million of M&A loans. The Bank also advanced its “Sunshine Financial Market” business in line with the core development targets of “stable allocation, flexible trading, increased agency business and strong risk control”. The Bank optimized and strengthened its core investment capabilities and stimulated trading vitality in the market. Focusing on developing featured businesses, the Bank built differentiated competitive edges, with FPA (Finance Product Aggregate) totaling RMB5.52 trillion, AUM (Assets Under Management) totaling RMB3.15 trillion, and GMV (Gross Merchandise Volume) totaling RMB3.50 trillion.

Fifth, the Bank adhered to the compliance bottom line and continued to strengthen comprehensive risk control. The Bank deepened credit-granting industry research, and proactively empowered business development. The Bank continued to enhance loan concentration management, regularly carried out penetrative risk monitoring for large-amount credit customers, and advanced the mandatory early-warning response to forestall new NPLs resolutely. The Bank strengthened the prevention and control of financial risks in key areas such as local government debts, real estate and credit cards. The Bank also advanced professional and refined transformation of special assets management, continuously disposed of non-performing assets with increased efforts, strengthened internal control and compliance management, and optimized the money laundering risk management system.

## Management Discussion and Analysis

Sixth, the Bank accelerated digital transformation to empower business development. The Bank emphasized the role of digital measures in driving business development and improving comprehensive customer service capabilities. The Bank kept empowering scenario-based ecosystem with digital technology and established a digital scenario-based working mechanism of “value stratification, pattern classification and Head Office-branch coordination” to improve the efficiency of customer conversion via scenario traffic. The Bank built a new pattern of digital management by utilizing data elements and digital technologies to upgrade traditional productivity. The Bank systematically deployed the innovative application of AI, developed a matrix of large model intelligent assistants, and actively engaged in the research on large model technology application in key business areas to enhance the efficiency and effectiveness of operation and management.

### IV. CORE COMPETITIVENESS OF THE BANK

First, the Bank boasts robust capital strength as the foundation for business operation. Key indicators such as capital adequacy ratio and common equity Tier 1 capital adequacy ratio continued to meet regulatory requirements. The Bank’s long-standing corporate culture, sound and well-established corporate governance system, and experienced professional teams all provide strong support for its business development and risk resilience.

Second, the Bank has a strong shareholder background. CEG, as a large state-owned financial holding conglomerate jointly established by MOF and CHI, has a complete set of financial licenses and some characteristic industries including environmental protection, cultural tourism and healthcare, which demonstrates its advantages in comprehensive finance, industry-finance collaboration and cross-border operation. Relying on the solid and reliable support of CEG, the Bank could provide a full package of financial services and promote finance-industry coordination.

Third, the Bank offers a series of featured products with market influence. As a national joint-stock commercial bank, the Bank has consistently stayed true to its original mission, returned to fundamentals, strengthened core business, and pursued differentiated development. By strengthening refined management and market trend research, the Bank has focused its efforts on exploring and expanding target customer groups that align with its resource endowments, striving to enhance its competitiveness and service capabilities. Businesses such as Everbright Wealth Management, Cloud Fee Payment, bond underwriting, financial market investment, and Sunshine Government Treasury have gained notable influence in the market.

Fourth, the Bank features a well-developed overseas network. The Bank has established six overseas branches in Hong Kong, Seoul, Luxembourg, Sydney, Macao and Melbourne, two subsidiaries including CEB International Investment Corporation Limited and China Everbright Bank (Europe) S.A. and one representative office in Tokyo, amounting to nine overseas institutions. The Bank has basically formed an integrated overseas business network that covers both commercial banking and investment banking, as well as both branches and subsidiaries.

Fifth, the Bank operates in a steady manner. The Bank has always upheld a prudent risk management philosophy, persisted in stable business development strategies and taken compliant and lawful operation measures. The Bank’s comprehensive risk management strategies and techniques have become increasingly diversified. Meanwhile, its proactive and forward-looking risk management capabilities are constantly enhanced, which lays a foundation for long-term sustainable development.

Sixth, the Bank possesses a relatively strong foundation for technological development. The Bank has continuously advanced in-depth integration between business and technology, dedicated efforts to create a technology-led and data-driven IT development system with Everbright characteristics, and accelerated digital transformation across the Bank, with both the foundation for technology and its capability to empower business development constantly enhanced. The Bank’s technology-enabled hit products have won market recognition including Enterprise Administrative Management Service Platform (“Xin Yue Tong”), Sunshine Inclusive Finance Cloud (“Yang Guang Pu Hui Yun”), Sunshine E-financing Chain (“Yang Guang Rong e Lian”), Sunshine Logistics Express (“Wu Liu Tong”) and Sunshine Fast Loan (“Guang Su Dai”).

## V. REVIEW OF MAIN WORK OF THE BANK

### i. Proactively serving national strategies

The Bank continued to deepen and expand cooperation in key regions, including the Beijing-Tianjin-Hebei region, the Yangtze River Delta, the Yangtze River Economic Belt, the Guangdong-Hong Kong-Macao Greater Bay Area, and areas receiving its paired assistance in Xinjiang Uygur Autonomous Region. The Bank capitalized on the opportunities arising from the customs closure of the Hainan Free Trade Port to expand free trade business. The overseas loans to countries and regions along the Belt and Road grew by 32.37%. The Bank developed consumer finance to help stimulate consumption, implemented interest subsidy policies for personal consumer loans, established the “Yuehui Everbright” brand system, and supported the “trade-in” programs for consumer goods. The Bank implemented relending policies for technological innovation and upgrades, service consumption and elderly care, as well as share buyback and shareholding increase, and issued seven sci-tech innovation bonds as part of the first batch nationwide. The Bank supported financing coordination mechanisms for real estate and MSEs, intensified credit support, and promoted the full inclusion of whitelisted projects.

### ii. Making efforts to serve the five target areas of finance

The Bank optimized its technology finance service ecosystem by setting up “Technology Finance Centers” in 16 branches and driving innovation and upgrades of featured products, with technology loans increased by 10.17%. The Bank established a long-effect mechanism for green finance development, refined the management of green labeling, and released the *White Paper on Green Finance*, with green loans increased by 13.57%. The Bank enhanced its online inclusive finance service capabilities, bolstered support for SMEs in areas such as technological innovation, green and low-carbon development, foreign trade, and consumption, supported comprehensive rural revitalization, with inclusive loans increased by 6.20%. By leveraging the collaborative strengths of pension finance, the Bank diversified its pension finance product offerings with steady growth in personal pension account AUM, the number of third-generation social security card customers, and pension custody scale, while loans to the elderly care industry registered a relatively rapid growth. The Bank accelerated the development of digital finance, advancing the online transformation of inclusive finance, retail lending and supply chain businesses. The Bank promoted the application of artificial intelligence, and developed a matrix of large-model intelligent assistants.

### iii. Solidifying business foundation by enhancing quality and efficiency

The Bank’s overall business operation remained stable, with assets and liabilities growing at a reasonable pace. The Bank strengthened business features, established a full-category product shelf, and enhanced “Sunshine Wealth” investment research capabilities. Finance Product Aggregate (FPA), Assets Under Management (AUM) and Gross Merchandise Volume (GMV) maintained steady growth, while the assets under management of wealth management products surged by 21.66%. Focusing on key livelihood sectors, the Bank expanded service boundaries and continued to reinforce the leading advantages of Cloud Fee Payment. The Bank expanded and enhanced the dedicated investment pool for credit bonds, with M&A loans, intermediary services, and equity financing maintained positive growth momentum. The Bank built the “Sunshine Transaction +” integrated financial service system, launched standardized online “e-series” products covering upstream and downstream of supply chains, and added 34 new benchmark supply chain projects. The Bank advanced specialized operation of financial market business, consolidated proprietary investment as the foundation, and developed derivative agency business.

### iv. Firmly safeguarding the risk bottom line

The Bank consistently prioritized risk prevention and properly defused risks in key areas. The Bank closely monitored projects with major risks in the real estate sector and expedited the implementation of risk mitigation measures. The Bank refined its risk breakwater mechanism, promptly adjusted risk management strategies, strengthened risk control over retail credit assets, and advanced the prevention and resolution of credit card risks through localized operation. The Bank’s overall asset quality remained stable, with cash recoveries totaling RMB40,508 million and both the scale and proportion of risk-prone assets declining year on year. The Bank strengthened internal control and compliance management, continuously standardized operational practices, conducted self-evaluation of money laundering risks, and improved the AML risk monitoring and early-warning mechanism. The Bank also enhanced consumer rights and interests protection, standardized the management of marketing and publicity for products and services, and deepened capital chain governance in anti-fraud and anti-gambling initiatives.

## Management Discussion and Analysis

### VI. OVERALL OPERATIONS OF THE BANK



Total assets

↑ 2.96%

Total loans

↑ 1.18%

The balance of deposits

↑ 1.65%

CAR

13.71%

Tier 1 CAR

11.75%

Common equity Tier 1 CAR

9.69%

#### i. Business scale grew steadily, as the support for the real economy was continuously enhanced.

During the reporting period, the Group adhered to serving the real economy as its fundamental mission, actively supported national strategies, strengthened its foundation while improving quality and efficiency, and firmly safeguarded the bottom line of risk management. The Bank's operation and development remained steady.

As at the end of the reporting period, the Group's total assets reached RMB7,165,319 million, an increase of RMB206,298 million or 2.96% as compared with the end of the previous year. Total loans and advances to customers stood at RMB3,980,218 million, an increase of RMB46,316 million or 1.18% as compared with the end of the previous year. The balance of deposits amounted to RMB4,102,458 million, an increase of RMB66,771 million or 1.65% as compared with the end of the previous year.

#### ii. Operating income declined year on year, with a narrowed decrease in the fourth quarter.

During the reporting period, the Group's operating income stood at RMB126,460 million, a year-on-year decrease of 6.74%. In the fourth quarter of 2025, the operating income dropped by 2.98% year on year, a narrowed decrease by 4.97 percentage points as compared with the first three quarters. As for the subcategories, net interest income was RMB92,101 million, a year-on-year decrease of 4.72%. Net interest margin was 1.40%, on par with that for the first half of the year. Net fee and commission income stood at RMB20,252 million, a year-on-year increase of 6.19%. The Group realized a net profit of RMB39,141 million, a year-on-year decrease of 6.61%.

#### iii. Risk control capabilities continuously improved, with overall asset quality remaining stable and controllable.

As at the end of the reporting period, the Group's NPL balance stood at RMB50,742 million, an increase of RMB1,490 million from the end of the previous year. The NPL ratio was 1.27%, up 0.02 percentage point from the end of the previous year. The special mention loan ratio was 1.85%, up 0.01 percentage point from the end of the previous year. The overdue loan ratio was 2.13%, up 0.11 percentage point from the end of the previous year. The provision coverage ratio was 174.14%, down 6.45 percentage points from the end of the previous year.

#### iv. CARs met regulatory requirements constantly.

As at the end of the reporting period, the Group's net capital stood at RMB699,961 million, an increase of RMB12,884 million from the end of the previous year. The CAR, Tier 1 CAR and common equity Tier 1 CAR stood at 13.71%, 11.75% and 9.69% respectively, all of which met regulatory requirements.

## VII. MAIN ITEMS OF INCOME STATEMENT

### i. Changes in income statement items

Unit: RMB million

Item	2025	2024	Change
Net interest income	92,101	96,666	(4,565)
Net fee and commission income	20,252	19,071	1,181
Net trading gains	1,421	3,203	(1,782)
Dividend income	49	44	5
Net gains arising from investment securities	7,404	14,479	(7,075)
Net gains on derecognition of financial assets measured at amortized cost	2,158	250	1,908
Net foreign exchange gains	1,023	49	974
Other net operating income	2,052	1,833	219
Operating expenses	40,342	43,569	(3,227)
Impairment losses on credit assets	36,426	40,522	(4,096)
Impairment losses on other assets	5	43	(38)
Gains on investments in joint ventures	–	13	(13)
Profit before tax	49,687	51,474	(1,787)
Income tax	10,546	9,563	983
Net profit	39,141	41,911	(2,770)
<b>Net profit attributable to shareholders of the Bank</b>	<b>38,826</b>	<b>41,696</b>	<b>(2,870)</b>

### ii. Operating income

During the reporting period, the Group realized an operating income of RMB126,460 million, a year-on-year decrease of RMB9,135 million or 6.74%. Net interest income accounted for 72.83% of the total, up 1.54 percentage points year on year. Net fee and commission income accounted for 16.01% of the total, up 1.95 percentage points year on year.

Unit: %

Item	2025	2024
Proportion of net interest income	72.83	71.29
Proportion of net fee and commission income	16.01	14.06
Proportion of other income	11.16	14.65
<b>Proportion of total operating income</b>	<b>100.00</b>	<b>100.00</b>

## Management Discussion and Analysis

### iii. Net interest income

During the reporting period, the Group realized a net interest income of RMB92,101 million, a year-on-year decrease of RMB4,565 million or 4.72%.

The Group's net interest spread was 1.32%, a year-on-year decrease of 13 bps. Net interest margin was 1.40%, a year-on-year decrease of 14 bps. Such changes were mainly due to factors such as the declining return on assets.

Item	Unit: RMB million, %					
	Average balance	2025 Interest income/expense	Average yield to cost ratio	Average balance	2024 Interest income/expense	Average yield to cost ratio
<b>Interest-earning assets</b>						
Loans and advances to customers	4,017,809	144,549	3.60	3,861,798	163,046	4.22
Finance lease receivables	93,515	3,726	3.98	95,385	4,552	4.77
Investments	1,892,460	53,074	2.80	1,774,843	55,786	3.14
Deposits with the central bank	260,352	3,789	1.46	274,890	4,076	1.48
Placements and deposits with banks and other financial institutions, and financial assets held under resale agreements	306,001	6,020	1.97	264,339	6,547	2.48
Total interest-earning assets	6,570,137	211,158	3.21	6,271,255	234,007	3.73
<b>Interest income</b>		<b>211,158</b>			<b>234,007</b>	
<b>Interest-bearing liabilities</b>						
Deposits from customers	4,059,226	73,340	1.81	3,893,579	84,998	2.18
Placements and deposits from banks and other financial institutions, and financial assets sold under repurchase agreements	1,023,075	19,606	1.92	981,109	23,738	2.42
Debt securities issued	1,215,415	26,111	2.15	1,154,523	28,605	2.48
Total interest-bearing liabilities	6,297,716	119,057	1.89	6,029,211	137,341	2.28
<b>Interest expenses</b>		<b>119,057</b>			<b>137,341</b>	
<b>Net interest income</b>		<b>92,101</b>			<b>96,666</b>	
<b>Net interest spread<sup>1</sup></b>			<b>1.32</b>			<b>1.45</b>
<b>Net interest margin<sup>2</sup></b>			<b>1.40</b>			<b>1.54</b>

Notes:

1. Net interest spread is the difference between the average yield of total interest-earning assets and the average cost of total interest-bearing liabilities.
2. Net interest margin is the net interest income divided by the average balance of total interest-earning assets.

The following table sets forth the changes in interest income and interest expenses of the Group due to changes in business scale and interest rate:

Unit: RMB million

Item	Scale factor	Interest rate factor	Change in interest
Loans and advances to customers	6,587	(25,084)	(18,497)
Finance lease receivables	(89)	(737)	(826)
Investments	3,697	(6,409)	(2,712)
Deposits with the central bank	(216)	(71)	(287)
Placements and deposits with banks and other financial institutions, and financial assets held under resale agreements	1,032	(1,559)	(527)
<b>Change in interest income</b>	<b>11,011</b>	<b>(33,860)</b>	<b>(22,849)</b>
Deposits from customers	3,616	(15,274)	(11,658)
Placements and deposits from banks and other financial institutions, and financial assets sold under repurchase agreements	1,015	(5,147)	(4,132)
Debt securities issued	1,509	(4,003)	(2,494)
<b>Change in interest expenses</b>	<b>6,140</b>	<b>(24,424)</b>	<b>(18,284)</b>
<b>Net interest income</b>	<b>4,871</b>	<b>(9,436)</b>	<b>(4,565)</b>

#### iv. Interest income

During the reporting period, the Group realized an interest income of RMB211,158 million, a year-on-year decrease of RMB22,849 million or 9.76%. Such change was mainly due to the declining interest income from loans and advances to customers.

##### 1. Interest income from loans and advances to customers

During the reporting period, the Group's interest income from loans and advances to customers stood at RMB144,549 million, a year-on-year decrease of RMB18,497 million or 11.34%. Such change was mainly due to the decline in loan yield.

Unit: RMB million, %

Item	Average balance	2025		Average balance	2024	
		Interest income	Average yield ratio		Interest income	Average yield ratio
Corporate loans	2,435,054	80,101	3.29	2,251,055	86,665	3.85
Retail loans	1,485,139	63,602	4.28	1,497,731	75,019	5.01
Discounted bills	97,616	846	0.87	113,012	1,362	1.21
<b>Loans and advances to customers</b>	<b>4,017,809</b>	<b>144,549</b>	<b>3.60</b>	<b>3,861,798</b>	<b>163,046</b>	<b>4.22</b>

##### 2. Interest income from investments

During the reporting period, the Group's interest income from investments amounted to RMB53,074 million, a year-on-year decrease of RMB2,712 million or 4.86%. Such change was mainly due to the decline in investment yield.

## Management Discussion and Analysis

### 3. Interest income from placements and deposits with banks and other financial institutions, and financial assets held under resale agreements

During the reporting period, the Group's interest income from placements and deposits with banks and other financial institutions and financial assets held under resale agreements was RMB6,020 million, a year-on-year decrease of RMB527 million or 8.05%. Such change was mainly due to the declining return on the placements with banks and other financial institutions.

#### v. Interest expense

During the reporting period, the Group's interest expenses amounted to RMB119,057 million, a year-on-year decrease of RMB18,284 million or 13.31%. Such change was mainly due to the declining interest expenses on deposits from customers.

#### 1. Interest expenses on deposits from customers

During the reporting period, the Group's interest expense on deposits from customers reached RMB73,340 million, a year-on-year decrease of RMB11,658 million or 13.72%. Such change was mainly due to the decrease in the interest rates of customer deposits.

Unit: RMB million, %

Item	Average balance	2025		Average balance	2024	
		Interest expenses	Average cost ratio		Interest expenses	Average cost ratio
Corporate deposits	2,727,301	49,090	1.80	2,651,839	58,047	2.19
Demand deposits	741,659	4,596	0.62	839,389	10,177	1.21
Time deposits	1,985,642	44,494	2.24	1,812,450	47,870	2.64
Retail deposits	1,331,925	24,250	1.82	1,241,740	26,951	2.17
Demand deposits	292,989	534	0.18	265,127	756	0.29
Time deposits	1,038,936	23,716	2.28	976,613	26,195	2.68
<b>Total deposits from customers</b>	<b>4,059,226</b>	<b>73,340</b>	<b>1.81</b>	<b>3,893,579</b>	<b>84,998</b>	<b>2.18</b>

#### 2. Interest expenses on placements and deposits from banks and other financial institutions, and financial assets sold under repurchase agreements

During the reporting period, the Group's interest expenses on placements and deposits from banks and other financial institutions, and financial assets sold under repurchase agreements totaled RMB19,606 million, a year-on-year decrease of RMB4,132 million or 17.41%. Such change was mainly due to the decline in the yield of placements and deposits from banks and other financial institutions, and financial assets sold under repurchase agreements.

#### 3. Interest expenses on debt securities issued

During the reporting period, the Group's interest expense on debt securities issued totaled RMB26,111 million, a year-on-year decrease of RMB2,494 million or 8.72%. Such change was mainly due to the decrease in the interest rates of debt securities issued.

#### vi. Net fee and commission income

During the reporting period, the Group's net fee and commission income stood at RMB20,252 million, a year-on-year increase of RMB1,181 million or 6.19%. Such change was mainly due to the year-on-year increase in the wealth management service fees of RMB2,358 million or 61.41%.

Item	Unit: RMB million	
	2025	2024
<b>Fee and commission income</b>	<b>23,263</b>	<b>22,194</b>
Bank card service fees	7,355	8,313
Wealth management service fees	6,198	3,840
Settlement and clearing fees	3,866	3,663
Custody and other fiduciary business fees	1,994	1,936
Agency service fees	1,549	1,898
Acceptance and guarantee fees	1,186	1,340
Underwriting and advisory fees	1,099	1,187
Others	16	17
<b>Fee and commission expenses</b>	<b>(3,011)</b>	<b>(3,123)</b>
<b>Net fee and commission income</b>	<b>20,252</b>	<b>19,071</b>

#### vii. Other income

During the reporting period, the Group's other income reached RMB14,107 million, a year-on-year decrease of RMB5,751 million. Such change was mainly due to the decrease in net gains arising from investment securities.

Item	Unit: RMB million	
	2025	2024
Net trading gains	1,421	3,203
Dividend income	49	44
Net gains arising from investment securities	7,404	14,479
Net gains from derecognition of financial assets measured at amortized cost	2,158	250
Net foreign exchange gains	1,023	49
Other operating income	2,052	1,833
<b>Total other income</b>	<b>14,107</b>	<b>19,858</b>

## Management Discussion and Analysis

### viii. Operating expenses

During the reporting period, the Group's operating expenses totaled RMB40,342 million, a year-on-year decrease of RMB3,227 million or 7.41%. The cost-to-income ratio stood at 30.67%, a year-on-year decrease of 0.24 percentage point.

Item	Unit: RMB million	
	2025	2024
Staff remuneration costs	20,101	22,263
Premises and equipment expenses	7,898	7,812
Tax and surcharges	1,560	1,650
Others	10,783	11,844
<b>Total operating expenses</b>	<b>40,342</b>	<b>43,569</b>

### ix. Impairment losses on assets

During the reporting period, the Group pursued an objective and prudent provisioning policy, continued to consolidate the provision foundation and increased risk-resisting capabilities. The Bank sustained impairment losses on assets totaling RMB36,431 million, a year-on-year decrease of RMB4,134 million or 10.19%.

Item	Unit: RMB million	
	2025	2024
Impairment losses on loans and advances to customers	36,421	37,816
Loans and advances to customers measured at amortized cost	36,489	38,147
Loans and advances to customers at fair value through other comprehensive income	(68)	(331)
Debt instruments at fair value through other comprehensive income	499	335
Financial investments measured at amortized cost	(1,611)	2,030
Impairment losses on finance lease receivables	(438)	(95)
Others	1,560	479
<b>Total impairment losses on assets</b>	<b>36,431</b>	<b>40,565</b>

### x. Income tax expenses

During the reporting period, the Group's income tax expenses totaled RMB10,546 million, a year-on-year increase of RMB983 million, or 10.28%.

## VIII. BALANCE SHEET ANALYSIS

### i. Assets

As at the end of the reporting period, the Group's total assets stood at RMB7,165,319 million, an increase of RMB206,298 million or 2.96% as compared with the end of the previous year. Such change was mainly due to the increase in investments in securities and other financial assets.

Unit: RMB million, %

Item	31 December 2025		31 December 2024	
	Balance	Percentage	Balance	Percentage
Total loans and advances to customers	3,980,218		3,933,902	
Loan interest receivable	19,230		12,373	
Provision for impairment of loans <sup>Note</sup>	(88,069)		(88,582)	
Net loans and advances to customers	3,911,379	54.59	3,857,693	55.43
Finance lease receivables	94,415	1.32	94,781	1.36
Due from banks and other financial institutions	107,162	1.50	47,767	0.69
Cash and due from central bank	339,232	4.73	283,266	4.07
Investment in securities and other financial assets	2,377,429	33.18	2,242,546	32.23
Precious metals	1,892	0.03	6,788	0.10
Placements with banks and other financial institutions, and financial assets held under resale agreements	197,301	2.75	297,867	4.28
Long-term equity investment	–	–	–	–
Fixed assets	31,491	0.44	28,506	0.41
Right-of-use assets	9,286	0.13	10,321	0.15
Goodwill	1,281	0.02	1,281	0.02
Deferred tax assets	35,218	0.48	31,358	0.44
Other assets	59,233	0.83	56,847	0.82
<b>Total assets</b>	<b>7,165,319</b>	<b>100.00</b>	<b>6,959,021</b>	<b>100.00</b>

Note: It only includes provision for impairment of loans measured at amortized cost.

### 1. Loans and advances to customers

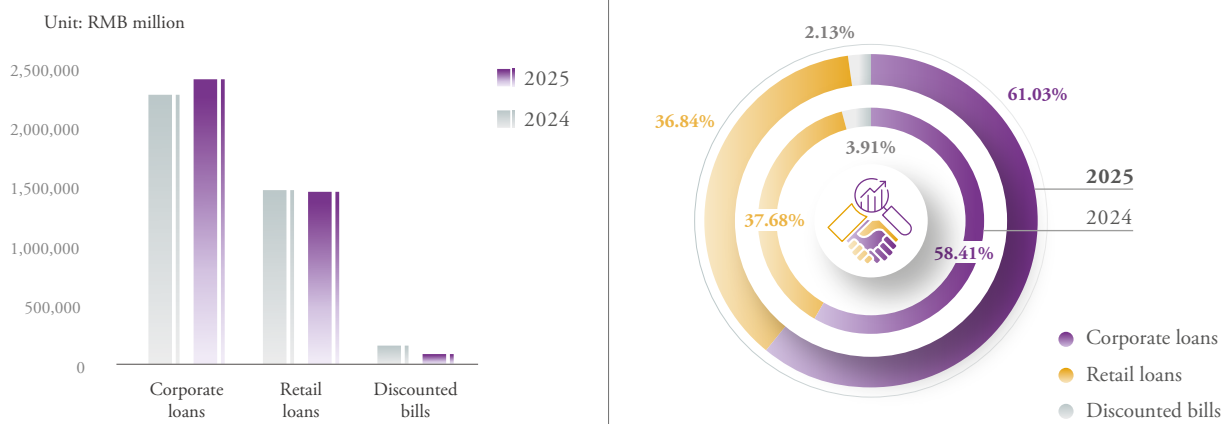
As at the end of the reporting period, the Group's total loans and advances to customers reached RMB3,980,218 million, an increase of RMB46,316 million or 1.18% as compared with the end of the previous year. The proportion of loans and advances to customers in total assets was 55.55%, a decrease of 0.98 percentage point as compared with the end of the previous year.

Unit: RMB million, %

Item	31 December 2025		31 December 2024	
	Balance	Percentage	Balance	Percentage
Corporate loans	2,429,212	61.03	2,297,559	58.41
Retail loans	1,466,162	36.84	1,482,419	37.68
Discounted bills	84,844	2.13	153,924	3.91
<b>Total loans and advances to customers</b>	<b>3,980,218</b>	<b>100.00</b>	<b>3,933,902</b>	<b>100.00</b>

## Management Discussion and Analysis

### Composition of the Group's loans and advances as at the end of the reporting period



## 2. Investment in securities and other financial assets

As at the end of the reporting period, the Group's investment in securities and other financial assets stood at RMB2,377,429 million, an increase of RMB134,883 million as compared with the end of the previous year, accounting for 33.18% of the total assets, up 0.95 percentage point as compared with the end of the previous year.

Unit: RMB million, %

Item	31 December 2025		31 December 2024	
	Balance	Percentage	Balance	Percentage
Financial assets at fair value through profit or loss	458,638	19.29	443,106	19.76
Derivative financial assets	5,528	0.23	33,797	1.51
Debt instruments at fair value through other comprehensive income	678,425	28.54	600,404	26.77
Financial investments measured at amortized cost	1,233,695	51.89	1,164,099	51.91
Equity instruments at fair value through other comprehensive income	1,143	0.05	1,140	0.05
<b>Total investments in securities and other financial assets</b>	<b>2,377,429</b>	<b>100.00</b>	<b>2,242,546</b>	<b>100.00</b>

## 3. Types and amounts of financial bonds held

As at the end of the reporting period, the financial bonds held by the Group amounted to RMB549,342 million, a decrease of RMB40,575 million as compared with the end of the previous year. Of these, the financial bonds measured at amortized cost occupied a proportion of 49.39% in total.

Unit: RMB million, %

Item	31 December 2025		31 December 2024	
	Balance	Percentage	Balance	Percentage
Financial assets at fair value through profit or loss	71,608	13.04	75,959	12.88
Financial investments measured at amortized cost	271,346	49.39	354,478	60.09
Debt instruments at fair value through other comprehensive income	206,388	37.57	159,480	27.03
<b>Total financial bonds held</b>	<b>549,342</b>	<b>100.00</b>	<b>589,917</b>	<b>100.00</b>

#### 4. Top 10 financial bonds held in nominal value

Unit: RMB million, %

Name of bond	Nominal value	Annual interest rate	Maturity date	Allowance for impairment losses
2017 policy bank bond	21,022	4.04	2027-04-10	–
2017 policy bank bond	18,790	4.24	2027-08-24	–
2016 policy bank bond	18,150	3.05	2026-08-25	–
2017 policy bank bond	14,930	4.39	2027-09-08	–
2016 policy bank bond	12,960	3.18	2026-04-05	–
2019 policy bank bond	12,480	3.86	2029-05-20	–
2018 policy bank bond	12,340	4.04	2028-07-06	–
2018 policy bank bond	12,140	4.65	2028-05-11	–
2019 policy bank bond	10,340	3.63	2026-07-19	–
2019 policy bank bond	9,180	3.75	2029-01-25	–

Note: The allowance for impairment losses in the table refers to that of stage 2 and stage 3, excluding that of stage 1.

#### 5. Goodwill

The cost of the Group's goodwill stood at RMB6,019 million. As at the end of the reporting period, the allowance for impairment losses on goodwill was RMB4,738 million, and the book value of goodwill registered RMB1,281 million, on par with that as at the end of the previous year.

#### 6. For the details about the collateralized assets of the Bank as at the end of the reporting period, please refer to "Notes to Consolidated Financial Statements".

#### ii. Liabilities

During the reporting period, the Bank formulated the *Management Measures for Liability Quality* in accordance with relevant regulatory requirements, established its own liability quality management system, improved the organizational structure for liability quality management, clarified the responsibilities of the Board of Directors, Senior Management, relevant departments and operating institutions in liability quality management, and specified the liability quality management strategies, management procedure, reporting system, information disclosure and emergency response plans. The Bank strictly implemented the requirements for liability quality management, and closely monitored relevant limit indicators. Through these efforts, the Bank recorded a steady growth in total liabilities, and gradually improved liability costs with a diversified and reasonable structure. The overall liability quality condition was good, and the six major elements of liability quality management were implemented well during the year.

## Management Discussion and Analysis

As at the end of the reporting period, the Group's total liabilities stood at RMB6,557,877 million, an increase of RMB189,087 million or 2.97% as compared with the end of the previous year, mainly due to the increase in debt securities payable.

Unit: RMB million, %

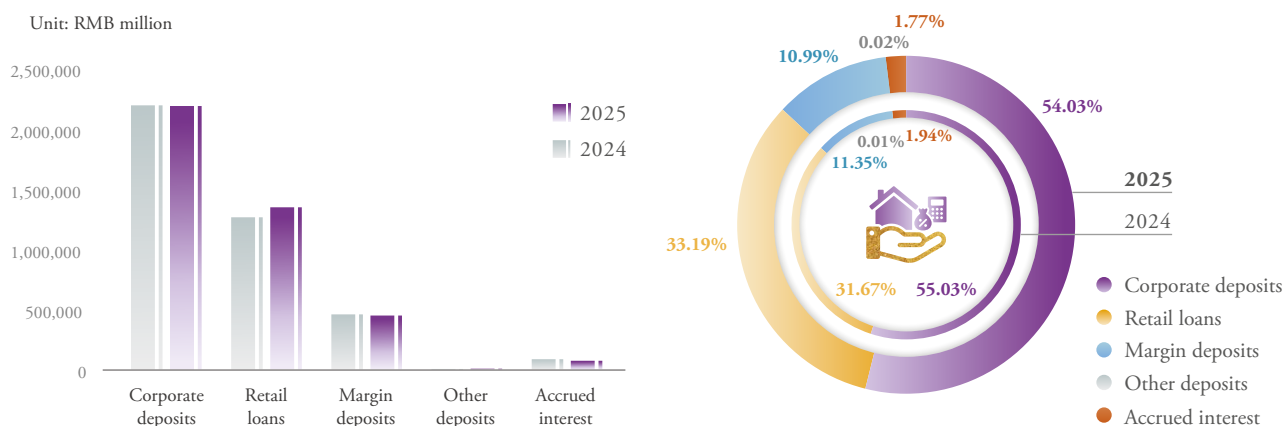
Item	31 December 2025		31 December 2024	
	Balance	Percentage	Balance	Percentage
Due to the central bank	154,678	2.36	95,633	1.50
Deposits from customers	4,102,458	62.56	4,035,687	63.37
Deposits from banks and other financial institutions	506,454	7.72	581,536	9.13
Placements from banks and other financial institutions	208,607	3.18	216,562	3.40
Derivative financial liabilities	5,547	0.08	32,448	0.51
Financial assets sold under repurchase agreements	158,118	2.41	75,793	1.19
Accrued staff costs	18,908	0.29	21,895	0.34
Taxes payable	6,368	0.10	4,758	0.07
Lease liabilities	9,534	0.15	10,412	0.16
Debt securities payable	1,328,801	20.26	1,231,112	19.33
Other liabilities	58,404	0.89	62,954	1.00
<b>Total liabilities</b>	<b>6,557,877</b>	<b>100.00</b>	<b>6,368,790</b>	<b>100.00</b>

As at the end of the reporting period, the balance of the Group's deposits from customers stood at RMB4,102,458 million, an increase of RMB66,771 million or 1.65% as compared with the end of the previous year.

Unit: RMB million, %

Item	31 December 2025		31 December 2024	
	Balance	Percentage	Balance	Percentage
Corporate deposits	2,216,774	54.03	2,220,499	55.03
Demand deposits	700,340	17.07	760,979	18.86
Time deposits	1,516,434	36.96	1,459,520	36.17
Retail loans	1,361,538	33.19	1,278,375	31.67
Demand deposits	299,406	7.30	301,162	7.46
Time deposits	1,062,132	25.89	977,213	24.21
Margin deposits	450,705	10.99	458,063	11.35
Corporate	443,500	10.81	447,641	11.09
Retail	7,205	0.18	10,422	0.26
Other deposits	731	0.02	591	0.01
Accrued interest	72,710	1.77	78,159	1.94
<b>Total deposits from customers</b>	<b>4,102,458</b>	<b>100.00</b>	<b>4,035,687</b>	<b>100.00</b>

### Composition of the Group's deposits as at the end of the reporting period



### iii. Equity of shareholders

As at the end of the reporting period, the Group's equity attributable to shareholders of the Bank stood at RMB604,800 million, a net increase of RMB17,100 million as compared with the end of the previous year, mainly due to the retained profits in the current period.

Item	Unit: RMB million	
	31 December 2025	31 December 2024
Share capital	59,086	59,086
Other equity instruments	104,906	104,899
Capital reserve	74,464	74,473
Other comprehensive income	4,981	10,891
Surplus reserve	29,543	29,543
General risk reserve	91,369	89,891
Retained earnings	240,451	218,917
Total equity attributable to shareholders of the Bank	604,800	587,700
Equity of minority shareholders	2,642	2,531
<b>Total equity</b>	<b>607,442</b>	<b>590,231</b>

### iv. Off-balance-sheet items

The Group's off-balance-sheet items are mainly credit commitments, including loans and credit card commitments, bank's acceptance bills, letters of guarantee, letters of credit and guarantees. As at the end of the reporting period, the total amount of credit commitments was RMB1,687,691 million, an increase of RMB116,866 million as compared with the end of the previous year.

Item	Unit: RMB million	
	31 December 2025	31 December 2024
Loans and credit card commitments	688,912	600,883
Bank's acceptance bills	699,827	683,870
Letters of guarantee	108,689	119,730
Letters of credit	190,083	166,162
Guarantees	180	180
<b>Total credit commitments</b>	<b>1,687,691</b>	<b>1,570,825</b>

## Management Discussion and Analysis

### IX. CASH FLOWS

The Group's net cash inflows from operating activities amounted to RMB162,907 million, of which cash outflows arising from changes in operating assets stood at RMB6,810 million and cash inflows arising from changes in operating liabilities totaled RMB113,407 million.

The Group's net cash outflows from investing activities amounted to RMB103,900 million, of which cash inflows arising from disposal and redemption of investments stood at RMB1,350,874 million and cash outflows arising from investment payments registered RMB1,514,064 million.

The Group's net cash inflows from financing activities were RMB52,728 million, of which net proceeds from bond issuance posted RMB1,056,585 million and cash outflows arising from redeeming debt securities registered RMB958,141 million.

### X. LOAN QUALITY

#### i. Industry concentration of loans

Unit: RMB million, %

Industry	31 December 2025		31 December 2024	
	Balance	Percentage	Balance	Percentage
Manufacturing	559,499	23.02	517,263	22.51
Leasing and commercial services	456,636	18.80	377,167	16.42
Water, environment and public utility management	330,368	13.60	336,892	14.66
Wholesale and retail trade	196,252	8.08	182,122	7.93
Real estate	155,846	6.42	157,688	6.86
Construction	145,780	6.00	160,791	7.00
Transportation, storage and postal services	143,190	5.89	136,520	5.94
Finance	119,654	4.93	113,392	4.94
Production and supply of power, gas and water	109,507	4.51	100,044	4.35
Mining	57,826	2.38	54,448	2.37
Others	154,654	6.37	161,232	7.02
<b>Subtotal of corporate loans</b>	<b>2,429,212</b>	<b>100.00</b>	<b>2,297,559</b>	<b>100.00</b>
<b>Retail loans</b>	<b>1,466,162</b>		<b>1,482,419</b>	
<b>Discounted bills</b>	<b>84,844</b>		<b>153,924</b>	
<b>Total loans and advances to customers</b>	<b>3,980,218</b>		<b>3,933,902</b>	

Note: "Others" includes agriculture, forestry, animal husbandry and fishery; accommodation and catering; public administration and social organization; information transmission, computer services and software; health, social security and social welfare; residential services and other services; scientific research, technical services and geological prospecting; culture, sports and recreation; and education.

## ii. Distribution of loans by region

Unit: RMB million, %

Region	31 December 2025		31 December 2024	
	Balance	Percentage	Balance	Percentage
Yangtze River Delta	1,007,579	25.31	981,383	24.95
Central China	676,051	16.99	678,006	17.23
Pearl River Delta	623,788	15.67	618,232	15.72
Bohai Rim	603,864	15.17	577,265	14.67
Western China	492,998	12.39	485,466	12.34
Northeastern China	89,907	2.26	94,754	2.41
Head Office	368,639	9.26	375,410	9.54
Overseas	117,392	2.95	123,386	3.14
<b>Total loans and advances to customers</b>	<b>3,980,218</b>	<b>100.00</b>	<b>3,933,902</b>	<b>100.00</b>

## iii. Types and proportions of loans by collateral

Unit: RMB million, %

Type	31 December 2025		31 December 2024	
	Balance	Percentage	Balance	Percentage
Unsecured loans	1,507,660	37.88	1,392,798	35.40
Guaranteed loans	927,324	23.30	854,652	21.73
Mortgage loans	1,351,988	33.97	1,409,879	35.84
Pledged loans	193,246	4.85	276,573	7.03
<b>Total loans and advances to customers</b>	<b>3,980,218</b>	<b>100.00</b>	<b>3,933,902</b>	<b>100.00</b>

## iv. Top ten loan customers

Unit: RMB million, %

Name	Industry	Balance of loans as at 31 December 2025	Proportion in total loans and advances	Proportion in net capital <sup>1</sup>
Borrower 1	Transportation, storage and postal services	10,499	0.26	1.51
Borrower 2	Manufacturing	6,972	0.18	1.00
Borrower 3	Real Estate	6,815	0.17	0.97
Borrower 4	Leasing and commercial services	5,448	0.14	0.78
Borrower 5	Leasing and commercial services	4,998	0.13	0.71
Borrower 6 <sup>2</sup>	Leasing and commercial services	4,997	0.13	0.71
Borrower 7	Manufacturing	4,975	0.12	0.71
Borrower 8	Construction	4,939	0.12	0.71
Borrower 9	Mining	4,900	0.12	0.70
Borrower 10 <sup>2</sup>	Leasing and commercial services	4,789	0.12	0.68
<b>Total</b>		<b>59,332</b>	<b>1.49</b>	<b>8.48</b>

Notes:

1. The proportion of balance of loans in net capital is calculated according to the requirements of the NFRA.
2. Borrower 6 and Borrower 10 are related parties of the Bank, and therefore their transactions with the Bank constitute related party transactions.

## Management Discussion and Analysis

### v. Five-category loan classification

Unit: RMB million, %

Type	31 December 2025		31 December 2024	
	Balance	Percentage	Balance	Percentage
Normal loans	3,856,028	96.88	3,812,286	96.91
Special mention loans	73,448	1.85	72,364	1.84
Substandard loans	18,368	0.46	21,088	0.53
Doubtful loans	12,889	0.32	15,335	0.39
Loss loans	19,485	0.49	12,829	0.33
<b>Total loans and advances to customers</b>	<b>3,980,218</b>	<b>100.00</b>	<b>3,933,902</b>	<b>100.00</b>
Performing loans	3,929,476	98.73	3,884,650	98.75
Non-performing loans	50,742	1.27	49,252	1.25

Note: Performing loans comprise of normal loans and special mention loans, and non-performing loans comprise of substandard loans, doubtful loans and loss loans.

### vi. Loan migration ratio

Unit: %

Item	31 December 2025	31 December 2024	Change from the end of 2024 to the end of 2025	31 December 2023
Migration ratio of normal loans	1.56	1.80	-0.24 percentage point	2.49
Migration ratio of special mention loans	14.63	15.30	-0.67 percentage point	26.41
Migration ratio of substandard loans	77.88	74.61	+3.27 percentage points	72.10
Migration ratio of doubtful loans	69.06	41.53	+27.53 percentage points	58.51

### vii. Restructured loans and overdue loans

#### 1. Restructured loans

Unit: RMB million, %

Type	31 December 2025		31 December 2024	
	Balance	Proportion of loans and advances in total principal	Balance	Proportion of loans and advances in total principal
Restructured loans and advances to customers	24,755	0.62	21,959	0.56
Restructured loans and advances to customers overdue for more than 90 days	2,025	0.05	776	0.02

## 2. Overdue loans

Unit: RMB million, %

Item	31 December 2025		31 December 2024	
	Balance	Percentage	Balance	Percentage
Overdue within 3 months	34,750	41.01	35,507	44.77
Overdue from 3 months up to 1 year	24,976	29.47	23,680	29.86
Overdue from 1 year up to 3 years	17,699	20.88	14,842	18.71
Overdue for more than 3 years	7,321	8.64	5,278	6.66
<b>Total principal of overdue loans</b>	<b>84,746</b>	<b>100.00</b>	<b>79,307</b>	<b>100.00</b>

### viii. NPLs by business type

Unit: RMB million, %

Type	31 December 2025		31 December 2024	
	Balance	Percentage	Balance	Percentage
Corporate loans	29,302	57.75	28,482	57.83
Retail loans	21,440	42.25	20,770	42.17
Discounted bills	–	–	–	–
<b>Total NPLs</b>	<b>50,742</b>	<b>100.00</b>	<b>49,252</b>	<b>100.00</b>

### ix. Distribution of NPLs by region

Unit: RMB million, %

Region	31 December 2025		31 December 2024	
	Balance	Percentage	Balance	Percentage
Pearl River Delta	11,724	23.11	9,867	20.03
Yangtze River Delta	6,789	13.37	6,904	14.02
Central China	6,437	12.69	7,127	14.47
Bohai Rim	5,451	10.74	5,221	10.60
Western China	4,669	9.20	4,446	9.03
Northeastern China	4,340	8.55	4,235	8.60
Head Office	8,599	16.95	8,616	17.49
Overseas	2,733	5.39	2,836	5.76
<b>Total NPLs</b>	<b>50,742</b>	<b>100.00</b>	<b>49,252</b>	<b>100.00</b>

## Management Discussion and Analysis

### x. Distribution of NPLs by industry

Unit: RMB million, %

Industry	31 December 2025		31 December 2024	
	Balance	Percentage	Balance	Percentage
Real estate	7,700	15.18	6,744	13.70
Manufacturing	7,601	14.99	6,612	13.42
Wholesale and retail trade	3,419	6.74	4,664	9.47
Leasing and commercial services	2,290	4.51	3,221	6.54
Construction	1,986	3.91	1,794	3.64
Accommodation and catering	832	1.64	374	0.76
Health, social security and social welfare	777	1.53	96	0.19
Mining	753	1.48	339	0.69
Transportation, storage and postal services	732	1.44	1,145	2.32
Information transmission, computer services and software	685	1.35	615	1.25
Others	2,527	4.98	2,878	5.85
<b>Subtotal of corporate loans</b>	<b>29,302</b>	<b>57.75</b>	<b>28,482</b>	<b>57.83</b>
<b>Retail loans</b>	<b>21,440</b>	<b>42.25</b>	<b>20,770</b>	<b>42.17</b>
<b>Discounted bills</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total NPLs</b>	<b>50,742</b>	<b>100.00</b>	<b>49,252</b>	<b>100.00</b>

Note: "Others" includes agriculture, forestry, animal husbandry and fishery; scientific research, technical services and geological exploration; finance; public management and social organization; production and supply of power, gas and water; residential services and other services; education; culture, sports and recreation; water, environment and public utility management.

### xi. Distribution of NPLs by collateral type

Unit: RMB million, %

Type	31 December 2025		31 December 2024	
	Balance	Percentage	Balance	Percentage
Unsecured loans	14,557	28.69	16,091	32.67
Guaranteed loans	6,958	13.71	6,799	13.80
Mortgage loans	28,923	57.00	26,056	52.91
Pledged loans	304	0.60	306	0.62
<b>Total NPLs</b>	<b>50,742</b>	<b>100.00</b>	<b>49,252</b>	<b>100.00</b>

## xii. Repossessed assets and provision for impairment

Item	Unit: RMB million	
	31 December 2025	31 December 2024
Reposessed assets	182	246
Provision for impairment	(118)	(163)
Net value of reposessed assets	64	83

Note: Repossessed assets mainly include land, buildings and structures.

## xiii. Provision for loan impairment losses and write-off

After determining the credit risk of financial instruments on the balance sheet date, the Group made provision for the estimated credit loss for loans of varied risk levels according to their potential risk based on the expected credit loss model and such quantitative risk parameters as PD (probability of default) and LGD (loss given default) of customers. The provision for impairment losses was recognized through current profit or loss.

Item	Unit: RMB million	
	As at 31 December 2025	As at 31 December 2024
Balance at the beginning of the year <sup>1</sup>	88,582	85,371
Charge for the year <sup>2</sup>	36,489	38,147
Recovery of loans and advances written-off	11,098	12,275
Interest income on impaired loans <sup>3</sup>	(636)	(735)
Write-off and disposal for the year	(47,456)	(46,519)
Others	(8)	43
<b>Balance at the end of the year<sup>1</sup></b>	<b>88,069</b>	<b>88,582</b>

Notes:

1. It excludes provision for impairment of discounted bills and forfaiting under domestic L/C measured at fair value through other comprehensive income.
2. It includes provision for impairment of loans made due to the change of stage and change in cash flow resulting in loan contract being not derecognized.
3. It refers to the increased interest income of impaired loans due to the subsequent increase in present value over time.

## xiv. Disposal of non-performing assets and write-off policies for bad debts

The Bank continued to focus on risk resolution in key areas by adopting various measures such as writing-off and bulk transfer to accelerate the process for the disposal of non-performing assets and enhance the value creation capability of special assets. The Bank strengthened promotion of special assets, increased technology inputs, continuously improved the approval mechanism and policies, optimized business procedures, and enhanced compliance management. The Bank also continued to advance the transformation of special assets operation towards professional and refined management, thereby comprehensively improving business quality and efficiency.

During the reporting period, the Bank disposed of NPLs amounting to RMB49,871 million, an increase of RMB1,526 million over the previous year, including writing off bad debts of RMB27,685 million, transferring creditor's rights amounting to RMB143 million, conversion of bonds to shares valuing RMB442 million, and asset securitization of RMB21,601 million. In addition, the Bank recovered cash of RMB40,508 million through asset preservation.

## Management Discussion and Analysis

### XI. CAR ANALYSIS

Please refer to “Key Accounting Data and Financial Indicators” and the *Pillar 3 Disclosure Report for 2025* for relevant details.

### XII. SEGMENT PERFORMANCE

Unit: RMB million

Region	2025		2024	
	Operating income	Profit before tax	Operating income	Profit before tax
Yangtze River Delta	23,544	11,782	23,307	12,619
Bohai Rim	26,131	12,565	25,618	12,798
Central China	19,767	8,690	21,301	9,199
Pearl River Delta	16,848	406	17,984	(15)
Western China	14,055	5,777	15,354	5,599
Northeastern China	3,763	665	4,142	1,221
Head Office	20,089	9,650	25,468	10,868
Overseas	2,263	152	2,421	(815)
<b>Total</b>	<b>126,460</b>	<b>49,687</b>	<b>135,595</b>	<b>51,474</b>

Please refer to “Notes to the Consolidated Financial Statements” for details of performance by business segment.

### XIII. OTHERS

#### i. Changes in major financial indicators and reasons

Unit: RMB million, %

Item	31 December 2025	31 December 2024	Change (%)	Main reasons for change
Due from banks and other financial institutions	107,162	47,767	124.34	Increase in the business scale of due from banks and other financial institutions
Precious metals	1,892	6,788	(72.13)	Decrease in the business scale of precious metal leasing
Derivative financial assets	5,528	33,797	(83.64)	Decrease in the FX derivative financial assets
Financial assets held under resale agreements	12,923	118,128	(89.06)	Decrease in the scale of financial assets held under resale agreements
Due to the central bank	154,678	95,633	61.74	Increase in the scale of due to the central bank
Derivative financial liabilities	5,547	32,448	(82.90)	Decrease in the FX derivative financial liabilities
Financial assets sold under repurchase agreements	158,118	75,793	108.62	Increase in the scale of financial assets sold under repurchase agreements
Taxes payable	6,368	4,758	33.84	Increase in corporate income tax payable
Other comprehensive income	4,981	10,891	(54.26)	Decrease in valuation of bonds measured at fair value through equity
Item	2025	2024	Change (%)	Main reasons for change
Net trading gains	1,421	3,203	(55.64)	Decrease in net trading gains
Net gains arising from investment securities	7,404	14,479	(48.86)	Decrease in fair value of investment securities
Foreign exchange gains	1,023	49	1,987.76	Increase in foreign exchange gains
Impairment losses on other assets	(5)	(43)	(88.37)	Decrease in provisions for foreclosed assets
Gains on investments in joint ventures	–	13	(100.00)	Decrease in investments in joint ventures

## Management Discussion and Analysis

### ii. Interest receivable and provision of allowance for related bad debts

#### 1. Change in on-balance-sheet interest receivable

Unit: RMB million

Item	Balance at the beginning of the reporting period	Increase during the reporting period	Decrease during the reporting period	Balance at the end of the reporting period
On-balance-sheet interest receivable	47,788	212,620	215,075	45,333

Note: It includes accrued interest and interest receivable that has not been collected.

#### 2. Provision of allowance for bad debts of interest receivable

Unit: RMB million

Item	31 December 2025	31 December 2024	Change
Balance of allowance for bad debts of interest receivable	3	3	–

### iii. Other receivables and provision of allowance for related bad debts

#### 1. Change in other receivables

Unit: RMB million

Item	31 December 2025	31 December 2024	Change
Other receivables	41,396	32,411	8,985

#### 2. Provision of allowance for bad debts of other receivables

Unit: RMB million

Item	31 December 2025	31 December 2024	Change
Balance of allowance for bad debts of other receivables	1,125	1,043	82

## XIV. PERFORMANCE OF BUSINESS SEGMENTS

### i. Corporate banking



Operating income

RMB 49,797 million

FPA

RMB 5.52 trillion

▲ 3.89%

Corporate banking customers

1.0144 million

▲ 1.70%

The Bank's corporate banking business line actively served the real economy, made steady headway in serving the five target areas of finance, and stepped up support for major national strategies, key areas and weak links. The Bank proactively implemented a raft of incremental policies put forward by the Chinese government, steadily promoted the real estate financing coordination mechanism and the MSE financing coordination mechanism, supported the construction of government-subsidized housing, and pressed ahead with key tasks such as technological innovation and transformation, stock repurchase and shareholding increase, and serving consumption and elderly care. The Bank supported the development of a modern industrial system, fostered new quality productive forces in light of local conditions, and further intensified efforts to serve key areas such as advanced manufacturing and strategic emerging industries. The Bank placed equal emphasis on customer acquisition and customer activation, selectively expanded "Five Mains" customers who regard the Bank as the main bank for credit granting, fund settlement, cash management, agency payroll and ecosystem services, and broadened high-frequency transaction scenarios such as fund collection, payment, settlement, FPA, supply chain finance, cash management, institutional special accounts, cross-border services, merchant acquiring, bill payment and agency payroll, thereby comprehensively deepening integrated customer management. Guided by FPA, the Bank delivered comprehensive financial service solutions through the integration of commercial banking, investment banking and private banking, and adopted a multi-product approach including basic credits, bond financing, M&A financing, business matchmaking, equity financing and structured financing to meet customers' diversified needs. The Bank strengthened coordination among front, middle and back offices, advanced the specialized and differentiated development of the product system, and promoted the quality and efficiency improvement of the corporate banking business. During the reporting period, the Bank's corporate banking business

line registered an operating income of RMB49,797 million, a year-on-year decrease of RMB1,014 million or 2.00%, accounting for 39.38% of the Bank's total operating income. As at the end of the reporting period, the total FPA was RMB5.52 trillion, an increase of RMB206,787 million or 3.89% over the end of the previous year. The Bank had 1.0144 million corporate banking customers, an increase of 1.70% over the end of the previous year.

#### 1. Corporate deposits and loans

Firmly adhering to the philosophy of high-quality development, the Bank insisted on a scale-price balancing strategy, and continuously drove effective qualitative improvement and reasonable quantitative expansion for deposit and loan businesses. On the lending side, relying on the joint consultation mechanism, the Bank coordinated business operation and risk management, and made effective use of key products to better serve the key areas and weak links of the real economy. On the deposit side, the Bank focused on stabilizing scale while enhancing quality, strengthened category-specific policy implementation and refined management, and facilitated the steady growth, structural optimization and cost reduction of deposits. As at the end of the reporting period, the balance of corporate deposits (including the corporate business-related portion of margin deposits) amounted to RMB2,660,274 million, representing a decrease of RMB7,866 million or 0.29% as compared with the end of the previous year; and the balance of corporate loans (excluding discounted bills) amounted to RMB2,429,212 million, representing an increase of RMB131,653 million or 5.73% over the end of the previous year.

## Management Discussion and Analysis



### Topic 1 Sunshine Tech Innovation: Deeply Cultivating Technology Finance with the “Five Excellences” Framework

The Bank leveraged the strengths of Everbright to serve national needs, released the *Work Plan for Technology Finance of China Everbright Bank (Version 2.0)*, and continuously advanced the distinctive “Sunshine Tech Innovation” business underpinned by five pillars, namely excellent services, products, ecosystems, industry research and digital intelligence. By promoting differentiated development, the Bank provided diversified relay-style financial services for technology enterprises, aiming to realize the steady and sustainable growth of technology loans. Notably, the special mention loan ratio, the non-performing loan ratio and the overdue interest ratio for technology loans were all maintained at levels below the Bank’s overall averages. As at the end of the reporting period, the balance of technology loans stood at RMB703,723 million, representing an increase of RMB64,985 million or 10.17% over the end of the previous year, surpassing the growth rate of general loans.

#### I. Offering excellent services to enhance service level

The Bank reinforced the distinctive features of its technology innovation-focused specialized institutions at the branches, specified their duty performance and budget targets as well as evaluation criteria, promoted the optimization of organizational structure and personnel deployment, and enhanced the selection, allocation, exchange and utilization of specialized talents. The Bank maintained dedicated policy and resource support for technology enterprises, including flexible loan interest rate pricing and interest repayment terms, differentiated internal fund transfer pricing policies, refined the internal policy of due diligence exemption, and advanced the building and implementation of the “1+16+100” technology finance specialized and dedicated organization system. During the reporting period, the Bank completed the establishment of Technology Finance Centers in 16 tier-1 branches including Beijing, Shanghai, Shenzhen and Guangzhou. A total of 80 technology finance specialized subbranches or technology subbranches realized steady and sound operation, providing specialized and convenient credit support and service guarantee for local technology enterprises.

#### II. Building excellent products to diversify service offerings

Centering on integrated scenarios encompassing equity, credit, bond, custody and private banking, the Bank launched a variety of technology finance featured products to deliver full-life-cycle comprehensive financial services covering both domestic and overseas markets for technology enterprises.

For technology start-ups, the Bank launched products such as Tech Firm e-Loan, a convenient small-amount online credit product, and equity-related services such as stock option and direct equity investment. As at the end of the reporting period, the balance of Tech Firm e-Loan was RMB5,821 million, and the number of customers with loans was 1,440.

For technology enterprises at the growth stage, the Bank provided innovative featured products for specific scenarios and customer groups including Technology R&D Loan, SRDI (Sophisticated, Refined, Distinctive and Innovative) Enterprise Loan and SRDI Giant Loan, as well as innovative services including sci-tech innovation bond issuance and portfolio application of bond investment funds.

For technology enterprises at the maturity stage, the Bank offered capital market products such as M&A loans, leveraged the M&A loan pilot policy, and focused on key transaction scenarios including the industrial upgrading of technology enterprises, listed company M&A and restructuring, and resource integration to provide higher-quality M&A financing services. In addition, the Bank focused on core enterprises to provide supply chain financing services for their upstream and downstream enterprises on the entire supply chains.

### III. Optimizing excellent ecosystems to broaden service channels

The Bank fully leveraged China Everbright Group's advantages in comprehensive finance and industry-finance collaboration to extensively build cooperation platforms centered on a technology finance ecosystem that covers banks, government agencies, industries, industrial parks, academia, research institutes and investment institutions. The Bank continuously enhanced its resource integration capabilities, and leveraged innovative ecosystem-based cooperation to deliver comprehensive financial services for high-quality technology enterprises. The Bank established a joint service liaison mechanism with government agencies, technology finance regulatory bodies, industry associations and industrial parks clustered by technology enterprises, so as to jointly serve technology enterprises by co-organizing activities, signing strategic cooperation MOUs and co-developing exclusive products. In the meantime, the Bank strengthened joint service liaison with local universities, laboratories and R&D centers. Focusing on venture capital funds and industrial investment funds, the Bank leveraged synergies with other CEG enterprises with investment functions to promote the effective implementation of the "investment + custody" cooperation model. During the reporting period, the Bank successfully launched several replicable typical projects, including a special FOF (Fund of Funds) for low-altitude economy and aerospace industry, a tech innovation industry investment fund, and a fund for guiding investment in advanced manufacturing.

### IV. Conducting excellent industry research to enhance professional competence

Relying on the industry research system of the Bank and the specialized research expertise of Everbright Finance Research Institute, in cooperation with Everbright Securities Research Institute with a focus on strategic emerging industries and future industries, the Bank strengthened industry research, formulated industry strategies featuring deep integration of business development and risk management, built featured solutions for specific industries and scenarios, promoted steady growth in both the number of customers with outstanding loans and the loan balance in key competition fields such as integrated circuits and computing power industries, and innovatively participated in projects such as the capital increase project for the Artificial Intelligence Data Center (AIDC) upgrade of a leading domestic computing power enterprise. The Bank also considered introducing expertise from research institutes, well-known enterprises, securities firms and venture capital agencies to strengthen the talent pool of technology finance industry experts, thereby providing advisory services and professional support for business operation, credit approval and risk control.

### V. Improving excellent digital intelligence to deepen digital empowerment

The Bank continuously optimized online products to enhance customer experience, launched automated analytical reports for technology finance services with the help of new technologies such as artificial intelligence and large models, and advanced the development of a technology innovation capability evaluation model. The Bank introduced external data from industrial and commercial administration, judiciary, taxation and credit investigation system to enable intelligent pre-lending fraud prevention, during-lending credit line approval and post-lending proactive early warning, thereby strengthening its overall risk control capabilities.



## Management Discussion and Analysis



### Case 1: Technology Finance Innovating Product Design

#### Investment-linked Loan

Technology enterprises typically exhibit characteristics such as substantial initial investment, lengthy development cycles and asset-light profiles, which often pose challenges for obtaining financing under traditional credit models. The Bank strengthened the linkage between investment and lending, explored a new business model of “lending + external direct investment” in cooperation with external investment institutions and local government-guided funds, and innovatively launched an exclusive financial product called Investment-linked Loan. Based on a comprehensive assessment of factors including the investment management capabilities of equity investment institutions and the growth prospects of the invested enterprise as well as its credit quality, the Bank provided debt financing support for technology enterprises. One such enterprise, a component supplier specializing in hydraulic and hydroforming technologies, established partnerships with multiple automobile manufacturers. Upon learning that the enterprise had received investment funds from the Advanced Manufacturing and Intelligent Equipment Industry Investment Fund, CEB Beijing Branch approved a credit line of RMB30 million through the Investment-linked Loan product with an actual loan disbursement of RMB10 million.

#### Payroll Loan

Payroll Loan is a RMB-denominated loan product specifically tailored for paying employee salaries, with priority given to technology enterprises. The loan proceeds are specially designated for paying salaries for employees, helping technology enterprises stabilize their core talent pools and providing human resources support for key technological innovations and scientific research breakthroughs. An information technology company in Shanghai, whose assets mainly consist of overseas warehouse operation rights and digital systems, needed to continuously invest in R&D and expand its international team to sustain rapid growth. This led to a steadily increasing demand for human capital expenditures. CEB Shanghai Branch utilized the Payroll Loan product and accurately analyzed the company’s actual operational scale, team stability and growth trends, granting it a credit line of RMB80 million to support its talent operation and management.

## 2. Inclusive finance

Regarding digitalization and online transformation as core driving forces, the Bank continuously advanced product innovation, process reengineering and risk control upgrading, achieving prominent results in serving the real economy and supporting micro and small enterprises (MSEs). The Bank established its online product system by launching three types of general-purpose automated approval loan products including mortgage loan, credit loan and guarantee loan and focusing on technological innovation enterprises to develop and optimize financing products such as SRDI Enterprise Loan and Tech Firm e-Loan. The Bank implemented the MSE financing coordination mechanism, stepped up support for enterprises in the foreign trade sector, actively conducted the “Extensive Visits to Enterprises” campaign, and engaged with enterprises on the “recommended list” in a pragmatic manner. The Bank enhanced customer management by innovatively applying the marketing funnel model and leveraging tools such as Intelligent Outbound Call to facilitate the conversion of potential customers. Additionally, the Bank refined its risk management system by introducing multi-dimensional data sources and strengthening whole-process risk management, thereby maintaining stable asset quality. As at the end of the reporting period, the balance of inclusive loans amounted to RMB462,807 million, up RMB26,988 million or 6.20% as compared with the end of the previous year. The number of inclusive finance customers stood at 495.3 thousand, an increase of 59.6 thousand as compared with the end of the previous year. The weighted average interest rate on newly-granted loans was 3.19%, down 28 bps as compared with the end of the previous year.



## Case 2: Inclusive Finance Serving Micro and Small Enterprises (MSEs)

### Tech Firm e-Loan

A Wuhan-based optoelectronic high-tech company specializes in the R&D of infrared thermal imaging and optoelectronic system equipment. In recent years, the company has continuously ramped up investment in technological innovation and product R&D, become a matching supply expert of optoelectronic products, and earned recognition as a SRDI (Specialized, Refined, Distinctive and Innovative) SME (Small and Medium-sized Enterprise) in Hubei Province. Relying on its competitive market position, the company witnessed further growth in order volume. Upon learning about the company's need for funds to purchase raw materials, CEB Wuhan Branch promptly optimized its credit-granting solution and introduced the "Tech Firm e-Loan" product to the company. Leveraging a big data model, the company could realize online self-service credit limit assessment, intelligent approval and online loan drawdown. Based on the company's technology score and comprehensive evaluation score, the Bank granted it a credit line of RMB5 million, effectively alleviating its funding pressure and supporting its production and operation.



### Agricultural Machinery Manufacturing Loan

Shandong Province stands as a leading agricultural hub in China. CEB Jinan Branch focused on the financial needs across the entire agricultural machinery industry chain, unblocking channels of capital flows throughout production, sales and procurement phases. By integrating agricultural machinery subsidy policies with credit products, the Bank established a "finance + agricultural machinery" service ecosystem to effectively reduce financing costs for enterprises and farmers and support the transformation and upgrading of agricultural mechanization in Shandong Province. In response to the needs of key agricultural



machinery manufacturers for capacity expansion and R&D investment, the Bank formulated customized financing solutions featuring "one policy for one enterprise". The Bank provided over RMB800 million of bill financing to one agricultural machinery enterprise and granted RMB20 million of working capital loans to one other agricultural machinery enterprise. Over time, the Bank established a full-chain financial service model that encompasses "production-side manufacturers + sales-side distributors + procurement-side farmers", injecting Everbright's strengths into agricultural development and rural revitalization.

## Management Discussion and Analysis

### 3. Investment banking

The Bank established the “Sunshine Investment Banking” brand with bond underwriting, business matchmaking and M&A financing at the core to enhance its comprehensive financial service capabilities for diversified customers. During the reporting period, the Bank underwrote debt financing instruments for non-financial enterprises, non-policy financial bonds, and credit asset-backed securities (CABS) in the interbank bond market, with a total amount of RMB412,784 million. The Bank continued to capitalize on the strengths of innovative financing instruments such as sci-tech innovation bonds and green bonds to support key national strategies such as invigorating China through science and technology, promoting green development and advancing rural revitalization. The Bank further facilitated M&A financing services for strategic emerging industries including technology enterprises to cover key areas such as advanced manufacturing and consumption, thereby contributing to the high-quality development of the real economy. The Bank actively provided lending for enterprises to conduct stock repurchase and shareholding increase, helping them optimize shareholding structure, stabilize market expectations and boost investor confidence. During the reporting period, the Bank granted M&A loans at home and abroad with a cumulative amount of RMB27,469 million, and issued eight credit asset securitization projects with a total asset scale of RMB21,601 million.



#### Topic 2 Sunshine Investment Banking: Enhancing the Quality and Efficiency of Comprehensive Financial Services

The Bank focused on building the “Sunshine Investment Banking” brand, which centers on five core business segments: bond underwriting, M&A financing, syndicated loans, business matchmaking, and equity financing. Through scenario-based expansion, demand matching, mode innovation and procedure optimization, the Bank built differentiated competitive edges.

##### I. Continuously consolidating customer base

The Bank concentrated resources on key scenarios to expand its corporate banking customer base. Centering on its core corporate banking customer base with a focus on core customers in key regions, the Bank intensified its marketing efforts to expand the bond underwriting customer base in the technology and green finance sectors. During the reporting period, the Bank successfully helped over 500 customers to realize bond issuance. The Bank deepened its participation in key areas including “Two Majors” and “Two Renewals”, technology innovation industries, central state-owned enterprise (SOE) reform and cross-border business, offering customized integrated solutions featuring “one policy for one enterprise”. During the reporting period, the Bank granted M&A loans to over 150 customers and syndicated loans to over 400 customers.

##### II. Enhancing quality and efficiency in key businesses

By strengthening procedure management, empowering branches through workflow optimization, improving investor information database, refining the investment-underwriting coordination mechanism and expanding the investment banking partnership network, the Bank continuously enhanced its market competitiveness in investment banking. The Bank continued to optimize the structure of its bond underwriting business, with the scale of medium- and long-term bond underwriting exceeding RMB180 billion and the scale of credit ABS underwriting approaching RMB15 billion. The Bank’s industry research capabilities in M&A and syndicated loan businesses showed steady improvement, with benchmark projects increasingly demonstrating their leading effects. During the year, the Bank granted over RMB27 billion of M&A loans, and the balance of domestic RMB-denominated syndicated loans (excluding M&A loans) exceeded RMB150 billion. For business matchmaking and equity financing, as the collaboration within China Everbright Group became closer, the investment banking partnership ecosystem continued to expand, and marketing scenarios were further diversified, the Bank achieved a business scale of over RMB210 billion.

### III. Delivering tangible results in serving the real economy

The Bank utilized its products such as bond underwriting and M&A loans in a coordinated manner to serve the five target areas of finance. In technology finance, the Bank facilitated financing for technology enterprises through products such as sci-tech innovation notes, sci-tech innovation bonds and M&A loans. The Bank underwrote over 100 sci-tech innovation bonds (including sci-tech innovation notes), with the total underwriting scale exceeding RMB30 billion. The Bank granted over RMB7 billion in M&A loans to eligible technology enterprises under pilot policies. In green finance, the Bank targeted scenarios such as energy conservation and environmental protection, pollution prevention and control, resource conservation and recycling, precisely aligned policy guidance with corporate needs, and underwrote green bonds with the total scale exceeding RMB10 billion. In pension finance, the Bank actively explored diversified pathways to serve the elderly care industry. The Bank tailored a bond financing solution for a cultural tourism enterprise to support the construction and operation of its elderly care industry projects, and successfully launched China's first bond financing instrument for the elderly care industry. In inclusive finance, the Bank continuously strengthened financial support for agriculture, rural areas and farmers. The Bank underwrote rural revitalization notes with the total volume of over RMB2 billion and directed over RMB500 million of M&A loans to the agricultural sector.



## Management Discussion and Analysis



### Case 3: Sunshine Investment Banking Advocating Value Co-creation

#### Green Bond

In September 2025, the Bank underwrote an ultra-short commercial paper themed “green development + rural revitalization” for a leasing company, with an issuance scale of RMB1 billion. The funds raised were allocated to a financial leasing project for railway equipment. China’s railway network, characterized by large transport capacity, all-weather operation, low-carbon efficiency and regional balance, plays a pivotal role in the integrated transportation system. This particular railway project serves as a strategic corridor for the “North-to-South Coal Transportation” strategy, which provides strong support for facilitating green transportation network construction, empowering all-round rural revitalization, and promoting integrated air pollution prevention and control. The Bank continuously optimized issuance plans to ensure successful bond offerings, providing targeted support for key areas such as green development and rural revitalization. In 2025, the Bank underwrote 35 green bonds, with a scale of RMB10,431 million.



#### Sci-tech Innovation Bond

Since May 2025, the Bank had underwritten four tranches of sci-tech innovation bonds for an equity investment company, with a total scale of RMB2 billion, which adopts an “equity investment + fund contribution” operational mechanism to address the challenges of long financing cycles and high risks faced by technology enterprises, establish a new direct financing channel for technology enterprises, and realize the deep integration of investment expertise and capital operation. The launch of “Technology Board” of the bond market is a major initiative of serving sci-tech innovation with finance, which effectively guides bond market funds towards technological innovation enterprises. Leveraging its sci-tech innovation bond underwriting business, the Bank expanded the financing channels for technology enterprises, precisely directing financial resources to technological innovation. In 2025, the Bank underwrote 104 sci-tech innovation bonds (including sci-tech innovation notes), with a total scale of RMB32,398 million.

## 4. Transaction banking

The Bank further developed its featured “Sunshine Transaction Banking” business, characterized by the integrated development of supply chain finance, cross-border business and cash management. The Bank established the “Sunshine Transaction Banking +” comprehensive financial service platform, covering local and foreign currencies, domestic and overseas businesses, and onshore and offshore markets. The Bank promoted the multi-scenario application and online development of the “Sunshine Wage” financial service for rural migrant workers, enhancing the convenience and accessibility of financial services for new urban residents. As at the end of the reporting period, the Bank provided wage payment guarantees for rural migrant workers with a cumulative amount of RMB14,591 million, an increase of RMB1,329 million during the year, serving 1,576 corporate customers including 52 new ones. The Bank accelerated digital transformation with “Sunshine ePay” as a benchmark product to enable the whole-process online processing of business transactions, thereby enhancing the quality and efficiency of financial services across the entire industrial chain. As at the end of the reporting period, the scale of supply chain finance exceeded RMB600 billion, serving over 20,000 supply chain customers. Focusing on the digital transformation and upgrading of enterprises’ finance and accounting management and scenario-based settlement needs, the Bank strengthened the establishment of corporate treasury service systems, continuously advanced the innovative development of its product system, and improved customer experience. As at the end of the reporting period, the balance of on- and off-balance-sheet trade finance stood at RMB523,315 million.



### Topic 3 Sunshine Transaction Banking: Facilitating Capital Flows Across the Chains to Empower the Real Economy

The Bank further developed the featured “Sunshine Transaction Banking” business, characterized by the integrated development of supply chain finance, cross-border operation and cash management. The Bank established the “Sunshine Transaction Banking +” comprehensive financial service platform, giving play to the advantages of extensive transaction banking product spectrum, low capital consumption, growth in assets and liabilities, high comprehensive returns and batch customer acquisition.

#### I. Supply chain finance: serving industrial and supply chains

In line with the national strategy of “enhancing the resilience and security level of industrial and supply chains”, the Bank enhanced the quality and efficiency of supply chain finance services by stabilizing the supply and sales systems of core enterprises and extending financial services to the upstream and downstream partners of high-quality core enterprises. The Bank provided one-stop, comprehensive and convenient services to bolster the stability of industrial and supply chains. By strengthening coordination among Head Office business lines and collaboration between the Head Office and branches with “enhancing product competitiveness and increasing value contribution” as core objectives, the Bank promoted four key tasks including product innovation, procedure optimization, system development and project breakthrough in a coordinated manner. Focusing on two major scenarios including accounts receivable and inventory, the Bank launched innovative products such as “e-Certificate Express”, “e-Sales Express” and “e-Receivables Express” to solidify the infrastructure for supply chain finance and reinforce its strategic business planning, yielding initial success. As at the end of the reporting period, the scale of supply chain finance exceeded RMB600 billion, serving more than 20,000 supply chain customers.

#### II. Cross-border business: actively serving high-standard opening-up

The Bank proactively implemented national strategies to support high-standard opening-up, providing enterprises with a package of financial service solutions, including international settlement, cross-border financing, foreign currency deposits and loans, and foreign exchange treasury management. In cross-border settlement and trade finance, the Bank offered financial services covering local and foreign currencies, domestic and overseas businesses, and onshore and offshore markets to ensure swift and efficient cross-border fund transfers and effective mitigation of foreign exchange risks. In cross-border lending, the Bank provided long-term stable financial support through products such as syndicated loans and cross-border financing for enterprises engaged in the Belt and Road Initiative and overseas mergers and acquisitions (M&A) projects. In capital market financing, the Bank delivered services such as offshore bond issuance and offshore IPO.

The Bank actively facilitated the overseas expansion of Chinese-funded enterprises and the financing of projects under the Belt and Road Initiative. Through technological empowerment, product innovation, mechanism building, coordinated collaboration and customer marketing, the Bank enhanced its capabilities of fund operation and cross-border financing, effectively supporting enterprises to go global. The Bank actively implemented the strategic plans aimed at stabilizing foreign trade and advancing RMB internationalization by formulating dedicated work plans, strengthening precise bank-enterprise engagement, leveraging the integration of financial technology to refine the product system, and improving service efficiency. This approach can facilitate the high-quality development of foreign trade through more professional and efficient cross-border financial services. As at the end of the reporting period, the Bank’s credit balance extended to countries and regions along the Belt and Road stood at RMB25,400 million.

## Management Discussion and Analysis

### III. Cash management: solidifying the construction of cash management scenario ecosystem

Focusing on corporate treasury management needs, the Bank was committed to building a digital and intelligent financial service matrix for the corporate treasury ecosystem to provide enterprises with convenient and efficient cash management products featuring “full categories, all channels and whole process”. By deeply exploring corporate operation and management scenarios, the Bank delivered embedded services to meet enterprises’ needs of fund management, payment and settlement across all scenarios, helping them efficiently manage funds while reducing finance management costs. The Bank actively empowered enterprises’ digital transformation by offering “all-round, systematic and full-life-cycle” corporate treasury system development services to assist them in building more resilient and sustainable transaction and settlement infrastructure. The Bank advanced the development of the cash management scenario ecosystem and empowered its branches to better serve the real economy with cash management services. Leveraging the geographical and policy advantages of its Hong Kong Branch, the Bank built up capabilities for centralized overseas fund operation services. As at the end of the reporting period, the transaction volume of the Bank’s cash management ecosystem-based scenarios exceeded RMB370 billion, covering application scenarios such as the settlement of bid securities, pre-sale property transactions and supply chains.





## Case 4: Sunshine Transaction Banking Enabling Ecosystem-based Empowerment

### Supply Chain Finance

A group company in Zhejiang Province has a large number of upstream suppliers, predominantly micro and small enterprises (MSEs). To effectively meet the company's needs for payment settlement and enhance supplier management, the Bank customized a "Sunshine ePay" solution. Relying on the credits granted to the core enterprise, the Bank provided factoring services for its upstream suppliers, enabling whole-process online processing for financing application, agreement signing and data transmission to let data do the work and enterprises move less. As at the end of the reporting period, the project cumulatively granted over 790 loans, with an average loan amount exceeding RMB500,000 per transaction. A dedicated service team was set up for this project. The Bank established a marketing model that integrates "coordinated marketing by the Head Office and branches outlets + real-time customer feedback + technology-enabled procedure optimization" so as to ensure rapid response to corporate settlement needs, with "applications processed on the same day and funds credited within two hours".



### Cash Management

A shipbuilding enterprise with a multitude of upstream suppliers are characterized by complex fund flows on its supply chain. To address its needs for enhancing the efficiency of project fund management and strengthening supervision over fund utilization, the Bank leveraged the payment function based on the cash management agreement to offer an integrated online fund co-management solution covering settlement, agency payroll and approval. By fostering mutual trust among all parties involved, this solution can effectively boost account transparency and fund co-management efficiency, thereby facilitating circulation for the real economy. Additionally, the Bank innovatively established an agency payroll co-management mechanism to assist core enterprises in standardizing the management of labor cost payments to suppliers, thus preventing wage arrears at the source. During the reporting period, the cumulative transaction volume of cash management agreement-based payments stood at RMB12,577 million, serving a total of 417 corporate customers.

## Management Discussion and Analysis



Operating income

RMB 50,452 million

AUM

RMB 3.15 trillion

▲ 6.55%

Retail customers

162.0589 million

▲ 2.81%

### ii. Retail banking

Committed to building the industry-leading digital retail banking, the Bank adhered to the customer-centered business philosophy, focused on the diversified needs of customers, expanded product supply, enhanced online and offline integrated channel service capabilities, strengthened its data-driven approach, intensified stratified and grouped operation, and promoted coordination and collaboration in business operation, thus continuously enhancing the quality and efficiency of customer service. On the liability side, the Bank improved both the scale and price of retail deposits with four growth drivers, including source fund introduction, sales-led growth, customer group management and business traffic fund retention, which led to the growing scale, optimized structure and improved cost efficiency of retail deposits. On the asset side, the Bank promoted high-quality development by further enhancing the digitalization of loan businesses, enriching personal financing product offerings, supporting residents' reasonable housing demand, and contributing to boosting consumption and driving the growth of the real economy. The Bank also advanced the transformation of wealth management by continuously enriching its product spectrum, strengthening its investment research and consulting system, innovating personalized services, and enhancing the core competitiveness of businesses to meet the diversified and multi-layered wealth management needs of customers. During the reporting period, the Bank's retail banking business line realized an operating income of RMB50,452 million, a year-on-year decrease of RMB4,653 million or 8.44%, accounting for 39.90% of the Bank's total operating income.

#### 1. Retail customers and AUM

The Bank continued to give play to the Retail Customer Management and Development Committee as a mechanism to ensure the implementation of the customer management strategy featuring stratified and grouped management, data-driven operation, channel coordination and conversion from transaction to contribution. The Bank intensified its efforts in source-based customer acquisition, and conducted batch customer acquisition to expand customer base, centering on the agency payroll business through the collaboration between corporate banking and retail banking and other diversified scenarios. The Bank optimized and upgraded its customer management model. For long-tail and basic customers, the Bank strengthened data analysis and strategy iteration, accelerated the application of artificial intelligence, and enhanced the effectiveness of centralized online operation. For wealth customers, the Bank leveraged the advantages of its branch outlets and professional customer managers, focusing on segmented customer groups to advance marketing innovation and boost offline productivity. For private banking customers, the Bank deepened customer group management reform, reinforced stratified, segmented and grouped operation, and promoted a centralized operation model. Giving play to the leading advantages of the social finance platform of "Golden Cicada Community and Wealth Manager Workshop", the Bank strengthened both online and offline operation and marketing. During the reporting period, the cumulative transaction volume on the platform exceeded RMB200 billion. The Bank further advanced business coordination and cross-marketing, and adopted a customer-centered approach to research on the market, design products, optimize procedures and improve experience, thereby enhancing the quality and efficiency of integrated customer management on all fronts. The Bank constantly enriched the "Sunshine +" retail customer membership system by developing a unified membership growth and benefits pathway and establishing a new multi-tiered customer service model. Deeply engaged in retail digital transformation efforts, the Bank built four main system groups including customer, marketing, operation and strategy system groups, enabling full-domain intelligent customer management. As at the end of the reporting period, the Bank had 162.0589 million retail customers (including holders of debit and credit cards), an increase of 2.81% over the end of the previous year. The total number of monthly active users (MAU) on the three main apps (CEB Mobile Banking, Sunshine Life and Cloud Fee Payment) stood at 72.714 million, up 0.86% year on year. The balance of AUM totaled RMB3,146,206 million, up 6.55% over the end of the previous year.

## 2. Retail deposits

Guided by the operation orientation of “achieving coordination among scale, price and profitability”, the Bank comprehensively promoted cost reduction, quality improvement and efficiency enhancement for retail deposits through four growth drivers including source fund introduction, sales-led growth, customer group management and business traffic fund retention. The Bank strengthened coordination between corporate banking and retail banking to develop agency payroll services. For corporate customers, the Bank promoted the Enterprise Administrative Management Platform (“Xin Yue Tong”) to provide one-stop digital service solutions. In addition, the Bank optimized online procedures and standardized offline services for agency payroll business to enhance its payroll service capabilities. For individual payees of the corporate customers, the Bank upgraded the “Wage Butler” integrated online payroll service platform, and launched diversified exclusive campaigns to improve customer experience. Furthermore, the Bank enhanced its sales capacity for various wealth management products, and prioritized retail deposits as foundational assets in customer portfolio allocation. The Bank deepened integrated customer operation by strengthening the synergy between debit card and credit card businesses for customer acquisition and activation, expanding quick payment business by linking CEB cards to third parties, and increasing transaction volume via online platforms to retain settlement funds. The Bank vigorously expanded card business scenarios, and boosted batch customer acquisition and scenario-based traffic fund retention centering on key livelihood scenarios such as social security & livelihood service, preferential treatment for the military and their families, healthcare and medical care, and at-home care services for the elderly. As at the end of the reporting period, the balance of retail deposits (including the retail portion in margin deposits) of the Bank amounted to RMB1,368,743 million, representing an increase of RMB79,946 million or 6.20% over the end of the previous year.

## 3. Retail loans

The Bank resolutely implemented the national financial policies for the real estate industry, continued to promote the development of consumer finance, and solidly advanced inclusive finance. In terms of personal housing loans, the Bank adapted to the new changes in the relation between supply and demand in the real estate market, implemented city-specific policies, and provided stronger support to meet people’s rigid demand and improved demand for housing. In terms of personal business loans, the Bank continuously refined product policies, accelerated online transformation of business operation, and further improved the convenience and coverage of inclusive loans. In terms of personal consumer loans, the Bank implemented consumption stimulus and fiscal subsidy policies, and continued to enrich the supply of consumer finance products, so as to satisfy the individualized and diversified consumption needs of customers and enhance the role of finance in boosting consumption. As at the end of the reporting period, the balance of retail loans (excluding credit card business) amounted to RMB1,097,536 million, a decrease of RMB9,140 million or 0.83% over the end of the previous year.

## 4. Wealth management

The Bank continued to advance the transformation and development of its wealth management business, built the featured brand of “Sunshine Wealth”, and strove to meet the wealth management needs of all customer groups throughout the entire life cycles. The Bank strengthened product selection and customization, established a full-category product shelf, and launched the “7+” (Fixed Income Plus) multi-asset multi-strategy product system (including seven major investment strategies such as “+ Diversified”, “+ Quants” and “+ REITs”). The Bank proactively ventured into pension finance and inclusive finance, continuously diversifying its offerings of inclusive, low-risk and protection-oriented products. Leveraging its innovation strengths and focusing on customer needs, the Bank intensified its efforts in pioneering market launches and functional iterations. Innovative features such as “Wealth Management with Self-selected Maturity Dates”, “Travel Wallet” and “Personal Loan Automatic Repayment (Sui Xin Bao)” were well received by customers. The Bank optimized its digital service and operational capabilities, strengthened customer profile analysis, and built exclusive service and operation systems to accurately match the wealth management demands of different customer groups. The Bank formed a classified, stratified, professional and efficient retail service team, intensified the application of investment research outcomes, and iteratively upgraded digital asset allocation tools such as “Wealth Ladder” and “Income Statement”, thereby enhancing its professional service capabilities. The Bank continuously strengthened risk management by establishing a full-life-cycle product management system, embedding risk management in all links of agency sale business, and providing customers with cross-cycle wealth management services. During the reporting period, the Bank’s net fee income from personal wealth management stood at RMB8,356 million, accounting for 41.26% of the Bank’s total net fee income.

## Management Discussion and Analysis



### Topic 4 Sunshine Wealth: Professional Services Paving a New Path to Prosperity

Regarding “creating value for customers” as the starting point, the Bank actively developed its featured “Sunshine Wealth” business, and established a brand image characterized by “trustworthiness and professionalism”.

#### I. Enriching high-quality product shelf and building a diversified wealth management matrix

Based on its two major product series (“Sunshine Wealth Management” and “Sunshine Gold Selection”), the Bank developed a multi-format high-quality wealth management product shelf covering wealth management products, funds, private placement, insurance and gold, to meet customers’ diversified asset allocation needs. In response to market trends and customers’ investment demands, the Bank took the lead in launching the “7+” multi-asset multi-strategy product system, with assets under management exceeding RMB150 billion, including over RMB100 billion newly added during the year. In public fund distribution, the Bank launched several sub-brands, such as the liquid money management product “Zhang Xin Bao”, the fixed-income-focused “Red Series” and the equity-linked “Ying Series”. In private placement distribution, the Bank focused on “fixed income +” and multi-asset strategies to continuously introduce high-quality products and promote sustained marketing of top-performing products, and explored to customize product lines for high-net-worth customers. In insurance, the Bank developed an integrated “banking–insurance–elderly care” service model and promoted pension account books and planning tools to enhance the professionalism of pension services, cumulatively serving customers for over 3.1 million person-times.

#### II. Leveraging innovation strengths to upgrade personalized scenario-based service models

Since launching its inaugural RMB wealth management product, the Bank has continuously driven development through innovation. The Bank emerged as a frontrunner in the market to launch pension wealth management products, release infrastructure public REITs products, and introduce the innovative “Target Ying” wealth management product. To meet customers’ diversified wealth management needs, the Bank took the lead in launching distinctive features including the “Sunshine Gold Self-selection Plan”, a wealth management service that allows customers to select maturity dates by themselves, the “Travel Wallet – Pay-as-You-Go” installment savings-based wealth management tool, and the “Personal Loan Automatic Repayment (Sui Xin Bao)” service. Furthermore, the Bank offered multiple regular investment plan options, including Target Investment, Popular Investment and Secure Investment, providing customized asset allocation solutions and enhancing customers’ sense of exclusivity and customization in wealth management and investment.

### III. Enhancing service capabilities to deliver comprehensive and attentive customer experience

The Bank remained committed to providing high-quality customer service experience. The Bank made its services more convenient, and upgraded its Mobile Banking app to Version 13.0, enabling personalized recommendations for wealth management products and delivering companion-style services covering all customer groups throughout their business journeys. The Bank made its services more interesting, and launched the first financial social platform in the industry, the “Golden Cicada Community and Wealth Manager Workshop”, which integrates products, campaigns, and content operations to offer a novel digital customer service experience. During the reporting period, the cumulative transaction volume on the platform exceeded RMB200 billion. The Bank made its services more professional, and provided customized asset allocation and financial planning solutions for customers, relying on the Bank’s over 1,500 business outlets and over 5,000 wealth managers, specialized investment advisors and wealth advisors. The Bank made its services more intelligent, optimized the “Sunshine Consultant” digital investment research and advisory platform, upgraded features such as the “wealth ladder”, fund portfolio assessment, and wealth management income statements, and launched an AI-powered Q&A assistant that enables interactive product inquiries, report interpretation and diagnostic analysis, thereby boosting the efficiency of frontline professional services. During the reporting period, wealth managers served customers for over 2 million person-times on the “Sunshine Consultant” platform.

### IV. Solidifying management foundations and establishing a full-life-cycle product management system

The Bank advanced the establishment of a full-life-cycle management system for its distributed wealth management products, and promoted a comprehensive risk control framework that covers pre-sale, during-sale and post-sale stages to drive the integration of business procedures, enhance management precision and optimize product selection for the distributed wealth management business. The Bank maintained stringent control over the access of cooperation institutions and products, conducting rigorous review on their qualifications, reputation and management capabilities to ensure product quality and safety at the source. The Bank adhered to strict product risk rating standards, conducting multi-dimensional comprehensive assessments on product underlying, return structure and risk profile to protect customers’ assets. The Bank monitored product performance in real time, closely tracked fluctuations in net asset value and market performance, enabled system automatic risk warnings in response to abnormal volatility or when risk thresholds were breached, made timely adjustments to investment strategies, and strengthened risk disclosures to ensure the safety of customer assets. The Bank established a product selection pool, dynamically optimized product allocation strategies, and continuously improved the overall quality of its distributed wealth management products to provide customers with better investment options.



## Management Discussion and Analysis



### Case 5: Pension Finance Providing Warm Care

#### The “Finance + Medicare, Elderly Care, Healthcare and Tourism” Services

In response to the trend of population aging, the Bank promoted the development of pension finance. The Bank established a value-added service system featuring “finance + medicare, elderly care, healthcare and tourism”. By integrating China Everbright Group’s advantageous resources in medicare, elderly care, healthcare and tourism, the Bank launched a special zone called “Yi Xiang Fu Wu” (Sunshine Premium Services) on its Mobile Banking app, allowed “Yi Xiang Yang Guang” (Sunshine Premium) customers to access 13 value-added services, including admission fee reduction and exemption of more than 500 elderly care institutions under the “He Guang Yi Yang” (Sunshine Elderly Care) brand of China Everbright Group, exclusive discounts on CYTS’ cultural tourism products, and preferential rates for medicine purchases from Cachet Pharmaceutical Company Ltd. With its one-stop feature, this special zone serves as a practical and convenient comprehensive pension finance service platform for customers.



#### The “Banking-Insurance-Elderly Care” Integrated Services

The Bank integrated the high-quality service resources of market institutions to develop services featuring the collaboration among banking, insurance and elderly care. The Bank pioneered pension finance models such as “insurance + institutional elderly care”, “insurance + travel-based living” and “insurance + home-based nursing”. The Bank focused on cultivating three core capabilities including pension planning, pension scenarios and pension services, thereby providing customers with comprehensive solutions covering elderly care, old-age security and wealth inheritance. As at the end of the reporting period, the Bank’s Mobile Banking app introduced 98 elderly care community scenarios, with its pension finance service special zone cumulatively serving customers for 3.108 million person-times, and the AUM for pension insurance witnessed an increase of 17.67% over the end of the previous year.

#### Engaging with Senior Consumers

The Bank intensified its efforts in the financial education for senior consumers. By partnering with the universities for the aged, elderly apartments and relevant communities, the Bank set up nine “Age-friendly Financial Education Bases” to offer a favorable environment to the elderly to acquire financial knowledge, thus effectively enhancing their financial literacy and risk prevention capabilities. Additionally, the Bank recruited old-age customers to serve as “Sunshine Consumer Protection Ambassadors” who have enthusiasm to participate in activities and willingness to share knowledge, to lead others to jointly learn financial knowledge. During the reporting period, the Bank organized a total of 11,977 financial education activities for elderly customers, reaching people for over 54 million person-times.

## 5. Private banking

The Bank's private banking business actively supported technology finance, pension finance and digital finance in order to foster a featured wealth management brand. The Bank continuously deepened the reform of customer base management, strengthened the stratified, classified and grouped management, focused on three types of customer base including entrepreneurs, families and self-focused women. The Bank developed a customer service methodology encompassing "prospecting, acquisition, conversion, optimization and retention" to enhance the capabilities of diversified asset allocation and wealth management services. The Bank improved the comprehensive financial service solutions featuring the integration of commercial banking, investment banking and private banking for sci-tech innovation firms, and built the "Great Heirloom (Da Cheng Chuan Jia)" family trust brand to offer customized services to entrepreneurs. The scale of family trusts expanded by 73.75% over the end of the previous year. The Bank organized the "Sunshine Gold Select Companion" wealth management campaign, serving 10,210 entrepreneurs, with AUM increasing by 8.77% as compared with the end of the previous year. The Bank enriched the "mega pension finance" product shelf that includes personal pension insurance, pension funds and commercial pension products, and upgraded the two major tools (pension ledger and pension planner), serving customers for 3.11 million person-times in total. The Bank actively expanded elderly community services by partnering with 159 elderly care institutions and integrating 6 elderly care scenarios, and launched a VR tour feature on its Mobile Banking app to deliver one-stop elderly care solutions to customers. The scale of pension insurance products increased by 17.67% year on year. The Bank also strengthened the development of digital investment research and consultation, created the "Sunshine Gold Selection" wealth management brand, and iteratively upgraded digital asset allocation tools such as the "wealth ladder", "income statement" and "fund portfolio assessment", serving customers for 2.52 million person-times during the year. During the reporting period, the scale of agency business reached RMB306,660 million. The sales volume of agency products such as public placement, private placement and insurance amounted to RMB193,405 million, a year-on-year increase of 16.46%. As at the end of the reporting period, the Bank had 75,667 private banking customers, an increase of 6.26% over the end of the previous year. The AUM of private banking customers amounted to RMB743,657 million, an increase of RMB42,606 million or 6.08% over the end of the previous year.

## 6. Credit card business

Amid a shrinking credit card market and constant pressure on asset quality, the Bank upheld its prudent and steady development philosophy, insisted on the return to the origin of consumption, shifted focus back to branches, and strove to optimize its asset structure and stabilize its asset scale through refined management and risk control. The Bank strengthened tiered customer management, focused on the key stages of the customer life cycle to establish a digital operational closed loop covering benefit design, channel outreach and performance evaluation, effectively reducing customer churn. The Bank continuously attracted customers through coordinated, online and offline targeted scenarios to improve the quality of newly acquired customers. The Bank actively supported consumption by launching the "Happy Festival" themed marketing campaign, organizing business district activities tailored to regional characteristics, and collaborating with e-commerce platforms to conduct precision marketing and to establish interest-subsidized installment special zones for scenario-based consumption, so as to contribute to consumption upgrading. The Bank comprehensively strengthened risk management by systematically reviewing its risk rating models, increasing the frequency of risk strategy optimization, and implementing regionally differentiated credit



## Management Discussion and Analysis

approval and credit extension policies. The Bank strengthened coordinated debt collection to improve the recovery efficiency of special assets across different delinquency stages. The Bank deepened the application of innovative technologies, expanded the empowerment of AI in marketing, debt collection and operation management, advanced the implementation of large model applications, and developed intelligent agents for smart Q&A, data analysis and voice quality inspection, thereby enhancing both customer experience and operational efficiency. During the reporting period, the transaction amount was RMB1,483,475 million, the time-point overdraft balance was RMB366,335 million, and the income from credit card business was RMB26,903 million.

### 7. Digital Finance and Cloud Fee Payment

Insisting on the customer-centered approach, the Bank improved open and intelligent service capabilities in key areas such as Cloud Fee Payment, Enterprise Administrative Management Service Platform (“Xin Yue Tong”), scenario-based finance, and Mobile Banking construction and operation, actively built a digital finance development model with Everbright characteristics, and supported consumption boosting and domestic demand expansion, so as to better serve the real economy and social well-being. CEB Cloud Fee Payment maintained its advantages as China’s leading open-ended convenient fee payment platform, continuously expanded the scope of service, and contributed to safeguarding and improving people’s livelihood and enhancing the equalization of financial services. As at the end of the reporting period, the platform offered 19,672 fee payment service items cumulatively, a year-on-year increase of 1,692 items or 9.41%. The payment service items were exported to 913 platforms cumulatively, an increase of 33 platforms or 3.75%. The platform served 3,667 million person-times, up 7.88% year on year, with the total amount of fee payment reaching RMB979,275 million, up 8.31% year on year. With Enterprise Administrative Management Service Platform (“Xin Yue Tong”), the Bank targeted at group customers and micro, small and medium-sized enterprises (MSMEs) to upgrade agency payroll service mode, delivering customized solutions and diversifying digital value-added services for the management of general affairs covering human resources, finance and administrative affairs. During the reporting period, it served 44.7 thousand corporate customers. The Bank further developed featured scenario-based financial services and built a “life + finance” integrated service ecosystem. With Sunshine Logistics Express (“Wu Liu Tong”), the Bank deepened cooperation with leading enterprises, upgraded account systems, and extended service chains, achieving transaction volume of RMB178,535 million during the reporting period. Through Sunshine Housing Express (“An Ju Tong”), the Bank proactively innovated service models to establish in-depth partnerships with leading enterprises in the industry, with the transaction volume standing at RMB372,104 million during the reporting period. The Bank rolled out the Version 13.0 of CEB Mobile Banking, built the “Sunshine Wealth” special zone, upgraded channels for wealth management, funds, loans and credit cards, optimized the special zone of pension finance, improved the “Age-friendly Version” service functions, and upgraded intelligent services to continuously enhance the digital stratified and grouped customer management capability. As at the end of the reporting period, CEB Mobile Banking platform had 69.6428 million registered users, an increase of 5.58% over the end of the previous year.



#### Topic 5 Cloud Fee Payment: Convenient Services Enhancing People’s Well-being

As an industry-leading open-ended and convenient payment platform, CEB Cloud Fee Payment upheld the development philosophy of “benefiting people’s livelihood, delivering warmth to people, and responding to public needs”, adhered to an open and intelligent service model, delved deeply into convenient services and inclusive finance, built a “life + finance” service ecosystem with Everbright’s distinctive characteristics, and drove the development of the convenient fee payment industry towards greater inclusiveness, equality, quality, convenience, precision and intelligence. In 2025, CEB Cloud Fee Payment was selected as an annual case of serving the five target areas of finance by Financial News, and was awarded the case of “People’s Choice Craftsmanship Service” by People’s Daily Online.

### I. Continuously expanding service coverage to support and improve people's livelihood

CEB Cloud Fee Payment maintained its advantages as China's leading open-ended and convenient fee payment platform, continuously expanding its service boundaries and enriching its service connotations to support and improve people's livelihood and enhance the equalization of basic public services. Committed to "carrying out the blueprint to the end", the platform focused on key areas including electricity, water, gas, heating, non-tax payments, traffic fines, social security and property management to accelerate the comprehensive rollout of fee payment items across provinces, cities, counties and townships. The Bank integrated more than 19,600 payment items in over 220 subcategories under 25 major categories. Electricity fee collection services realized full coverage, while the county-level coverage rates for water, gas and heating fee collection services reached 72.10%, 70.00% and 83.92%, respectively. In the meantime, the platform continuously expanded its exporting to cooperative platforms, and exported to 913 partner institutions, including large internet companies and provincial and municipal government service platforms. During the reporting period, Cloud Fee Payment served customers for 3,667 million person-times, a year-on-year increase of 7.88%, with a payment volume totaling RMB979,275 million, a year-on-year increase of 8.31%, demonstrating continuous enhancement of its livelihood service capabilities.

### II. Serving digital social security scenarios to support the construction of smart government affairs

Relying on the Social Security Cloud Fee Payment mini-program, the Bank provided online and convenient personal social security fee collection services to urban and rural (village) residents as well as flexible employment groups, launched a dedicated age-friendly version for elderly users, introduced customized and user-friendly financial products, and established an integrated service ecosystem covering "social security + pension finance + medical insurance". The Social Security Cloud Fee Payment had extended services to 28 provinces, serving 158 million social security users during the year. In terms of non-tax fee collection services, Cloud Fee Payment deepened cooperation with government agencies at various levels in different regions, providing fee payment services in areas such as traffic fines, education, judicial services, as well as housing and urban development, thereby assisting government agencies in enhancing their "once-for-all online handling" service capabilities.

### III. Diversifying the financial product shelf to build an integrated "life + finance" service system

Based on customers' diversified needs, the Bank leveraged its proprietary platforms, including the Cloud Fee Payment app, official mini-program and Social Security Cloud Fee Payment mini-program, to continuously upgrade services of micro finance. The Bank optimized the product purchase process and enhanced customer experience, offering inclusive and convenient financial products with low thresholds and high adaptability. By deeply integrating "life + finance" services, the Bank delivered one-stop services that combine convenient fee payments and wealth management.

光大云缴费®  
Cloud Fee Payment

**光大云缴费**  
**服务全社会**

水、电、燃气、供暖、社保、教育、物业等  
便民缴费掌上办，服务数亿用户

## Management Discussion and Analysis



### Case 6: Digital Finance Championing Smart Living

#### CEB Mobile Banking

The Bank launched the brand-new Version 13.0 of Mobile Banking app, continuously enhancing customer experience through more diverse service scenarios and more intelligent service functions. Upholding the “aesthetic, user-friendly, distinctive and secure” design concept, the Bank restructured the five main homepages (Home, Borrowing, Wealth, Promotions and My Account) to create a comprehensive service matrix that integrates diversified financial services including wealth management, pension finance, retail credit and credit card, as well as convenient life services. The Bank strengthened the building of featured wealth management functions by optimizing key channels including wealth management products, deposits, funds and insurance, and established a “Sunshine Wealth” special zone. The Bank upgraded the special zone for pension finance services, offering exclusive services that integrate “finance + medicare, elderly care, healthcare and tourism” with Everbright characteristics, while continuously optimizing the age-friendly version to enhance the senior-friendly user experience. The Bank newly launched the “Borrowing” homepage that integrates retail credit and credit card services, precisely meeting customers’ financing needs and enabling online “one-stop” processing to boost consumption. As at the end of the reporting period, the number of registered CEB Mobile Banking users exceeded 69 million.



#### Enterprise Administrative Management Service Platform (“Xin Yue Tong”)

Centering on comprehensive agency payroll services at the core, the Enterprise Administrative Management Service Platform (“Xin Yue Tong”) deeply integrated multiple scenarios, including corporate human resources, finance and collaborative office work, and built featured services including intelligent payroll, group agency payroll and flexible office solutions to facilitate enterprises’ transition to efficient and intelligent administrative management. Through the platform, the Bank provided enterprises with whole-process customized and automated solutions, covering attendance statistics, payroll accounting, agency payroll and individual income tax filing. For group customers, the Bank introduced three agency payroll service solutions including “single-entity payroll”, “multi-entity centralized payroll” and “multi-entity distributed payroll” to address their complex payroll challenges. Catering to the needs of the human resources industry, the Bank provided eight-dimensional query and customized payroll reconciliation statement generation services. Additionally, the Bank introduced flexible office functions such as approval workflows, official documents and announcements to empower enterprises’ office work scenarios. During the reporting period, the Enterprise Administrative Management Service Platform (“Xin Yue Tong”) served 44.7 thousand corporate customers, and processed over 4.4 million agency payroll transactions with the amount exceeding RMB28 billion.



### iii. Financial market business



Operating income

RMB26,072 million

GMV

RMB3.50 trillion

The Bank's financial market business line took serving the real economy and implementing national strategies as the main tasks, continuously deepened the development strategy of "stable allocation, active trading, increased agency business and strengthened risk control", and leveraged its professional investment and trading capabilities to continuously optimize the efficiency of financial resource allocation. The Bank actively built a cooperative and mutually beneficial financial institution ecosystem, and deepened comprehensive management for financial institution customers, achieving positive results in cost reduction, quality improvement and efficiency enhancement. Following a customer-centered approach, the Bank optimized and upgraded the "Colorful Sunshine" product system, consolidated and enhanced professional investment and research capabilities, continuously enriched its multi-asset multi-strategy toolbox, and improved its equity and alternative investment business. Leveraging its custody platform, the Bank achieved steady improvement in business performance, continuously enhanced operational efficiency and service quality, and steadily advanced the building of "Everbright Custody" brand. During the reporting period, the Bank's financial market business line realized an operating income of RMB26,072 million, a decrease of RMB3,903 million or 13.02% year on year, accounting for 20.61% of the Bank's total operating income.



#### Topic 6 Sunshine Financial Market: Serving Diversified Markets Through Ecosystem Co-building

The Bank's "Sunshine Financial Market" business adhered to the development strategy of "stable allocation, active trading, increased agency business and strengthened risk control" as the main thread, committed to serving the real economy, advanced its professional capability building, and maintained coordinated balance among scale, structure, price and risks to comprehensively enhance the efficiency of financial resource allocation.

##### I. Serving the real economy and actively responding to national strategies

The Bank consistently regarded serving the real economy as its fundamental mission, providing targeted support for serving the five target areas of finance and key economic fields. Fully leveraging the financing and resource allocation function of the bond market, the Bank increased allocation in bonds relating to key areas such as sci-tech innovation, green development and manufacturing, implemented national work initiatives relating to alleviating financing difficulties for MSMEs and supporting rural revitalization, and yielded positive results in advancing national strategies and optimizing economic structure. Adhering to the philosophy of exchange rate risk neutrality, the Bank actively developed foreign exchange agency business, supported branches in marketing among key import and export enterprises, and provided high-quality efficient hedging services through foreign exchange derivatives, effectively supporting balanced growth of its foreign exchange agency business.

##### II. Building a financial institution ecosystem and expanding new horizons in financial institution operation

Centering on the theme of "Sunshine Tech Innovation + Financial Institution Finance", the Bank established a financial institution ecosystem, collaborating with Shanghai Stock Exchange, Shenzhen Stock Exchange and Beijing Stock Exchange to host multiple themed events titled "Visiting Stock Exchanges with Everbright" aimed at serving technology enterprises through the financial institution ecosystem. Through an integrated "commercial banking + investment banking" service framework, the Bank bridged the gap between financial institution customers and corporate customers, working with financial institutions across debt financing, direct equity investment, industrial funds and IPO sponsorship to form a closed-loop financial ecosystem. Covering the full life cycle of technology enterprises, the Bank established a comprehensive financial companionship system, driving its financial services from "single-point breakthroughs" to "ecosystem co-building".

## Management Discussion and Analysis

### III. Optimizing business structure and building a new custody service model

The Bank supported serving the real economy by providing custody services for industrial funds in sectors such as semiconductors, new energy, biomedicine, environmental protection and green transportation, with the newly-added custody scale standing at RMB11 billion. The Bank actively expanded emerging business markets, and optimized the structure of its publicly-offered fund custody business, with equity-related products accounting for over 90% of newly added publicly-offered fund custody projects. In cooperation with trust companies, the Bank completed its first custody project of family service trust and the first custody project of salary management service trust at the Bank. The Bank enhanced compliance and internal control standards to ensure stable and secure custody operation, strengthened technological empowerment to promote digital transformation, and continuously upgraded the custody system to improve the standardization, digitalization, automation and intelligence level of its custody operation.

#### 1. Treasury business

The Bank closely monitored market changes and strengthened research and analysis, continuously optimizing the forward-looking allocation and flexible management of its bond portfolios. By capitalizing on the swing trading opportunities in the bond market, the Bank enhanced returns while steadily improving the liquidity, safety and profitability of its asset portfolios. The Bank made solid headway in serving the five target areas of finance, actively developed underwriting businesses for government bonds, policy financial bonds and local government bonds, and further supported investment in themed bonds such as sci-tech innovation bonds, green bonds and manufacturing bonds. The Bank enhanced market research and analysis, conducted prudent management to ensure trading stability and foreign currency liquidity, and maintained liability stability in an orderly manner. The Bank consistently adhered to the philosophy of exchange rate risk neutrality, and remained committed to serving the real economy with finance. As at the end of the reporting period, the Bank's proprietary bond portfolios amounted to RMB1,456,165 million, accounting for 20.32% of the Bank's total assets, with treasury bonds and local government bonds accounting for 63.88% of the portfolio.

#### 2. Financial institution business

The Bank actively built a collaborative and mutually beneficial financial institution ecosystem, deepened comprehensive operation of financial institution customers, and achieved positive results in cost reduction, quality improvement and efficiency enhancement. Closely aligning with national key areas, the Bank leveraged credit bonds and asset-backed securitization instruments to support direct financing for enterprises in manufacturing, technology, green development and inclusive finance, effectively channeling financial resources to the real economy. The Bank conducted forward-looking market research and analysis, optimized asset allocation structure, and promoted higher-quality and more efficient financial institution business. By adhering to the strategy-driven approach, the Bank optimized resource allocation, implemented refined management, and established a flexible and efficient asset-liability portfolio management strategy. The Bank maintained coordinated balance among liquidity security, risk prevention and operational efficiency to facilitate the liquidity management of the Bank. Strictly upholding compliance standards, the Bank reinforced credit risk monitoring and early warning, ensuring stable and controllable asset quality. During the reporting period, the Bank conducted business cooperation with nearly 4,000 financial institution customers, with the relevant balance of deposits totaling RMB506,454 million.



### Case 7: The “Visiting Stock Exchanges with Everbright” Events

Leveraging the collaborative strengths and the full financial license resources of China Everbright Group, the Bank co-hosted multiple “Visiting Stock Exchanges with Everbright” themed events with Shanghai Stock Exchange, Shenzhen Stock Exchange, and Beijing Stock Exchange to serve sci-tech enterprises with financial institution ecosystem, covering three major national strategic regions including the Yangtze River Delta, the Guangdong-Hong Kong-Macao Greater Bay Area and the Beijing-Tianjin-Hebei region. The Bank invited sci-tech innovation enterprises, securities firms, equity investment institutions and other institutions to participate in these events. During the events, senior experts from stock exchanges interpreted the latest policies and institutional arrangements, while representatives from the private equity fund industry introduced the “debt + equity” dual-engine technology finance model. Together, they explored innovative pathways in technology finance to facilitate sci-tech innovation enterprises to engage with the capital markets, so as to promote the development of new quality productive forces.

Centering on the “digitalization + ecosystem” strategy, the Bank continued to expand its financial institution network, achieved cross-segment coordinated marketing, enhanced the quality and efficiency of financial institution customer management, and provided full-life-cycle financial services for sci-tech innovation enterprises covering the stages of “start-up incubation, technology commercialization, listing preparation, and investment and financing services”, thereby establishing a complete financial companionship system.



### 3. Asset management

The Bank continued to give play to the wealth management function of its “Sunshine Wealth Management” platform by optimizing and upgrading its “Colorful Sunshine” product system. The Bank built the “Everbright Premium + (Guang Ying +)” multi-asset multi-strategy brand with a focus on strategies such as “+ Quants” and “+ Diversified” to address investors’ diversified asset allocation needs. The Bank remained committed to providing robust wealth management services in key areas, actively developing themed wealth management products in pension finance, green finance and inclusive finance, with the product scale realized steady growth and the market competitiveness and customer recognition continuously enhanced. The Bank further enhanced its investment research capabilities by establishing an interactive research framework and decision-making mechanism tailored to its wealth management business. The Bank strategically allocated resources to key areas such as equity assets and alternative investments, effectively expanding asset acquisition channels and enhancing support for the capital markets and the real economy. Strictly adhering to compliance and risk control standards, the Bank dynamically optimized its comprehensive risk management system, strengthened product quality control, and safeguarded investors’ legitimate rights and interests, achieving coordinated development in scale, efficiency and quality. As at the end of the reporting period, the Bank’s consolidated balance of non-principal-guaranteed wealth management products stood at RMB1,945,963 million, all of which were NAV products. During the year, the Bank cumulatively issued RMB4.58 trillion of non-principal-guaranteed wealth management products, and created value of RMB35,913 million for investors.



## Management Discussion and Analysis



### Case 8: Sunshine Wealth Facilitating Steady and Sustainable Growth

#### The “Everbright Premium + (Guang Ying +)” Brand

In response to investors’ demands for the transformation and upgrading of wealth management, the Bank launched the “Everbright Premium + (Guang Ying +)” multi-asset multi-strategy brand. The Bank prioritized equity asset allocation as a strategic focus, optimizing the risk-return ratio and enhancing risk resilience through cross-asset and cross-market allocations. The system of the brand encompasses eight major strategies, including diversified, index-based, quantitative, public REITs and derivatives strategies, which can effectively increase the allocation ratio in equity assets and better seize structural opportunities in equity markets to boost the overall returns of investment portfolios. The Bank expanded diversified investment instruments, actively deployed capital market tools, and increased the application of investment options such as ETFs, private placements by listed companies and convertible bonds. By implementing the dynamic asset rotation strategy and relying on its multi-strategy framework, the Bank made dynamic adjustments to asset allocation to generate long-term and sustainable investment returns for investors. As at the end of the reporting period, the scale of “Everbright Premium + (Guang Ying +)” products exceeded RMB270 billion.



#### The Pre-emptive Rights Business

The Bank took the lead in launching the pre-emptive rights business tailored for sci-tech enterprises. By adopting an investment-loan linkage model featuring “debt financing + pre-emptive rights”, the Bank delivered integrated financial solutions covering the full life cycle of technology enterprises. While providing credit support for these enterprises, the Bank secured pre-emptive investment rights for enterprises in respect of future capital increases through contractual arrangements, effectively addressing financing challenges during their growth phases. As at the end of the reporting period, the Bank signed agreements with nearly 300 sci-tech innovation enterprises, primarily covering key areas such as semiconductors, artificial intelligence and biomedicine. The Bank incorporated the concept of technology finance into product design, launched the “Sunshine Purple Premium (Yang Guang Zi Xin Xiang)” series of private placement products, and introduced the pre-emptive rights based on high-quality debt assets. These products can not only realize stable returns, but also create opportunities for investors to share the growth dividends of high-tech enterprises, effectively connecting asset origination with the wealth management value chain.

#### 4. Asset custody

The Bank’s asset custody business prioritized both development and security, actively leveraging its custody platform to achieve steady improvement in operating performance. The Bank continuously enhanced operational efficiency and service quality, while steadily advancing the brand building of “Everbright Custody”. The pension custody business realized rapid growth, with the custody scale increasing by 13.79% over the end of the previous year. The futures asset custody business achieved a notable breakthrough, with the peak custody scale exceeding RMB100 billion during the reporting period. The Bank strengthened risk compliance and internal control management to ensure continuous, secure and stable operation across all custody businesses. The Bank actively conducted various custody businesses, including securities investment fund custody, asset management custody for fund companies and securities firms, bank wealth management custody and pension custody. As at the end of the reporting period, the custody scale of products within the category of wealth management business reached RMB5.49 trillion, up 5.39% over the end of the previous year.

## XV. BUSINESS INNOVATION

The Bank further refined its innovation management system, established a sustainable and innovation-driven mechanism, ramped up efforts in innovation guidance and incentives, and effectively managed the approval, supervision and closure of innovation projects. As at the end of the reporting period, the Bank granted project closure approvals to 34 innovation projects in several public service sectors. The Bank also set up annual innovation development awards with a focus on key innovation themes such as serving the five target areas of finance and boosting consumption. A total of 37 awards under two categories were granted in recognition of outstanding innovation achievements.

## XVI. FINANCIAL TECHNOLOGY

The Bank remained committed to advancing the implementation of the three-in-one digital Everbright strategic framework integrating “Bank-wide strategic planning, digital finance development planning and technological strategic planning”, and furthered the building of the “123+N” digital banking development system. During the reporting period, the core indicators continued to grow. Empowered by “one smart brain”, the Bank continued to enhance intelligent thinking and perception capabilities, developed 130 training algorithm models, and strengthened the cross application of multimodal biometrics identification covering over 880 scenarios. As for the “two technological platforms”, the big data platform realized highly efficient data supply, with the total amount of data on the platform exceeding 15PBs, and the cloud computing platform boasts a general computing capacity of 133.08PFLOPS and an AI computing capacity of 90.70PFLOPS. As for the “three service capabilities” with a focus on online, intelligent and scenario-based development, the Bank continuously enhanced the digital and intelligent capabilities in business areas such as technology finance and inclusive finance. The Bank applied fintech to support the development of “N featured business products”, including Sunshine Tech Innovation, Sunshine Wealth and Cloud Fee Payment, efficiently empowering the Bank’s digital transformation with fintech.

The Bank continuously advanced the implementation of its technological strategic planning during the 14th Five-Year Plan period, regularly tracked and reported on the progress of key projects, and initiated the formulation of its technological strategic plan for the 15th Five-Year Plan period. The Bank promoted Head Office-branch research collaboration, leveraging the specialized technological innovation research office to complete 54 research projects. During the year, the Bank’s financial technology business line obtained 942 intellectual property rights, including 12 patents. The Bank ensured safety during critical periods of time, organized the unified routine drills for the financial industry, and earned an “Excellent” rating in the GH2025 special operation. The Bank’s production systems maintained stable operation with an overall availability rate of 99.99974%, and there occurred no major production incidents of Level III or above.

The Bank formulated 1,062 indicator standards relating to the five target areas of finance, and cumulatively released 2,338 data standards. Through the two major initiatives, “Cornerstone” and “Lighthouse”, the Bank achieved standardization at the source in systems such as the New Core Business System (NCBS) and the Corporate Credit Management Platform (CCMP). The Bank enhanced the intelligent management and application level of data assets, built tools for intelligent data labeling and intelligent data dictionary, and launched the “AskData (Wen Shu)” interactive intelligent data query tool, enabling real-time access to over 4,700 indicators and over 1,000 industry research reports. The Bank completed 49 types of automated data analysis reports, built a strong data analysis team consisting of 2,336 persons, and achieved full coverage across all domestic branches. Furthermore, the Bank set up a leading group for personal information protection, comprehensively established a long-effect mechanism for personal information protection, and effectively safeguarded the legitimate rights and interests of financial consumers.

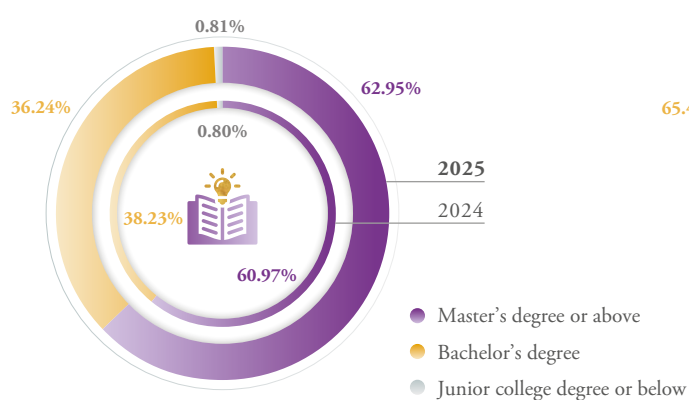
## Management Discussion and Analysis

To efficiently boost business development, the Bank continued to strengthen the standardization, parameterization and productization capabilities of its systems to help improve the quality and efficiency of business development. Focusing on key business areas, the Bank deepened its scenario-based financial ecosystem, and enriched its diversified service scenarios. The Bank further advanced the realization of AI empowerment. The Bank's AI middle office platform had been connected to 89 systems, providing 233 AI capabilities for 65 institutions including the Head Office and branch outlets. The application of Robotic Process Automation (RPA) extended to more than 1,700 scenarios in total, enabling automated business operation to effectively free up human resources and improve work efficiency. Additionally, the Bank strengthened the capacity for self-reliance and control, continuously upgraded its self-developed platforms, and extended application to 293 systems, providing robust support for business system construction and facilitating digital and intelligent transformation.

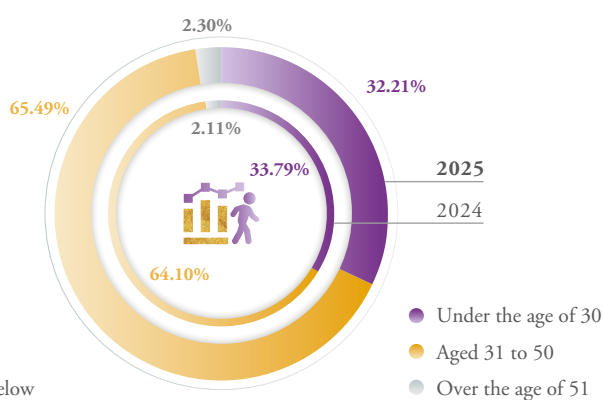
The Bank improved the institutional mechanisms for digital finance, and advanced the implementation of digital finance development plans and key tasks through the collaboration between the Head Office and branches. The Bank built an AI development system that covers overall coordination, scenario-based application and technical support. The Bank developed a large model intelligent assistant matrix featuring “9 work positions × 10 general capabilities” to facilitate employee productivity improvement and office process reengineering. The Bank generated intelligent reports, such as the credit investigation reports for large and medium-sized enterprises, the inclusive finance post-loan reports and the corporate banking marketing reports, to serve over 3,400 customer managers across the Bank with a total of over 37,000 reports to help improve the efficiency of credit investigation.

The Bank continued to improve the technological input-output efficiency, and strengthened the building of talent teams. During the reporting period, the Bank invested RMB6,449 million, accounting for approximately 5% of the operating income. As at the end of the reporting period, the Bank's IT staff count was 4,294, an increase of 308 from the end of the previous year, accounting for 8.86% of the personnel of the Bank. In terms of educational background, 35 employees held a junior college degree or below, accounting for 0.81%, 1,556 employees held bachelor's degrees, accounting for 36.24%, and 2,703 employees held a master's degree or above, accounting for 62.95%. In terms of age, 1,383 employees were aged 30 or younger, accounting for 32.21%, 2,812 employees were aged 31 to 50, accounting for 65.49%, and 99 employees were aged 51 or older, accounting for 2.30%.

The educational background structure of IT personnel of the Bank



The age structure of IT personnel of the Bank





## Case 9: Fintech Empowering Business Operation

### Automated Business Analysis Reports

To support the operation and management of branches and sub-branches and release the potentials of data elements, relying on the massive data assets and big data computing power, the Bank employed automated and intelligent technologies to generate business analysis profiles for branches and business analysis reports for sub-branches. The Bank provided comprehensive, timely and automated business analysis for 39 branches and more than 1,170 sub-branches. The business analysis reports for branches and subbranches encompass 1,500 operation indicators, covering areas such as treasury management, risk control, corporate banking and retail banking. With innovative delivery methods and highly efficient data collection and analysis, these reports can facilitate the management teams at the branches and subbranches to keep abreast of operational developments in a timely manner, and effectively drive cost reduction and efficiency enhancement. In the meantime, through centralized training and technical guidance, the Bank advanced the cultivation of technology staff at branches, and enhanced their capabilities in overall business analysis and data application to respond to individualized needs.

### Corporate Inclusive Finance Business Testing Task Force

The Bank set up a dedicated Corporate Inclusive Finance Business Testing Task Force, aiming to efficiently respond to business demands and ensure the rapid and effective rollout of inclusive finance business across the branches. The task force continuously refined testing procedures and optimized testing strategies. Through multiple measures including dedicated product managers, full-process monitoring and management, rapid error reporting and troubleshooting, cross-departmental coordination and guidance, and deep system integration, the task force reduced 31% of the testing cycle, significantly enhanced testing efficiency, and ensured the on-schedule launch of 679 task force demands. During the year, the Bank launched 15 new inclusive finance products including “e-Guarantee Loan” and “e-Credit Loan”, and completed more than 20 upgrades for products such as “Tech Firm e-Loan” and other products relating to SRDI (Sophisticated, Refined, Distinctive and Innovative) enterprises. The Bank steadily established a complete inclusive finance product system with cumulative loan disbursements exceeding RMB30 billion during the year, providing solid technological support for the high-quality development of inclusive finance.

## XVII. HUMAN RESOURCES MANAGEMENT

Upholding the principle that talents are the primary resources, the Bank steadily implemented its talent development plan. The Bank strengthened the construction of the cadre contingent by optimizing the cadre selection and appointment mechanism, conducting cadre investigations, and enhancing the quality and effectiveness of cadre supervision and management, thereby building a high-caliber and professional financial cadre team. The Bank reinforced the development of the professional talent contingent by improving talent recruitment and introduction measures, continuously promoting job rotation and exchange programs for talent development, stepping up efforts in independent training and talent cultivation, advancing the construction of talent pools in a coordinated manner, and strengthening the utilization and management of international banking talents. The Bank strengthened care and support for employees, striving to enhance their sense of gain and happiness. The Bank refined the systems and mechanisms for human resources management, and continuously optimized the organizational structure by further building an organizational structure system with clear functions and well-defined rights and responsibilities. The Bank optimized the incentive and constraint mechanism, improved the performance evaluation and remuneration system, and guided all employees to have a correct understanding of what it means to perform well.

## Management Discussion and Analysis

### XVIII. INVESTMENT ANALYSIS

i. As at the end of the reporting period, the balance of the Bank's material external equity investments amounted to RMB13,233 million, on par with that of the end of the previous year.

ii. Material equity investments

Unit: RMB10,000, 10,000 shares, %

Investee	Principal business	Investment amount	Number of shares held	Percentage of shareholding	Profit and loss during the reporting period	Partner
Everbright Financial Leasing Co., Ltd.	Financial leasing	468,000	531,000	90	210,515	Hubei Port Group Co., Ltd., Wuhan Rail Transit Construction Co., Ltd.
Everbright Wealth Management Co., Ltd.	Wealth management	500,000	-	100	233,606	Nil
Beijing Sunshine Consumer Finance Co., Ltd.	Personal consumer finance	60,000	60,000	60	2,843	China CYTS Tours Holdings Co., Ltd., O-Bank Co., Ltd.
CEB International Investment Corporation Limited	Investment banking	HKD2,600 million	-	100	-HKD79.32 million	Nil
China Everbright Bank (Europe) S.A.	Fully-licensed banking business	EUR20 million	-	100	EUR1.78 million	Nil
Shaoshan Everbright Rural Bank Co., Ltd.	Commercial banking	10,500	10,500	70	-91	Sany Group Co., Ltd., Guangzhou Baoli Hetai Financial Holding Co., Ltd., Changsha Tongcheng Holding Co., Ltd., Shaoshan Urban Construction Investment Co., Limited
Jiangsu Huai'an Everbright Rural Bank Co., Ltd.	Commercial banking	7,000	7,000	70	-2,040	Jiangsu East Goldfox Fashion Co., Ltd., Huai'an Hongyun Municipal Co., Ltd., Nanjing Mengdu Tobacco Packaging Co., Ltd., Huai'an Honghuai Agricultural Industry Development Co., Ltd.
Jiangxi Ruijin Everbright Rural Bank Co., Ltd.	Commercial banking	10,500	10,500	70	365	Ruijin Cultural Tourism Development and Investment Co., Ltd., Ruijin Hongdu Aquatic Product Food Co., Ltd., Ruijin Shitong Driver Training School Co., Ltd., Ruijin Lvyexuan Forestry Co., Ltd.
China UnionPay Co., Ltd.	Bank card clearing	9,750	25,500	2.56	1,009,074	Other commercial banks, etc.
National Financing Guarantee Fund Co., Ltd.	Re-guarantee	100,000	-	1.51	-	20 shareholders including MOF, China Development Bank, Industrial and Commercial Bank of China, China Merchants Bank, China Life, etc.

#### Notes:

- All the above-mentioned material equity investments were made with unquoted equity.
- All the above-mentioned material equity investments were long-term investments.
- All the above-mentioned material equity investments were in the form of new establishment.
- All the above-mentioned material equity investments were completed. For details on the liquidation and dissolution of the rural banks, please refer to "Significant Events".
- All the above-mentioned material equity investments were not subject to any litigation.

iii. During the reporting period, there was no material non-equity investment and the Bank conducted bond investment in the ordinary and usual course of business. Please refer to the aforementioned for details.

iv. Financial assets designated at fair value during the reporting period

The Bank held domestic and overseas bonds and financial derivative instruments measured at fair value in the ordinary and usual course of business. Please refer to “Notes to the Consolidated Financial Statements” for details.

**XIX. DURING THE REPORTING PERIOD, THERE WAS NO ACQUISITION OR DISPOSAL OF MATERIAL EQUITY OF THE BANK.**

**XX. MAJOR COMPANIES IN WHICH THE BANK HELD EQUITY**

i. Everbright Financial Leasing Co., Ltd.

Established in May 2010, the company engages in financial leasing business. It was registered in Wuhan City, Hubei Province, with a registered capital of RMB5.9 billion. During the reporting period, adhering to serving the real economy and focusing on its primary responsibilities and main businesses, the company gave full play to the functional features of financial leasing such as industry-finance integration and fund-assets combination, formed certain brand advantages in professional fields including aviation, shipping, vehicles and new energy, and actively expanded business into fields such as new infrastructure, new materials, high-end manufacturing and rural revitalization, providing comprehensive, high-quality and efficient operating lease and financial leasing services for customers with a nationwide business network. As at the end of the reporting period, the company’s total assets reached RMB159,237 million and its net assets stood at RMB18,701 million. It achieved a net profit of RMB2,105 million during the reporting period.

ii. Everbright Wealth Management Co., Ltd.

Founded in September 2019, the company specializes in asset management related businesses such as the issuance of publicly-offered wealth management products, the issuance of privately-offered wealth management products and wealth management advisory and consultation. It was registered in Qingdao City, Shandong Province with a registered capital of RMB5 billion. During the reporting period, the company stayed true to the original mission of asset management, further advanced the development of the “Colorful Sunshine” product system, and devoted efforts to strengthening the professional capabilities of multi-asset and multi-strategy investment research. The company responded to market demand through diversified allocation, and driven by service, technology and innovation, worked to serve the five key target areas of finance. As at the end of the reporting period, the company’s total assets under management reached RMB1,945,963 million, its total assets stood at RMB13,553 million, and its net assets stood at RMB12,791 million. It realized a net profit of RMB2,336 million during the reporting period.

iii. Beijing Sunshine Consumer Finance Co., Ltd.

Founded in August 2020, the company specializes in businesses related to personal consumer loans granting. It was incorporated in Beijing with a registered capital of RMB1 billion. During the reporting period, based on the functional positioning of specialized consumer credit with a focus on serving the real economy and boosting consumption, the company comprehensively optimized its business structure and reduced financing costs for customers. The company granted consumer loans mainly to key consumption areas such as household appliances, home decoration, tourism, education and healthcare, continuously enhancing the precision and effectiveness of its services to the real economy. As at the end of the reporting period, the company’s total assets reached RMB14,772 million, and its net assets stood at RMB1,345 million. It realized a net profit of RMB28.43 million during the reporting period.

## Management Discussion and Analysis

### iv. CEB International Investment Corporation Limited

Founded in June 2015, the company was licensed for securities trading, securities consultation, financing consultation and asset management business through its two subsidiaries. It was registered in Hong Kong SAR with a registered capital of HKD2.6 billion. During the reporting period, the company focused on conducting investment banking businesses such as listing sponsorship and underwriting, public offering and placement of new shares by listed companies, and enterprise refinancing. As at the end of the reporting period, the company's total assets reached HKD6,974 million, and its net assets stood at HKD1,115 million. It incurred a loss of HKD79.32 million during the reporting period.

### v. China Everbright Bank (Europe) S.A.

The company was incorporated in Luxembourg in July 2017 with a registered capital of EUR20 million. As a fully-licensed banking institution, it mainly engages in deposit taking, lending, bill issuance, bond issuance and other businesses of credit institutions permitted by the laws in Luxembourg. During the reporting period, it mainly conducted risk participation buying, among other credit businesses. As at the end of the reporting period, the company's total assets reached EUR104.67 million, and its net assets stood at EUR22.37 million. It realized a net profit of EUR1.78 million during the reporting period.

### vi. Shaoshan Everbright Rural Bank Co., Ltd.

Founded in September 2009, the rural bank engages in commercial banking services including deposit taking and lending. It was registered in Shaoshan City, Hunan Province with a registered capital of RMB150 million. During the reporting period, focusing on serving agriculture, rural areas and rural residents as well as Shaoshan City, it developed businesses for micro and small enterprises, helped boost the growth of county economy, and explored ways to support rural economic development with its financial products and services. As at the end of the reporting period, the total assets of the rural bank reached RMB265 million, and its net assets stood at RMB247 million. During the reporting period, it incurred a loss of RMB0.91 million.

### vii. Jiangsu Huai'an Everbright Rural Bank Co., Ltd.

Founded in February 2013, the rural bank engages in commercial banking services including deposit taking and lending. It was registered in Huai'an City, Jiangsu Province with a registered capital of RMB100 million. During the reporting period, it served agriculture, rural areas and rural residents, expanded businesses for micro and small enterprises, and achieved steady growth. As at the end of the reporting period, the total assets of the rural bank reached RMB119 million, and its net assets stood at RMB119 million. During the reporting period, it incurred a loss of RMB20.4 million.

### viii. Jiangxi Ruijin Everbright Rural Bank Co., Ltd.

Founded in November 2018, the rural bank engages in commercial banking services including deposit taking and lending. It was registered in Ruijin City, Jiangxi Province, with a registered capital of RMB150 million. During the reporting period, it actively explored ways to serve agriculture, rural areas and rural residents, and developed businesses for micro, small and medium enterprises. As at the end of the reporting period, the total assets of the rural bank reached RMB720 million, and its net assets stood at RMB190 million. During the reporting period, it realized a net profit of RMB3.65 million.

## XXI. STRUCTURED ENTITIES CONTROLLED BY THE BANK

The structured entities controlled by the Group but not recognized in the consolidated financial statements mainly include special asset management plans. Please refer to the “Notes to the Consolidated Financial Statements” for details.

## XXII. RISK MANAGEMENT

### i. Credit risk management

The Bank adhered to a prudent risk management philosophy, ensured both development and security, insisted on unified credit management, strictly implemented consolidated risk limit management, and enhanced risk monitoring for large-credit customers. The Bank ramped up risk control in key areas such as local government financing platforms and real estate, accelerated resolving existing risks, and strictly prevented incremental risks. The Bank advanced the reform of the credit approval policy and mechanism, optimized the credit authorization system of the Head Office and branches, promoted industry-specific approvals by industry committees, and strengthened the centralized management of the Head Office on customer credit concentration and risk management strategies. By integrating industry research resources in business and risk management, the Bank enhanced industry research to empower business development, and promoted a complete and unified industry credit-granting framework that covers industry credit-granting policies, review and approval guidelines, marketing guidelines and credit customer whitelists. The Bank accelerated the digital transformation of risk management by continuously advancing the construction of the new credit management platform CCMP, giving play to the role of large models in data mining and information analysis, and enabling intelligent risk analysis on both credit customers and branch outlets. The Bank sorted out existing non-performing assets, investigated deep into the root causes of non-performing assets, and improved the weak links in the system and mechanism, to form a closed-loop risk management system and enhance the risk awareness of all employees.

The Bank insisted on serving the real economy, maintained stable credit growth, optimized credit resource allocation, strengthened financial services for major strategies, key areas and weak links, and actively supported the policy of “Two Renewals” (the large-scale renewal of equipment and the trade-in of consumer goods) and “Two Majors” (encouraging greater private sector participation in major national projects and programs including those aligned with major national strategies, and building up security capacity in key areas). The Bank made efforts to serve the five target areas of finance (technology finance, green finance, inclusive finance, pension finance and digital finance). The Bank provided technology enterprises with diversified financial services throughout their life cycles, actively supported the green transition and digital upgrading of traditional industries, focused on providing financing services for areas such as new energy bases and green buildings, and accelerated the online business development of inclusive finance, supply chain finance and retail finance. The Bank enhanced risk analysis, and implemented tailored policies with both supportive and controlling measures to facilitate the high-quality development of industries. The Bank continued to deepen the MSE financing coordination mechanism, and stepped up credit support for MSEs and agriculture-related entities. The Bank also strengthened financial services for the consumption sector and vigorously supported the expansion of domestic demand.

The Bank strictly classified assets to disclose risk profile dynamically and objectively. The Bank pursued a prudent and sound provision policy, performing impairment testing and provisioning in line with the new accounting standards for financial instruments. The Bank improved the whole-process asset quality management mechanism, strengthened portfolio monitoring and penetrating risk monitoring for large-credit customers, and stepped up risk prevention in key areas. The Bank also intensified the disposal of existing non-performing loans and broadened disposal channels.

For more information on credit risk management, please refer to “Notes to the Consolidated Financial Statements”.

## Management Discussion and Analysis

### ii. Liquidity risk management

The Bank strictly stuck to the bottom line of liquidity safety, insisted on a prudent concept for liquidity risk management, and adopted an active liquidity management strategy, in a bid to maintain liquidity at an adequate and stable level. Keeping close track of the economic and financial situations at home and abroad, the Bank positively responded to the challenges in operating environment, made forward-looking evaluation and strategic planning, and enhanced the coordinated management of diversified liabilities. The Bank regularly conducted stress testing and emergency plan assessment, and strictly controlled liquidity risk limits to strike a proper balance among liquidity, security and profitability. The Bank further improved the consolidated management governance system, and enhanced the risk resistance capacity of the Group.

For more information on liquidity risk management, please refer to “Notes to the Consolidated Financial Statements”.

### iii. Market risk management

The Bank closely followed the international political and economic situation as well as the domestic and overseas markets, and conducted forward-looking analysis and management on interest rate risk, exchange rate risk and commodity risk. The Bank established a market risk management system covering market risk identification, measurement, monitoring, control and reporting, and strengthened market risk limit management. The Bank conducted market risk stress testing, and improved the testing procedure and result application mechanism. The Bank also effectively implemented various risk prevention and control measures to ensure smooth operation of related businesses and prevent potential extreme market risks caused by emergency events.

For more information on market risk management, please refer to the “Notes to the Consolidated Financial Statements”.

### iv. Large exposures management

Strictly in line with the *Measures for the Administration of Large Exposures of Commercial Banks*, the Bank continuously enhanced large exposures management, carried out work relating to measurement, monitoring and system optimization for large exposures in an orderly manner, effectively brought customer concentration risk under control, and continuously enhanced its large exposures management capabilities. During the reporting period, all limit indicators for the Bank’s large exposures were controlled within the regulatory scope.

For relevant data about the indicators of large exposures, please refer to “Key Accounting Data and Financial Indicators”.

### v. Country risk management

The Bank established a country risk management system that fits in with its risk profile, regularly carried out country risk internal ratings, set country risk limits and monitored them on a regular basis, conducted country risk stress tests, and optimized procedures for handling material risk matters. As at the end of the reporting period, all countries with the Bank’s country risk exposures maintained international ratings at or above investment grades, and the country risk provisioning was also in compliance with regulatory requirements.

## vi. Operational risk management

The Bank strictly implemented the regulatory requirements for operational risk management, strengthened the primary responsibilities of risk management, and enhanced operational risk identification and control in key areas. The Bank fully utilized operational risk management tools for risk identification, monitoring, evaluation and reporting to effectively enhance management quality and efficiency. The Bank intensified monitoring, early warning and cautionary notification of emerging and recurring risks, reported typical risk cases, and raised compliance awareness among all staff. The Bank also actively promoted the implementation of the new regulatory rules on capital management to enhance the overall management capability of operational risk management and capital measurement.

For more information on operational risk management, please refer to “Notes to the Consolidated Financial Statements”.

## vii. Compliance risk management

The Bank strictly implemented the requirements of the *Measures for the Compliance Management of Financial Institutions*, refined compliance management system, strengthened supervision and inspection, and promoted a more streamlined and effective system of regulations and rules. The Bank continuously reinforced the case prevention and control system, and enhanced regulation of employees’ unauthorized holding of concurrent positions, engagement in profit-making business activities and establishment of enterprises. The Bank promoted strict and precise accountability, and strengthened employee behavior management. Meanwhile, the Bank strengthened the regulatory reporting and daily management of related party transactions, and continuously improved the business management authorization system. The Bank organized anti-money laundering regulatory training and bank-wide compliance management conferences to enhance the compliance awareness among all staff.

## viii. Reputational risk management

Following the fundamental principles of forward-looking, matching, full-coverage and effective management, the Bank continuously refined its governance structure and work procedures to prevent and mitigate reputational risks at the source. The Bank strengthened risk analysis and resolution in areas such as business management, products and services, and customers and the media, enhanced monitoring and disposal of reputational risks, and promoted active publicity and proactive communication, thereby maintaining a good reputation and public image. During the reporting period, there was no material reputational risk event that could seriously endanger the reputation of the Bank.

## ix. Money laundering risk management

With the implementation of the new *Anti-Money Laundering Law* as the focal point of work, the Bank improved the internal AML control system to strengthen management foundation. The Bank placed equal emphasis on technological empowerment and data governance, improving the whole-process management of risk identification, early warning and disposal to enhance the effectiveness of money laundering risk monitoring. The Bank optimized customer due diligence mechanism, reinforced full-life-cycle customer management, and diligently fulfilled all AML obligations.

## Management Discussion and Analysis

### x. Credit policies for key fields

The Bank coordinated efforts to balance business development and risk control in the real estate sector, continuously promoted the coverage expansion and efficiency enhancement of the urban real estate financing coordination mechanism, and supported the building of a new development model for the real estate sector. In corporate banking business, the Bank adhered to a project-centered approach, prioritized supporting housing development and construction under both rigid demands and improved demands, focused on “quality housing” projects that emphasize safety, comfort, green and smart technologies, and contributed to establishing a “market-based + government-supported” housing supply system. The Bank actively and prudently provided financial support for ensuring the timely delivery of pre-sold housing, and safeguarded the legitimate rights and interests of housing finance consumers in accordance with the law. In retail banking business, the Bank strengthened customer screening and access management, business area selection and differentiated mortgage ratio management to better meet the financial needs of residents.

## XXIII. OUTLOOK OF THE BANK

### i. Landscape and development trend of the industry

Looking into 2026, China’s banking industry is expected to continuously deepen reforms of systems and mechanisms, focus on core businesses, improve governance, and pursue differentiated development, and effectively address risks and challenges, in order to drive high-quality development. The banking industry is expected to witness a steady growth in the scale of assets and an effective increase in the total amount of credits. The asset structure will be optimized based on the requirements of serving the real economy and national strategies, with a focus on serving areas such as the five target areas of finance, “Two Renewals”, “Two Majors” and consumption boosting. The liability structure will see continuous optimization on the basis of macro policies and market trends, centering on obtaining source funds and increasing demand deposits. The digital transformation of banking institutions will be accelerated, and the online level and the intelligent level of financial services will be improved constantly.

### ii. Business plan

The Bank will continue to serve the real economy, optimize the asset-liability structure, consolidate customer base, enhance comprehensive risk control, maintain adequate capital, and improve operating efficiency. Under the premise that no significant change will happen in current operation environment and regulatory policies, the Bank aims to achieve a stable loan growth. This business plan does not constitute a performance commitment of the Bank to its investors, who shall maintain sufficient risk awareness and understand the discrepancy between business plan and performance commitment.

### iii. Capital demand plan

The Bank will formulate capital replenishment plans based on its financial budget, strategic plans and stress testing results. Based on actual conditions, the Bank will replenish capital via both internal and external channels, and further consolidate capital foundation, to address the impacts of economic cyclical fluctuations and changes in regulatory policies, ensuring long-term sustainable development.

#### iv. Potential risks and countermeasures

In 2026, internationally speaking, the profound changes unseen in a century are evolving at an accelerating pace, with a new round of technological revolution and industrial transformation making rapid breakthroughs. The rising unilateralism and protectionism are posing severe challenges to the international economic and trade order, while the global economy lacks growth momentum. From the domestic perspective, China's economy has a stable foundation, sufficient strengths, remarkable resilience and vast potentials. The dominating trend of the economy's long-term improvement and the relevant conditions supporting it have not changed. The strengths of China's socialist system, its super-large domestic market, its complete industrial system and its abundant human resources have become even more prominent. In the meantime, problems of unbalanced and inadequate development remain pronounced, with insufficient effective demand and bottlenecks impeding the domestic economic circulation. The investment structure needs to be optimized, and the task of replacing old growth drivers with new ones remains arduous. The market expectations remain subdued with multiple risks in key areas. China will continue to uphold the principle of pursuing progress while ensuring stability, coordinate domestic economic work with international trade competition, better ensure both development and security, implement more proactive and effective macro policies, and enhance the forward-looking, targeted and effective features of the policies. Under the background of rapid development of fintech and deepened reform of interest rate marketization, the banking industry is undergoing profound changes in business environment. The interest rate margin between deposits and loans remains at a relatively low level. The asset and liability management is becoming more challenging for commercial banks. Both the traditional business philosophy and the operation model of commercial banks are facing relatively big challenges.

Adhering to the general principle of pursuing progress while ensuring stability, the Bank will strive to grasp the law of financial development in the new era, actively adapt to the market environment of low interest rate margin, and better coordinate effective qualitative improvement and reasonable quantitative growth, so as to provide high-quality financial services to support economic and social development. First, the Bank will strive to serve the real economy, provide targeted and strong support for major strategies, key areas and weak links, with a focus on serving the five target areas of finance including technology finance, green finance, inclusive finance, pension finance and digital finance, and step up support for the projects of "Two Renewals" and "Two Majors". Second, the Bank will adhere to serving people's livelihood, fully support the strategy of expanding domestic demand, and serve the special initiatives to boost consumption by providing low-cost, wide-coverage and convenient financial products and services in a more market-oriented and sustainable manner. This will help create sustainable returns for both urban and rural residents to promote common prosperity. Third, the Bank will focus on improving core competitiveness, deepen the reform of systems and mechanisms, and enhance the driving role of digital transformation in business development. The Bank will optimize the allocation of resources, coordinate the regional development planning, and build distinctive business features to better give play to the core synergy function of comprehensive financial services. Fourth, the Bank will ensure both development and security, firmly uphold risk prevention and control as the enduring theme of financial work, improve its prudent and efficient comprehensive risk management system, continuously prevent and resolve risks in key areas, strictly adhere to internal control and compliance policies, and enhance the audit supervision system, so as to strictly hold onto the red line of risks.





# Environmental, Social and Governance

# Environmental, Social and Governance



Green loans

RMB469,078 million

▲ 13.57%

Proportion of green loans in total loans

11.68%

▲ 1.22 percentage points

Underwriting volume of green bonds

RMB10,431 million

## I. ENVIRONMENT INFORMATION

### i. Green finance

#### 1. Green finance policy

The Bank proactively fulfilled the requirements of meeting the carbon peak and carbon neutrality goals, fully applied the green development philosophy, and incorporated green finance into its development strategy. It conscientiously bolstered the development of green finance, improved organizational structure and working mechanism, devised special work plans, and proactively supported key areas such as new energy system construction, green buildings, green transportation and green consumption. It proactively carried out business innovation, formulated a development plan for transition finance, and expanded transition finance business in key industries such as steel and agriculture. It extended the connotations of green finance to the liability side and successfully launched multiple green deposit businesses. It strengthened collaboration within CEG, and pooled resources to foster distinctive competitive edges. It made efforts to promote financing business guaranteed by resources and environmental elements, as well as carbon finance products and sustainability-linked products, and optimized the green finance product and service system. It further standardized data governance, prevented the risk of greenwashing in green taxonomy, improved the ESG risk classification management and evaluation system for customers, strengthened whole-process ESG risk management, conducted carbon accounting in an orderly manner, and optimized information disclosure.

#### 2. Green finance performance

The Bank stepped up support for green finance through more credit resource allocation and enriched product spectrum, realizing fast growth in business such as green credit and green bond. As at the end of the reporting period, the balance of green loans amounted to RMB469,078 million, representing an increase of RMB56,048 million or 13.57% as compared with the end of the previous year, surpassing the average loan growth rate of the Bank. Green loans accounted for 11.68% of total loans, up 1.22 percentage points from the end of the previous year. During the reporting period, the Bank actively underwrote green bonds to support eco-friendly and low-carbon enterprises in gaining access to direct financing, supported 23 market entities to issue 35 green bonds with a cumulative underwriting volume of RMB10,431 million, and helped enterprises in clean energy power generation, green buildings and some other sectors to obtain direct financing of RMB109,403 million.



## Case 10: Green Finance Delivering Benefits

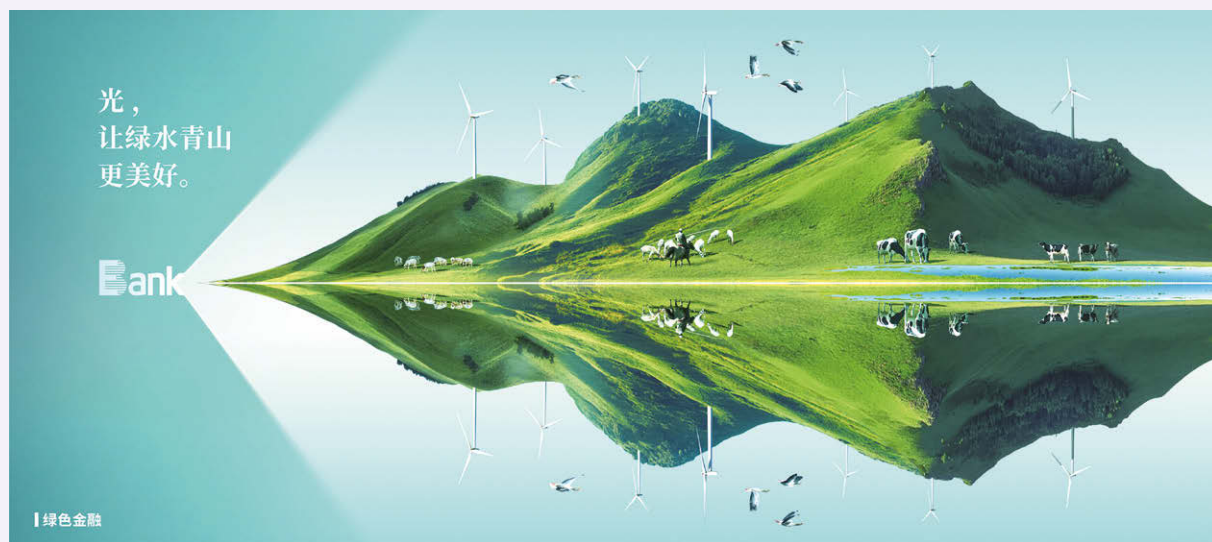
### Transition Finance Loan

CEB Shijiazhuang Branch granted RMB250 million of transition finance loan to an iron and steel enterprise, achieving the first business breakthrough across the Bank. This loan, specifically designed to support the enterprise to implement low-carbon technological transformation, was estimated to reduce the comprehensive energy consumption per ton of steel to approximately 470 kilograms of standard coal equivalent (kgce), reaching the advanced level in China. After the implementation of this project, it was expected to save nearly 320 thousand tons of standard coal equivalent and reduce carbon dioxide emissions by approximately 780 thousand tons annually. In compliance with the transition finance standards put forward by the People's Bank of China and the iron and steel industry transformation guidelines of Hebei Province, this project effectively alleviated the enterprise's funding pressure for transformation and in the meantime achieved the emission reduction goals set out in the transition plan, providing a replicable financial solution for the green transition of traditional manufacturing industries.



### Green Deposit Business

CEB Wuhan Branch successfully launched the Bank's first green deposit business, processing a two-year green deposit worth RMB50 million for a cement company. Following the operation mechanism of "matching capital use with green industries, third-party independent certification and whole-process management", this business improved the customer's ESG rating performance by increasing the proportion of green deposits, and extended the connotations of the Bank's green finance to the liability side to provide financial support for green industries. Based on calculations, the project was expected to save nearly 290 thousand tons of standard coal equivalent and reduce carbon dioxide emissions by approximately 750 thousand tons annually, delivering significant environmental benefits.



## Environmental, Social and Governance

### ii. Green operation

The Bank actively advocated green office practices and low-carbon living, ensuring effective execution of all key energy-saving and emission-reduction measures. The Bank set standards for water and electricity usage, strengthened patrol after working hours, and eliminated issues such as lights left on or water left running. The Bank rigorously conformed to the national regulations on indoor temperature control of air conditioning, and adopted energy-efficient operation modes to improve air conditioning efficiency. The Bank continued to make efforts to publicize the concept of “practicing strict economy and combating waste” and promote the “Clear Your Plate” campaign to raise employees’ conservation awareness. The Bank enforced waste classification regulations and strengthened responsibility implementation. The Bank vigorously advocated the use of video conferencing to reduce business travel frequency, actively explored energy-saving renovations in buildings to reduce office energy consumption, and promoted electronic working tools to reduce paper consumption. Additionally, the Bank encouraged employees to practice green travel by choosing low-carbon means of transportation for business trips.

### iii. Environmental and climate risk management

#### 1. Risk management policy

The Bank highly valued ESG risk management, formulated the *Environmental, Social and Governance Risk Management Policy*, incorporated ESG risks into the comprehensive risk management system, and adhered to basic principles of full coverage, category-specific management and whole-process management. The Bank proactively built a framework for ESG risk management, and defined organizational structure and responsibilities for risk management. The Bank established category-specific management standards, and strictly implemented the “one-vote veto system” for customers with major ESG risks. The Bank standardized the management process, incorporated ESG risk management requirements into all links of credit business such as due diligence, review & approval and post-lending management, and strictly exerted whole-process control.

#### 2. Risk management measures

The Bank strengthened reviewing environmental and climate risks, and carefully managed credit access for green projects. The Bank strengthened whole-process management for customers’ ESG risks, improved functions of the ESG risk modules in the management system, and added ESG risk identification, assessment and management to business links, including pre-lending examination, review & approval, contract management, loan granting review and post-lending management. The Bank resolutely implemented the policy of reducing excess industrial capacity by enhancing the management of industries with severe overcapacity, heavy energy consumption and emission, optimized credit structure, actively supported phasing out “zombie firms”, and adopted four-category management (supporting, maintaining, reducing and eliminating) for existing customers in industries with severe overcapacity. Based on regulatory standards, the Bank placed high-carbon labels within the Bank to regularly monitor high-carbon asset concentration and quality. The Bank included the impacts of environmental and climate changes on its operation in the scope of management and supervision, in a bid to take precautions against extreme weather and make proper emergency responses.

## II. INFORMATION ON SOCIAL RESPONSIBILITY FULFILLMENT

### i. Purpose and philosophy

The Bank formulated the *2025 ESG Work Priorities*. Upholding the new development philosophy featuring innovation, coordination, green, openness and sharing, the Bank continuously incorporated ESG management into the Bank's development strategy, operation management, customer service and product innovation, so as to deepen understanding and raise awareness of ESG concepts across the Bank. The Bank continued to follow the "1+6C" responsibility system and promote work relating to environmental, social and governance in a coordinated manner. "1" refers to building a complete ESG management system, while "6C" refers to addressing climate change, upholding civil finance, enhancing client experience, creating colleague coherence, engaging in community development, and advancing sound corporate governance. Furthermore, the Bank clarified 14 key aspects and 27 objectives of work in the document.

### ii. Consolidation of achievements in lifting people out of poverty

The Bank continued to effectively link the consolidation and promotion of poverty elimination achievements with rural revitalization, ensure policies unchanged and efforts undiminished. The Bank strengthened credit support and resource guarantee, actively launched industrial assistance programs, and facilitated the development of featured industries in CEG's paired assistance counties (Xintian, Xinhua and Guzhang). As at the end of the reporting period, the balance of loans to areas that had been lifted out of poverty stood at RMB46,563 million, an increase of RMB6,736 million over the beginning of the year. The balance of loans to key rural revitalization counties was RMB4,735 million, an increase of RMB497 million over the beginning of the year, both showing sustained growth. The Bank participated in and supported paired assistance and rural revitalization-related donation projects, contributing a total amount of RMB14.1115 million. Among these, donations to CEG's paired assistance projects totaled RMB13 million, and donations to projects of 10 branches and a rural bank amounted to RMB1.0815 million and RMB30 thousand, respectively. The Bank's "Wonderful E-shopping" platform actively promoted the integrated development of rural industries, helping 317 rural enterprises in 257 counties across the country sell agricultural products, totaling 129.1 thousand items with a total sales volume of RMB10.4175 million. 29 branches of the Bank assigned 74 cadres residing in villages to offer assistance.



## Environmental, Social and Governance

### iii. Support for rural revitalization

The Bank formulated the *Implementation Opinions on Advancing the 2025 Rural Revitalization Work Plan*, focused on four key areas including ensuring grain security, consolidating and expanding poverty alleviation achievements, serving wealth-creating rural industries and supporting rural development, expanded four business channels including bank-government, bank-guarantee, bank-enterprise and bank-insurance cooperation, and implemented the “Qianfan Program” and the “Agricultural Machinery Renewal Program” to provide strong and effective support for rural revitalization. The Bank focused on the industrial and supply chains of leading agricultural enterprises to meet their full-chain financing needs. In line with the requirements for industrial revitalization, the Bank tailored financial solutions for locally advantageous industries. As at the end of the reporting period, the balance of agriculture-related loans reached RMB347,163 million, an increase of RMB28,803 million or 9.05% over the beginning of the year. The balance of inclusive agriculture-related loans under the new statistic scope was RMB37,113 million, an increase of RMB7,280 million or 24.40% over the beginning of the year, surpassing the average growth rate of all loans.



### iv. Support for people’s livelihood and public-interest activities

The Bank actively responded to social concerns by carrying out a wide range of public welfare activities in areas such as disaster relief, rural revitalization, paired assistance, and aiding students with financial difficulties, all of which convey the Bank’s heartfelt care. During the reporting period, the Bank made external donations amounting to RMB17.3723 million.

### v. Protection of shareholders’ rights and interests

The Bank adhered to the principle of giving fair treatment to all investors and established an independent and sound corporate governance mechanism with effective checks and balances. The shareholders’ general meetings and meetings of Board of Directors were convened in a lawful and compliant manner. The Bank followed relevant procedures in making major decisions, Independent Non-executive Directors supervised the compliance of material matters and issued independent opinions, and the former Board of Supervisors monitored the Board of Directors, Senior Management and its members, hence effectively safeguarding the legitimate rights and interests of all shareholders, especially those of minority shareholders. The Bank’s controlling shareholder and other substantial shareholders strictly complied with laws, regulations, regulatory requirements and the Bank’s *Articles of Association*, properly exercised shareholders’ rights through corporate governance procedures, effectively fulfilled shareholders’ duties, and maintained the Bank’s independent operation. The Bank had not discovered any abuse of substantial shareholder positions which undermines the legitimate rights and interests of the Bank and other shareholders. The Bank disclosed periodic reports and other material information in a timely and fair manner, and ensured authentic, accurate, complete, concise, clear and understandable information disclosure, so as to protect all shareholders’ right to know about the material matters of the Bank.



Agriculture-related loans

RMB347,163 million

▲ 9.05%

Inclusive agriculture-related loans

RMB37,113 million

▲ 24.40%

## vi. Protection of consumer rights and interests

The Bank thoroughly implemented all requirements on consumer rights and interests protection, established a comprehensive consumer protection work system, strengthened the whole-process control, and effectively enhanced work performance and efficiency to effectively safeguard the legitimate rights and interests of financial consumers. The Board of Directors and Senior Management continuously strengthened the overall planning and coordination of consumer protection work by reviewing and listening to reports on the annual work plan, complaint handling and other relevant matters, and integrated consumer protection into corporate governance, corporate culture



development and the Bank's business development strategy. The Bank optimized organizational structure by setting up Complaint Management Division in Consumer Rights & Interests Protection Department to further enhance the professionalism and systematic nature of consumer protection work. The Bank continued to advance the brand building of "Sunshine Consumer Protection" by putting forward the new concept of "Heartfelt Guardian, Warm Companion" and constantly organizing the "Sunshine Consumer Protection" cultural seasons to enhance employees' consumer protection awareness. The Bank carried out in-depth financial education activities, including the regular "Sunshine Consumer Protection As Your Monthly Companion" program, invited consumers to join the team of "Sunshine Consumer Protection Ambassadors", and established 35 financial education bases tailored for the youth, the elderly and rural areas. During the year, a total of 46 thousand education and publicity activities were conducted, reaching 605 million person-times. To enhance services for the elderly, the Bank renovated its service outlets to be more elderly-friendly, formulated elderly-friendly service procedures, and optimized service experiences for disabled customers, foreign nationals and other specific groups. The Bank reinforced complaint management by conducting root-cause tracing, optimizing complaint handling procedures, promoting financial dispute resolution through diversified methods, and strengthening source risk prevention, front-end risk resolution and checkpoint risk control.

During the reporting period, the Bank handled a total of 176,314 consumer complaints including those transferred from regulators and those received through the 95595 hotline, credit card center hotline and other channels (excluding repeated complaints, negotiated repayments, billing standards, credit reports and account control complaints). The top three regions with most complaints received were Beijing Municipality (including Credit Card Center, accounting for 67.36%), Fujian Province (accounting for 2.86%) and Guangdong Province (accounting for 2.16%). The top three business segments with most complaints were bank card business (accounting for 80.23%), debt collection business (accounting for 10.51%) and loan business (accounting for 6.05%).

## vii. Protection of employees' rights and interests

The Bank rolled out multiple measures to enhance employee remuneration and benefits, gave full play to their incentive effect, and encouraged them to become long-serving employees. The Bank adopted attendance and leave management while taking both humanity issues and fairness into consideration. The Bank ensured that employees enjoy statutory public holidays and paid leaves, and encouraged them to make reasonable work arrangements. The Bank actively implemented the national maternity policy, and ensured that employees are entitled to leave and enjoy welfare during the leave that conforms to the policy. Furthermore, the Bank established a multi-pillar old age security system and built a supplementary endowment insurance system (enterprise annuity system) apart from participating in the basic pension scheme in accordance with law. The Bank established a supplementary medical insurance system to upgrade medical security and meet employees' individualized medical security needs.

## Environmental, Social and Governance

The Bank conscientiously fulfilled its fundamental responsibility in safeguarding employees' democratic rights and legitimate interests, and continuously optimized its enterprise democratic management system that regards employee representative meetings as the basic form. Throughout the year, 6 sessions of employee (member) representative meeting at the level of the whole Bank and the Head Office were held, during which over 30 proposals concerning employees' immediate interests were reviewed. Focusing on pressing difficulties and problems that concern employees most, the Bank launched the "Extending Warmth During the 'Two Festivals'" campaign to aid 468 employees with a total of RMB1.77 million, and the "Golden Autumn Tuition Assistance" program to apply for subsidies totaling RMB15 thousand for the children of 5 employees facing financial difficulties. The Bank paid close attention to employees' physical and mental well-being, continuously promoted healthcare services through the "Green Service Channel for Medical Treatment Appointment" and the "Employee Mental Health Plan", and served nearly 6,000 person-times throughout the year. The Bank organized its first psychological volunteer training program to train 150 psychological volunteers for all primary-level labor unions. To enrich employees' spare-time cultural life, the Bank organized a variety of employee activities, including reading sessions, brisk walking events, audio-visual activities, table tennis contests and badminton competitions, with a total participation of 100 thousand person-times, so as to actively create a workplace environment that champions happiness at work and health in life.

### III. GOVERNANCE INFORMATION

The Bank established a sound corporate governance structure and ESG governance structure with the shareholders' general meetings as the organ of power, the Board of Directors as the decision-making organ, and the Senior Management as the executive organ, and an ESG structure consisting of three layers including decision-making, management and execution with the Board of Directors as the decision-making layer, the Head Office's Social Responsibility/Inclusive Finance Management Committee as the management layer and relevant units as the execution layer.

The Board of Directors actively performed its duties, fully leveraging its role in the strategic deployment, decision-making and guidance of ESG work. The Board and its special committees reviewed and approved the social responsibility report, listened to the key points of the annual ESG work plan, and further strengthened the incorporation of ESG principles into the Bank's operation and development, thereby enhancing the level of ESG management. The Board of Directors reviewed reports regarding carbon peak, carbon neutrality and green finance, explored opportunities to the expansion of green credit deployment areas, and improved the development of relevant systems and mechanisms. Additionally, the Board of Directors considered and approved the proposal of paired assistance through donations to help consolidate poverty elimination achievements. The Board of Directors considered the proposals related to consumer protection, listened to reports on complaint situation analysis and performance evaluation of consumer protection work, conducted special audits on consumer protection work, and supervised over the rectification based on audit findings.

The Senior Management of the Bank coordinated the efforts across the Bank to fulfill environmental and social responsibilities, setting up multiple committees and working groups dedicated to ESG work to ensure effective implementation of various plans in the areas of social responsibility and ESG. In environmental dimension, the Senior Management reviewed and approved 7 proposals regarding green finance, carbon peak and carbon neutrality. In social dimension, the Senior Management reviewed and listened to 54 proposals and reports regarding inclusive finance development, data asset management, paired assistance and consumer rights and interests protection. In governance dimension, the Senior Management reviewed and listened to 56 proposals and reports regarding internal control & compliance, related party transactions, internal audit and remuneration management.

Please refer to "Corporate Governance" for details about corporate governance.

### IV. OTHER INFORMATION

The Bank vigorously developed green finance, supported energy conservation and environmental protection industries, adhered to green operation, and carried out environmental protection public welfare initiatives. Neither the Bank nor its subsidiaries were included in the list of enterprises obligated to disclose environmental information, as published by China's ecological and environmental authorities.

The Bank has disclosed the full text of its *2025 Sustainability Report* on the websites of the SSE, the HKEXnews and the Bank. Please refer to the report for more details on environmental and social responsibilities.



# Significant Events

## I. FORMULATION AND IMPLEMENTATION OF PROFIT DISTRIBUTION POLICY

### i. Profit distribution policy

The profit distribution principles, specific policies and consideration procedures are stipulated in the *Articles of Association* of the Bank, which specifies that the Bank shall prioritize cash dividends in profit distribution. Except in special circumstances, the profits to be distributed in cash each year shall be no less than 10% of the distributable profits for the year when the profits for the year and the accumulated undistributed profits are both positive.

### ii. Profit distribution plan for 2025

According to the audited financial statements, the net profit attributable to shareholders of the Bank for 2025 on a consolidated basis stood at RMB38,826 million. After deducting the preference share dividend of RMB2,611 million and the interest of RMB1,840 million for non-fixed-term capital bonds, the Bank registered RMB34,375 million of net profit attributable to ordinary shareholders of the Bank on a consolidated basis. The net profit in the financial statements of the parent company was RMB34,926 million, and after subtracting RMB10,655 million of distributed dividend and interest (inclusive of RMB6,204 million of interim dividend), the distributable net profit stood at RMB24,271 million. As at the end of the reporting period, the undistributed profit in the financial statements of the parent company amounted to RMB225,604 million.

Taking into account the interests of all shareholders, the sustainable development of the Bank's business and the regulatory requirements on capital adequacy ratios, pursuant to the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China* and relevant regulations stipulated in the *Articles of Association* of the Bank, the Bank hereby formulates its 2025 profit distribution plan as follows:

1. As at the end of 2025, the Bank had cumulatively appropriated statutory surplus reserves of RMB29,543 million, already reaching 50% of the Bank's registered capital. Pursuant to the relevant regulations stipulated in *Company Law of the People's Republic of China*, it is not compulsory to appropriate statutory surplus reserves during current profit distribution.
2. According to the *Management Measures for Provision of Reserves by Financial Institutions* promulgated by MOF, the Bank will appropriate general reserves of RMB970 million to bring the ratio of general reserves to the outstanding balance of the Bank's risk-taking assets to 1.5%.
3. The Bank will distribute a final cash dividend of RMB0.70 (tax included) per 10 shares to all ordinary shareholders for the year 2025. Calculated based on a total ordinary share capital of RMB59,086 million as at the disclosure date of this report, the cash dividends amount to RMB4,136 million (tax included). Combined with the distributed interim cash dividend, the total dividends for the year 2025 will be RMB1.75 (tax included) per 10 shares. The total cash dividends for the year 2025 will be RMB10,340 million (tax included), accounting for 26.63% of net profit attributable to shareholders on a consolidated basis and 30.08% of net profit attributable to ordinary shareholders on a consolidated basis. If the Bank's total ordinary share capital changes prior to the record date for the current profit distribution, the total dividends to be distributed shall remain unchanged, and the dividend distribution ratio per share will be adjusted accordingly, the details of which will be disclosed in the relevant announcement. Cash dividends will be denominated and declared in RMB, and paid to shareholders in RMB or HKD. The actual amount paid in HKD shall be calculated based on the average benchmark exchange rate of RMB against HKD announced by PBOC one week prior to the shareholders' general meeting (inclusive of the date of the shareholders' general meeting).

The retained undistributed profits will be used to replenish capital in order to meet the regulatory requirements for capital adequacy ratios. For the year 2025, the Bank did not implement capitalization of capital reserve funds.

The above profit distribution plan is subject to consideration and approval at the 2025 Annual General Meeting.

## Significant Events

In the profit distribution plan for 2025, no adjustment or amendment was made to the existing cash dividend policy of the Bank. The profit distribution plan complies with the *Articles of Association* of the Bank, reflecting clear and definite standards and proportions for dividend distribution as well as complete decision-making procedures and mechanisms. The Board of Directors discussed and considered the profit distribution plan, and Independent Non-executive Directors expressed independent opinions, effectively safeguarding the legitimate rights and interests of minority shareholders. The above profit distribution plan will be submitted to the Annual General Meeting where all ordinary shareholders including minority shareholders have the right to participate and express their opinions and appeals. The Annual General Meeting of the Bank shall allow online voting, and the votes of minority shareholders in relation to the profit distribution plan shall be counted separately so as to fully protect the legitimate rights and interests of minority shareholders.

The tax deductions concerning the profit distribution of the Bank for the year shall be carried out in accordance with relevant regulations, which will be specified in the announcement of dividend distribution.

### iii. Profit distribution for the last three years

Item	2025	Unit: RMB100 million, %	
		2024	2023
Cash dividends	103.40	111.67	102.22
Proportion of net profit attributable to shareholders of the Bank in the consolidated statement	26.63	26.78	25.06
Proportion of net profit attributable to ordinary shareholders of the Bank in the consolidated statement	30.08	30.14	28.41

### iv. Accumulated cash dividend distribution for the last three years

Item	Unit: RMB100 million, %	
	Amount	
Total amount of accumulated cash dividends	317.29	
Average net profit attributable to shareholders of the Bank per year	404.38	
Average net profit attributable to ordinary shareholders of the Bank per year	358.02	
Total amount of accumulated cash dividends/Average net profit attributable to shareholders of the Bank per year	78.46	
Total amount of accumulated cash dividends/Average net profit attributable to ordinary shareholders of the Bank per year	88.62	

Note: The Bank had not repurchased or canceled any shares during the past three years.

## II. IMPORTANT UNDERTAKINGS AND PERFORMANCE OF UNDERTAKINGS GIVEN BY THE BANK AND THE BANK'S DE FACTO CONTROLLER, SHAREHOLDERS AND OTHER RELATED PARTIES

Pursuant to the relevant provisions of the CSRC, to ensure that the Bank effectively implements compensation measures for potential dilution in relation to the issuance of preference shares, all Directors and Senior Management of the Bank promised to faithfully and diligently perform their duties, safeguard the legitimate rights and interests of the Bank and all shareholders, and made the following commitments:

1. They shall neither transfer interests to other entities or individuals for free or in an unfair way, nor jeopardize the interests of the Bank by other means.
2. They shall be thrifty, their position-related consumption shall be under restriction in strict compliance with relevant requirements at the national, local and Bank levels, and they shall refrain from over-consumption, extravagance and waste.
3. They shall never embezzle the Bank's assets for any investment or consumption activities irrelevant to the performance of their duties.
4. They shall try to propel the Board of Directors or the Remuneration Committee under the Board to formulate remuneration policies that are linked to the implementation of the Bank's compensation measures for potential dilution.
5. If the Bank launches any equity incentive scheme in the future, the conditions for exercising its rights under the intended equity incentive scheme shall be linked to the implementation of the Bank's compensation measures for potential dilution.

As at the end of the reporting period, there occurred no violation of the above-mentioned commitments by the Directors and Senior Management of the Bank.

As far as the Bank was aware, no material undertakings other than the above-mentioned matters were given by the Bank, the Bank's other shareholders, Directors, Senior Management or other related parties.

## III. RESERVE

For details about the reserve change of the Bank, please refer to "Consolidated Statement of Changes in Equity".

## IV. FIXED ASSETS

For details about the changes in fixed assets of the Bank as at the end of the reporting period, please refer to "Notes to Consolidated Financial Statements".

## V. PURCHASE, SALE OR REDEMPTION OF THE BANK'S LISTED SECURITIES

During the reporting period, the Bank and its subsidiaries did not purchase, sell or redeem any listed securities of the Bank (including sales of treasury shares). As at the end of the reporting period, the Bank did not hold any treasury shares.

## VI. PRE-EMPTIVE RIGHTS

The *Articles of Association* of the Bank does not make provisions on pre-emptive rights, and the shareholders of the Bank were not granted any pre-emptive right.

## Significant Events

### **VII. RETIREMENT AND BENEFITS**

For details about the benefits provided by the Bank for its retired employees, please refer to “Notes to Consolidated Financial Statements”.

### **VIII. RELATIONS WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS**

The Bank insisted on the staff-centered development philosophy. For details about staff training, management and remuneration policies, please refer to “Environmental, Social and Governance” and “Directors, Senior Management, Staff and Business Outlets”.

The Bank attached importance to the selection of suppliers, persisted in centralized procurement according to the rules and regulations of the Bank, encouraged fair and open competitions, and established long-term cooperative relationships with high-quality suppliers based on the principle of mutual trust.

Adhering to the principle of honesty and trustworthiness, the Bank was dedicated to providing high-quality financial services for customers and improving consumer protection work. For details, please refer to “Environmental, Social and Governance”.

### **IX. MAJOR CUSTOMERS**

As at the end of the reporting period, the operating income contributed by the top five customers of the Bank did not exceed 30% of the Bank’s operating income.

### **X. USE OF CAPITAL BY THE CONTROLLING SHAREHOLDER AND OTHER RELATED PARTIES FOR NON-OPERATING PURPOSES**

There was no non-operational capital occupation by the controlling shareholder or other related parties of the Bank. KPMG Huazhen LLP issued a special auditor’s opinion on this matter. The special auditor’s opinion was disclosed in public on the websites of the SSE, the HKEXnews and the Bank.

### **XI. CHANGE IN ACCOUNTING POLICIES**

There was no change in the accounting policies of the Bank during the reporting period.

## XII. APPOINTMENT AND RESIGNATION OF ACCOUNTING FIRMS

### i. Appointment of accounting firms for auditing financial statements

On 27 June 2025, the Bank convened the 2024 Annual General Meeting, deciding to engage KPMG Huazhen LLP as the accounting firm in charge of the Bank's domestic audit for 2025 (Huang Aizhou and Ge Mingyi acted as the certified public accountants for signature, with Huang Aizhou concurrently serving as the audit project partner. Both Huang Aizhou and Ge Mingyi had provided audit services for the Bank for two consecutive years). The Bank engaged KPMG as the accounting firm in charge of the Bank's overseas audit for 2025 (Fong Hoi Wan acted as the certified public accountant for signature. Fong Hoi Wan, also the audit project partner, had provided audit services for the Bank for two consecutive years). The audit fees paid to the two firms amounted to RMB7.67 million (inclusive of reimbursement expenses and value-added taxes). Both of the two accounting firms had provided audit services for the Bank for two consecutive years. During the reporting period, the non-audit fees paid by the Bank to KPMG Huazhen LLP and its member institutions amounted to RMB2.5011 million, and both KPMG Huazhen LLP and KPMG confirmed that such non-audit businesses would not impair auditor independence.

### ii. Engagement of accounting firm for internal control audit

On 27 June 2025, the Bank convened the 2024 Annual General Meeting, deciding to engage KPMG Huazhen LLP as its internal control auditor for 2025, and the audit fees paid to this firm stood at RMB0.7 million (inclusive of reimbursement expenses and value-added tax).

### iii. Change of accounting firms in the recent three years

After finishing the audit work for 2023, Ernst & Young Hua Ming LLP and Ernst & Young had provided audit services for the Bank for eight consecutive years, reaching the longest successive years of service stipulated by MOF. In 2024, the Bank changed accounting firms to KPMG Huazhen LLP and KPMG.

### iv. The Audit Committee of the Board of Directors of the Bank has no different opinion on the engagement of the accounting firms.

## XIII. MATTERS CONCERNING BANKRUPTCY OR REORGANIZATION

During the reporting period, no bankruptcy or reorganization took place at the Bank.

## XIV. MATERIAL LITIGATION AND ARBITRATION MATTERS

The Bank was involved in some litigation and arbitration cases during its ordinary and usual course of business, most of which were initiated by the Bank for the purpose of recovering NPLs. During the reporting period, the Bank was not involved in any major litigation and arbitration cases. As at the end of the reporting period, the Bank was involved in 255 sued litigation and arbitration cases pending final judgment, which involved about RMB1,665 million. The above litigation and arbitration cases would not have any significant adverse impact on the financial position or operating performance of the Bank.

## Significant Events

### **XV. PENALTY IMPOSED ON THE BANK OR ITS CONTROLLING SHAREHOLDER, DE FACTO CONTROLLER, DIRECTORS AND SENIOR MANAGEMENT**

- i. During the reporting period, the Bank was not investigated for suspected crimes according to law, and none of its controlling shareholder, de facto controller, Directors and Senior Management was suspected of committing crimes or subject to any compulsory measures taken according to law.
- ii. During the reporting period, the Bank, the Bank's controlling shareholder, de facto controller, Directors and Senior Management were not subject to any criminal punishment, investigation by the CSRC for suspected violation of laws and regulations, administrative penalty by the CSRC, or material administrative penalty by other competent authorities.
- iii. During the reporting period, none of the Bank's controlling shareholder, de facto controller, Directors or Senior Management was detained by the disciplinary inspection and supervision authorities for suspected serious disciplinary violations or duty-related crimes.
- iv. During the reporting period, none of the Bank's Directors or Senior Management was subject to any compulsory measures taken by other competent authorities for suspected violation of laws and regulations.
- v. During the reporting period, the Bank, the Bank's controlling shareholder, de facto controller, Directors and Senior Management were not subject to any administrative and regulatory measures taken by the CSRC, or disciplinary actions taken by any stock exchange.

### **XVI. CREDIBILITY OF THE BANK, ITS CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER**

During the reporting period, the Bank, the Bank's controlling shareholder and de facto controller had neither unfulfilled obligations specified in effective court judgments nor unpaid significant matured debts.

### **XVII. MATTERS CONCERNING CONNECTED TRANSACTIONS OF THE BANK UNDER THE HONG KONG LISTING RULES**

In accordance with the *Hong Kong Listing Rules*, the transactions between the Bank and its connected persons (as defined in the *Hong Kong Listing Rules*) constitute connected transactions of the Bank. The Bank has monitored and managed these connected transactions in accordance with the *Hong Kong Listing Rules*.

Details on related party relationships and transactions of the Bank occurred in the year ended 31 December 2025 were included in "Notes to the Consolidated Financial Statements".

Certain transactions among the above related party transactions also constitute connected transactions as prescribed in Chapter 14A of the *Hong Kong Listing Rules*, and shall be subject to declaration, announcement and annual review as required in Chapter 14A of the *Hong Kong Listing Rules*. For the above related party transactions, the Bank has complied with the requirements in Chapter 14A of the *Hong Kong Listing Rules*, specifically:

The connected transactions disclosed below constitute connected transactions or continuing connected transactions as prescribed in Chapter 14A of the *Hong Kong Listing Rules* and meet relevant disclosure requirements. In respect of the following connected transactions, Directors confirmed that the Bank had complied with the disclosure requirements prescribed in Chapter 14A of the *Hong Kong Listing Rules*. For details, please refer to the Bank's announcements disclosed on the websites of the HKEXnews and the Bank.

## i. Non-exempt connected transactions

### 1. Continuing connected transactions

#### (1) *Verification of transaction limit for connected legal persons to transfer assets*

On 26 December 2025, the Bank entered into an agreement with Everbright Jin'ou Asset Management Co., Ltd. ("Everbright Jin'ou"), and the Bank agreed to verify the accumulative transaction limit of RMB3 billion for Everbright Jin'ou to transfer assets. The limit shall be valid for three years from 26 December 2025 to 26 December 2028 (both dates inclusive). A single transaction amount and the accumulated annual transaction amount under the limit shall not exceed RMB1 billion, and the accumulated transaction amount for three years shall not exceed RMB3 billion. The main terms and conditions of the agreement are as follows:

Under the premise of reasonable pricing and valuation, Everbright Jin'ou may acquire the non-performing assets and repossessed assets of the Bank for commercial purposes. In principle, the transactions proposed under the above-mentioned agreement are priced in a market-oriented manner to ensure that pricing is subject to the terms which are not less favorable than those an independent third party can obtain from or provide for the Bank.

Everbright Jin'ou is a subsidiary of CEG, the Bank's controlling shareholder, and thus constitutes a connected person of the Bank according to the *Hong Kong Listing Rules*.

During the reporting period, the actual amount of such connected transactions under this agreement was RMB44.4871 million.

#### (2) *Mutual provision of services between connected legal persons*

On 29 December 2023, the Bank and CEG entered into a comprehensive service framework agreement valid from 1 January 2024 to 31 December 2026 (both dates inclusive), pursuant to which services can be provided for each other between the Bank and CEG or CEG's associates or both. Main terms and conditions of the agreement are as follows:

CEG or CEG's associates or both provide the Bank with insurance services, joint marketing services, product management services, investment services, technology services, product services and comprehensive services, and the Bank provides asset custody services, agency sales services, product management services, investment services, product services and comprehensive services for CEG or CEG's associates or both. In principle, the services provided for each other under the above-mentioned comprehensive service framework agreement are priced in a market-oriented manner to ensure that pricing is subject to the terms which are not less favorable than those an independent third party can obtain from or provide for the Bank.

CEG is the controlling shareholder of the Bank. Therefore, CEG constitutes a connected person of the Bank under the *Hong Kong Listing Rules*.

On 29 November 2024, the Bank and CEG entered into a supplementary agreement to the comprehensive service framework agreement to revise the annual caps of comprehensive services provided by CEG or CEG's associates for the Bank and comprehensive services provided by the Bank for CEG or CEG's associates for the three years ended on 31 December 2026.

## Significant Events

During the reporting period, the 2025 annual caps and actual amounts incurred of services provided for each other between the Bank and CEG or CEG's associates or both under the comprehensive service framework agreement are as follows:

Unit: RMB100 million

Transaction type	Annual cap	Actual amount incurred
<b>Services provided by CEG and/or CEG's connected persons for the Bank</b>		
Insurance services	2.90	0.74
Joint marketing services	9.97	1.13
Product management services	1.61	0.13
Investment services	0.61	–
Technology services	6.29	1.93
Product services	2.20	1.03
Comprehensive services	5.00	2.62
<b>Services provided by the Bank for CEG and/or CEG's connected persons</b>		
Asset custody services	4.34	1.15
Agency sales services	14.35	5.01
Product management services	0.36	0.15
Investment services	1.70	0.03
Product services	11.40	0.01
Comprehensive services	2.30	0.14

### 2. Confirmations by Independent Non-executive Directors

Independent Non-executive Directors of the Bank had reviewed the above continuing connected transactions and confirmed that the transactions are:

- (1) conducted in the ordinary and usual course of business of the Bank;
- (2) conducted on normal commercial terms or better. If the transactions available for comparison are not sufficient to determine whether the terms of such transactions are normal commercial terms, the terms of such transactions are not less favorable than those an independent third party can obtain from or provide for the Bank; and
- (3) conducted in accordance with relevant transaction agreements with fair and reasonable terms, and in line with the overall interests of shareholders of the Bank.

### 3. Confirmations by auditors

The Bank had engaged an external auditor to conduct work on the continuing connected transactions of the Bank in compliance with the *Hong Kong Standard on Assurance Engagements 3000 (amended) – Assurance Engagements other than Audits or Reviews of Historical Financial Information* issued by the Hong Kong Institute of Certified Public Accountants, and with reference to the *Practice Note 740 (amended) – Auditor’s Letter on Continuing Connected Transactions* under the *Hong Kong Listing Rules*.

Based on the work carried out, the auditor of the Bank had provided a letter to the Board of Directors of the Bank in accordance with Article 14A.56 of the *Hong Kong Listing Rules* and confirmed that, with respect to the disclosed continuing connected transactions mentioned above:

- (1) nothing had come to their attention that might cause them to believe that the disclosed continuing connected transactions had not been approved by the Board of Directors of the Bank.
- (2) nothing had come to their attention that might cause them to believe that the continuing connected transactions conducted by the Bank, in all material respects, were not conducted in accordance with the pricing policies of the Bank.
- (3) nothing had come to their attention that might cause them to believe that the continuing connected transactions were not entered into, in all material respects, in accordance with the relevant agreements governing the transactions.
- (4) as for the total amount of each continuing connected transaction disclosed above, nothing had come to their attention that might cause them to believe that the amount of continuing connected transaction had exceeded the annual cap set by the Bank.

#### ii. Exemptible connected transactions

During the reporting period, a series of connected transactions were carried out between the Bank and its connected persons in the ordinary and usual course of business of the Bank. Pursuant to Chapter 14A of the *Hong Kong Listing Rules*, such connected transactions were exempted from reporting, announcement, annual review and independent shareholders’ approval requirements.

## VIII. MATERIAL CONTRACTS AND THEIR PERFORMANCE

### i. Significant events relating to material custody, contracting or leasing of other companies’ assets or other companies’ material custody, contracting or leasing of the Bank’s assets.

Apart from routine business, during the reporting period, there was no significant event relating to material custody, contracting or leasing of other companies’ assets or other companies’ material custody, contracting or leasing of the Bank’s assets.

### ii. Significant guarantee

The provision of guarantee is in the ordinary and usual course of business of the Bank. During the reporting period, the Bank did not enter into any significant guarantee required to be disclosed save for the guarantees within its business scope as approved by regulatory authorities or any guarantee contract in violation of laws, administrative regulations and the resolution procedures for external guarantees stipulated by the CSRC.

## Significant Events

### iii. Explanatory notes and independent opinions of Independent Non-executive Directors concerning the provision of external guarantees by the Bank

In accordance with the relevant regulations of the *Regulatory Guidelines for Listed Companies No. 8 – Regulatory Requirements for Capital Transactions and External Guarantees of Listed Companies*, Independent Non-executive Directors of the Bank reviewed the external guarantees provided by the Bank on a just, fair and objective basis, and issued an opinion as follows:

It was verified that the provision of external guarantee is one of the routine operations of a commercial bank, which has been approved by regulatory authorities. As at the end of the reporting period, the Bank had a guarantee outstanding for the RMB180 million payable interests of financial bonds issued by CEG, which was backed by a counter-guarantee provided by CEG with the 67.5 million shares it held in a large securities firm. Save as disclosed, for the balance of the guarantee business of the Bank, please refer to the “Notes to the Consolidated Financial Statements”.

Attaching importance to the risk management of guaranteed business, the Bank formulated specific business management measures and operating procedures, and effectively monitored and forestalled risks in the guarantee business by on-site and off-site inspections. During the reporting period, this business was in the ordinary and usual course and no violation of the above-mentioned regulations took place at the Bank.

### iv. Significant event relating to entrusted wealth management

During the reporting period, there was no event relating to entrusted wealth management beyond the scope of routine operations.

### v. Other material contracts

During the reporting period, all contracts regarding routine operations were duly performed and there was no other material contract.

## XIX. USE OF RAISED PROCEEDS

All the proceeds raised by the Bank in history were used for the purposes disclosed in prospectuses, offering circulars and other documents. The proceeds were used to replenish the Bank’s capital, increase the capital adequacy ratio, and support the Bank’s sustainable and sound business development.

During the reporting period, the Bank issued RMB40 billion of perpetual capital bonds, with a coupon rate of 2.29% for the first five years, which is adjusted every five years and subject to the issuer’s conditional redemption right on every interest payment date starting from the fifth year. The proceeds raised from the bonds, after the deduction of issuance expenses, were all used to replenish the Bank’s additional Tier 1 capital.

## XX. OTHER SIGNIFICANT EVENTS

### i. Completion of 2025 interim profit distribution

On 13 January 2026, the 2025 interim profit distribution plan was reviewed and approved at the Bank’s 2026 First Extraordinary General Meeting, according to which the Bank distributed cash dividends to all shareholders of ordinary shares at RMB1.05 (tax included) per 10 shares. As at the disclosure date of this report, all interim cash dividends had been distributed, with an actual amount of RMB6,204 million.

## ii. Increased holdings of the Bank's shares by the controlling shareholder

CEG planned to increase its holdings of the Bank's A shares so as to give full play to the role as the Bank's controlling shareholder, convey confidence in the Bank's future development, reinforce the recognition of the Bank's long-term investment value in the capital market and support the Bank's high-quality development. From the plan implementation date to 11 September 2025, CEG had cumulatively increased its holdings of 13,970,000 A shares of the Bank through centralized bidding via the Shanghai Stock Exchange system, accounting for 0.02% of the Bank's total share capital, with the cumulative increase amounting to RMB51,660,999. For more details on the progress of the shareholding increase plan, please refer to the *Announcement on the Progress of the Shareholding Increase Plan by the Controlling Shareholder* disclosed by the Bank on 11 September 2025.

## XXI. SIGNIFICANT EVENTS OF SUBSIDIARIES

### i. Everbright Financial Leasing Co., Ltd.

During the reporting period, the company distributed cash dividends of RMB200 million to shareholders and was not involved in any material litigation or arbitration, acquisition and disposal of major assets, material related party transaction, material contract, judicial or administrative investigation, or material penalty. It engaged KPMG Huazhen LLP to audit its annual financial report.

### ii. Everbright Wealth Management Co., Ltd.

During the reporting period, the company did not make profit distribution and was not involved in any material litigation or arbitration, acquisition and disposal of major assets, material related party transaction, material contract, judicial or administrative investigation, or material penalty. It engaged KPMG Huazhen LLP to audit its annual financial report.

### iii. Beijing Sunshine Consumer Finance Co., Ltd.

During the reporting period, the company did not make profit distribution and was not involved in any material litigation or arbitration, acquisition and disposal of major assets, material related party transaction, material contract, judicial or administrative investigation, or material penalty. It engaged KPMG Huazhen LLP to audit its annual financial report.

### iv. CEB International Investment Corporation Limited

During the reporting period, the company did not make profit distribution and was not involved in any material litigation or arbitration, acquisition and disposal of major assets, material related party transaction, material contract, judicial or administrative investigation, or material penalty. It engaged KPMG to audit its annual financial report.

### v. China Everbright Bank (Europe) S.A.

During the reporting period, the company did not make profit distribution and was not involved in any material litigation or arbitration, acquisition and disposal of major assets, material related party transaction, material contract, judicial or administrative investigation, or material penalty. It engaged KPMG to audit its annual financial report.

### vi. Shaoshan Everbright Rural Bank Co., Ltd.

During the reporting period, the rural bank did not make profit distribution and was not involved in any material litigation or arbitration, material related party transaction, material contract, judicial or administrative investigation, or material penalty. Upon receiving the approval for dissolution from the NFRA Hunan Bureau in October 2025, the rural bank had officially ceased business operation, and engaged Zhongshen Zhonghuan Certified Public Accountants LLP to conduct a special audit.

## Significant Events

### vii. Jiangsu Huai'an Everbright Rural Bank Co., Ltd.

During the reporting period, the rural bank did not make profit distribution and was not involved in any material litigation or arbitration, material related party transaction, material contract, judicial or administrative investigation, or material penalty. Upon receiving the approval for dissolution from the NFRA Jiangsu Bureau in October 2025, the rural bank had officially ceased business operation, and engaged Jiangsu Yicheng Certified Public Accountants (General Partnership) to conduct a special audit.

### viii. Jiangxi Ruijin Everbright Rural Bank Co., Ltd.

During the reporting period, the rural bank did not make profit distribution and was not involved in any material litigation or arbitration, acquisition and disposal of major assets, material related party transaction, material contract, judicial or administrative investigation, or material penalty. It engaged ShineWing Certified Public Accountants LLP to audit its annual financial report. Upon receiving the approval for dissolution from the NFRA Jiangxi Bureau in January 2026, the rural bank had officially ceased business operation.

The Bank was the first joint-stock commercial bank in China to adopt the approach of “taking over assets and liabilities and acquiring business” to complete the reform and restructuring of rural banks. As at the disclosure date of this report, all three rural banks of the Bank had received the approval for dissolution from regulatory authorities, and all their assets, liabilities, businesses, staff and other rights and obligations had been taken over by the Bank. All three rural banks had set up liquidation groups, and as at the reporting date were still in the process of liquidation and dissolution.

## XXII. PROFESSIONAL LIABILITY INSURANCE FOR DIRECTORS AND SENIOR MANAGEMENT

During the reporting period, the Bank established a professional liability insurance system for Directors and Senior Management in accordance with the relevant laws, regulations and the *Articles of Association* of the Bank. The *Articles of Association* of the Bank and such professional liability insurance system set out relevant permitted indemnity provisions. Such insurance shall cover relevant liabilities of the insured parties and indemnify relevant expenses resulting from possible litigation in accordance with the provisions.

## XXIII. SUBSEQUENT EVENT AFTER THE REPORTING PERIOD

For details on the liquidation and dissolution of relevant rural banks and the redemption of preference shares, please refer to this section and “Changes in Share Capital and Shareholders”. Save for the above, there occurred no significant subsequent event after the balance sheet date at the Bank.

## XXIV. REVIEW OF ANNUAL RESULTS

KPMG Huazhen LLP and KPMG had audited the Bank’s financial statements, which were prepared in accordance with the PRC GAAP and IFRS Accounting Standards respectively, and issued standard unqualified auditor’s reports. The Board of Directors and its Audit Committee had reviewed the business performance and financial statements of the Bank for the year 2025.

## XXV. PUBLICATION OF ANNUAL REPORT

The Chinese and English versions of this annual report prepared by the Bank in accordance with the IFRS Accounting Standards and the *Hong Kong Listing Rules*, are available at the websites of the HKEXnews and the Bank. In case of any ambiguity in the understanding of the Chinese and English versions of this annual report, the Chinese version shall prevail.

# Changes in Share Capital and Shareholders

## I. CHANGES IN ORDINARY SHARES

Unit: Share, %

	31 December 2024		Change during the reporting period	31 December 2025	
	Number of shares	Percentage		Number of shares	Percentage
I. Shares subject to restrictions on sales	–	–	–	–	–
Shares held by state-owned legal persons	–	–	–	–	–
II. Shares not subject to restrictions on sales	59,085,551,061	100.00	–	59,085,551,061	100.00
1. RMB-denominated ordinary shares	46,406,815,561	78.54	–	46,406,815,561	78.54
2. Overseas listed foreign shares	12,678,735,500	21.46	–	12,678,735,500	21.46
III. Total shares	59,085,551,061	100.00	–	59,085,551,061	100.00

## II. SECURITIES ISSUANCE AND LISTING

### i. Securities issuance

During the reporting period, the Bank did not issue any new common stock or convertible corporate bond.

ii. During the reporting period, there was no change in the total number of shares, shareholding structure, or assets and liabilities structure of the Bank due to bonus issue, capitalization, rights issue, new share issue, share issue to specific objects, exercise of warrants, exercise of equity incentive scheme, mergers, capital reduction, listing of employee shares, bond issue or other reasons.

iii. The Bank had no employee shares.

iv. For details regarding the Bank's bond issuance, please refer to the "Notes to the Consolidated Financial Statements".

## III. NUMBER OF THE ORDINARY SHAREHOLDERS

Unit: Shareholder

	A shares	H shares
Total number of shareholders as at the end of the reporting period	199,239	776
Total number of shareholders as at the end of the month prior to the disclosure date of this report	224,075	770

## Changes in Share Capital and Shareholders

### IV. SHAREHOLDING OF TOP TEN ORDINARY SHAREHOLDERS

Unit: Share, %

Name of shareholder	Nature of shareholder	Change in the reporting period	Class of shares	Number of shares held	Shareholding percentage	Number of shares pledged/ marked/frozen
China Everbright Group Ltd.	State-owned legal person	55,293,600	A shares	24,363,726,541	41.23	–
		–	H shares	1,782,965,000	3.02	–
China CITIC Financial Asset Management Co., Ltd.	State-owned legal person	538,620,300	A shares	4,723,302,688	7.99	–
		604,397,000	H shares	604,397,000	1.02	–
Hong Kong Securities Clearing Company Nominees Limited	Overseas legal person	415,798	H shares	5,238,826,868	8.87	Unknown
Including: Ocean Fortune Investment Limited	Overseas legal person	–	H shares	1,605,286,000	2.72	–
Overseas Chinese Town Holdings Company	State-owned legal person	–	H shares	4,200,000,000	7.11	2,058,480,000 shares pledged
China Everbright Limited	Overseas legal person	–	A shares	1,572,735,868	2.66	–
China Life Reinsurance Company Ltd.	State-owned legal person	–	H shares	1,530,397,000	2.59	–
China Securities Finance Corporation Limited	State-owned legal person	–	A shares	989,377,094	1.67	–
Hong Kong Securities Clearing Company Ltd.	Overseas legal person	-313,602,516	A shares	851,043,948	1.44	–
China Reinsurance (Group) Corporation	State-owned legal person	–	A shares	413,094,619	0.70	–
		–	H shares	376,393,000	0.64	–
Shenergy (Group) Co., Ltd.	State-owned legal person	–	A shares	766,002,403	1.30	–

## Notes:

- As at the end of the reporting period, all ordinary shares of the Bank were not subject to restrictions on sales.
- As at the end of the reporting period, the total number of H shares of the Bank held by the Hong Kong Securities Clearing Company Nominees Limited acting as the nominee for all institutional and individual investors that maintain an account with it was 5,238,826,868 H shares. Among them, 1,605,286,000, 604,397,000, 282,684,000 and 172,965,000 H shares of the Bank were held by Ocean Fortune Investment Limited, CITIC Financial AMC, China Life Reinsurance Company Ltd. and China Everbright Group Ltd., respectively. The number of remaining H shares of the Bank held under it was 2,573,494,868.
- The Bank was aware that, as at the end of the reporting period, China Everbright Limited is a subsidiary indirectly controlled by China Everbright Group Ltd.; China Life Reinsurance Company Ltd. is a wholly-owned subsidiary of China Reinsurance (Group) Corporation; and COSCO Shipping (Shanghai) Investment Management Co., Ltd. and Ocean Fortune Investment Limited are both subsidiaries indirectly controlled by China COSCO Shipping Corporation Limited. Save for the above, the Bank was not aware of any related party relationships or concerted actions among the above shareholders.
- As at the end of the reporting period, Hong Kong Securities Clearing Company Limited held 851,043,948 A shares of the Bank designated by and on behalf of others as the nominee, including shares under the Shanghai Stock Connect held by Hong Kong and overseas investors.
- The Bank had no special repurchase account. There was no delegation, entrustment or abstention of voting rights. No strategic investors or general legal persons became top ten shareholders due to rights issue. There was no difference in the arrangement of voting rights.
- As at the end of the reporting period, the top ten shareholders of the Bank neither lent any shares of the Bank to engage in refinancing business nor held any shares of the Bank using credit accounts.
- As at the end of the reporting period, the top ten shareholders remained unchanged from the previous period.

## V. CONFIRMATION OF COMPLIANCE WITH THE REQUIREMENT OF SUFFICIENCY OF PUBLIC FLOAT UNDER THE *HONG KONG LISTING RULES*

Based on publicly available information and to the knowledge of the Directors, as at 31 December 2025, the Bank had maintained the minimum public float as required by the *Hong Kong Listing Rules* and the waiver granted by SEHK.

## VI. SUBSTANTIAL ORDINARY SHAREHOLDERS

### i. Controlling shareholder

#### 1. Basic information

Company name: China Everbright Group Ltd.  
 Legal representative: Wu Lijun  
 Date of establishment: 12 November 1990  
 Scope of business: investment in and management of financial enterprises engaged in banking, securities, insurance, fund, trust, futures, leasing, gold and silver trading; asset management; investment in and management of non-financial enterprises

#### 2. Shareholding in other domestic and overseas listed companies

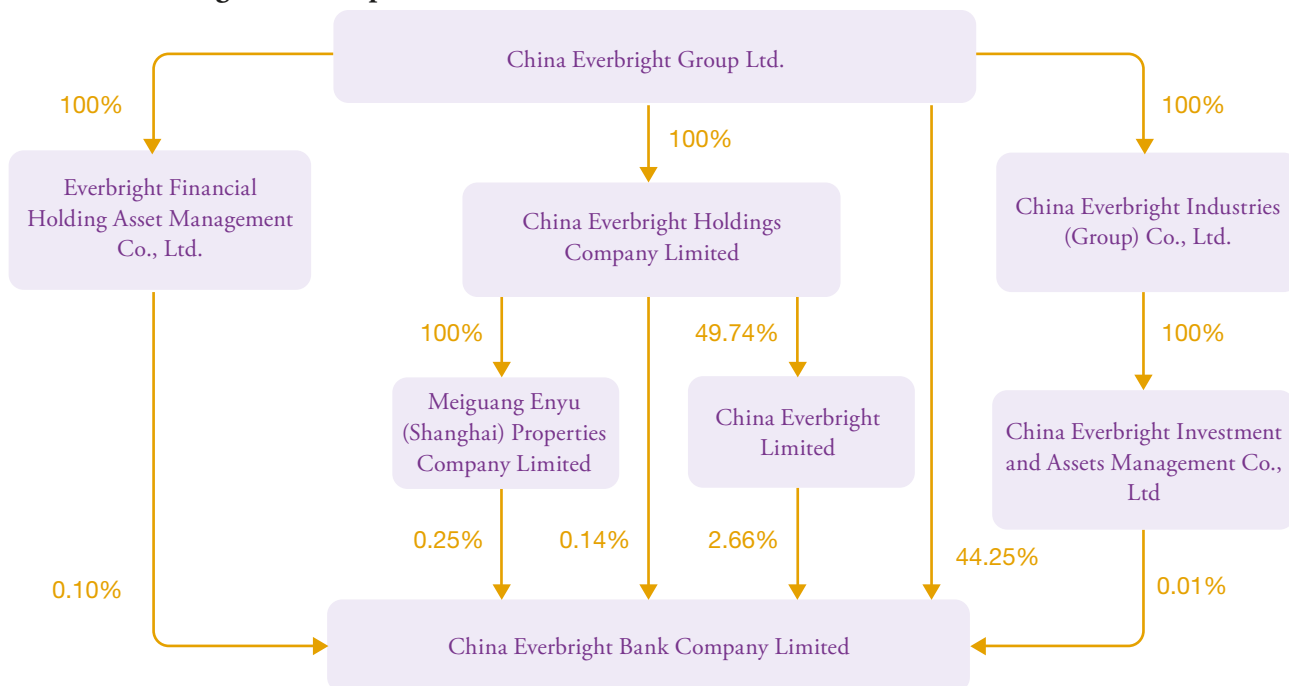
As at the end of the reporting period, the shareholdings of CEG in other domestic and overseas listed companies were listed as follows:

Company name	Stock exchanges for listing	Shareholding percentage
Everbright Securities Co., Ltd.	SSE, SEHK	45.88
China Everbright Limited	SEHK	49.74
China Everbright Environment Group Limited	SEHK	43.08
China CYTS Tours Holding Co., Ltd.	SSE	23.19
Cachet Pharmaceutical Company Ltd.	SZSE	28.47
Everbright Grand China Assets Limited	SEHK	74.99
Shenwan Hongyuan Group Co., Ltd.	SZSE, SEHK	3.99
Lianlian Digttech Co., Ltd.	SEHK	5.07

#### 3. The controlling shareholder of CEG is CHI with 63.16% shareholding.

## Changes in Share Capital and Shareholders

### 4. Shareholding relationship between CEG and the Bank



### 5. The shares of the Bank held by CEG were not pledged, marked or frozen.

#### ii. Substantial shareholders holding more than 5% shares of the Bank

- China CITIC Financial Asset Management Co., Ltd. (“CITIC Financial AMC”) directly holds 9.02% shares of the Bank and dispatches a director to the Bank. As one of the Bank’s substantial shareholders, the company’s substantial shareholders include China CITIC Group Corporation with 26.46% shareholding, MOF with 24.76% shareholding, Zhongbao Rongxin Private Equity Fund Management Co., Ltd. with 18.08% shareholding, and China Life Insurance (Group) Company with 4.50% shareholding. The company was established in November 1999, with a registered capital of RMB80,247 million, and its legal representative is Liu Zhengjun. The company mainly engages in the acquisition and entrusted management of non-performing assets of financial and non-financial institutions, including management, investment and disposal; debt-for-equity swap and the management, investment and disposal of equity assets; overseas investment, purchase and sale of marketable securities, issuance of financial bonds, interbank borrowing and lending, commercial financing for other financial institutions, bankruptcy management, consulting and advisory business in terms of finance, investment, legal and risk management, appraisal of assets and projects, permitted asset securitization business, financial institution custody and close-down liquidation business, and other businesses approved by the banking regulatory authorities of the State Council of China. The shares of the Bank held by the company were not pledged, marked or frozen.
- Overseas Chinese Town Holdings Company (“OCT Group”) directly holds 7.11% shares of the Bank and dispatches a director to the Bank. As one of the Bank’s substantial shareholders, the company’s controlling shareholder is the State-owned Assets Supervision and Administration Commission of the State Council of China with 90% shareholding. The company was established in December 1987 with a registered capital of RMB12,000 million, and its legal representative is Wu Bingqi. OCT Group mainly engages in investment in tourism and related cultural industries (including performing arts, entertainment and relevant services), industry, real estate, commerce and trade, packaging, decoration and printing industries; tourism, warehouse rental, arts and culture, bonded warehouse for donated cars, and convention and exhibition services. As at the disclosure date of this report, the company pledged 2,058,480,000 ordinary H shares of the Bank, representing 49.01% of its holdings in the Bank and 3.48% of the Bank’s total share capital. The shares of the Bank held by the company were not marked or frozen.

### iii. Other substantial shareholders under regulatory standards

In accordance with the *Interim Measures for Equity Management of Commercial Banks*, substantial shareholders of the Bank also include:

1. China COSCO Shipping Corporation Limited (“COSCO Shipping”) indirectly holds a total of 3.94% shares of the Bank through its subsidiaries COSCO Shipping (Shanghai) Investment Management Co., Ltd. and Ocean Fortune Investment Limited and dispatches a director to the Bank, thus imposing a substantial influence on the Bank. The controlling shareholder of COSCO Shipping is the State-owned Assets Supervision and Administration Commission of the State Council of China, with 90% shareholding. The company was established in February 2016, with a registered capital of RMB11 billion, and its legal representative is Wan Min. The company mainly engages in international shipping and auxiliary services of maritime transport; import and export of goods and technologies; international sea, land and air freight agency business; self-owned ship chartering; sales of ships, containers and steel; design of ocean engineering equipment; investment in docks and ports; sales of communication equipment, and provision of information and technical services; storage (except for hazardous chemicals); technological development, transfer, consultation and services in the fields of shipping and spare parts; and equity investment fund. The shares of the Bank held by the above-mentioned two companies were not pledged, marked or frozen.
2. China Reinsurance (Group) Corporation directly and indirectly holds a total of 3.93% shares of the Bank and dispatches a director to the Bank, thus imposing a substantial influence on the Bank. Its controlling shareholder is CHI, with 71.56% shareholding. The company was established in August 1996 with a registered capital of RMB42,479.80 million, and its legal representative is Zhuang Qianzhi. The company mainly engages in the establishment of insurance enterprises through investment, investment business permitted by national laws and regulations, and domestic and international reinsurance business permitted by national laws and regulations. The shares of the Bank held by the company were not pledged, marked or frozen.

### iv. Related party transactions with substantial shareholders

The Bank had treated a total of over 4,100 enterprises as related parties, including the above-mentioned substantial shareholders and their controlling shareholders, de facto controllers, persons acting in concert and ultimate beneficiaries, as well as legal persons or non-legal-person organizations controlled or materially influenced by the above-mentioned substantial shareholders. During the reporting period, the Bank and its controlled subsidiaries entered into 48 related party transactions with 48 related parties, with the approved amount totaling approximately RMB222,175 million. The above-mentioned related party transactions had been reported to the Board of Directors and its Related Party Transaction Control Committee of the Bank for approval or filing in accordance with relevant procedures.

## VII. AS AT THE END OF THE REPORTING PERIOD, THE BANK HAD NO SHARE REPURCHASE PLAN.

## Changes in Share Capital and Shareholders

### VIII. INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN THE SHARES AND UNDERLYING SHARES OF THE BANK UNDER HONG KONG LAWS AND REGULATIONS

As at the end of the reporting period, as far as Directors of the Bank were aware, the following persons or corporations (excluding Directors or Chief Executives of the Bank) had interests or short positions in the shares or underlying shares of the Bank as recorded in the register of interests in shares and short positions required to be kept under section 336 of the *Securities and Futures Ordinance of Hong Kong* (“*HKSF*”), or which were required to be notified to the Bank:

Name of substantial shareholder	Class of shares	Type of interest	Long/short position	Number of shares	Percentage of relevant shares in issue (%) <sup>5,6</sup>	Percentage of the total issued shares (%) <sup>5,6</sup>
China COSCO Shipping Corporation Limited <sup>1</sup>	H shares	Interest of controlled corporation	Long position	1,605,286,000	12.66	2.72
China Shipping (Group) Company <sup>1</sup>	H shares	Interest of controlled corporation	Long position	1,605,286,000	12.66	2.72
COSCO Shipping Investment Holdings Co., Limited <sup>1</sup>	H shares	Interest of controlled corporation	Long position	1,605,286,000	12.66	2.72
Ocean Fortune Investment Limited <sup>1</sup>	H shares	Beneficial owner	Long position	1,605,286,000	12.66	2.72
Central Huijin Investment Ltd. <sup>2</sup>	H shares	Interest of controlled corporation	Long position	3,773,385,000	29.76	6.39
China Everbright Group Ltd. <sup>2</sup>	H shares	Beneficial owner/ Interest of controlled corporation	Long position	1,866,595,000	14.72	3.16
China Reinsurance (Group) Corporation <sup>2</sup>	H shares	Beneficial owner/ Interest of controlled corporation	Long position	1,906,790,000	15.04	3.23
China Life Reinsurance Company Ltd. <sup>2</sup>	H shares	Beneficial owner	Long position	1,530,397,000	12.07	2.59
Overseas Chinese Town Holdings Company <sup>3</sup>	H shares	Beneficial owner	Long position	4,200,000,000	33.13	7.11
China Reform Holdings Corporation Ltd. <sup>3</sup>	H shares	Person having a security interest in shares	Long position	2,058,480,000	16.24	3.48
China CITIC Financial Asset Management Co., Ltd.	H shares	Beneficial owner	Long position	604,397,000	4.77	1.02
China Everbright Group Ltd. <sup>4</sup>	A shares	Beneficial owner/Interest of controlled corporation	Long position	26,153,018,567	56.36	44.26
Central Huijin Investment Ltd. <sup>4</sup>	A shares	Interest of controlled corporation	Long position	27,182,442,186	58.57	46.01
China CITIC Financial Asset Management Co., Ltd.	A shares	Beneficial owner	Long position	4,723,302,688	10.18	7.99

#### Notes:

- Ocean Fortune Investment Limited directly holds a long position in 1,605,286,000 H shares of the Bank. As far as the Bank was aware, Ocean Fortune Investment Limited is wholly-owned by COSCO Shipping Investment Holdings Co., Limited, which is wholly-owned by China Shipping (Group) Company. China Shipping (Group) Company is wholly-owned by China COSCO Shipping Corporation Limited. In accordance with the *HKSF*, China COSCO Shipping Corporation Limited, China Shipping (Group) Company and COSCO Shipping Investment Holdings Co., Limited are all deemed to have interests in the 1,605,286,000 H shares held by Ocean Fortune Investment Limited.
- China Life Reinsurance Company Ltd. directly holds a long position in 1,530,397,000 H shares of the Bank. China Reinsurance (Group) Corporation directly holds a long position in 376,393,000 H shares of the Bank. CEG directly holds a long position in 1,782,965,000 H shares of the Bank. China Everbright Holdings Company Limited directly holds a long position in 83,630,000 H shares of the Bank. As far as the Bank was aware, China Life Reinsurance Company Ltd. is wholly-owned by China Reinsurance (Group) Corporation, while 71.56% of the issued share capital of China Reinsurance (Group) Corporation is held by CHI. China Everbright Holdings Company Limited is wholly-owned by CEG, while 63.16% of the issued share capital of CEG is held by CHI. In accordance with the *HKSF*, China Reinsurance (Group) Corporation is deemed to have interests in the 1,530,397,000 H shares held by China Life Reinsurance Company Ltd., while CEG is deemed to have interests in the 83,630,000 H shares held by China Everbright Holdings Company Limited. Therefore, CHI is deemed to indirectly have interests in a total of 3,773,385,000 H shares of the Bank.

3. Overseas Chinese Town Holdings Company directly holds a long position in the 4,200,000,000 H shares of the Bank. In January 2025, Overseas Chinese Town Holdings Company pledged the 2,058,480,000 H Shares of the Bank it held to China Reform Holdings Corporation Ltd.
4. CEG directly holds a long position in 24,363,726,541 A shares of the Bank, and is deemed to indirectly hold a long position in a total of 1,789,292,026 A shares of the Bank through its subsidiaries as follows:
  - (1) China Everbright Limited directly holds a long position in 1,572,735,868 A shares of the Bank.
  - (2) Meiguang Enyu (Shanghai) Properties Company Limited directly holds a long position of 148,156,258 A shares of the Bank.
  - (3) China Everbright Investment and Assets Management Co., Ltd. directly holds a long position of 8,000,000 A shares of the Bank.
  - (4) Everbright Financial Holding Asset Management Co., Ltd. directly holds a long position of 60,399,900 A shares of the Bank.

Therefore, CEG directly and indirectly holds a long position of 26,153,018,567 A shares of the Bank in total.

China Reinsurance (Group) Corporation and Central Huijin Asset Management Ltd. directly hold a long position of 413,094,619 and 616,329,000 A shares of the Bank, respectively. As far as the Bank was aware, CHI held 100%, 71.56% and 63.16% of the issued share capital of Central Huijin Asset Management Ltd., China Reinsurance (Group) Corporation and China Everbright Group Ltd., respectively. In accordance with the *HKSFO*, CHI is deemed to hold a long position in 616,329,000 A shares held by Central Huijin Asset Management Ltd., a long position in 413,094,619 A shares held by China Reinsurance (Group) Corporation, and a long position in 26,153,018,567 A shares held by China Everbright Group Ltd. Therefore, CHI indirectly holds a long position in a total of 27,182,442,186 A shares of the Bank.

5. As at 31 December 2025, the issued share capital of the Bank was 59,085,551,061 shares, including 46,406,815,561 A shares and 12,678,735,500 H shares.
6. The percentage of shareholdings is rounded to two decimal places.
7. The data disclosed above is based on the information provided on the website of HKEXnews and the information obtained by the Bank as at the end of the reporting period.

Save as disclosed above, as at the end of the reporting period, the Bank had not been notified by any person who had interests or short positions in the shares or underlying shares of the Bank, which were required to be disclosed to the Bank under Divisions 2 and 3 of Part XV of the *HKSFO*, or which were recorded in the register of interests in shares and short positions required to be kept by the Bank under section 336 of the *HKSFO*.

## **IX. INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVES IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE BANK UNDER HONG KONG LAWS AND REGULATIONS**

As at the end of the reporting period, as far as Directors of the Bank were aware, none of Directors and Chief Executives of the Bank had any interests or short positions in the shares, underlying shares or debentures of the Bank or any of its associated corporations (as defined in the *HKSFO*) which were recorded in the register of interests in shares and short positions required to be kept by the Bank under section 352 of the *HKSFO*, or which were required to be notified to the Bank and SEHK under Divisions 7 and 8 of Part XV of the *HKSFO*, or which were required to be notified to the Bank and SEHK pursuant to the *Model Code*. None of Directors and Chief Executives of the Bank was granted a right to acquire any interest in the shares or debentures of the Bank or any of its relevant corporations.

## Changes in Share Capital and Shareholders

### X. ISSUANCE AND LISTING OF PREFERENCE SHARES

Unit: RMB, %, 10,000 Shares

Code	Abbreviation	Date of issuance	Issuance price	Coupon rate	Issuance volume	Date of listing	Approved volume for listing and trading	Date of delisting
360013	Everbright P1	19 June 2015	100	3.60	20,000	21 July 2015	20,000	–
360022	Everbright P2	8 August 2016	100	4.01	10,000	26 August 2016	10,000	–
360034	Everbright P3	15 July 2019	100	3.77	35,000	5 August 2019	35,000	11 February 2026

In response to higher capital requirements raised by regulators, the Bank issued preference shares to ensure sustainable business development and improve its capital structure. All the proceeds were used to replenish the additional Tier 1 capital.

### XI. TOTAL NUMBER OF PREFERENCE SHAREHOLDERS AND SHAREHOLDINGS OF TOP TEN PREFERENCE SHAREHOLDERS

#### i. Everbright P1 (Code: 360013)

Unit: Shareholder, Share, %

Total number of shareholders as at the end of the reporting period							25
Total number of shareholders as at the end of the month prior to the disclosure date of this report							25
Name of shareholder	Nature of shareholder	Change in shareholding during the reporting period	Number of shares held	Percentage of shareholding	Class of shares	Number of shares pledged/marked/frozen	
China Fund Management Co., Ltd.	Others	21,567,000	34,317,981	17.16	Domestic preference shares	–	
Everbright Securities Asset Management Co., Ltd.	Others	–	24,200,000	12.10	Domestic preference shares	–	
Hwabao Trust Co., Ltd.	Others	-23,073,600	17,696,400	8.85	Domestic preference shares	–	
China Resources SZITIC Trust Co., Ltd.	Others	7,809,000	17,540,000	8.77	Domestic preference shares	–	
Shanghai International Trust Corp., Ltd.	Others	14,373,600	14,373,600	7.19	Domestic preference shares	–	
Ping An Property & Casualty Insurance Company of China, Ltd.	Others	–	10,000,000	5.00	Domestic preference shares	–	
Ping An Life Insurance Company of China, Ltd.	Others	–	10,000,000	5.00	Domestic preference shares	–	
CITIC Securities Co., Ltd.	Others	623,600	8,078,100	4.04	Domestic preference shares	–	
CITIC Trust Co., Ltd.	Others	7,750,000	7,750,000	3.88	Domestic preference shares	–	
China Fortune Securities Co., Ltd.	Others	7,700,000	7,700,000	3.85	Domestic preference shares	–	

Note: Everbright Securities Asset Management Co., Ltd. is a related party of China Everbright Group Ltd. and China Everbright Limited. Ping An Property & Casualty Insurance Company of China, Ltd. and Ping An Life Insurance Company of China, Ltd. are related parties. China Fund Management Co., Ltd., CITIC Securities Co., Ltd., CITIC Trust Co., Ltd. and CITIC Financial AMC are related parties. Save for the above, the Bank was not aware of any related party relationship or concerted actions among the above preference shareholders, as well as between the above preference shareholders and the top ten ordinary shareholders.

## ii. Everbright P2 (Code: 360022)

Unit: Shareholder, Share, %

Total number of shareholders as at the end of the reporting period							21
Total number of shareholders as at the end of the month prior to the disclosure date of this report							21
Name of shareholder	Nature of shareholder	Change in shareholding during the reporting period	Number of shares held	Percentage of shareholding	Class of shares	Number of shares pledged/marked/frozen	
China Resources SZITIC Trust Co., Ltd.	Others	–	18,260,000	18.26	Domestic preference shares	–	
CITIC Trust Co., Ltd.	Others	16,470,000	16,470,000	16.47	Domestic preference shares	–	
China Everbright Group Ltd.	State-owned legal person	–	10,000,000	10.00	Domestic preference shares	–	
Guangdong Yuecai Trust Co., Ltd.	Others	–	9,780,000	9.78	Domestic preference shares	–	
China Fund Management Co., Ltd.	Others	3,910,000	8,210,000	8.21	Domestic preference shares	–	
China Life Insurance Company Limited	Others	–	8,180,000	8.18	Domestic preference shares	–	
Everbright Securities Asset Management Co., Ltd.	Others	–	7,790,000	7.79	Domestic preference shares	–	
Postal Savings Bank of China Co., Ltd.	Others	–	7,150,000	7.15	Domestic preference shares	–	
China Fortune Securities Co., Ltd.	Others	6,540,000	6,540,000	6.54	Domestic preference shares	–	
Ping An Property & Casualty Insurance Company of China, Ltd.	Others	–	1,630,000	1.63	Domestic preference shares	–	

Note: CITIC Trust Co., Ltd. and China Fund Management Co., Ltd. are related parties of CITIC Financial AMC. China Everbright Group Ltd. is the controlling shareholder of the Bank. Everbright Securities Asset Management Co., Ltd. is a related party of China Everbright Group Ltd. and China Everbright Limited. Save for the above, the Bank was not aware of any related party relationships or concerted actions among the above preference shareholders, as well as between the above preference shareholders and the top ten ordinary shareholders.

## Changes in Share Capital and Shareholders

### iii. Everbright P3 (Code: 360034)

Unit: Shareholder, Share, %

Total number of shareholders as at the end of the reporting period							27
Name of shareholder	Nature of shareholder	Change in shareholding during the reporting period	Number of shares held	Percentage of shareholding	Class of shares	Number of shares pledged/marked/frozen	
Ping An Life Insurance Company of China, Ltd.	Others	–	84,110,000	24.03	Domestic preference shares	–	
Everbright Securities Asset Management Co., Ltd.	Others	–	54,225,000	15.49	Domestic preference shares	–	
China Life Insurance Company Limited	Others	–	47,720,000	13.63	Domestic preference shares	–	
New China Life Insurance Company Limited	Others	–	27,270,000	7.79	Domestic preference shares	–	
Ping An Property & Casualty Insurance Company of China, Ltd.	Others	–	18,180,000	5.19	Domestic preference shares	–	
CITIC-Prudential Life Insurance Company Limited	Others	–	15,000,000	4.29	Domestic preference shares	–	
China Foreign Economy and Trade Trust Co., Ltd.	Others	–	13,637,500	3.90	Domestic preference shares	–	
Hwabao Trust Co., Ltd.	Others	900,000	11,756,667	3.36	Domestic preference shares	–	
Taiping Life Insurance Co., Ltd.	Others	–	9,090,000	2.60	Domestic preference shares	–	
China Credit Trust Co., Ltd.	Others	950,000	9,013,333	2.58	Domestic preference shares	–	

Note: Ping An Life Insurance Company of China, Ltd. and Ping An Property & Casualty Insurance Company of China, Ltd. are related parties. Everbright Securities Asset Management Co., Ltd. is a related party of China Everbright Group Ltd. and China Everbright Limited. CITIC Prudential Life Insurance Company Limited and CITIC Financial AMC are related parties. Save for the above, the Bank was not aware of any related party relationships or concerted actions among the above preference shareholders, as well as between the above preference shareholders and the top ten ordinary shareholders.

## XII. PROFIT DISTRIBUTION FOR PREFERENCE SHARES

### i. Profit distribution policy for preference shares

Everbright P1, Everbright P2, and Everbright P3 issued by the Bank are priced at coupon rates subject to adjustments at different intervals. The coupon rates shall remain unchanged for the first five years commencing from the issuance date. Subsequently, the coupon rates shall be adjusted once every five years and remain unchanged during adjustment intervals. The initial coupon rates for Everbright P1, Everbright P2 and Everbright P3 had been applied for five years. The third-phase coupon rate for Everbright P1 had been adjusted to 3.60% on 25 June 2025. The second-phase coupon rates for Everbright P2 and P3 had been adjusted to 4.01% and 3.77% on 11 August 2021 and 18 July 2024, respectively.

The dividends on the above three preference shares are non-cumulative, and the dividends shall be paid in cash. Under the circumstances that the Bank decides to cancel part or all of the dividend payments of the preference shares, the undistributed dividends shall not be carried forward to the following dividend period. After receiving dividends at the agreed rates, the preference shareholders are not entitled to the distribution of remaining profits with ordinary shareholders.

## ii. Profit distribution plan for preference shares

On 25 June 2025, the Bank distributed dividends on Everbright P1 at a coupon rate of 4.45% (before tax). On 11 August 2025, the Bank distributed dividends on Everbright P2 at a coupon rate of 4.01% (before tax). On 15 January 2025, the Bank distributed dividends on Everbright P3 at a coupon rate of 4.80% (before tax) for the period from 1 January to 17 July 2024 and 3.77% (before tax) for the period from 18 July to 31 December 2024. All the above had been executed.

During the tenure of preference shares, as agreed, the dividends on Everbright P1 and Everbright P2 shall be paid annually. The Bank shall convene a board meeting at least 10 working days prior to the dividend payment dates of Everbright P1 and Everbright P2 to consider proposals relating to the dividend payment. The dividends on Everbright P3 are distributed once per fiscal year. The Bank will implement the dividend distribution plan within 15 working days after the Board of Directors' review and approval.

## iii. Amount and proportion of the preference share dividends distributed in the last three years

Item	Unit: RMB million, %		
	2025	2024	2023
Amount of dividends	2,807	2,971	2,971
Proportion of distribution	100.00	100.00	100.00

Note: Proportion of distribution is calculated based on the amount of declared dividends and that of the agreed dividends payable for the year.

## XIII. REDEMPTION OF PREFERENCE SHARES

On 11 February 2026, the Bank redeemed all shares of “Everbright P3” and completed cancellation and delisting. The details are as follows:

Redemption date	Redemption price	Pricing principle	Redemption quantity	Redemption percentage	Unit: RMB100 million, %		
					Total redemption amount	Capital source	Subject exercising redemption rights
11 February 2026	RMB100.423/share	Par value of the preference shares plus accrued dividends for the relevant interest-bearing year as at the announcement date of the Bank's redemption declaration	350 million shares	100.00	351.48	Proprietary funds	The Bank
Impact on the share capital structure of the Bank		As at the disclosure date of this report, the total number of the Bank's preference shares had been reduced from 650 million to 300 million.					
Deliberation procedure for the redemption		For details, please refer to the <i>Announcement on the Redemption and Delisting of the Third Tranche of Preference Shares</i> disclosed by the Bank on 5 February 2026.					

## Changes in Share Capital and Shareholders

**XIV. DURING THE REPORTING PERIOD, THERE WAS NO CONVERSION OF PREFERENCE SHARES INTO ORDINARY SHARES BY THE BANK.**

**XV. DURING THE REPORTING PERIOD, THERE WAS NO VOTING RIGHT RESTORATION IN THE PREFERENCE SHARES OF THE BANK.**

### **XVI. ACCOUNTING POLICIES FOR PREFERENCE SHARES OF THE BANK AND REASONS FOR ADOPTION**

According to the *Accounting Standards for Enterprises No. 22 – Recognition and Measurement of Financial Instruments* and *Accounting Standards for Enterprises No. 37 – Presentation of Financial Instruments* promulgated by MOF, the preference shares issued by the Bank were accounted for as an equity instrument.

# Directors, Senior Management, Staff and Business Outlets

## I. INCUMBENT DIRECTORS AND SENIOR MANAGEMENT

Name	Position	Gender	Age	Term of office	Remuneration received from the Bank during the reporting period (in RMB10,000 on a pretax basis)	Whether received remuneration from a related party
Wu Lijun	Chairman, Non-executive Director	Male	61	2020.03-2028.11	–	Yes
Cui Yong	Vice Chairman, Non-executive Director	Male	56	2024.04-2028.11	–	Yes
Hao Cheng	Secretary of the CPC Committee, Executive Director, President	Male	54	2024.08-2028.11 (as Board Director) 2024.06– (as Senior Management)	–	Yes
Qi Ye	Member of the CPC Committee, Executive Director, Executive Vice President, Chairwoman of Working Committee of Labor Union	Female	55	2024.06-2028.11 (as Board Director) 2020.05– (as Senior Management)	155.27	No
Yang Bingbing	Member of the CPC Committee, Executive Director, Executive Vice President	Male	54	2024.06-2028.11 (as Board Director) 2020.05– (as Senior Management)	153.80	No
Zhao Jingjing	Non-executive Director	Female	43	2026.02-2028.11	–	Yes
Yao Wei	Non-executive Director	Male	50	2021.02-2028.11	–	Yes
Zhang Mingwen	Non-executive Director	Male	47	2024.10-2028.11	–	Yes
Li Wei	Non-executive Director	Male	54	2021.08-2028.11	–	Yes
Li Yinquan	Independent Non-executive Director	Male	70	2020.06-2026.06	43.00	Yes
Liu Shiping	Independent Non-executive Director	Male	63	2022.01-2028.01	43.00	Yes
Huang Zhenzhong	Independent Non-executive Director	Male	61	2025.04-2028.11	29.27	No
Liu Qiao	Independent Non-executive Director	Male	55	2026.01-2028.11	–	No
Hu Xiang	Independent Non-executive Director	Male	50	2026.03-2028.11	–	Yes
Li Yingqi	Independent Non-executive Director	Female	49	2026.03-2028.11	–	No
Song Bingfang	Member of the CPC Committee, Secretary of Discipline Inspection Committee	Male	56	2025.01–	143.68	No
Liu Yan	Member of the CPC Committee, Executive Vice President, Chief Financial Officer	Female	52	2024.04–	152.31	No
Yang Wenhua	Member of the CPC Committee	Male	57	2026.01–	–	No
Wang Yongqi	Member of the CPC Committee, Executive Vice President	Male	57	2026.01–	–	No
Ma Bo	Chief Risk Officer	Male	56	2025.04–	99.50	No
Zhang Xuyang	Secretary to the Board of Directors, Chief Business Supervisor	Male	53	2022.08–	159.20	No
Total remuneration received from the Bank					979.03	

## Directors, Senior Management, Staff and Business Outlets

### Notes:

1. The remuneration of Directors is subject to approval of the Annual General Meeting.
2. The remuneration of certain Directors and Senior Management is being calculated and has not been finalized, which will be disclosed in due course.
3. The remuneration of Directors and Senior Management who took office in 2025 was calculated based on their actual terms of office.
4. The Directors of the Bank recused themselves from the discussions of the Board of Directors regarding their own remuneration.
5. During the reporting period, none of Directors and Senior Management held any shares of the Bank.
6. During the reporting period, the Bank did not implement any equity incentive scheme, and none of Directors and Senior Management held any stock options on the Bank's shares or was granted any restricted shares.
7. None of the incumbent Directors and Senior Management of the Bank was subject to any penalty from securities supervisory authorities in the recent three years.

## II. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT WHO RESIGNED DURING THE REPORTING PERIOD

Name	Position	Gender	Age	Term of office	Remuneration received from the Bank during the reporting period (in RMB10,000 on a pretax basis)	Whether received remuneration from a related party
Qu Liang	Non-executive Director	Male	59	2021.02-2025.11	-	Yes
Zhu Wenhui	Non-executive Director	Male	47	2023.08-2025.11	-	Yes
Shao Ruiqing	Independent Non-executive Director	Male	68	2019.08-2026.03	43.00	No
Hong Yongmiao	Independent Non-executive Director	Male	61	2019.09-2026.01	43.00	No
Huang Zhiling	Independent Non-executive Director	Male	65	2023.11-2026.03	-	No
Wu Junhao	Shareholder Supervisor	Male	60	2009.11-2025.12	-	Yes
Qiao Zhimin	External Supervisor	Male	73	2019.09-2025.12	34.00	Yes
Chen Qing	External Supervisor	Female	65	2022.09-2025.12	-	No
Shang Wencheng	Employee Supervisor	Male	50	2019.07-2025.12	-	No
Yang Wenhua	Employee Supervisor	Male	57	2022.09-2025.12	-	No
Lu Jian	Employee Supervisor	Male	54	2022.09-2025.12	-	No
Wu Jian	Deputy Secretary of the CPC Committee, Secretary of Discipline Inspection Committee, Secretary of Party Committee Office of H.O.	Male	55	2024.06-2025.01	13.24	No
Total remuneration received from the Bank					133.24	

### Notes:

1. The remuneration of Directors, Supervisors and Senior Management who resigned in 2025 was calculated based on their actual terms of office. Employee Supervisors receive remuneration for their positions in their capacity as employees, and shall not receive any remuneration in their capacity as Employee Supervisors.
2. During the reporting period, none of the resigned Directors, Supervisors and Senior Management held any shares of the Bank.
3. During the reporting period, the Bank did not implement any equity incentive scheme, and none of the resigned Directors, Supervisors and Senior Management held any stock options on the Bank's shares or was granted any restricted shares.
4. None of the resigned Directors, Supervisors and Senior Management was subject to any penalty from the securities supervisory authorities in the recent three years.

### III. CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

#### i. Changes in Directors

1. On 10 April 2025, NFRA approved the qualifications of Mr. Huang Zhenzhong as Independent Non-executive Director of the Bank.
2. On 14 November 2025, due to the expiration of the term of office, Mr. Qu Liang and Mr. Zhu Wenhui ceased to serve as Non-executive Directors of the Bank.
3. On 6 January 2026, Mr. Liu Qiao began to serve as Independent Non-executive Director of the Bank, and Mr. Hong Yongmiao ceased to perform his duties.
4. On 4 February 2026, NFRA approved the qualifications of Ms. Zhao Jingjing as Non-executive Director of the Bank.
5. On 6 March 2026, NFRA approved the qualifications of Mr. Hu Xiang as Independent Non-executive Director of the Bank, and Mr. Huang Zhiling ceased to perform his duties.
6. On 12 March 2026, NFRA approved the qualifications of Ms. Li Yingqi as Independent Non-executive Director of the Bank, and Mr. Shao Ruiqing ceased to perform his duties.

New Directors, including Mr. Huang Zhenzhong on 8 January 2025, Mr. Liu Qiao on 31 December 2025, and Ms. Zhao Jingjing, Mr. Hu Xiang and Ms. Li Yingqi on 5 January 2026, had obtained legal opinions as required under Article 3.09D of the *Hong Kong Listing Rules*, and confirmed that they understood their responsibilities as Directors of the Bank.

#### ii. Changes in Supervisors

The Bank dissolved the Board of Supervisors from the effective date of 16 December 2025. Mr. Wu Junhao, Mr. Qiao Zhimin, Ms. Chen Qing, Mr. Shang Wencheng, Mr. Yang Wenhua and Mr. Lu Jian ceased to serve in the Board of Supervisors of the Bank and its special committees.

#### iii. Changes in Senior Management

1. On 14 January 2025, due to work adjustment, Mr. Wu Jian ceased to serve as Deputy Secretary of the CPC Committee and Secretary of Discipline Inspection Committee of the Bank.
2. On 14 January 2025, Mr. Song Bingfang began to serve as Member of the CPC Committee and Secretary of Discipline Inspection Committee of the Bank.
3. On 30 April 2025, NFRA approved the qualifications of Mr. Ma Bo as Chief Risk Officer of the Bank.
4. On 8 January 2026, Mr. Yang Wenhua began to serve as Member of the CPC Committee of the Bank.
5. On 26 January 2026, Mr. Wang Yongqi began to serve as Member of the CPC Committee of the Bank. On 24 March 2026, NFRA approved the qualifications of Mr. Wang Yongqi as Executive Vice President of the Bank.

## Directors, Senior Management, Staff and Business Outlets

### IV. CHANGES IN INFORMATION OF DIRECTORS

- i. Mr. Yang Bingbing, Executive Director of the Bank, ceased to serve as Risk Director of the Bank.
- ii. Mr. Zhang Mingwen, Non-executive Director of the Bank ceased to serve as General Manager of COSCO Shipping Development Co., Ltd. and General Manager of COSCO Shipping (Shanghai) Investment Management Co., Ltd.
- iii. Mr. Liu Shiping, Independent Non-executive Director of the Bank, ceased to serve as External Supervisor of Fujian OneBank Company Limited.
- iv. Mr. Huang Zhenzhong, Independent Non-executive Director of the Bank, began to serve as Independent Non-executive Director of APUS Network Technology Co., Ltd.

### V. REMUNERATION POLICIES OF THE BANK

In accordance with the regulatory requirements and the Bank's business management needs, the Bank formulated and implemented remuneration management policies including the *Management Measures for Employee Salary Points*, the *Management Measures for Remuneration of the Heads of Domestic Branches*, the *Management Measures for Deferred Payment of Performance-based Remuneration*, the *Management Measures for Recovery of Performance-based Remuneration*, the *Guidelines for Salary Distribution*, and the *Management Measures for Remuneration of the Heads of Subsidiaries*. For Senior Management and employees whose positions exert direct or material impacts on risks, more than 40% of the performance-based remuneration shall be paid in a deferred manner, with a deferred period of at least three years, and the corresponding performance-based remuneration of those found guilty of violation of laws, regulations and disciplines or exposed to excessive risks within the scope of their responsibilities shall be recovered, based on the type of disciplinary action within the Party, organizational punishment or regulation violation, as well as the degree of risk exposure. During the reporting period, according to relevant measures, the Bank had recovered corresponding performance-based remuneration from employees found guilty of violation of laws, regulations and disciplines or exposed to excessive risks within the scope of their responsibilities.

### VI. PROCEDURES FOR DETERMINING THE REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT, BASIS FOR DETERMINING THE REMUNERATION AND THE ACTUAL REMUNERATION PAID

The remuneration of Directors and Senior Management of the Bank is verified and paid in accordance with the *Articles of Association* of the Bank. The remuneration plan for Directors and Senior Management is reviewed by the Remuneration Committee of the Board of Directors before being submitted to the Board of Directors for approval. The remuneration plan for Directors is further subject to the Annual General Meeting for approval.

For details about the remuneration of Directors and Senior Management of the Bank in 2025, please refer to relevant aforesaid contents in this section.

## VII. POSITIONS HELD IN SHAREHOLDING COMPANIES BY DIRECTORS AND SENIOR MANAGEMENT

Name	Shareholding company	Position	Term of office
Wu Lijun	China Everbright Group Ltd.	Secretary of the CPC Committee Chairman	Aug 2023 to the present Nov 2023 to the present
Cui Yong	China Everbright Group Ltd.	Deputy Secretary of the CPC Committee Vice Chairman, General Manager	Dec 2023 to the present Jan 2024 to the present
Hao Cheng	China Everbright Group Ltd.	Member of the CPC Committee Executive Director	Jun 2024 to the present Jul 2024 to the present
Zhao Jingjing	China CITIC Financial Asset Management Co., Ltd.	Member of the CPC Committee Executive Vice President	Apr 2024 to the present Oct 2024 to the present
Yao Wei	Overseas Chinese Town Holdings Company	Member of Standing Committee of the CPC Committee, Chief Accountant	Jul 2020 to the present
Zhang Mingwen	COSCO Shipping (Shanghai) Investment Management Co., Ltd.	Chairman	Apr 2024 to the present
Li Wei	China Reinsurance (Group) Corporation	Investment Director	Oct 2024 to the present

## VIII. RESUMES OF DIRECTORS AND SENIOR MANAGEMENT

### i. Directors

#### Mr. Wu Lijun

Mr. Wu Lijun had served as Vice Chairman of the Board of Directors of the Bank since March 2020, and then has served as Chairman of the Board of Directors of the Bank since January 2024. He currently serves as Secretary of the CPC Committee and Chairman of the Board of Directors of China Everbright Group Ltd. He successively served as Deputy Director-General (Deputy Bureau Director level) of State Regulation Center of Supplies Reserve of Ministry of Domestic Trade; Head of IT Center, Deputy Director-General (Presiding) of Training Center, Director-General of Department of Personnel & Education, and General Manager of Party Organization Department of China Securities Regulatory Commission (CSRC); Member of the CPC Committee and Assistant Chairman of CSRC; Chairman and Secretary of the CPC Committee (Deputy Minister level) of Shenzhen Stock Exchange; Deputy Secretary of the CPC Committee, Vice Chairman of the Board of Directors and General Manager of China Everbright Group Ltd. He holds a doctoral degree in economics and is qualified as a senior economist.

#### Mr. Cui Yong

Mr. Cui Yong has served as Vice Chairman of the Board of Directors of the Bank since April 2024. He currently serves as Deputy Secretary of the CPC Committee, Vice Chairman of the Board of Directors and General Manager of China Everbright Group Ltd. He previously worked in the Ministry of Transport, and successively served as Deputy Division Chief and Division Chief of Transport and Urban Construction Division of Corporate Banking Department, Deputy General Manager of Corporate Banking Department I of Industrial and Commercial Bank of China (ICBC) H.O., Deputy Secretary of the CPC Committee and Deputy General Manager of ICBC Qingdao Branch, Secretary of the CPC Committee and General Manager of ICBC Xiamen Branch, Member of the CPC Committee and Deputy General Manager of ICBC Beijing Branch, General Manager of Corporate Finance Department of ICBC H.O.; Member of the CPC Committee and Executive Vice President of Agricultural Bank of China; Member of the CPC Committee, Executive Director and Executive Vice President of China Construction Bank. He holds a bachelor's degree in engineering and is qualified as a senior economist.

## Directors, Senior Management, Staff and Business Outlets

### Mr. Hao Cheng

Mr. Hao Cheng has served as Secretary of the CPC Committee of the Bank since June 2024, and Executive Director and President of the Bank since August 2024. He currently serves as Member of the CPC Committee and Executive Director of China Everbright Group Ltd. He successively served as Member of the CPC Committee and Deputy General Manager of China Development Bank Tianjin Branch, Deputy Director-General of Human Resources Department and Organization Department of the CPC Committee of China Development Bank, Secretary of the CPC Committee and General Manager of China Development Bank Jilin Branch, and Member of the CPC Committee and Executive Vice President of Bank of Communications. He holds a doctoral degree in management and is qualified as a senior engineer.

### Ms. Qi Ye

Ms. Qi Ye has served as Member of the CPC Committee of the Bank since May 2020, Executive Vice President of the Bank since July 2020, and Executive Director of the Bank since June 2024. She currently serves as Chairwoman of Working Committee of Labor Union Committee of the Bank, and concurrently serves as Board Director of China Union Pay Co., Ltd. and Board Director of Sun Life Everbright Life Insurance Co., Ltd. She joined the Bank in 1992 and successively served as Deputy General Manager of Personal Banking Department of CEB H.O. (later renamed Retail Banking Department), Risk Director of Retail Banking Department (Deputy General Manager level of H.O. department), Accredited Risk Director to Retail Banking Department (Deputy General Manager level of H.O. department) and Accredited Risk Director to Micro-finance Department (General Manager level of H.O. department) from Risk Management Department, Deputy General Manager (General Manager level of H.O. department) and General Manager of Retail Banking Department, and Chief Business Supervisor of the Bank. She holds an MBA degree and is qualified as an economist.

### Mr. Yang Bingbing

Mr. Yang Bingbing has served as Member of the CPC Committee of the Bank since May 2020, Executive Vice President of the Bank since July 2020, and Executive Director of the Bank since June 2024. He joined the Bank in 2005, and successively served as Assistant General Manager and Deputy General Manager of Risk Management Department, Deputy General Manager (Presiding) and General Manager of Information Technology Department, General Manager of Electronic Banking Department, General Manager of Digital Banking Department, Chief Business Supervisor of the Bank and Risk Director of the Bank. He successively served as Principal Staff Member of Unified Credit Management Division of Risk Management Department of BOC H.O. (during which he served as Deputy Director (Presiding) of Credit Management Division of Risk Management Department of Bank of China (Hong Kong) Limited), and Senior Risk Manager of Risk Management Department of BOC H.O. He holds an MBA degree and is qualified as a senior economist.

### Ms. Zhao Jingjing

Ms. Zhao Jingjing has served as Non-executive Director of the Bank since February 2026. She currently serves as Member of the CPC Committee and Executive Vice President of China CITIC Financial Asset Management Co., Ltd. She successively served as Deputy Director of General Office (Party Committee Office) of Guangdong Regulatory Bureau of China Banking Regulatory Commission (during which, as a member of the 17th Batch of PhD Service Corps organized by the Organization Department of the CPC Central Committee and the Central Committee of the Communist Youth League of China, she was appointed as Seconded Assistant to the President of Guangxi Beibu Gulf Bank); Deputy Division Chief of Division of Policies and Regulations of Guangdong Regulatory Bureau of China Banking and Insurance Regulatory Commission; and Deputy Director-General of General Office (Party Committee Office) and concurrently Deputy General Manager of Operation Planning Department, and General Manager of Strategic Development Department and concurrently Deputy Director-General of General Office (Party Committee Office) of China Huarong Asset Management Co., Ltd. (later renamed China CITIC Financial Asset Management Co., Ltd.). She holds a doctoral degree in management.

### Mr. Yao Wei

Mr. Yao Wei has served as Non-executive Director of the Bank since February 2021. He is currently Member of Standing Committee of the CPC Committee and Chief Accountant of Overseas Chinese Town Holdings Company. He successively served as Head of Fixed Assets Team of Assets Division, and Head of Internal Control Team of Accounting Division of Finance Department of Daya Bay Nuclear Power Operations and Management Co., Ltd. (DNMC); Division Chief of General Finance Division of Finance Department of China Guangdong Nuclear Power Group Corporation; Chief Accountant of CGN Wind Energy Co., Ltd.; Non-executive Director and Chief Accountant of CGN Meiya Power Holdings Co., Ltd. (later renamed CGN New Energy Holdings Co., Ltd.); Deputy General Manager (Presiding) and General Manager of Finance Department, General Manager of Finance and Asset Management Department of China General Nuclear Power Corporation (CGN). He concurrently served as Chief Accountant of CGN Solar Energy Development Co., Ltd., Chairman of the Board of Directors of CGNPC International Limited, and Board Director of Konka Group Co., Ltd. He holds a bachelor's degree in economics and is qualified as a certified public accountant.

### Mr. Zhang Mingwen

Mr. Zhang Mingwen has served as Non-executive Director of the Bank since October 2024. He currently serves as Secretary of the CPC Committee and Chairman of COSCO Shipping Development Co., Ltd., and concurrently serves as Chairman of COSCO Shipping (Shanghai) Investment Management Co., Ltd., and Non-Executive Director of China Merchants Securities Co., Ltd. He successively served as Assistant General Manager of Planning and Finance Department and Assistant General Manager of Treasury Finance Department of China Shipping (Group) Company; Deputy Chief Accountant and Chief Accountant of China Shipping Container Lines Co., Ltd.; Chief Accountant of COSCO Shipping Development Co., Ltd.; Chief Accountant of COSCO Shipping Holdings Co., Ltd.; Chief Financial Officer of Orient Overseas (International) Limited; Board Director, Chief Financial Officer and Member of the Executive Committee of Orient Overseas Container Line Limited; and General Manager of COSCO Shipping Development Co., Ltd. He holds a bachelor's degree in economics and a master's degree in business administration, and is a Chartered Financial Analyst (CFA) and a senior professor-level accountant.

### Mr. Li Wei

Mr. Li Wei has served as Non-executive Director of the Bank since August 2021. He currently serves as Secretary of the CPC Committee and Chairman of China Re Asset Management Co., Ltd. and Investment Director of China Reinsurance (Group) Corporation. He successively served as Member of the CPC Committee of Huatai Property & Casualty Insurance Co., Ltd.; Business Director of Sun Life Everbright Life Insurance Co., Ltd.; Member of the CPC Committee and Deputy General Manager of Sun Life Everbright Asset Management Co., Ltd.; Member of the CPC Committee, Deputy General Manager of China Continent Property & Casualty Insurance Co., Ltd., and Secretary of the CPC Committee and General Manager of its Beijing Branch; General Manager of Strategic Customer Department of China Reinsurance (Group) Corporation; Member of the CPC Committee, Vice Chairman and General Manager of China Reinsurance Asset Management Co., Ltd., Non-executive Director of CSSC (Hong Kong) Shipping Company Limited; Chairman of China Re Asset Management (Hong Kong) Company Limited. He holds an MBA degree.

## Directors, Senior Management, Staff and Business Outlets

### Mr. Li Yinquan

Mr. Li Yinquan has served as Independent Non-executive Director of the Bank since June 2020. He currently serves as Board Director of China Merchants Capital Investment Co., Ltd. He concurrently serves as Independent Non-executive Director of Genertec Universal Medical Group Co., Ltd., Million Cities Holdings Limited, Hong Kong Shanghai Alliance Holdings Limited, Mainland Headwear Holdings Limited and China Resources Beverage (Holdings) Company Limited. He successively served as Assistant General Manager of International Banking Department H.O., Head of Preparatory Group of New York Branch, Deputy Director-General of Personnel & Education Department H.O., and Deputy General Manager of Hong Kong Branch of Agricultural Bank of China; General Manager of Finance Department, Chief Financial Officer (Chief Accountant), and Vice President of China Merchants Group Limited; Chairman of China Merchants Finance Holdings Company Limited; and General Manager (CEO) and Chairman of the Board of Directors of China Merchants Capital Investment Co., Ltd. He concurrently served as Chairman of China Merchants China Direct Investments Limited, Non-executive Director of China Merchants Bank, Independent Non-executive Director of Kimou Environmental Holding Limited, and Independent Non-executive Director of Lizhi Inc., among others. He holds a master's degree in economics and a master's degree in finance development, and is qualified as a senior economist.

### Mr. Liu Shiping

Mr. Liu Shiping has served as Independent Non-executive Director of the Bank since January 2022. He currently serves as Chairman of the Board of Directors of Global Business Intelligence Consulting Co., Ltd. (GBICC), and concurrently serves as Project Leader and Chief Scientist of the National Key R&D Program titled "Resilient Urban Intelligent Planning and Simulation Key Technologies and Applications", Chief Scientist of the Sustainability Research Institute of Peking University; Professor of University of Chinese Academy of Sciences; Vice Chairman of the Executive Committee of XBRL China, Independent Non-executive Director of Aixin Life Insurance Co., Ltd., among others. He successively served as Researcher of the Institute of Economics of Iowa State University in the United States of America; Senior Business Analyst of Providian Financial Corporation; Business Intelligence Chief Advisor of Global Services Department and Global Team Head of the "Data Mining for Financial Applications" project of IBM (International Business Machines Corporation); Member of the Information Technology Committee and Member of the Independent Non-executive Director Committee of China Association for Public Companies; Independent Non-executive Director of Industrial Bank Co., Ltd.; and Independent Non-executive Director of Zhejiang Tailong Commercial Bank Co., Ltd. He is an academician of World Academy of Productivity Sciences, and holds a master's degree in economics, a master's degree in statistics and a doctoral degree in economics.

### Mr. Huang Zhenzhong

Mr. Huang Zhenzhong has served as Independent Non-executive Director of the Bank since April 2025. As a retired professor, he once served as Doctoral Supervisor at the Law School of Beijing Normal University. He currently serves as Independent Non-executive Director of Wuhan Dameng Database Co., Ltd., Independent Non-executive Director of Bank of China Insurance Company Limited, Independent Non-executive Director of Henan Wuxing New Material Science and Technology Inc., and Independent Non-executive Director of APUS Network Technology Co., Ltd. He successively served as Deputy Division Chief and Senior Economist of Asset Operation and Management Department of China Petrochemical Corporation, Partner at DeHeng Law Offices, Partner at Jingsh Law Firm, and Vice Dean of the Law School of Beijing Normal University. He concurrently served as Independent Non-executive Director of Agricultural Bank of China, and Independent Non-executive Director of Utour Group Co., Ltd., among others. He holds a doctoral degree in law.

**Mr. Liu Qiao**

Mr. Liu Qiao has served as Independent Non-executive Director of the Bank since January 2026. He currently serves as Dean of Guanghua School of Management, Professor of Finance and Economics, and Doctoral Supervisor at Peking University. He concurrently serves as Independent Non-executive Director of Midea Group Co., Ltd. and Independent Non-executive Director of CITIC Securities Co., Ltd. He successively served as Assistant Professor at the Faculty of Economics and Finance and Associate Professor at the Faculty of Business and Economics, The University of Hong Kong (tenure); Consultant of the Corporate Finance and Strategy Practice at McKinsey & Company Asia-Pacific; Independent Non-executive Director of China Merchants Bank; Independent Non-executive Director of China Securities Co., Ltd.; and Independent Non-executive Director of Beijing Capital Co., Ltd. (later renamed Beijing Capital Eco-Environment Protection Group Co., Ltd.) He holds a doctoral degree in economics.

**Mr. Hu Xiang**

Mr. Hu Xiang has served as Independent Non-executive Director of the Bank since March 2026. He currently serves as Chairman and General Manager of Shanghai Dajun Asset Management Center (Limited Partnership). He successively served as Deputy Division Chief (Presiding) of Overseas Investment Department of the National Council for Social Security Fund, Deputy General Manager of Penghua Fund Management Co., Ltd., Independent Non-executive Director of Postal Savings Bank of China, and Independent Non-executive Director of Xinhua Fund Management Co., Ltd. He holds a master's degree in economics.

**Ms. Li Yingqi**

Ms. Li Yingqi has served as Independent Non-executive Director of the Bank since March 2026. She currently serves as Professor and Doctoral Supervisor of Shanghai National Accounting Institute, Consulting Expert of the Internal Control Standards Committee (appointed by the Ministry of Finance), and Senior Member of the Chinese Institute of Certified Public Accountants (Non-practicing). She concurrently serves as Independent Non-executive Director of Shanghai Dazhong Public Utilities (Group) Co., Ltd. She successively served as Professor of Shanghai Lixin University of Accounting and Finance, Independent Non-executive Director of Shanghai Shyndec Pharmaceutical Co., Ltd., Independent Non-executive Director of China Eastern Air Logistics Co., Ltd. and Independent Non-executive Director of China Post Technology Co., Ltd. She holds a doctoral degree in management and is a gainer of the State Council Special Allowance.

## Directors, Senior Management, Staff and Business Outlets

### ii. Senior Management

#### Mr. Hao Cheng

Please refer to “i. Directors”.

#### Ms. Qi Ye

Please refer to “i. Directors”.

#### Mr. Song Bingfang

Mr. Song Bingfang has served as Member of the CPC Committee and Secretary of Discipline Inspection Committee of the Bank since January 2025. He joined the Bank in 2001. He successively served as Division Chief and Assistant General Manager of Strategic Planning Department; Assistant General Manager of Office of Board of Directors/ Supervisors; Deputy Director-General, Senior Expert, Deputy Director-General (Director-General level) and Director-General of Office of Board of Directors; Director-General of Inspection Office of China Everbright Group Ltd. He holds a doctoral degree in economics and is qualified as a senior economist.

#### Mr. Yang Bingbing

Please refer to “i. Directors”.

#### Ms. Liu Yan

Ms. Liu Yan has served as Chief Financial Officer of the Bank since April 2024, Member of the CPC Committee of the Bank since June 2024, and Executive Vice President of the Bank since September 2024. She concurrently serves as General Manager of Financial Market Department of China Everbright Bank (CEB). She joined the Bank in 1999 and successively served as Deputy Director-General of Audit Center (East) (Assistant General Manager level of H.O. department), Member of the CPC Committee and Deputy General Manager of CEB Shanghai Branch, Executive Vice President and General Manager of Asset & Liability Management Department of CEB H.O. She holds a master’s degree in management and is qualified as a senior accountant.

#### Mr. Yang Wenhua

Mr. Yang Wenhua has served as Member of the CPC Committee of the Bank since January 2026. He currently serves as Secretary of the CPC Committee, Chairman and General Manager of Everbright Technology Co., Ltd. He joined the Bank in 2006 and successively served as Assistant General Manager and Deputy General Manager of Credit Approval Department, General Manager of Asset Preservation Department, General Manager of Special Assets Management Department, and General Manager of Legal & Compliance Department (concurrently serving as Director-General of Office of Accountability Committee) of China Everbright Bank. He once served as Deputy General Manager of General Management Sub-department of Corporate Banking Department, Deputy General Manager of Risk Policy Department of CITIC Industrial Bank; Non-executive Director of China Everbright Bank (Europe) S.A. He holds a master’s degree in economics and is qualified as an economist.

### Mr. Wang Yongqi

Mr. Wang Yongqi has served as Member of the CPC Committee of the Bank since January 2026 and Executive Vice President of the Bank since March 2026. He concurrently serves as Secretary of the CPC Committee and General Manager of CEB Beijing Branch. He previously worked at China Construction Bank. He successively served as Member of the CPC Committee, Assistant General Manager and Deputy General Manager of CEB Wuxi Branch; Deputy General Manager, Senior Business Director and General Manager of Retail Banking Department of CEB Head Office; and General Manager of Retail Banking & Wealth Management Department. He holds a master's degree in management and is a senior economist.

### Mr. Ma Bo

Mr. Ma Bo has served as Chief Risk Officer of the Bank since April 2025. He currently serves as Dean of Everbright Finance Research Institute/Postdoctoral Workstation of the Bank. He joined the Bank in 1999 and successively served as Deputy Division Chief of Audit Department, Division Chief of Credit Control Department (later renamed Risk Management Department), Assistant General Manager, Deputy General Manager, Deputy General Manager (General Manager level of H.O. department) of Risk Management Department and concurrently Director-General of Basel New Capital Accord Office and General Manager of Intelligent Risk Control Center; Secretary of the CPC Committee and Deputy General Manager (General Manager level of H.O. department) of Credit Card Center; General Manager of Risk Management Department and concurrently Deputy General Manager of Credit Card Center; and General Manager of Intelligent Operation Center. He holds a doctoral degree in engineering and is qualified as a senior engineer.

### Mr. Zhang Xuyang

Mr. Zhang Xuyang has served as Secretary to the Board of Directors of China Everbright Bank (CEB) since August 2022, and Joint Company Secretary of CEB since May 2022. He currently serves as Chief Business Supervisor of CEB. He successively served in CEB Head Office as Deputy Division Chief of General Secretariat Division, Division Chief of Secretariat Division II of General Office, Senior Deputy Manager, Division Chief of Agency Banking Division of Treasury Department, Division Chief of Foreign Exchange and Structured Products Division and Assistant General Manager of Investment Banking Department, Assistant General Manager of Personal Banking Department and Director-General of Wealth Management Center, Deputy General Manager, General Manager of Retail Banking Department and concurrently Director-General of Wealth Management Center, General Manager of Asset Management Department; Secretary of the CPC Committee and Chairman of the Board of Directors of Everbright Wealth Management Co., Ltd.; Vice President of Baidu, Inc., and Vice President of Duxiaoman Technology (Beijing) Co., Ltd. He concurrently served as Chairman of Supervisory Committee of NetsUnion Clearing Corporation. He holds a master's degree and doctoral degree in economics and a master's degree in science. He was Deputy to the 17th Qingdao Municipal People's Congress and Member of Financial and Economic Committee of the Qingdao Municipal People's Congress.

## IX. INTERESTS OF DIRECTORS IN COMPETING BUSINESS

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

## Directors, Senior Management, Staff and Business Outlets

### X. FINANCIAL, BUSINESS AND KIN RELATIONSHIPS AMONG MEMBERS OF THE BOARD OF DIRECTORS

Save as disclosed in this report, there were no financial, business, kin relationships or other material relationships among the members of the Board of Directors.

### XI. DIRECTORS' INTERESTS IN CONTRACTS AND SERVICE CONTRACTS

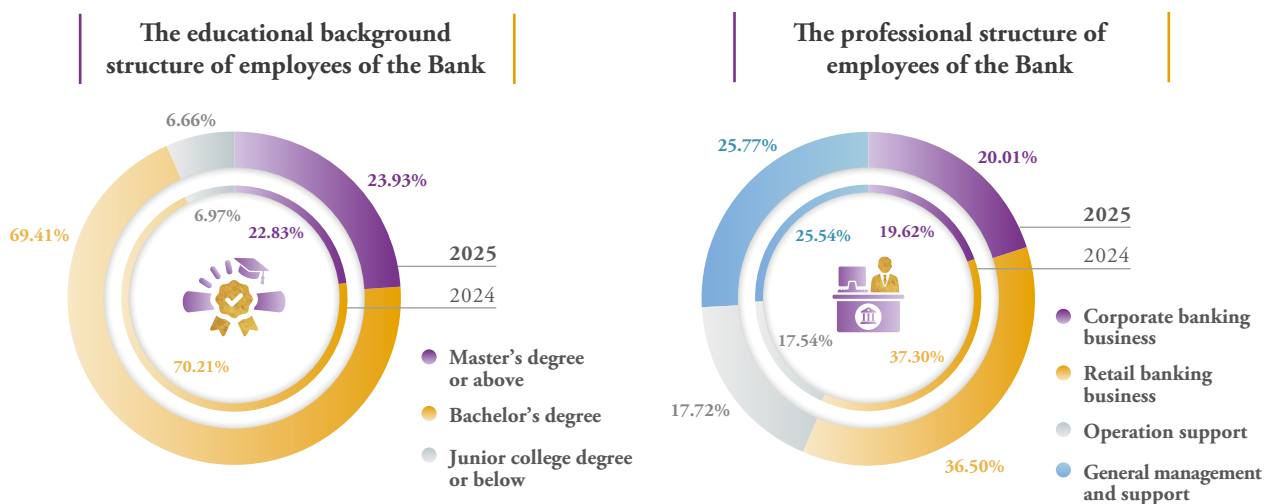
None of the Directors of the Bank or their connected entities had any material interests in any material transaction, arrangement or contract by the Bank or its subsidiaries during the reporting period. None of Directors of the Bank entered into any service contract, pursuant to which the Bank shall compensate Directors if the Bank terminates the contract within a certain year (excluding statutory compensation).

### XII. EMPLOYEES

#### i. Overview

As at the end of the reporting period; the Bank had 48,483 employees (including 900 employees of subsidiaries) and 2,534 resigned and retired employees. Among all incumbent employees, in terms of educational background, 3,227 employees held a junior college degree or below, accounting for 6.66% of the total employees; 33,653 employees held a bachelor's degree, accounting for 69.41%; and 11,603 employees held a postgraduate degree or above, accounting for 23.93%. In terms of business segment, 9,704 employees were in corporate banking business, accounting for 20.01%; 17,694 employees were in retail banking business (including credit card business and digital banking business), accounting for 36.50%; 8,593 employees were in operation support positions (including tellers), accounting for 17.72%; and 12,492 employees were in general management and service support positions, accounting for 25.77%.

The geographical distribution of the Bank's staff was as follows: 8,037 employees in Bohai Rim, 7,405 employees in Yangtze River Delta, 6,247 employees in Pearl River Delta, 7,843 employees in Central China, 6,540 employees in Western China, 3,773 employees in Northeastern China, and 392 employees in overseas institutions.



## ii. Diversity of employees

The Bank attaches great importance to the diversity of its talent pool, actively safeguarding the legitimate rights and interests of employees and providing fair and just career opportunities for employees regardless of gender, party and ethnic group. The Bank ensures equal rights for employees in recruitment, position adjustment, training, evaluation incentives and promotion, while genuinely addressing employee concerns to create a professional, inclusive and diversified working environment. As at the end of the reporting period, the ratio of male to female employees of the Bank was 1:1.3.

## iii. Remuneration policies for employees

Keeping closely in line with its development strategy and operation objectives while insisting on the combination of incentives and constraints, the Bank established a remuneration system that is performance-oriented, internally fair and market-comparable. Grassroots-level institutions and employees were given bigger weights in remuneration distribution. By establishing an incentive and constraint mechanism for remuneration distribution, the Bank balanced the relationships between current term and long term, and between return and risk, and ensured that remuneration incentive corresponds with risk-adjusted performance. These policies are formulated and modified in strict accordance with relevant laws, regulations, regulatory requirements and corporate governance procedures.

The gross payroll of the Bank is determined based on the Bank's performance, and the annual payroll is determined by the Board of Directors. The Bank formulated the annual payroll plan in strict accordance with regulatory requirements and the Bank's corporate governance requirements, and managed and distributed the gross payroll and employee remuneration of all institutions under its jurisdiction within the annual payroll plan.

The Bank's remuneration policies apply to all employees who have entered into labor contracts with the Bank, and there is no exception beyond original remuneration plan. Employee remuneration consists of basic remuneration, performance-based remuneration and welfare income. Among them, basic remuneration is determined according to the value of position, years of service and employees' duty performance ability, and performance-based remuneration is linked to the performance assessment results of the employees and their institutions. The remuneration of employees in the audit, legal compliance and risk management departments of the Bank is determined based on their value contribution, duty performance ability and work performance, which has no direct relation with the businesses they supervise, so that they remain independent from other business sectors.

## iv. Training plans

Closely aligning with its development strategy, the Bank promoted the education and training work to facilitate business growth and staff development. The Bank continuously strengthened the cultivation of political integrity for leaders and cadres at all levels, with a focus on the Party theoretical education, Party spirit education, professional competence training and knowledge-based training, thereby advancing the education and training work in a well-conceived, institutionalized and standardized manner. Based on the actual needs of various business sectors and key business units, the Bank formulated a well-conceived annual education and training plan, carried out professional training programs for various business lines and fields in a systematic manner, and continuously enhanced the competence and comprehensive quality of professional talents of all types and at all levels. The Bank advanced the building of professional talent pools for international banking, retail banking, risk compliance, technological innovation, Party-building & inspection and operation management in a coordinated manner. The Bank strengthened technological empowerment by enhancing the development of "Sunshine Academy", the digital learning platform of the Bank.

## Directors, Senior Management, Staff and Business Outlets

### v. Employees of main subsidiaries as at the end of the reporting period

Company name	Number of formal employees			Total	Proportion of employees holding a bachelor's degree or above (%)
	Management members	Business staff	Supporting staff		
Everbright Financial Leasing Co., Ltd.	7	84	94	185	97.00
Everbright Wealth Management Co., Ltd.	5	314	23	342	100.00
Beijing Sunshine Consumer Finance Co., Ltd.	5	101	34	140	100.00
CEB International Investment Corporation Limited	2	62	37	101	100.00
China Everbright Bank (Europe) S.A.	4	30	8	42	92.86
Jiangxi Ruijin Everbright Rural Bank Co., Ltd.	5	11	12	28	89.28

Note: As at the end of the reporting period, Shaoshan Everbright Rural Bank Co., Ltd. and Jiangsu Huai'an Everbright Rural Bank Co., Ltd. had entered the process of liquidation and dissolution, with their staff taken over by the Bank.

## XIII. ORGANIZATIONAL SETUP

### i. Departments

The former Everbright Research Institute was renamed Everbright Finance Research Institute, operating in the same office with Postdoctoral Workstation, and the full department name was changed to Everbright Finance Research Institute/Postdoctoral Workstation. The former Transaction Banking Department and International Banking Department were integrated as Transaction Banking Department/International Banking Department. The former Corporate Finance Department/Strategic Customer Management Department was renamed Corporate Finance Department/Strategic Customer Management Department/Technology Finance Center. The former Digital Banking/E-cloud Banking Services Department was renamed Digital Finance/Cloud Fee Payment Business Department. The Office of Board of Supervisors was abolished. There was no change in the setup of other departments.

As at the disclosure date of this report, the organizational setup of tier-1 Head Office departments was as follows:



## Directors, Senior Management, Staff and Business Outlets

### ii. Branches and outlets

During the reporting period, the Bank had a net increase of 9 new banking outlets and a net decrease of 21 community banks. In the domestic market, as at the end of the reporting period, the Bank had 1,330 branches and outlets, including 39 tier-1 branches, 116 tier-2 branches and 1,175 outlets. In addition, the Bank had 401 community banks. The outlets of the Bank extended business reach to 150 economic center cities, covering all provincial administrative regions.

In the overseas market, as at the end of the reporting period, the Bank had 7 overseas branch outlets, including Hong Kong Branch, Seoul Branch, Luxembourg Branch, Sydney Branch, Macao Branch, Melbourne Branch and Tokyo Representative Office.

Details of the Bank's branch outlets (excluding subsidiaries) are as follows:

Regional division	Institution name	Number of outlets	Total assets (RMB million)
Headquarters	Head Office	1	4,099,450
	Credit Card Center	1	355,412
Bohai Rim	Beijing Branch	75	810,136
	Tianjin Branch	34	101,325
	Shijiazhuang Branch	55	120,269
	Jinan Branch	40	87,885
	Qingdao Branch	35	98,010
	Yantai Branch	17	72,600
	Yangtze River Delta	Shanghai Branch	58
	Nanjing Branch	71	343,879
	Hangzhou Branch	48	270,506
	Suzhou Branch	20	148,300
	Ningbo Branch	19	81,894
	Wuxi Branch	11	110,470
Pearl River Delta	Guangzhou Branch	91	338,488
	Shenzhen Branch	49	286,699
	Fuzhou Branch	40	121,801
	Xiamen Branch	17	51,878
	Haikou Branch	23	48,288
Central China	Zhengzhou Branch	52	128,362
	Taiyuan Branch	42	125,039
	Changsha Branch	63	145,884
	Wuhan Branch	41	133,318
	Hefei Branch	56	207,369
	Nanchang Branch	32	100,509

Regional division	Institution name	Number of outlets	Total assets (RMB million)
Western China	Xi'an Branch	39	78,989
	Chengdu Branch	31	96,135
	Chongqing Branch	26	124,849
	Kunming Branch	22	59,916
	Nanning Branch	29	71,355
	Huhhot Branch	19	36,944
	Urumqi Branch	8	24,733
	Guiyang Branch	13	43,676
	Lanzhou Branch	11	24,602
	Xining Branch	2	7,772
	Yinchuan Branch	5	8,499
	Lhasa Branch	2	7,027
Northeastern China	Heilongjiang Branch	37	59,836
	Changchun Branch	35	39,540
	Shenyang Branch	39	56,275
	Dalian Branch	23	27,474
Overseas	Hong Kong Branch	1	149,069
	Seoul Branch	1	37,008
	Luxembourg Branch	1	22,119
	Sydney Branch	2	40,762
	Macao Branch	1	13,054
	Tokyo Representative Office	1	–
Consolidation adjustment			(2,870,399)
Total		1,339	6,990,194

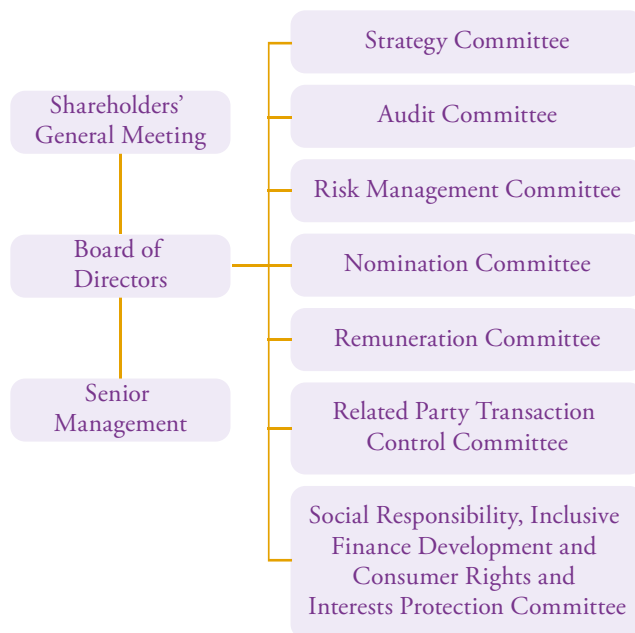


The image features a close-up of magnolia branches with pink and white flowers against a soft blue background. A decorative gold glitter border curves across the bottom of the page. The text 'Corporate Governance' is centered in the middle of the image.

# Corporate Governance

# Corporate Governance

## I. CORPORATE GOVERNANCE STRUCTURE



## II. OVERVIEW

Aiming at the best practice of corporate governance in the capital market, the Bank has established a sound corporate governance framework and policy system meeting the requirements of the modern corporate system, leading to steady improvement in the corporate governance of the Bank. During the reporting period, the Bank strictly complied with the *Company Law*, the *Securities Law*, the *Law on Commercial Banks*, the *Code of Corporate Governance for Listed Companies*, the *Code of Corporate Governance of Banking and Insurance Institutions*, the *Hong Kong Listing Rules* and other requirements. The Bank's corporate governance had no major deviation from laws, administrative regulations or provisions issued by CSRC on corporate governance of listed companies.

The Board of Directors of the Bank performed the duties as set out in Rule A.2.1 of Appendix C1 to the *Hong Kong Listing Rules*, including reviewing the Bank's corporate governance policies and practices, the training and continuous professional development status of Directors and Senior Management, the Bank's policies and practices in respect of observance of laws and regulatory requirements, the Bank's compliance with the *Model Code* and the compliance manual for employees, the Bank's compliance with the provisions of Appendix C1 to the *Hong Kong Listing Rules* and the contents disclosed in this section.

During the reporting period, the Board of Directors of the Bank focused on serving the five target areas of finance, serving the real economy and other major national strategies, promoted and strengthened coordination and collaboration, and optimized internal organizational structure. The Board of Directors of the Bank proactively responded to the action initiative of “creating returns through quality enhancement and efficiency improvement” by formulating valuation enhancement plans to boost investor confidence. The Board of Directors of the Bank implemented regulatory requirements by completing the revision of the *Articles of Association* of the Bank and the reform of the Board of Supervisors. The Board of Directors of the Bank smoothly advanced the re-election of the Board of Directors and made orderly adjustments to the personnel composition of its special committees. The Board of Directors of the Bank proactively fulfilled social responsibilities by supporting paired assistance through donations. The Board of Directors of the Bank revised and optimized relevant policies to further strengthen its policy foundation. The Board of Directors of the Bank continuously improved the management of related party transactions and strictly reviewed material related party transactions.

During the Reporting Period, the former Board of Supervisors of the Bank earnestly performed its oversight duties. It reviewed the financial reports, business plans and profit distribution proposals, and conducted rigorous financial supervision. It strengthened oversight over strategy, risk management and internal control by means of deliberating proposals, listening to reports, conducting investigations and research, and interviewing relevant departments. It carried out research focusing on areas such as business operation and management, the five target areas of finance, featured business cultivation and consumer protection. It also offered management recommendations with a focus on decision-making procedures, resolution implementation, compliant operation and risk prevention.

During the reporting period, the Bank safeguarded the minority shareholders’ rights of knowing, participating and decision-making through proper policy arrangements and procedure guarantee. Shareholders’ general meetings were convened via both on-site voting and online voting. When material matters concerning the interests of medium and small investors were involved, the votes made by medium and small investors were counted and disclosed separately.

During the reporting period, the Bank regarded the cultivation and promotion of the financial culture with Chinese characteristics as an important task, actively explored effective pathways to cultivate it, and incorporated cultural construction into all aspects of operation and management. The Bank organized a variety of publicity and education activities such as labor competitions and case collection campaigns, to guide its cadres and employees to deeply grasp the core principles and practical requirements of the financial culture with Chinese characteristics and encourage them to establish a sound view of performance. The Bank stayed true to its original aspiration and positioning, adhered to returning to the fundamentals, resolutely opposed blind expansion and moving away from the real economy toward speculative activities, promoted the integration of the financial culture with Chinese characteristics into daily operation, and provided a solid cultural foundation for the Bank’s high-quality development.

The Board of Directors of the Bank had reviewed its work during the reporting period and solicited the opinions of Senior Management, who considered that the Board of Directors had effectively performed its duty and safeguarded the interests of the shareholders and the Bank.

## Corporate Governance

### III. INDEPENDENCE AND HORIZONTAL COMPETITION

The controlling shareholder and the de facto controller of the Bank took a series of measures in accordance with regulatory requirements to ensure that the Bank remains independent in terms of assets, personnel, finance, organization and business, and thus has the capability to operate independently. The controlling shareholder, the de facto controller and their related parties did not occupy or control any assets of the Bank. The Bank's Senior Management did not hold any administrative positions in the institutions of the controlling shareholder. The Bank has independent and sound financial and accounting management policies, and the controlling shareholder, the de facto controller and their related parties did not interfere with the Bank's financial and accounting activities. The controlling shareholder, the de facto controller and their internal organizations had no superior-subordinate relationship with the Bank and its internal organizations. The controlling shareholder, the de facto controller and their related parties did not interfere with specific operations of the Bank and did not affect the independence of the Bank's operation management.

The Bank's controlling shareholder and other entities controlled by the controlling shareholder were not engaged in the same or similar businesses as the Bank. Therefore, there was no horizontal competition.

### IV. SHAREHOLDERS' GENERAL MEETINGS

#### i. Convening of shareholders' general meetings

During the reporting period, the Bank held one annual general meeting and three extraordinary general meetings, all in conformity with the procedures specified in the *Articles of Association* of the Bank.

On 7 January 2025, the Bank convened the 2025 First Extraordinary General Meeting in Beijing with a total of 1,348 shareholders or their proxies present, representing 43,468,251,497 voting shares, accounting for 73.5683% of the Bank's total voting shares. The meeting considered and approved 5 proposals, including the interim profit distribution plan, related party transactions, amendments to the *Authorization Plan of Shareholders' General Meetings to the Board of Directors*, and election of Independent Non-executive Directors.

On 27 June 2025, the Bank convened the 2024 Annual General Meeting in Beijing with a total of 1,158 shareholders or their proxies present, representing 43,687,224,167 voting shares, accounting for 73.9389% of the Bank's total voting shares. The meeting considered and approved 9 proposals, including the annual work report of the Board of Directors, the annual report of the Board of Supervisors, the fixed asset investment budget, the final account report, the profit distribution plan, the engagement of accounting firms, the remuneration of Directors and Supervisors, and the paired assistance through donations, and listened to 6 reports.

On 29 July 2025, the Bank convened the 2025 Second Extraordinary General Meeting in Beijing with a total of 1,305 shareholders or their proxies present, representing 39,686,209,365 voting shares, accounting for 67.1674% of the Bank's total voting shares. The meeting considered and approved 4 proposals, including amendments to the *Articles of Association*, amendments to the *Rules of Procedure of the Shareholders' General Meeting*, amendments to the *Rules of Procedure of the Board of Directors*, and dissolution of the Board of Supervisors.

On 14 November 2025, the Bank convened the 2025 Third Extraordinary General Meeting in Beijing with a total of 1,218 shareholders or their proxies present, representing 45,755,486,383 voting shares, accounting for 77.4393% of the Bank's total voting shares. The meeting considered and approved 5 proposals, including related party transactions and election of the Tenth Session of the Board of Directors of the Bank.

The relevant announcements of the above-mentioned meetings were published on the websites of the SSE, the HKEXnews and the Bank.

## ii. Implementation of the resolutions of the shareholders' general meetings by the Board of Directors

During the reporting period, the Board of Directors of the Bank earnestly and fully implemented resolutions considered and approved at the shareholders' general meetings of the Bank.

The Board of Directors of the Bank earnestly implemented the profit distribution plan, distributed dividends to shareholders in a timely manner, and safeguarded shareholders' interests properly. The implementation of 2024 interim and annual profit distribution plans were completed.

In accordance with the proposal on the election of Directors at the shareholders' general meetings, the Bank submitted the qualifications of new Directors to NFRA in a timely manner and all submitted qualifications of Directors had been approved.

In accordance with the proposal on paired assistance through donations considered and approved by the shareholders' general meetings, the Bank had completed the work of paired assistance through donations.

In accordance with the proposal on the amendments to the *Articles of Association* of the Bank considered and approved by shareholders' general meeting, the Bank had submitted the amended version of the *Articles of Association* to NFRA in a timely manner, which became effective upon approval by NFRA.

For details of the duties of shareholders' general meetings, please refer to the *Articles of Association* of the Bank.

## V. DIRECTORS AND BOARD OF DIRECTORS

### i. Board composition

As at the disclosure date of this report, the Board of Directors consisted of 15 directors, including 3 Executive Directors (Mr. Hao Cheng, Ms. Qi Ye and Mr. Yang Bingbing), 6 Non-executive Directors (Mr. Wu Lijun, Mr. Cui Yong, Ms. Zhao Jingjing, Mr. Yao Wei, Mr. Zhang Mingwen and Mr. Li Wei), and 6 Independent Non-executive Directors (Mr. Li Yinquan, Mr. Liu Shiping, Mr. Huang Zhenzhong, Mr. Liu Qiao, Mr. Hu Xiang and Ms. Li Yingqi).

The Bank paid special attention to the diversity of the members of the Board of Directors. In accordance with the *Policy on Membership Diversity of the Board of Directors* of the Bank, the Nomination Committee of the Board of Directors comprehensively assessed director candidates' gender, age, literacy level, educational background, professional experience, skills, knowledge, term of service, etc., when examining the appointment qualifications and conditions of director candidates and submitting recommendations to the Board of Directors. The Nomination Committee was responsible for regularly evaluating the structure, number of members and composition of the Board of Directors. As at the disclosure date of this report, out of the 15 Directors of the Bank, there were 13 Directors holding master's degrees or above, including 7 Directors holding doctoral degrees. Non-executive Directors held key positions in their respective institutions and possess extensive management experience. Independent Non-executive Directors were senior experts in economics, finance, accounting, risk management, enterprise management, fintech and other fields with diversified industry working experience, providing the Bank with professional advice in various fields. The Board of Directors understood the special importance of gender diversity and strove to improve its gender diversity, with 3 female members serving at the Board of Directors to meet the gender diversity requirements. The Bank will fully consider the gender composition of director candidates in the selection process in accordance with the *Diversity Policy for the Board of Directors* of the Bank to continuously meet the requirement on the gender diversity of the Board of Directors.

For details of the resumes of Directors, please refer to "Directors, Senior Management, Staff and Business Outlets".

## Corporate Governance

### ii. Duties of the Board of Directors

As the decision-making body of the Bank, the Board of Directors is responsible for convening the shareholders' general meeting, reporting to the shareholders' general meeting and implementing resolutions passed at the shareholders' general meeting. The Board of Directors shall also set out strategies, operation plans and investment plans as well as risk management policies, formulate various proposals on financial budget, final accounts and profit distribution, and appoint members of Senior Management.

The Bank has formulated the *Articles of Association* and other relevant rules to ensure that the Board of Directors can obtain independent views and opinions, including selection procedures and selection criteria for Directors, voting recusal mechanism for Directors with major interests on relevant proposals of the Board of Directors, authority of Independent Non-executive Directors for independently engaging external audit institutions, advisory agencies, independent financial advisors or other professional advisors. The Board of Directors believes that the above-mentioned mechanism can effectively ensure that the Board of Directors obtains independent views and opinions.

For details of the duties of the Board of Directors, please refer to the *Articles of Association* of the Bank.

### iii. Meetings of the Board of Directors

During the reporting period, the Board of Directors convened 12 meetings including 9 on-site meetings and 3 meetings via written resolutions. The Board of Directors considered a total of 103 proposals and listened to a total of 49 reports, playing an effective role in making decisions in a well-conceived manner.

The Board of Directors highly valued the work of strategy optimization and regularly evaluated the execution of strategies. It improved corporate governance mechanism to further enhance standardized operation. It strengthened comprehensive risk management and internal control system, thereby enhancing the Bank's capacity to withstand risks. It optimized information disclosure system, enriched disclosure contents, and effectively protected the legitimate rights and interests of investors. It conscientiously strengthened self-building to continuously improve its duty performance capability.

The announcements of resolutions of Board meetings of the Bank are published on the websites of the SSE, the HKEXnews and the Bank.

## iv. Attendance of Directors at the meetings of the Board of Directors

Director	Special Committees of the Board of Directors								
	Shareholders' General Meeting	Board of Directors	Strategy Committee	Audit Committee	Risk Management Committee	Nomination Committee	Remuneration Committee	Related Party Transaction Control Committee	Social Responsibility, Inclusive Finance Development and Consumer Rights and Interests Protection Committee
	Number of attendance in person/Number of meetings during the term of office								
<b>Incumbent Directors</b>									
Wu Lijun	4/4	11/12	5/5	-	-	3/3	-	-	-
Cui Yong	3/4	9/12	5/5	-	-	-	-	-	-
Hao Cheng	4/4	12/12	5/5	-	9/9	-	-	-	6/6
Qi Ye	4/4	12/12	-	-	-	-	-	-	6/6
Yang Bingbing	4/4	11/12	-	-	8/9	-	-	-	-
Zhao Jingjing	-	-	-	-	-	-	-	-	-
Yao Wei	1/4	10/12	-	5/7	-	-	-	-	5/6
Zhang Mingwen	3/4	12/12	-	-	9/9	-	-	-	6/6
Li Wei	3/4	11/12	-	-	8/9	-	1/2	-	-
Li Yinquan	3/4	12/12	-	6/7	-	3/3	2/2	11/11	-
Liu Shiping	2/4	11/12	4/5	7/7	-	3/3	-	11/11	-
Huang Zhenzhong	3/3	9/9	-	-	-	2/2	1/1	7/7	3/3
Liu Qiao	-	-	-	-	-	-	-	-	-
Hu Xiang	-	-	-	-	-	-	-	-	-
Li Yingqi	-	-	-	-	-	-	-	-	-
<b>Former Directors</b>									
Qu Liang	3/4	8/11	-	-	-	-	-	-	5/6
Zhu Wenhui	0/4	10/11	3/5	5/6	-	-	-	-	-
Shao Ruiqing	3/4	10/12	-	7/7	9/9	-	2/2	9/11	-
Hong Yongmiao	4/4	12/12	5/5	-	-	3/3	2/2	11/11	-
Huang Zhiling	3/4	10/12	-	6/7	8/9	-	-	11/11	6/6

## Notes:

1. Directors newly appointed in 2025 would start to perform their duties after their appointment qualifications were approved by NFRA.
2. For details of the change of Directors, please refer to "Directors, Senior Management, Staff and Business Outlets".
3. "Number of attendance in person" includes on-site attendance and attendance via written resolutions.
4. Directors who were unable to attend in person the meetings of the Board of Directors and Special Committees had entrusted other Directors to attend the meetings by proxy and exercise their voting rights.

## Corporate Governance

### v. Appointment, re-election and removal of Directors

In accordance with the *Articles of Association* of the Bank, Directors shall be elected and replaced at the shareholders' general meetings, and the term of office for Directors (including Non-executive Directors) is three years starting from the date when their appointment qualifications are approved by NFRA. Directors can be re-elected and re-appointed when the term of office expires, and the term of office of the re-elected and re-appointed directors commences from the date when such re-election and re-appointment are considered and approved at the shareholders' general meetings.

The term of office of Independent Non-executive Directors is the same as that of other Directors of the Bank. The term of office of Independent Non-executive Directors in the Bank shall conform to the applicable laws and provisions of regulatory authorities.

The *Articles of Association* of the Bank stipulates the procedures for appointing, re-electing and removing Directors. The Nomination Committee of the Board of Directors preliminarily reviews the appointment qualifications and conditions of each director candidate and submits recommendations to the Board of Directors, which will consider and approve the proposal on the nomination of director candidates and further submit it for election at the shareholders' general meetings.

### vi. Board statement on the financial statements

The Senior Management has provided sufficient explanation and information for the Board of Directors to make well-informed decisions with respect to the submitted financial statements and other materials for approval. The Directors of the Bank acknowledge that they are responsible for preparing the financial statements of the Bank, which truly represent the operating results of the Bank for the year 2025. To the best knowledge of the Directors, there was no material uncertain event or condition that might have a material adverse effect on the continuing operation of the Bank.

## VI. BOARD COMMITTEES

The Board of Directors of the Bank has set up the Strategy Committee, the Audit Committee, the Risk Management Committee, the Nomination Committee, the Remuneration Committee, the Related Party Transaction Control Committee, and the Social Responsibility, Inclusive Finance Development and Consumer Rights and Interests Protection Committee. During the reporting period, the special committees held 43 meetings, including 5 meetings of the Strategy Committee, 7 meetings of the Audit Committee, 9 meetings of the Risk Management Committee, 3 meetings of the Nomination Committee, 2 meetings of the Remuneration Committee, 11 meetings of the Related Party Transaction Control Committee, and 6 meetings of the Social Responsibility, Inclusive Finance Development and Consumer Rights and Interests Protection Committee. During these meetings, the Board Committees reviewed 83 proposals and listened to 53 reports. The Board committees, based on the division of duties, carefully considered material issues in the Bank's operation and management and provided professional support for the Board of Directors to make well-conceived decisions.

### i. Strategy Committee

Primary duties of the Strategy Committee include: formulating business objectives, medium- to long-term development strategies, and advising the Board of Directors accordingly; reviewing plans on capital management objectives and replenishment, and supervising and inspecting their implementation; and developing business plan, reform plan for operation and management mechanisms, major external investment programs and capital operation schemes, overseeing and inspecting the implementation, and advising the Board accordingly.

During the reporting period, the Strategy Committee convened 5 meetings including 2 on-site meetings and 3 meetings via written resolutions, reviewed 6 proposals and listened to 2 reports. It reviewed and approved proposals including the business plan and financial budget plan, the fixed asset investment budget plan, the profit distribution plan, the redemption of the third tranche of preference shares, and the reform of rural banks. The Committee also listened to the reports on the implementation of strategies.

As at the disclosure date of this report, the Strategy Committee consisted of 6 Directors, including Non-executive Director Mr. Wu Lijun (Chairman), Executive Director Mr. Hao Cheng, Non-executive Directors Mr. Cui Yong and Ms. Zhao Jingjing, and Independent Non-executive Directors Mr. Liu Shiping and Mr. Liu Qiao.

## ii. Audit Committee

Primary duties of the Audit Committee include: overseeing and evaluating the Bank's internal control; examining the Bank's financial status, and reviewing financial information and its disclosure; overseeing and evaluating the Bank's internal audit work; overseeing and evaluating the Bank's external audit work, proposing the appointment or dismissal of external audit firms, and coordinating communication and liaison between internal and external audits; paying attention to the potential misconduct relating; proposing the appointment or dismissal of the Bank's chief financial officer; reviewing changes in accounting policies, accounting estimates or corrections of material accounting errors for reasons other than changes in accounting standards; supervising and evaluating the performance of duties by Directors and Senior Management; requiring Directors and Senior Management to rectify any conduct that harms the interests of the Bank; and proposing the removal of Directors and Senior Management who violate applicable laws, administrative regulations, the *Articles of Association* of the Bank or resolutions of the shareholders' general meetings, or instituting legal proceedings against them in accordance with the law.

During the reporting period, the Audit Committee convened 7 meetings including 4 on-site meetings and 3 meetings via written resolutions, reviewed 13 proposals and listened to 20 reports. It considered and approved the annual auditor's reports on financial statements, the interim review reports, the quarterly reports on the implementation of agreed-upon procedures and other periodic reports, the internal control assessment reports and the audit reports on internal control, internal audit plans, and the engagement of accounting firms. The Committee also listened to the internal audit work summary, the *Proposal for Management*, the report on work rectifications and the special audit report on related business, and observed and discussed the performance of the annual, interim and quarterly operation.

The Committee diligently fulfilled its supervisory duties over auditors, urging the annual auditors to perform their audit work properly. In March 2025, the Committee convened a meeting, at which the *Proposal on the Engagement of Accounting Firms for 2025* was reviewed and approved. The Committee held that KPMG Huazhen LLP and KPMG who were able to complete the audit work of the Bank for the year 2024 in accordance with the audit service contracts possess the necessary professional competence, investor protection capability, independence and good integrity, and agreed to continue engaging them as the accounting firms in charge of the Bank's domestic and overseas audit for the year 2025 respectively and submit this proposal to the Board of Directors for deliberation. In December 2025, the Committee reviewed the audit work plan of auditors, focused on issues such as service team, timetable, key audit areas, auditors' independence, project quality control and confidentiality, and pointed out major issues meriting particular attention in audit. In March 2026, the Committee convened a meeting to review the 2025 auditor's reports on the financial statements of the Bank issued by KPMG Huazhen LLP and KPMG. The Committee held that the auditor's reports reflected the operation of the Bank in a truthful, accurate and complete manner, and came to a resolution which was submitted to the Board of Directors for review. Additionally, the Committee reviewed the auditors' summary report on the audit work, determining that the auditors had appropriately executed audit procedures on key audit projects, successfully completed the annual audit work, and agreed to submit it to the Board of Directors for review.

The Bank ceased to have the Board of Supervisors from 16 December 2025 and the Audit Committee of the Board of Directors assumed the functions and powers of the Board of Supervisors as prescribed by laws and regulations. As at the end of the reporting period, members of the Audit Committee attended all the on-site meetings of the Board of Directors to supervise over the legality and compliance of convening meetings, the voting procedures, and the attendance, speeches and voting of Directors, with no objections to the matters under supervision during this period.

As at the disclosure date of this report, the Audit Committee consisted of 6 Directors, of which the majority and the Chairperson were Independent Non-executive Directors. The members included Independent Non-executive Director Ms. Li Yingqi (Chairwoman), Non-executive Directors Ms. Zhao Jingjing and Mr. Yao Wei, and Independent Non-executive Directors Mr. Li Yinquan, Mr. Liu Shiping and Mr. Hu Xiang.

## Corporate Governance

### iii. Risk Management Committee

Primary duties of the Risk Management Committee include: determining the Bank's risk management policies and the overall risk tolerance level; supervising the duty performance of the Bank's Senior Management in exerting risk control in terms of credit, market, operation, liquidity, compliance and reputation; evaluating the Bank's risk policies, management status and risk tolerance; regularly submitting risk management reports to the Board of Directors; setting the Bank's capital adequacy ratio management objectives and monitoring capital adequacy ratio indicators; and supervising Senior Management's anti-money laundering duty performance, enhancing the effectiveness of data governance, and fulfilling data security management duties.

During the reporting period, the Risk Management Committee convened 9 meetings including 3 on-site meetings and 6 meetings via written resolutions, reviewed 24 proposals and listened to 18 reports. It considered and approved proposals including the risk management report, the capital adequacy ratio report, the liability quality management and consolidated management report, the business continuity special audit report, the internal capital adequacy assessment report, and reports related to risk appetite indicators, formulation and revision of relevant risk management policies, and writing-off of bad debts, and paid constant attention to the credit investment policies, internal control and compliance, fraud case prevention and management, special audits, AML management and other aspects of work.

As at the disclosure date of this report, the Committee consisted of 6 Directors, including Executive Directors Mr. Hao Cheng (Chairman) and Mr. Yang Bingbing, Non-executive Directors Mr. Zhang Mingwen and Mr. Li Wei, and Independent Non-executive Directors Mr. Hu Xiang and Ms. Li Yingqi.

### iv. Nomination Committee

Primary duties of the Nomination Committee include: selecting qualified candidates for Directors and Senior Management; drafting the procedures and criteria for selecting Directors and Senior Management, preliminarily reviewing the qualifications and conditions of candidates, and advising the Board of Directors regarding the nomination or removal of Directors and the appointment or dismissal of Senior Management; regularly evaluating the Board structure, the number of Board members and the Board composition, and offering recommendations on the proposed adjustment to the Board of Directors according to the Bank's strategies.

During the reporting period, the Nomination Committee convened 3 meetings including 2 on-site meetings and 1 meeting via written resolutions, reviewed 4 proposals and listened to 1 report. It reviewed and approved the proposals on the nomination of candidates for Directors, the appointment of Senior Management, etc., and offered suggestions to the Board of Directors.

As at the disclosure date of this report, the Nomination Committee consisted of 5 Directors, of which the majority and the Chairperson were Independent Non-executive Directors. The members included Independent Non-executive Director Mr. Liu Shiping (Chairman), Non-executive Director Mr. Wu Lijun and Independent Non-executive Directors Mr. Li Yinquan, Mr. Huang Zhenzhong and Mr. Liu Qiao.

## v. Remuneration Committee

Primary duties of the Remuneration Committee include: drafting the remuneration plan for Directors and Senior Management, advising the Board of Directors, and overseeing the implementation of the plan; reviewing the duty performance of Directors and Senior Management, and making suggestions to the Board of Directors on the assessment and evaluation of them; and reviewing the remuneration management policies and rules of the Bank, advising the Board accordingly, and overseeing policy implementation.

During the reporting period, the Remuneration Committee convened 2 meetings including 1 on-site meeting and 1 meeting via written resolutions, reviewed 4 proposals and listened to 2 reports. It reviewed and approved the proposals regarding Board of Directors' report on the evaluation of Directors' overall duty performance, Directors' remuneration, and the newly-revised supplementary medical insurance scheme, listened to the work reports made by Senior Management, and studied and proposed the assessment and evaluation results of Senior Management. The Committee believed that the determination of Directors' remuneration complied with the relevant provisions of the *Articles of Association* of the Bank and the determination of Independent Non-executive Directors' remuneration complied with their work performance and the remuneration criteria for Independent Non-executive Directors. Directors recused themselves from the subvoting involving the determination of their remuneration.

As at the date of disclosure of this report, the Remuneration Committee consisted of 5 Directors, of which the majority and the Chairperson were Independent Non-executive Directors. The members included Independent Non-executive Director Mr. Liu Qiao (Chairman), Non-executive Director Mr. Li Wei, and Independent Non-executive Directors Mr. Li Yinquan, Mr. Huang Zhenzhong and Ms. Li Yingqi.

## vi. Related Party Transaction Control Committee

Primary duties of the Related Party Transaction Control Committee include: filing general related party transactions; reviewing major related party transactions, and submitting them to the Board of Directors for deliberation; reporting to the Board of Directors regarding the overall status, risk level and structural distribution of related party transactions during the year; formulating related party transaction management measures, and submitting them to the Board of Directors for approval before implementation; identifying and disclosing related parties; and listening to accountability reports in situations such as failing to report related parties as required or conducting related party transactions in violation of regulations.

During the reporting period, the Related Party Transaction Control Committee convened 11 meetings including 5 on-site meetings and 6 meetings via written resolutions, reviewed 23 proposals and listened to 2 reports. It reviewed and approved the proposals on the 2024 report on related party transactions and 22 material related party transactions, listened to special audit reports on related party transaction management, and received filings on 64 general related party transactions.

As at the disclosure date of this report, the Related Party Transaction Control Committee consisted of 6 Directors, all of which were Independent Non-executive Directors, including Mr. Li Yinquan (Chairman), Mr. Liu Shiping, Mr. Huang Zhenzhong, Mr. Liu Qiao, Mr. Hu Xiang and Ms. Li Yingqi.

## Corporate Governance

### vii. Social Responsibility, Inclusive Finance Development and Consumer Rights and Interests Protection Committee

Primary duties of the Social Responsibility, Inclusive Finance Development, and Consumer Rights Protection Committee include: promoting ESG system construction, deliberating ESG-related strategies, plans, policies and regulations; researching, formulating and evaluating measures to improve ESG performance, and implementing ESG requirements proposed by regulatory authorities; reviewing the social responsibility report, regularly listening to ESG reports, and enhancing the level of ESG information disclosure; overseeing and evaluating the implementation of the Bank's green finance development strategy; conducting strategic planning on the Bank's inclusive finance business; reviewing the Bank's general policies, evaluation measures, and annual business plan for inclusive finance; guiding and supervising Senior Management on the inclusive finance work; regularly reviewing the work reports of Senior Management on consumer rights and interests protection; guiding and urging the establishment and improvement of the Bank's management policy and system for consumer protection; studying relevant audit reports, regulatory circulars and internal evaluation results related to the Bank's consumer protection work, and urging timely rectification by Senior Management; and supervising the comprehensiveness, timeliness and effectiveness of the consumer protection work of Senior Management.

During the reporting period, the Social Responsibility, Inclusive Finance Development and Consumer Rights and Interests Protection Committee convened 6 meetings, including 1 on-site meeting and 5 meetings via written resolutions, reviewed 9 proposals and listened to 8 reports. It reviewed and approved the 2024 corporate social responsibility report, ESG work priorities, work summary and plan for consumer protection, the special audit report for consumer protection, and the inclusive finance business plan. It also listened to and discussed the work summary and plan for inclusive finance, the analysis of consumer protection complaints, and the progress on the green finance work.

As at the disclosure date of this report, the Social Responsibility, Inclusive Finance Development and Consumer Rights and Interests Protection Committee consisted of 6 Directors, including Executive Directors Mr. Hao Cheng (Chairman) and Ms. Qi Ye, Non-executive Directors Mr. Yao Wei and Mr. Zhang Mingwen, and Independent Non-executive Directors Mr. Huang Zhenzhong and Mr. Hu Xiang.

## VII. THE CHAIRMAN AND THE PRESIDENT

The roles and work of Chairman of the Board of Directors and President of the Bank are performed by different individuals, and their respective responsibilities are clearly defined and divided, which is in compliance with the provisions specified in the *Hong Kong Listing Rules*. During the reporting period, Mr. Wu Lijun as the Chairman of the Board of Directors of the Bank was responsible for convening and presiding over the meetings of the Board of Directors, ensuring that all Directors attending the Board meetings are properly informed of the issues to be reviewed and reported, managing the operation of the Board of Directors, making sure that all key and relevant issues were discussed by the Board of Directors in a constructive and timely manner. During the reporting period, Mr. Hao Cheng as the President of the Bank was responsible for the overall operation and management, the implementation of the resolutions of the Board of Directors, and the implementation of the strategies and business plan of the Bank.

## VIII. INDEPENDENT NON-EXECUTIVE DIRECTORS

### i. Independence of the Independent Non-executive Directors

The 6 Independent Non-executive Directors of the Bank were not involved in any factors influencing their independence mentioned in Rule 3.13 of the *Hong Kong Listing Rules*. The Bank had received the annual confirmation letter about his or her independence issued by each Independent Non-executive Director according to Rule 3.13 of the *Hong Kong Listing Rules*. The Bank held that all Independent Non-executive Directors met the independence requirements specified in the *Hong Kong Listing Rules*.

### ii. Attendance of Shareholders' General Meetings by Independent Non-executive Directors

Please refer to the above-mentioned relevant contents of this section for details.

### iii. Attendance of Board meetings by Independent Non-executive Directors

Please refer to the above-mentioned relevant contents of this section for details.

### iv. Independent Non-executive Directors' objection to any issues of the Bank

During the reporting period, none of the Independent Non-executive Directors of the Bank raised any objection to the proposals of the Board of Directors or other issues.

### v. Duty performance of Independent Non-executive Directors

As at the disclosure date of this report, the Bank had 6 Independent Non-executive Directors, reaching one-third of the Board members. The Remuneration Committee, the Nomination Committee, the Related Party Transaction Control Committee, and the Audit Committee of the Board of Directors were all chaired by Independent Non-executive Directors. During the reporting period, the Independent Non-Executive Directors expressed independent opinions on matters involving the interests of minority shareholders, such as the profit distribution plan, nomination of Directors, remuneration of Directors and material related party transactions. In each special committee, they leveraged their expertise to provide constructive and professional opinions and suggestions on issues under discussion. When the Board of Directors was not in session, the Independent Non-executive Directors kept themselves well informed of regulatory feedback, the Bank's strategic implementation, development transformation, coordinated development, risk prevention and control, fraud prevention management and consumer protection by reviewing the Bank's internal documents and materials such as the *Reference Information for Directors* and the *Monthly Work Report of the Board*, and participating in prudential regulatory discussions, business seminars, Board communication sessions and investigation visits to branches. They actively communicated with other Directors, Senior Management and auditors so as to obtain necessary information to perform their duties. They maintained close contact with the Bank via email, phone and other forms of communication. Pursuant to relevant regulations of SEHK, the Bank held discussions between Chairman and Independent Non-executive Directors where Independent Non-executive Directors expressed opinions and suggestions on issues such as strategic planning, development positioning, capital management, fintech and risk management. The relevant recommendations of Independent Non-executive Directors were highly regarded and adopted by Senior Management, which played a positive role in further defining strategic direction, strengthening risk management and control, promoting business development and enhancing the corporate governance level of the Bank.

## Corporate Governance

### IX. FORMER SUPERVISORS AND THE FORMER BOARD OF SUPERVISORS

#### i. Dissolution of the Board of Supervisors

On 29 July 2025, the shareholders' general meeting of the Bank reviewed and approved the *Approval of Dissolution of the Board of Supervisors of China Everbright Bank Company Limited*. On 16 December 2025, the NFRA approved the revised the *Articles of Association* of the Bank. From the effective date of 16 December 2025, the Bank ceased to have the Board of Supervisors, and the relevant rules of the Board of Supervisors were abolished simultaneously. The Audit Committee of the Board of Directors assumed the functions and powers of the Board of Supervisors as prescribed by laws and regulations.

#### ii. Meetings of the former Board of Supervisors

During the reporting period, the former Board of Supervisors convened 7 meetings, including 3 on-site meetings and 4 meetings via written resolutions, at which it reviewed 19 proposals and listened to 55 reports, including the periodic reports of the Bank, the internal control evaluation report, the profit distribution plan, the annual business operation and financial budget plan, and the remuneration of Supervisors, and expressed clear opinions on relevant proposals.

During the reporting period, pursuant to laws and regulations, the Supervisors attended all the shareholders' general meetings, participated in all the on-site meetings of the Board of Directors as non-voting delegates, and supervised the compliance and legality, the voting procedures and the attendance, speeches and voting of the Directors of the aforementioned meetings.

#### iii. Attendance of former Supervisors at meetings of the former Board of Supervisors

Former Supervisor	Former Board of Supervisors Number of attendance in person/Number of meetings during the term of office	Former Special Committees of the Board of Supervisors	
		Former Nomination Committee	Former Supervision Committee
Wu Junhao	7/7	–	6/6
Qiao Zhimin	7/7	2/2	6/6
Chen Qing	7/7	2/2	6/6
Shang Wencheng	7/7	–	6/6
Yang Wenhua	5/7	–	5/6
Lu Jian	6/7	2/2	–

Notes:

1. "Number of attendance in person" includes on-site attendance and attendance via written resolutions.
2. Supervisors who were unable to attend in person the meetings of the Board of Supervisors and special committees had all entrusted other Supervisors to attend the meetings by proxy and exercise their voting rights.

#### iv. Supervision by the former Board of Supervisors

The former Board of Supervisors had no objection to the supervision matters during the reporting period.

#### v. Duty performance of former External Supervisors

During the reporting period, the former External Supervisors of the Bank performed their duties in good faith and with due diligence, and their time spent on the supervision work of the Bank was no less than 15 working days. Throughout the performance of duties, the former External Supervisors proactively learned about the Bank's operation management and strategy implementation by attending the meetings of the former Board of Supervisors and attending as non-voting delegates the meetings of the Board of Directors and its special committees, and expressed independent, professional and objective opinions on major issues of concern such as material related party transactions, profit distribution, information disclosure, authenticity of financial statements, nomination and appointment of Directors and Senior Management and their remuneration.

### X. SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

The Bank adopted the standards set out in the *Model Code* as the code of conduct to govern the securities transactions by Directors of the Bank. Upon enquiry, it had been confirmed that all Directors always complied with the *Model Code* for the year ended 31 December 2025. The Bank also formulated guidelines regarding the dealing of the Bank's securities by relevant employees and the guidelines are no less exacting than the *Model Code*. It had not come to the attention of the Bank that any employee was in violation of the guidelines during the reporting period.

### XI. SENIOR MANAGEMENT

As at the disclosure date of this report, the Senior Management of the Bank consisted of 9 members, whose duties include carrying out the operation and management of the Bank, organizing resources to implement the resolutions of the Board of Directors, implementing the strategic plan, the business plan and the investment plan approved by the Board of Directors, developing plans for setting up the internal management structure and the basic management rules, and formulating specific administrative measures.

During the reporting period, focusing on the Bank's development strategy, the Senior Management provided solid support for the real economy, served the five target areas of finance including technology finance, green finance, inclusive finance, pension finance and digital finance, optimized asset and liability management, enhanced comprehensive operation capabilities, and consolidated customer base. Adhering to upholding fundamental principles while breaking new ground, the Bank made efforts to cultivate operation features and advance high-quality development.

### XII. ESTABLISHMENT AND IMPLEMENTATION OF ASSESSMENT AND INCENTIVE MECHANISM FOR SENIOR MANAGEMENT

The Remuneration Committee of the Board of Directors is responsible for drafting the remuneration plan for Senior Management, reviewing the duty performance of Senior Management, proposing suggestions on the remuneration plan for Senior Management and submitting the proposals to the Board of Directors for approval. During the reporting period, the Remuneration Committee listened to the work reports of Senior Management and studied the 2024 performance evaluation results of Senior Management.

## Corporate Governance

### XIII. IMPLEMENTATION OF STOCK INCENTIVE PLAN AND EMPLOYEE STOCK OWNERSHIP PLAN

As at the end of the reporting period, the Bank did not implement any stock incentive plan or employee stock ownership plan.

### XIV. TRAINING OF DIRECTORS

During the reporting period, some Directors attended the special training for Directors of listed companies under the jurisdiction of Beijing Municipality organized by the Listed Companies Association of Beijing and the anti-money laundering training organized by the Bank. The training programs attended by the Bank's Directors regarding corporate governance, policies, laws, regulations, and business operation and management complied with the provisions of Appendix C1 to the *Hong Kong Listing Rules*.

### XV. AUDITORS' REMUNERATION

For details about auditors' remuneration, please refer to "Significant Events".

### XVI. INFORMATION DISCLOSURE AND INSIDER INFORMATION MANAGEMENT

As a company listed both in Shanghai (A shares) and Hong Kong (H shares), the Bank implemented the *Securities Law* and relevant regulatory requirements, complied with both domestic and overseas laws and regulations, and maintained good insider information management by optimizing information disclosure procedures to improve the quality of information disclosure. The Bank formulated the *Policies on Information Disclosure* and the *Policies on the Management of Insider Information and Insiders*, and the Board of Directors, responsible for the information disclosure and insider information management work, authorized Secretary to the Board of Directors to take charge of the organization, coordination and implementation of the work.

In accordance with relevant requirements, the Bank implemented strict confidentiality management for insider information and insider registration management. In the event of regular performance releases and major issues, the Bank strictly controlled the scope of insiders and carried out the registration work in a timely manner at critical time points. Before the disclosure of insider information according to law, the Bank conducted management and monitoring on the insider information. The Bank disclosed information in a timely and fair manner, thus ensuring the authenticity, accuracy and completeness of the disclosed information to protect the legitimate rights and interests of investors. During the reporting period, the Bank completed the preparation and disclosure of the 2024 Annual Report, the 2025 Interim Report and 2025 Quarterly Reports. The Bank optimized and enriched the contents of periodic reports, and highlighted business features and achievements to fully showcase its development strategy and operational management to both domestic and overseas investors. In accordance with both domestic and overseas regulatory requirements, the Bank fully disclosed ad hoc announcements in a timely manner, and published 91 A-share announcements and 122 H-share announcements throughout the year.

### XVII. INVESTOR RELATIONS MANAGEMENT

Attaching great importance to the opinions and suggestions of shareholders, the Bank formulated the shareholder communication policy and carried out an annual check on it to ensure effectiveness. During the reporting period, the Bank actively carried out investor relations management through various forms to enhance communication with investors. After the disclosure of performance reports, the Bank held online and on-site meetings of performance briefing for the year 2024, the mid-year of 2025 and the third-quarter of 2025. The Bank organized roadshows for Senior Management to pay visits to over 30 investment institutions. The Bank exchanged views with several hundred investors by hosting themed open days, receiving institutional investors for research, and participating in strategy seminars hosted by domestic and overseas securities firms. The Bank answered over 370 phone calls from domestic and overseas investors and handled over 150 inquiry emails. The Bank interacted with investors via platforms such as "SSE E-interaction", and continuously updated the contents of its official website in both Chinese and English versions to keep investors informed of the Bank's information. The Bank actively communicated with minority shareholders via shareholders' general meetings and answered their questions of concern. With the above-mentioned measures taken, the Bank realized sufficient and effective communication with its shareholders.

## VIII. COMPANY SECRETARY UNDER THE *HONG KONG LISTING RULES*

On 11 February 2026, the Board of Directors of the Bank appointed Ms. Yeung Siu Wai Kitty as Joint Company Secretary of the Bank. Ms. Lee Mei Yi ceased to serve as Joint Company Secretary of the Bank with effect from the appointment date of Ms. Yeung Siu Wai Kitty. As at the disclosure date of this report, Mr. Zhang Xuyang and Ms. Yeung Siu Wai Kitty (Tricor Services Limited, a member company of Vistra Group) acted as Joint Company Secretaries of the Bank under the *Hong Kong Listing Rules*, with Mr. Zhang Xuyang as the Bank's principal contact person. During the reporting period, Mr. Zhang Xuyang and Ms. Lee Mei Yi both completed no less than 15 hours of relevant professional training in compliance with Rule 3.29 of the *Hong Kong Listing Rules*.

## IX. SHAREHOLDERS' RIGHTS

- i. Shareholders who individually or jointly hold more than 10% of the voting shares of the Bank shall have the right to request the Board of Directors to convene an extraordinary general meeting. Such requests shall be made in writing to the Board of Directors.
- ii. Shareholders who individually or jointly hold more than 1% of the voting shares of the Bank may provide an interim proposal and submit it in writing to the Board of Directors 12 transaction days before the shareholders' general meeting is convened. The Board of Directors shall issue a supplementary notice for the shareholders' general meeting within 2 days upon receipt of the proposal and submit such proposal to the shareholders' general meeting for approval.
- iii. When shareholders who individually or jointly hold more than 10% of the voting shares of the Bank request the Board of Directors to convene an extraordinary Board meeting, Chairman of the Board of Directors shall convene and preside over the meeting within 10 days.
- iv. Unless there are specified provisions regarding the rights of the holders of preference shares in laws, regulations, rules, regulatory documents and the *Articles of Association* of the Bank, all the shareholders of the Bank shall have the following rights:
  1. Collecting dividends and other forms of benefits distributed on the basis of the number of shares held by the shareholders;
  2. Lawfully requesting to hold, convene, chair, attend or entrust proxy to attend shareholders' general meetings, and speaking and exercising their voting rights at shareholders' general meetings;
  3. Supervising the Bank's business operation and making recommendations or inquiries accordingly;
  4. Transferring, gifting or pledging shares held by the shareholders in accordance with laws, regulations, rules, regulatory documents, relevant regulations of the securities regulatory authority of the jurisdiction where the shares of the Bank are listed and the *Articles of Association* of the Bank;
  5. Participating in the distribution of the Bank's residual assets in proportion to the number of shares held by the shareholders when the Bank is terminated or liquidated;
  6. Demanding the Bank to repurchase the shares held by the shareholders who dissent from the company merger or division resolutions adopted by shareholders' general meetings.

## Corporate Governance

### v. Holders of preference shares of the Bank shall be entitled to the following special rights:

1. Rights to dividends in priority to holders of ordinary shares;
2. Rights to distribution of residual assets of the Bank upon liquidation in priority to holders of ordinary shares;
3. Rights to attend and vote at shareholders' general meetings upon occurrence of prescribed events;
4. Rights to have their voting rights restored upon occurrence of prescribed events.

For more contents about shareholders' rights, please refer to the *Articles of Association* of the Bank.

For the contact details for shareholders to communicate with or enquire of the Board, please refer to "Profile of the Bank" in this report.

## XX. STATEMENT OF COMPLIANCE WITH THE *BANKING (DISCLOSURE) RULES*

The Bank has prepared the 2025 H share financial statements in accordance with the *Banking (Disclosure) Rules* by the Hong Kong Monetary Authority.

## XI. STATEMENT OF COMPLIANCE WITH THE *CORPORATE GOVERNANCE CODE OF THE HONG KONG LISTING RULES*

Since its listing on SEHK, the Bank has adopted the principles as stipulated in the *Corporate Governance Code* ("CG Code") contained in Appendix C1 to the *Hong Kong Listing Rules*, and applied them in corporate governance practices. The Bank has fully complied with all the code provisions in the CG Code during the reporting period.

## XXII. INTERNAL CONTROL

### i. Internal control building and implementation

The Bank has established a standardized corporate governance framework and an internal control and compliance system with tiered management at the core, clearly defined the responsibilities of departments, and assigned them to specific positions. The Bank has established and refined the operation mechanism for its internal control system, clarified the division of responsibilities within its internal control organizational system, and formed an internal control management system that encompasses the Board of Directors, the Audit Committee of the Board of Directors, Senior Management, the Risk Management and Internal Control Compliance Management Committee of the Head Office, the internal control management departments, other functional departments and various business lines.

Such a system is designed to manage rather than eliminate the risk of failing to achieve business objectives, and can only provide reasonable but not absolute assurance against material misrepresentation or loss.

For information about the Bank's risk management system and risk management work during the reporting period, please refer to "Management Discussion and Analysis".

The Board of Directors of the Bank took responsibilities in corporate governance, risk management, internal control and evaluation on the above-mentioned aspects. The Board of Directors of the Bank conducted annual review and evaluation on the Bank's corporate governance, risk management and internal control. The Board of Directors considered that the Bank's systems of corporate governance, risk management and internal control were practical and effective during the reporting period.

## ii. Internal control of subsidiaries

The Bank continued to propel its subsidiaries to improve internal control and compliance management, and supported them to strengthen organizational structure based on business needs, refine management mechanism and strictly implement regulatory policies by applying external regulations in internal business operation. The Bank coordinated the management of internal control and compliance matters of its subsidiaries covering institutional construction, supervisory inspection, and regular and special reporting mechanism, and solidified the foundation for internal control management to ensure the consistency, completeness, effectiveness and timeliness of the internal control mechanism of subsidiaries. The Bank supervised and guided its subsidiaries to comprehensively rectify the problems identified in internal and external inspections, and consolidated the achievements in internal control management of its subsidiaries.

## iii. Internal control assessment report

Based on the identification of material defects in the internal control over the financial reporting of the Bank, the Bank, as at the reference date (i.e., 31 December 2025) for the internal control assessment report, had not discovered any material defects in the internal control over financial reporting, and had maintained effective internal control over financial reporting in all material aspects in accordance with the enterprise internal control system and relevant regulations.

Based on the identification of material defects in the internal control unrelated to the financial reporting of the Bank, the Bank, as at the reference date (i.e., 31 December 2025) for the internal control assessment report, had not discovered any material defects in the internal control unrelated to financial reporting.

From the reference date of the internal control assessment report to the date of release of the internal control assessment report, there occurred no factor that could affect the assessment conclusion on the effectiveness of internal control.

The *2025 Internal Control Assessment Report* of the Bank had been published in full text on the websites of the SSE, the HKEXnews and the Bank.

## iv. Audit report on internal control

KPMG Huazhen LLP audited the internal control of the Bank and issued an audit opinion: as at 31 December 2025, the Bank maintained an effective internal control over financial reporting in all material aspects in accordance with the *Basic Standards for Enterprise Internal Control* and relevant regulations. The audit report had been published on the websites of the SSE, the HKEXnews and the Bank.

## XXIII. MAJOR CHANGE IN THE ARTICLES OF ASSOCIATION OF THE BANK

During the reporting period, in accordance with the regulatory requirements of the NFRA, CSRC, SSE and other relevant authorities, the Bank amended its *Articles of Association*, which had been reviewed and approved at the shareholders' general meeting held on 29 July 2025 and became effective upon the approval of the NFRA on 16 December 2025.

Details of the amendments and the revised *Articles of Association* had been published in full text on the websites of the SSE, the HKEXnews and the Bank.

# Address Book of Head Office and Branches

Name	Address	P.C.	Tel	Fax
Head Office	China Everbright Center, No. 25 Taipingqiao Street, Xicheng District, Beijing	100033	010-63636363	010-63639066
Credit Card Center	Zhonghuixiyuan Mansion, Building 1, No. 6 Zhengda Road, Shijingshan District, Beijing	100040	010-56963176	010-56963284
Beijing Branch	No. 1 Xuanwumen Inner Street, Xicheng District, Beijing	100031	010-66567699	010-66567411
Tianjin Branch	Annex Building of Zhonglian Building, No. 83 Qufu Avenue, Heping District, Tianjin	300041	022-23300167	022-23300229
Shijiazhuang Branch	No. 56 Yuhua East Road, Qiaodong District, Shijiazhuang	050000	0311-88628882	0311-88628883
Jinan Branch	No. 85 Jingqi Road, Shizhong District, Jinan	250001	0531-86155965	0531-86155800
Qingdao Branch	No. 69 Hongkong West Road, Shinan District, Qingdao	266071	0532-83893801	0532-83893800
Yantai Branch	No. 111 Nandajie Street, Zhifu District, Yantai	264000	0535-6658506	0535-6261796
Shanghai Branch	No. 1118 Century Avenue, Pudong New Area, Shanghai	200120	021-63606360	021-23050088
Nanjing Branch	No. 120 Hanzhong Road, Gulou District, Nanjing	210029	025-84787610	025-84712699
Hangzhou Branch	Zhesang Times Building, No. 1 Miduqiao Road, Gongshu District, Hangzhou	310006	0571-87895358	0571-87895367
Suzhou Branch	No. 188 Xinghai Street, Industrial Park District, Suzhou	215021	0512-68662988	0512-68668766
Ningbo Branch	Building 1, Hengfu Plaza, No. 828 Fuming Road, Jiangdong District, Ningbo	315040	0574-87300888	0574-87317230
Wuxi Branch	No. 20-1, Jinrong 8th Street, Binhu District, Wuxi	214125	0510-81802528	0510-81802535
Guangzhou Branch	No. 685 Tianhe North Road, Tianhe District, Guangzhou	510635	020-38730066	020-38730049
Shenzhen Branch	No. 18 Zizhuqi Avenue, Zhuzilinsi Road, Futian District, Shenzhen	518040	0755-83053388	0755-83242955
Fuzhou Branch	Building 1, Zhengxiang Center, No. 153 Wuyi North Road, Gulou District, Fuzhou	350001	0591-87760707	0591-87835838
Xiamen Branch	No. 160 Hubin Middle Road, Siming District, Xiamen	361012	0592-2221666	0592-2237788
Haikou Branch	Jinlong City Plaza Building, South of Jinlong Road, Longhua District, Haikou	570125	0898-68539999	0898-68520711
Zhengzhou Branch	No. 22 Middle Ring Road, Financial Island, Zhengzhou Area (Zhengdong) of Henan Pilot Free Trade Zone, Zhengzhou	450000	0371-65766001	0371-65766000
Taiyuan Branch	No. 295 Yingze Street, Yingze District, Taiyuan	030001	0351-3839008	0351-3839108
Changsha Branch	No. 142 Section 3 of Furong Middle Road, Tianxin District, Changsha	410011	0731-85363527	0731-85523677
Wuhan Branch	No. 143-144 Yanjiang Avenue, Jiang'an District, Wuhan	430014	027-82796303	027-82801976
Hefei Branch	No. 200 Changjiang West Road, Shushan District, Hefei	230001	0551-65101888	0551-65101726
Nanchang Branch	No. 1333 Fenghezong Avenue, Honggutan New Area, Nanchang	330000	0791-86662030	0791-86665448

Name	Address	P.C.	Tel	Fax
Xi'an Branch	Building 9, No. 1 Taoyuan South Road, Lianhu District, Xi'an	710002	029-87236013	029-87236010
Chengdu Branch	No. 79 Dacisi Road, Jinjiang District, Chengdu	610017	028-86665566	028-86720299
Chongqing Branch	No. 168 Minzu Road, Yuzhong District, Chongqing	400010	023-63792773	023-63792764
Kunming Branch	No. 28 Renmin Middle Road, Wuhua District, Kunming	650021	0871-63111068	0871-63111078
Nanning Branch	Taiping Financial Mansion, No. 16 Songxiang Road, Liangqing District, Nanning	530201	0771-5558638	0771-5568100
Huhhot Branch	Tower D, Dongfangjunzuo, Chilechuan Street, Saihan District, Huhhot	010096	0471-4955882	0471-4955800
Urumqi Branch	No. 177 Jiefang North Road, Tianshan District, Urumqi	830002	0991-7659851	0991-7706607
Guiyang Branch	West Tower III, Financial Center, Zone B, Convention and Exhibition City, Changling North Road, Guanshanhu District, Guiyang	550081	0851-82590249	0851-82590335
Lanzhou Branch	No. 555 Donggang West Road, Chengguan District, Lanzhou	730000	0931-8688600	0931-8688701
Xining Branch	No. 57-7 Wusi West Road, Chengxi District, Xining	810008	0971-6363263	0971-6236234
Yinchuan Branch	No. 219 Jiefang West Road, Xingqing District, Yinchuan	750001	0951-8773000	0951-8773080
Lhasa Branch	Taihe International Culture Square, No. 7 Jinzhu Middle Road, Chengguan District, Lhasa	850000	0891-6597000	0891-6597000
Heilongjiang Branch	No. 278 Dongdazhi Street, Nangang District, Harbin	150001	0451-53618775	0451-53618775
Changchun Branch	No. 2677 Jiefang Road, Chaoyang District, Changchun	130061	0431-88400080	0431-88400121
Shenyang Branch	No. 156 Heping North Street, Heping District, Shenyang	110003	024-83255555	024-23283218
Dalian Branch	No. 4 Wuwu Road, Zhongshan District, Dalian	116001	0411-39037007	0411-39037015
Hong Kong Branch	23/F, Everbright Center, 108 Gloucester Road, Wan Chai, Hong Kong SAR	–	00852-31239888	00852-21432188
Seoul Branch	23/F, Youngpoong Building, 41 Cheonggyecheon-ro, Jongro-ku, Seoul, Republic of Korea	03188	00822-37883700	00822-37883701
Luxembourg Branch	10 Avenue Emile Reuter, Luxembourg City, Grand Duchy of Luxembourg	L-2420	00352-2666888	00352-266688124
Sydney Branch	28/F, International Tower 1, 100 Barangaroo Avenue, Sydney, Commonwealth of Australia	NSW2000	0061-2-79238888	0061-2-79238800
Macao Branch	23 Andar A, Finance and IT Center of Macao, 320 Avenida Doutor Mario Soares, Macao SAR	–	00853-82966100	00853-82966150
Tokyo Representative Office	1 Chome-4-1 Marunouchi, Chiyoda City, Tokyo, Japan	100-0005	0081-3-62591786	–



**Independent  
Auditor's  
Report  
and Financial  
Statements**



INVESTMENT

INVESTMENT  
**\$27,900**



OUTCOME

OUTCOME  
**\$85,032**  
September



INVOICES

\$7,296.54 Unpaid

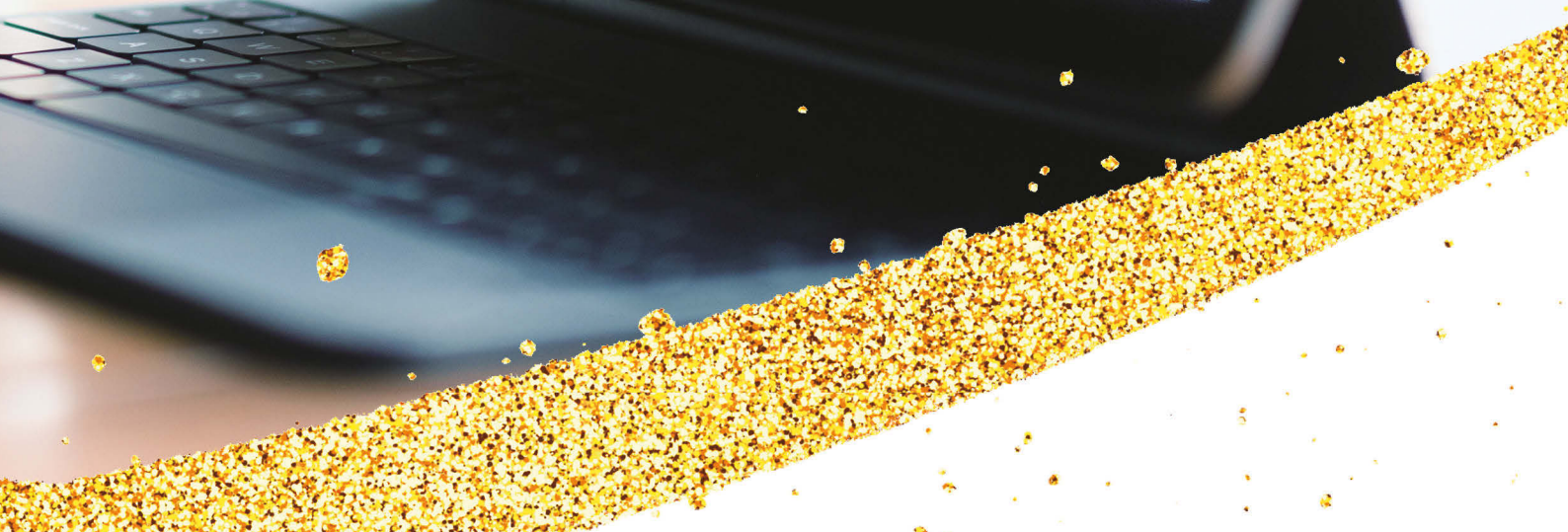
**\$1,824.29**    **\$4,742.72**

\$5,642.71 Paid

**\$4,334.79**    **\$5,011.39**

SALES

**\$4,681**  
September



<b>Independent Auditors' Report</b>	<b>157</b>
<b>Consolidated Financial Statements of 2025</b>	<b>166</b>
<b>Notes to the Consolidated Financial Statements of 2025</b>	<b>173</b>
<b>Unaudited Supplementary Financial Information of 2025</b>	<b>317</b>



# Independent Auditor's Report

**To the Shareholders of China Everbright Bank Company Limited**  
*(Incorporated in the People's Republic of China with limited liability)*

## OPINION

We have audited the consolidated financial statements of China Everbright Bank Company Limited (the "Bank") and its subsidiaries (the "Group"), which comprise the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of financial position as at 31 December 2025, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board ("IASB") 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.

## Independent Auditor's Report

## KEY AUDIT MATTERS (CONTINUED)

***Measurement of expected credit losses for loans and advances to customers and financial investments at amortised cost***

Refer to consolidated financial statements in Note III 1 Measurement of expected credit loss allowance, Note V 16 Loans and advances to customers, Note V 18(d) Financial investments measured at amortised cost and Note V 49(a) Credit risk.

**The key audit matter****How the matter was addressed in our audit**

The Group uses an expected credit loss (“ECL”) model to measure the loss allowance for loans and advances to customers and financial investments at amortised costs in accordance with IFRS 9, Financial instruments.

The determination of ECL allowance for loans and advances to customers and financial investments at amortised costs is subject to the application of a number of key parameters and assumptions, including credit risk staging, probability of default, loss given default, exposures at default, discount rate and adjustments for forward-looking information. Extensive management judgment is involved in the selection of those parameters and the application of the assumptions.

The determination of the ECL allowance is heavily dependent on the external macro environment and the Group's internal credit risk management strategy. The ECL allowance for corporate loans and advances and financial investments at amortised cost are derived from estimates including historical losses, internal and external credit grading. The ECL allowance for personal loans and advances are derived from estimates whereby management takes into consideration historical overdue data, historical loss experience.

Management exercises judgement in determining the quantum of loss given default based on a range of factors. These include the financial situation of the borrower, the guarantee type, the seniority of the claim, the recoverable amount of any collaterals, and repayment sources of the borrower. Management refers to valuation reports of collaterals issued by qualified third party valuers and considers the impact of various factors including the market price, status and use when assessing the value of collaterals. The enforceability, timing and means of realisation of the collateral also have an impact on the recoverable amount of the collateral.

Our audit procedures to assess ECL allowance for loans and advances to customers and financial investments at amortised cost included the following:

- with the assistance of KPMG's IT specialists, understanding and assessing the design, implementation and operating effectiveness of key internal controls of financial reporting over the approval, recording and monitoring of loans and advances to customers and financial investment at amortised cost, credit risk staging process and the measurement of ECL allowance for loans and advances to customers and financial investments at amortised cost.
- with the assistance of KPMG's financial risk management specialists, assessing the appropriateness of the ECL model used to determine the loss allowances and the appropriateness of the key parameters and assumptions used in the model, which included credit risk staging, probability of default, loss given default, exposure at default, adjustments for forward-looking information, and assessing the appropriateness of related key management judgment.
- for key parameters involving judgement, critically assessing input parameters by seeking evidence from external sources and comparing to the internal records including historical loss experience and type of collateral. As part of these procedures, we assessed management's revisions to estimates and input parameters by comparing with prior period and considered the consistency of judgement.
- comparing the macroeconomic forward-looking information used in the model with market information to assess whether they were aligned with market and economic development.

## KEY AUDIT MATTERS (CONTINUED)

### *Measurement of expected credit losses for loans and advances to customers and financial investments at amortised cost (continued)*

Refer to consolidated financial statements in Note III 1 Measurement of expected credit loss allowance, Note V 16 Loans and advances to customers, Note V 18(d) Financial investments measured at amortised cost and Note V 49(a) Credit risk.

#### The key audit matter

We identified the measurement of ECL allowance for loans and advances to customers and financial investments at amortised cost as a key audit matter because of the inherent uncertainty and management judgment involved and because of its significance to the financial results and capital of the Group.

#### How the matter was addressed in our audit

- assessing the completeness and accuracy of key data used in the ECL model. We compared the total carrying amount of the loans and advances to customers and financial investments at amortised cost used by management to assess the ECL allowance with the general ledger to check the completeness of the data. We also selected samples to compare information of individual loan and advance to customers and financial investment at amortised cost with the underlying agreements and other related documentation to check the accuracy of the data. In addition, we checked the accuracy of key external data used by management by comparing them with public sources.
- for key parameters used in the ECL model which were derived from system-generated internal data, assessing the accuracy of input data by comparing the input data with original documents on a sample basis, with the assistance of KPMG's IT specialists, assessing the logics and compilation of the loans and advances' overdue information on a sample basis.
- evaluating the reasonableness of management's assessment on whether the credit risk of loans and advances to customers and financial investments at amortised cost has, or has not, increased significantly since initial recognition and whether the mentioned financial instruments are credit-impaired. Based on the risk oriented approach, we selected samples in industries more vulnerable to the current economic situation with reference to other borrowers with potential credit risk, checked overdue information, made enquiries of the client managers about the borrowers' business operations, inspected borrowers' financial information and researched market information about borrowers' businesses, to check the credit risk status of the borrower, and the reasonableness of the risk stage.

## Independent Auditor's Report

**KEY AUDIT MATTERS** (CONTINUED)***Measurement of expected credit losses for loans and advances to customers and financial investments at amortised cost (continued)***

Refer to consolidated financial statements in Note III 1 Measurement of expected credit loss allowance, Note V 16 Loans and advances to customers, Note V 18(d) Financial investments measured at amortised cost and Note V 49(a) Credit risk.

The key audit matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> <li>• for corporate loans and advances and financial investments at amortised costs that are credit impaired, we selected samples to evaluate the forecasted future cash flows prepared by the Group based on financial information of borrowers and guarantors, collateral valuation reports, other available information and possible future factors together with discount rates in supporting the computation of loss allowance.</li> <li>• based on our procedure performed, we selected samples and assessed the accuracy of calculating credit losses for loans and advances to customers and financial investments at amortised costs.</li> <li>• assessing the reasonableness of the disclosures in the financial statements in relation to the ECL allowance for loans and advances to customers and financial investments at amortised cost with reference to prevailing accounting standards.</li> </ul>

## KEY AUDIT MATTERS (CONTINUED)

### *Measurement of financial instruments' fair value*

Refer to consolidated financial statements in Note III 2 Fair value of financial instruments and Note V 50 Fair Value.

The key audit matter	How the matter was addressed in our audit
<p>Financial instruments carried at fair value account for a significant part of the Group's assets and liabilities. Changes in fair value of those financial instruments impact either the profit or loss or other comprehensive income.</p> <p>Valuation of the Group's financial instruments, held at fair value is based on a combination of market data and valuation models which often involve a considerable number of inputs. Many of these inputs are obtained from readily available data, in particular for fair value measurements that are classified in level 1 or level 2 in the fair value hierarchy in which quoted market prices and observable inputs are used. Where one or more significant unobservable inputs, such as credit risk, liquidity and discount rate, are used, as in the case of level 3 fair value measurements, estimates need to be developed which can involve extensive management judgements.</p> <p>We identified measurement of financial instruments' fair value as a key audit matter due to the significance of the balance, the degree of complexity involved in the valuation techniques and significant management judgements in determining the inputs used in the valuation models.</p>	<p>Our audit procedures to assess the measurement of financial instruments' fair value included the following:</p> <ul style="list-style-type: none"> <li>• understanding and assessing the design, implementation and operating effectiveness of key internal controls of financial reporting over the application of valuation models, front office and back office reconciliations and the measurement of financial instruments' fair value.</li> <li>• assessing the fair value of level 1 financial instruments, on a sample basis, by comparing the fair value applied by the Group with publicly available market data.</li> <li>• With the assistance of KPMG's financial risk management specialists, assessing the fair value of level 2 and level 3 financial instruments, on a sample basis, by evaluating the appropriateness of the Group's valuation models, evaluating the reasonableness of the inputs and the appropriateness of the application used by the Group; or either conducting independent valuation or obtaining inputs independently, and comparing our valuation results with that of the Group.</li> <li>• assessing the reasonableness of the disclosures in the financial statements in relation to fair value of financial instruments with reference to prevailing accounting standards.</li> </ul>

## Independent Auditor's Report

### KEY AUDIT MATTERS (CONTINUED)

#### *Consolidation of structured entities*

Refer to consolidated financial statements in Note III 5 Judgement in assessing control over structured entities and Note V 42 Involvement with structured entities.

The key audit matter	How the matter was addressed in our audit
<p>Structured entities are generally created to achieve a narrow and well-defined objective with restrictions around their ongoing activities.</p> <p>The Group may acquire an ownership interest in a structured entity, through initiating, investing or retaining shares in a Wealth Management Products, funds, trust investment plans, asset management plans or securitization products, etc.</p> <p>In determining whether the Group should consolidate a structured entity, management is required to consider the power it possesses, its exposure to variable returns, and its ability to use its power to affect returns. These factors are not purely quantitative and need to be considered collectively in the overall substance of the transactions.</p> <p>We identified the consolidation of structured entities as a key audit matter because of the complex nature of certain of these structured entities and because of the judgement exercised by management in the qualitative assessment of the terms and the nature of each entity.</p>	<p>Our audit procedures to assess the consolidation of structured entities included the following:</p> <ul style="list-style-type: none"> <li>• understanding and assessing the design, implementation and operating effectiveness of key internal controls of financial reporting over the consolidation of structured entities.</li> <li>• selecting significant structured entities of each key product type and performing the following procedures: <ul style="list-style-type: none"> <li>– inspecting the related contracts, internal establishment documents and information disclosed to the investors to understand the purpose of the establishment of the structured entity and the involvement the Group has with the structured entity and to assess management's judgement over whether the Group has the ability to exercise power over the structured entity;</li> <li>– inspecting the risk and reward structure of the structured entity, including any capital or return guarantee, provision of liquidity support, commission paid and distribution of the returns, to assess management's judgement as to the exposure, or rights, to variable returns from the Group's involvement in such an entity;</li> <li>– inspecting management's analysis of the structured entity, including qualitative analysis and the calculation of the magnitude and variability associated with the Group's economic interests in the structured entity, to assess management's judgement over the Group's ability to affect its own returns from the structured entity;</li> <li>– assessing management's judgement over whether the structured entity should be consolidated or not.</li> </ul> </li> <li>• assessing the reasonableness of the disclosures in the financial statements in relation to the consolidation of structured entities with reference to prevailing accounting standards.</li> </ul>

## **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 as part of our engagement to audit the consolidated financial statements. We have performed an assurance engagement on the disclosed continuing connected transactions and the selected sustainability information that form part of the other information and provided separate assurance practitioner's conclusions 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, then 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 and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

## **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

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

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

## Independent Auditor's Report

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with 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.

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

From the matters communicated with those charged with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year 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 Fong Hoi Wan.

*Certified Public Accountants*

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

30 March 2026

# Consolidated Statement of Profit or Loss

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

	Note V	2025	2024
Interest income		211,158	234,007
Interest expense		(119,057)	(137,341)
<b>Net interest income</b>	1	92,101	96,666
Fee and commission income		23,263	22,194
Fee and commission expense		(3,011)	(3,123)
<b>Net fee and commission income</b>	2	20,252	19,071
Net trading gains	3	1,421	3,203
Dividend income		49	44
Net gains arising from investment securities	4	7,404	14,479
Net gains on derecognition of financial assets measured at amortised cost		2,158	250
Net foreign exchange gains		1,023	49
Other operating income		2,052	1,833
<b>Operating income</b>		126,460	135,595
Operating expenses	5	(40,342)	(43,569)
Credit impairment losses	8	(36,426)	(40,522)
Other impairment losses		(5)	(43)
<b>Operating profit</b>		49,687	51,461
Share of profit of associates and joint ventures		–	13
<b>Profit before tax</b>		49,687	51,474
Income tax	9	(10,546)	(9,563)
<b>Net profit</b>		39,141	41,911
<b>Net profit attributable to:</b>			
Equity shareholders of the Bank		38,826	41,696
Non-controlling interests		315	215
		39,141	41,911
<b>Earnings per share</b>			
Basic/Diluted earnings per share (in RMB/share)	10	0.58	0.62

The accompanying notes form part of these condensed consolidated financial statements.

# Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

	Note V	2025	2024
<b>Net profit</b>		39,141	41,911
<b>Other comprehensive income, net of tax:</b>			
Items that will not be reclassified to profit or loss:			
– Remeasurement of supplementary retirement benefits		1,874	(274)
– Equity instruments at fair value through other comprehensive income			
– Change in fair value		3	8
– Related income tax effect	23(b)	(1)	(2)
Subtotal		1,876	(268)
Items that will be reclassified to profit or loss:			
– Debt instruments at fair value through other comprehensive income			
– Change in fair value		(7,833)	12,705
– Change in provision for impairment losses		(30)	21
– Reclassified to the profit or loss upon disposal		(2,455)	(896)
– Related income tax effect	23(b)	2,590	(2,948)
– Change in cash flow hedge		9	(17)
– Exchange differences on translation of financial statements		(72)	52
Subtotal		(7,791)	8,917
<b>Other comprehensive income, net of tax</b>		(5,915)	8,649
<b>Total comprehensive income</b>		33,226	50,560
<b>Total comprehensive income attributable to:</b>			
Equity shareholders of the Bank		32,916	50,342
Non-controlling interests		310	218
		33,226	50,560

The accompanying notes form part of these condensed consolidated financial statements.

# Consolidated Statement of Financial Position

As at 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

	Note V	31 December 2025	31 December 2024
<b>Assets</b>			
Cash and deposits with central banks	11	339,232	283,266
Deposits with banks and other financial institutions	12	107,162	47,767
Precious metals		1,892	6,788
Placements with banks and other financial institutions	13	184,378	179,739
Derivative financial assets	14	5,528	33,797
Financial assets held under resale agreements	15	12,923	118,128
Loans and advances to customers	16	3,911,379	3,857,693
Finance lease receivables	17	94,415	94,781
Financial investments	18	2,371,901	2,208,749
– Financial assets at fair value through profit or loss		458,638	443,106
– Debt instruments at fair value through other comprehensive income		678,425	600,404
– Equity instruments at fair value through other comprehensive income		1,143	1,140
– Financial investments measured at amortised cost		1,233,695	1,164,099
Property and equipment	20	31,491	28,506
Right-of-use assets	21	9,286	10,321
Goodwill	22	1,281	1,281
Deferred tax assets	23	35,218	31,358
Other assets	24	59,233	56,847
<b>Total assets</b>		<b>7,165,319</b>	<b>6,959,021</b>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Due to the central bank	26	154,678	95,633
Deposits from banks and other financial institutions	27	506,454	581,536
Placements from banks and other financial institutions	28	208,607	216,562
Derivative financial liabilities	14	5,547	32,448
Financial assets sold under repurchase agreements	29	158,118	75,793
Deposits from customers	30	4,102,458	4,035,687
Accrued staff costs	31	18,908	21,895
Taxes payable	32	6,368	4,758
Lease liabilities	33	9,534	10,412
Debt securities issued	34	1,328,801	1,231,112
Other liabilities	35	58,404	62,954
<b>Total liabilities</b>		<b>6,557,877</b>	<b>6,368,790</b>

The accompanying notes form part of these condensed consolidated financial statements.

	Note V	31 December 2025	31 December 2024
<b>Equity</b>			
Share capital	36	59,086	59,086
Other equity instruments	37	104,906	104,899
of which: Preference shares		64,906	64,906
Perpetual bonds		40,000	39,993
Capital reserve	38	74,464	74,473
Other comprehensive income	39	4,981	10,891
Surplus reserve	40	29,543	29,543
General reserve	40	91,369	89,891
Retained earnings	41	240,451	218,917
Total equity attributable to equity shareholders of the Bank		604,800	587,700
Non-controlling interests		2,642	2,531
<b>Total equity</b>		<b>607,442</b>	<b>590,231</b>
<b>Total liabilities and equity</b>		<b>7,165,319</b>	<b>6,959,021</b>

Approved and authorised for issue by the board of directors on 30 March 2026.

**Wu Lijun**  
*Chairman,  
Non-executive Director*

**Hao Cheng**  
*President,  
Executive Director*

**Liu Yan**  
*Vice President,  
Chief Financial Officer*

**Lin Zezhong**  
*General Manager of  
Financial Accounting  
Department*

The accompanying notes form part of these condensed consolidated financial statements.

# Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

Note V	Attributable to equity shareholders of the Bank											
	Share capital	Other equity instruments			Capital reserve	Other comprehensive income	Surplus reserve	General reserve	Retained earnings	Subtotal	Non-controlling interests	Total
		Preference shares	Perpetual bonds									
Balance at 1 January 2025	59,086	64,906	39,993	74,473	10,891	29,543	89,891	218,917	587,700	2,531	590,231	
Changes in equity for the year:												
Net profit	-	-	-	-	-	-	-	38,826	38,826	315	39,141	
Other comprehensive income	39	-	-	-	(5,910)	-	-	-	(5,910)	(5)	(5,915)	
Investment and reduction of owners												
- Capital injection by non-controlling shareholders		-	-	-	-	-	-	-	-	(178)	(178)	
- Proceeds from issuance of other equity instruments		-	-	40,000	(2)	-	-	-	39,998	-	39,998	
- Redemption of other equity instruments		-	-	(39,993)	(7)	-	-	-	(40,000)	-	(40,000)	
Appropriation of profit:	41											
- Appropriation to surplus reserve		-	-	-	-	-	-	-	-	-	-	
- Appropriation to general reserve		-	-	-	-	-	1,478	(1,478)	-	-	-	
- Dividends to ordinary shareholders		-	-	-	-	-	-	(11,167)	(11,167)	(21)	(11,188)	
- Dividends to other equity instrument holders		-	-	-	-	-	-	(4,647)	(4,647)	-	(4,647)	
Balance at 31 December 2025	59,086	64,906	40,000	74,464	4,981	29,543	91,369	240,451	604,800	2,642	607,442	

Note V	Attributable to equity shareholders of the Bank											
	Share capital	Other equity instruments			Capital reserve	Other comprehensive income	Surplus reserve	General reserve	Retained earnings	Subtotal	Non-controlling interests	Total
		Preference shares	Perpetual bonds									
Balance at 1 January 2024	59,086	64,906	39,993	74,473	2,245	26,245	86,161	199,282	552,391	2,394	554,785	
Changes in equity for the year:												
Net profit		-	-	-	-	-	-	41,696	41,696	215	41,911	
Other comprehensive income	39	-	-	-	8,646	-	-	-	8,646	3	8,649	
Investment and reduction of owners												
- Convertible corporate bonds to increase share capital and capital reserves		-	-	-	-	-	-	-	-	-	-	
Appropriation of profit:	41											
- Appropriation to surplus reserve		-	-	-	-	3,298	-	(3,298)	-	-	-	
- Appropriation to general reserve		-	-	-	-	-	3,730	(3,730)	-	-	-	
- Dividends to ordinary shareholders		-	-	-	-	-	-	(10,222)	(10,222)	(81)	(10,303)	
- Dividends to other equity instrument holders		-	-	-	-	-	-	(4,811)	(4,811)	-	(4,811)	
Balance at 31 December 2024	59,086	64,906	39,993	74,473	10,891	29,543	89,891	218,917	587,700	2,531	590,231	

The accompanying notes form part of these condensed consolidated financial statements.

# Consolidated Statement of Cash Flow Statement

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

	Note V	2025	2024
<b>Cash flows from operating activities</b>			
Profit before tax		49,687	51,474
<i>Adjustments for:</i>			
Credit impairment losses		36,426	40,522
Other impairment losses		5	43
Depreciation and amortisation		7,114	6,928
Interest income on impaired financial assets		(1,195)	(1,514)
Dividend income		(49)	(44)
Unrealised foreign exchange losses/(gains)		1,228	(2,137)
Interest income from investment securities and net gains on disposal		(63,906)	(65,953)
Net gains on derecognition of financial assets measured at amortised cost		(2,158)	(250)
Share of profits of joint ventures		–	(13)
Net gains on disposal of trading securities		(1,681)	(2,090)
Revaluation losses/(gains) on financial instruments at fair value through profit or loss		4,366	(5,304)
Interest expense on debt securities issued		26,111	28,605
Interest expense on lease liabilities		326	385
Net losses on disposal of property and equipment		36	29
		56,310	50,681
<i>Changes in operating assets</i>			
Net decrease in deposits with the central bank, banks and other financial Institutions		3,230	42,587
Net increase in placements with banks and other financial institutions		(12,017)	(17,802)
Net increase in financial assets held for trading		(12,456)	(16,708)
Net increase in loans and advances to customers		(93,950)	(193,046)
Net decrease/(increase) in financial assets held under resale agreements		105,185	(50,653)
Net decrease/(increase) in other operating assets		3,198	(10,240)
		(6,810)	(245,862)
<i>Changes in operating liabilities</i>			
Net (decrease)/increase in deposits from banks and other financial institutions		(74,103)	28,301
Net (decrease)/increase in placements from banks and other financial institutions		(7,725)	22,390
Net increase in financial assets sold under repurchase agreements		82,388	2,733
Net increase/(decrease) in amounts due to the central bank		58,041	(3,545)
Net increase/(decrease) in deposits from customers		72,220	(67,344)
Income tax paid		(10,324)	(12,336)
Net (decrease)/increase in other operating liabilities		(7,090)	20,180
		113,407	(9,621)
<b>Net cash from/(used in) operating activities</b>		162,907	(204,802)

The accompanying notes form part of these condensed consolidated financial statements.

## Consolidated Statement of Cash Flow Statement

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

	Note V	2025	2024
<b>Cash flows from investing activities</b>			
Proceeds from disposal and redemption of investments		1,350,874	1,198,381
Investment income received		66,356	68,365
Proceeds from disposal of property and equipment and other long-term assets		446	320
Payments on acquisition of investments		(1,514,064)	(1,133,982)
Payments on acquisition of property and equipment, intangible assets and other long-term assets		(7,512)	(9,400)
<b>Net cash (used in)/from investing activities</b>		<b>(103,900)</b>	<b>123,684</b>
<b>Cash flows from financing activities</b>			
Net proceeds from issuance of other equity instruments		39,998	–
Payments for redemption of other equity instruments		(40,000)	–
Proceeds from issuing debts		1,056,585	966,309
Repayments of debts issued		(958,141)	(834,702)
Interest paid on debt securities issued		(26,866)	(28,426)
Dividends paid		(15,808)	(15,123)
Other net cash flows from financing activities		(3,040)	(3,063)
<b>Net cash from financing activities</b>		<b>52,728</b>	<b>84,995</b>
<b>Effect of foreign exchange rate changes on cash and cash equivalents</b>		<b>(580)</b>	<b>278</b>
<b>Net increase in cash and cash equivalents</b>	45(a)	<b>111,155</b>	<b>4,155</b>
<b>Cash and cash equivalents as at 1 January</b>		<b>128,057</b>	<b>123,902</b>
<b>Cash and cash equivalents as at 31 December</b>	45(b)	<b>239,212</b>	<b>128,057</b>
Cash flows from operating activities include:			
Interest received		151,204	177,118
Interest paid		(98,612)	(99,851)

The accompanying notes form part of these condensed consolidated financial statements.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

## I BACKGROUND INFORMATION

China Everbright Bank Company Limited (the “Bank”) commenced its operations in Beijing, the People’s Republic of China (the “PRC”) on 18 August 1992. The A-Shares and H-Shares of the Bank were listed on the Shanghai Stock Exchange in August 2010 and the Stock Exchange of Hong Kong Limited in December 2013, respectively.

The Bank is licensed as a financial institution by the National Financial Regulatory Administration (the “NFRA”), formerly the China Banking Regulatory Commission, No. B0007H111000001 and is issued the business licence of legal enterprise No. 91110000100011743X by the State Administration of Industry and Commerce of the PRC. The registered address is China Everbright Center, No. 25 and No. 25 A Taipingqiao Street, Xicheng District, Beijing, People’s Republic of China.

The principal activities of the Bank and its subsidiaries (Note V 19) (collectively the “Group”) are the provision of corporate and retail deposits, loans and advances, settlement, treasury business and other financial services as approved by the NFRA. The Group mainly operates in Chinese Mainland and also has a number of overseas branches and subsidiaries. For the purpose of these financial statements, Chinese Mainland refers to the PRC, excluding the Hong Kong Special Administrative Region of the PRC (“Hong Kong”), the Macau Special Administrative Region of the PRC (“Macau”) and the Taiwan Region of the PRC. Overseas refers to countries and regions other than Chinese Mainland.

These financial statements have been approved by the Board of Directors on 30 March 2026.

## II MATERIAL ACCOUNTING POLICIES

### 1 Basis of preparation

The consolidated financial statements of the Group has been prepared in accordance with International Financial Reporting Standards (“IFRS Accounting Standards”) as issued by the International Accounting Standards Board (IASB). In addition, the consolidated financial statements comply with the disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets and financial liabilities that are measured at fair value through profit or loss (including derivative financial instruments), and financial assets at fair value through other comprehensive income.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note III.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

## II MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 1 Basis of preparation (continued)

#### 1.1 Standards, amendments and interpretations effective in 2025

On 1 January 2025, the Group applied the following new and revised standards for the first time in 2025.

Amendments to IAS 21 *Lack of Exchangeability*

Amendments to IAS 21 specify when a currency can be converted into another currency and when it cannot be converted; And how do enterprises determine the spot exchange rate when the currency is not convertible. According to the revision, companies are required to provide additional disclosure information to assist users in assessing how the lack of convertibility of a currency will or is expected to affect their financial performance, financial condition, and cash flows. The amendments had no significant impact on the Group's financial statements.

#### 1.2 Standards and amendments that are not yet effective and have not been early adopted by the Group in 2025

		Effective for annual periods beginning on or after
Amendments to IFRS 9 and IFRS 7	<i>Classification and Measurement of Financial Instruments</i>	1 January 2026
Annual Improvements to IFRS Accounting Standards	<i>Volume 11</i>	1 January 2026
IFRS 18	<i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
IFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to IFRS 10 and IAS 28	<i>Sale of Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Effective date has been deferred indefinitely

Amendments to IFRS 9 and IFRS 7: The classification and measurement of financial instruments mainly include clarifying the classification of financial assets with environmental, social, and governance (ESG) objectives and similar characteristics, settling financial liabilities through electronic payment systems, and adding disclosure requirements for financial assets designated as measured at fair value with changes in fair value recognized in other comprehensive income and financial instruments with contingent characteristics. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to IFRS Accounting Standards includes minor revisions to the IFRS Accounting Standards and accompanying guidelines, as part of its regular maintenance of the standards. The amendments are not expected to have any significant impact on the Group's financial statements.

## II MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 1 Basis of preparation (continued)

#### 1.2 Standards and amendments that are not yet effective and have not been early adopted by the Group in 2025 (continued)

IFRS 18 is to provide investors with more transparent and comparable information about a company's financial performance. The new regulations introduced mainly include improving the structure of the income statement, strengthening the disclosure of management performance indicators, and enhancing information aggregation and decomposition. The Group is currently evaluating the impact of this standard.

IFRS 19 allows subsidiaries that do not have a public fiduciary responsibility and whose parent company prepares consolidated financial statements in accordance with IFRS Accounting Standards to adopt simplified disclosure requirements when preparing financial statements in accordance with IFRS Accounting Standards. The standard is not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28 address the inconsistencies in accounting treatment between IFRS 10 and IFRS 28 regarding asset sales/contributions between investors and their associates or joint ventures. When a transaction involves a business, full recognition of gains or losses is required. When a transaction involves assets that do not constitute a business, only partial gains or losses can be recognized, even if the assets belong to a subsidiary. The amendments are not expected to have any significant impact on the Group's financial statements.

### 2 Consolidation

#### 2.1 Subsidiaries

Subsidiaries are all entities over which the Group has control. That is the Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are currently exercisable or convertible and rights arising from other contractual arrangements are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. If changes in facts and circumstances result in changes in elements involved in the definition of control, the Group will re-evaluate whether it still has control over subsidiaries.

The Group uses the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is sum of the acquisition-date fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the sum of the acquisition-date fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration transferred over the fair value of the identifiable net assets acquired is recorded as goodwill after considering the impact of related deferred income tax. If this is less than the fair value of the identifiable net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of profit or loss.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

## II MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2 Consolidation (continued)

#### 2.1 Subsidiaries (continued)

If the Group acquires a subsidiary through a merger of companies under common control, the difference between the share of book value of the net assets acquired by the merging parties and the book value of the merger consideration paid (or the total par value of shares issued) is adjusted to the share premium in the capital reserve; if capital reserve is not sufficient to offset the difference, the surplus reserve and retained earnings shall be offset in sequence.

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

In the Bank's statement of financial position, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments, but does not include acquisition-related costs, which are expensed as incurred. The dividends or profits declared to distribute by the invested entity shall be recognised by the Bank as the current investment income of subsidiaries.

#### 2.2 Joint Ventures

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

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

Unrealised gains and losses resulting from transactions between the Group and its joint ventures are eliminated to the extent of the Group's interests in the joint ventures; unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. Accounting policies of joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group assesses at each financial reporting date whether there is objective evidence that investments in joint ventures are impaired. Once there are indications of impairment, an impairment assessment will be conducted. Impairment losses are recognised for the amounts by which the investments in joint ventures' carrying amounts exceed their recoverable amounts. The recoverable amounts are the higher of investments in joint ventures' fair value less costs to sell and value in use.

### 3 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, non-restricted balances with central banks, short-term deposits and placements with banks and other financial institutions as defined above.

## II MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 4 Foreign currency translation

When the Group receives capital in foreign currencies from investors, the capital is translated to Renminbi at the spot exchange rate on the date of receipt. Other foreign currency transactions are, on initial recognition, translated to Renminbi at the spot exchange rates or the rates that approximate the spot exchange rates at the dates of transactions.

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

Non-monetary assets and liabilities that are measured at historical cost in foreign currencies are translated using the foreign exchange rates at the financial reporting date of the transaction. Non-monetary assets and liabilities that are measured at fair value in foreign currencies are translated using the foreign exchange rates at the date the fair value is determined. Translation differences on non-monetary financial assets classified as financial assets at fair value through other comprehensive income are recognised in “Other comprehensive income”. Translation differences on non-monetary financial assets and liabilities held at fair value through profit or loss are recognised as “Net trading gains” in the statement of profit or loss.

Assets and liabilities of foreign operations are translated to Renminbi at the spot exchange rates at the end of the reporting period. Equity items, excluding “Retained Earnings”, are translated to Renminbi at the spot exchange rates at the transaction dates. Income and expenses of foreign operation are translated to Renminbi at the rates that approximate the spot exchange rates at the transaction dates. The resulting translation differences are recognised in other comprehensive income. The translation differences accumulated in shareholders’ equity with respect to a foreign operation are transferred to profit or loss in the year when the foreign operation is disposed.

### 5 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

#### 5.1 Recognition and de-recognition of financial instruments

The Group shall recognise a financial asset or a financial liability in its statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

## II MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 5 Financial instruments (continued)

#### 5.1 Recognition and de-recognition of financial instruments (continued)

Financial asset is derecognised 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; or
- 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.

When the financial asset has been transferred, if the Group neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability.

Where a transfer of a financial asset in its entirety meets the criteria for derecognition, the difference between the two amounts below is recognised in profit or loss:

- The carrying amount of the financial asset transferred measured at the date of derecognition, and
- The sum of the consideration received from the transfer; and when the transferred financial asset is a debt investment at FVOCI, any cumulative gain or loss that has been recognised directly in other comprehensive income for the part derecognised.

The Group derecognises a financial liability (or part of it) only when its contractual obligation (or part of it) is extinguished.

#### 5.2 Classification and measurement of financial assets

The Group classifies financial assets as at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Only if when the Group changes the business model for managing financial assets, the Group shall reclassify the affected financial assets.

For financial assets at fair value through profit or loss, transaction costs are directly recognised in profit or loss. For other financial assets, transaction costs are recognised in the initial measurement.

## II MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 5 Financial instruments (continued)

#### 5.2 Classification and measurement of financial assets (continued)

##### *Business models*

The Group's business model refers to how the Group manages its financial assets in order to generate cash flows. That is, the Group's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. If financial assets are not held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, the business model of the financial assets is "other". The Group's assessment of the business model is performed on a financial asset portfolio basis, and determined based on reasonable expected scenarios, taking into account: how cash flows were generated in the past, how the performance of the business model and the financial assets held within that business model is evaluated and reported to the Group's key management personnel; how risks are evaluated and managed; and how managers of the business are compensated.

##### *The contractual cash flow characteristics*

The assessment of contractual cash flow characteristics is to determine whether the cash flows are solely payments of principal and interest on the principal amount outstanding. Principal is the fair value of the financial asset at initial recognition. However, that principal amount may change over the life of the financial asset (for example, if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

The subsequent measurement of financial assets depends on the classification:

##### *Financial assets at amortised cost*

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows;
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised using the effective interest method for such financial assets. The gains or losses from derecognition, amendments or impairment on such financial assets are recognised in profit or loss.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

## II MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 5 Financial instruments (continued)

#### 5.2 Classification and measurement of financial assets (continued)

##### *Debt instruments at fair value through other comprehensive income*

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A gain or loss on a financial asset measured at the fair value through other comprehensive income should be recognised in “other comprehensive income”, except for interests calculated using effective interest method, the recognition of impairment losses and foreign exchange gains and losses. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from other comprehensive income to profit or loss.

##### *Equity instruments at fair value through other comprehensive income*

The Group has irrevocably designated equity instruments that are not held for trading as financial assets at fair value through other comprehensive income. Only relevant dividend income (excluding dividend income that clearly represent a recovery of part of the cost of the investment) is recognised in profit or loss, and subsequent changes in fair value are recognised in other comprehensive income without provision for impairment. When financial assets are de-recognised, the accumulated gains or losses previously recognised in other comprehensive income shall be reclassified to retained earnings under equity.

##### *Financial assets at fair value through profit or loss*

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. Such financial assets that the Group holds are subsequently measured at fair value. Gains or losses on such financial assets are recognised in profit or loss unless it is part of a hedging relationship.

Only when an accounting mismatch can be eliminated or significantly reduced, financial assets can be designated at fair value through profits or losses at initial recognition. Such designation is irrevocable.

When an entity classified a financial asset as a financial asset designated at fair value through profit or loss, it cannot be reclassified as other financial asset; nor can other financial assets be reclassified as financial assets designated at fair value through profit or loss after initial recognition.

#### 5.3 Classification and measurement of financial liabilities

Except for financial guarantee contracts, loan commitments issued and financial liabilities arising from a transfer of a financial asset which does not qualify for derecognition or when the continuing involvement approach applies, the Group classifies financial liabilities as at fair value through profit or loss and financial liabilities measured at amortised cost on initial recognition. For financial liabilities at fair value through profit or loss, transaction costs are directly recognised in profit or loss. For financial liabilities measured at amortised cost, transaction costs are recognised in the initial measurement.

## II MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 5 Financial instruments (continued)

#### 5.3 Classification and measurement of financial liabilities (continued)

The subsequent measurement of financial liabilities depends on the classification:

##### *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading (including derivative financial instruments) and financial liabilities designated at fair value through profit or loss at initial recognition. Financial liabilities held for trading (including derivative financial instruments) are subsequently measured at the fair value. A gain or loss on such financial liability is recognised in profit or loss, unless it is part of hedging relationship. Financial liabilities designated at fair value through profit or loss are subsequently measured at the fair value. A gain or loss on such financial liability is recognised in profit or loss, except that the changes in the fair value of the financial liability arising from changes in the Group's own credit risk should be recognised in other comprehensive income. If the recognition of the impact arising from changes in the financial liabilities' own credit risk in other comprehensive income will create or enlarge the accounting mismatch in profit or loss, the Group shall recognise the entire gain or loss of the financial liabilities (including the impact of changes in its own credit risk) in profit or loss.

##### *Financial liabilities measured at amortised cost*

Financial liabilities measured at amortised cost are measured using the effective interest method.

#### 5.4 Impairment of financial instruments

The Group evaluates and confirms relevant impairment allowance for financial assets measured at amortised cost, debt instrument investments at fair value through other comprehensive income, loan commitments and financial guarantee contracts based on the expected credit loss (ECL) model (Note V 49(a)).

#### 5.5 Financial guarantee contracts and loan commitments

Financial guarantee contracts are those contracts that require a payment to be made by the issuer to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts issued are measured at fair value at initial recognition. For financial guarantee contracts issued which are not designated as at fair value through profit or loss at initial recognition, they are subsequently measured at the higher of the amount of the loss allowance determined using the ECL model and the amount initially recognised less the cumulative amount of income recognised in accordance with the principles for revenue recognition.

Loan commitments are commitments provided by the Group to the customers to grant loans under the established contract terms during a certain period. The impairment losses of loan commitments issued are measured using the ECL model.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

## II MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 5 Financial instruments (continued)

#### 5.6 Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, for example, to hedge exchange-rate risks and interest rate risks through foreign exchange forward contracts and interest rate swaps, which are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. All derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Changes in the fair value of these derivatives are recognised in profit or loss unless it is designated in a hedging relationship.

In terms of the hedge accounting method, the Group's hedge is classified as:

- (1) Fair value hedge, refers to a hedge of the exposure to changes in fair value of a recognised asset or liability, an unrecognised firm commitment or components of the above items.
- (2) Cash flow hedge, refers to a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction which affects the Group's profit or loss.

At the beginning of the hedging relationship, the Group has formally designated the hedging relationship and prepared a formal written document on the hedging relationship, risk management objectives and risk management strategy. The file specifies the hedging instrument, the hedged item, the nature of the hedged risk, and the Group's method for evaluating the effectiveness of the hedging relationship. Hedging effectiveness refers to the degree to which the fair value or cash flow change of the hedging instrument can offset the fair value or cash flow of the hedged item caused by the hedged risk. Such hedging should be continuously evaluated for compliance with hedging effectiveness requirements on the initial designated date and subsequent periods.

The Group discontinues hedge accounting prospectively when the hedging instrument expires or is sold, terminated or exercised (the replacement or rollover of a hedging instrument into another hedging instrument does not constitute an expiration or termination), or the hedging relationship ceases to meet the updated risk management objective, or to meet other qualifying criteria for hedging accounting.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship so that it meets the qualifying criteria again.

If the qualifying criteria for hedge accounting are met, the hedging relationship should be treated as follows:

## II MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 5 Financial instruments (continued)

#### 5.6 Derivative financial instruments and hedge accounting (continued)

##### *Fair value hedge*

Gains or losses arising from hedging instruments are recognised in profit or loss. The gains or losses of the hedged item due to the hedging risk exposure shall be recognised in profit or loss, and the book value of the hedged item that is not measured at fair value shall be adjusted at the same time.

For the fair value hedges related to the debt instrument measured at amortised cost, the adjustment of the book value of the hedged item should be amortised to profit or loss based on a recalculated effective interest rate which is determined on the date that amortisation begins. The amortization in accordance with the effective interest method may commence immediately after the adjustment of book value and shall not be later than the termination of the adjustment of the hedged item based on the change in fair value caused by the hedging risk. If the hedged item is a debt instrument at fair value through other comprehensive income, cumulative hedging gains or losses recognised are amortised in the same way and recognised in profit or loss, but the book value of financial assets is not adjusted. If the hedged item is derecognised, any unamortised fair value hedge adjustment is recognised immediately when the item is derecognised.

If the hedged item is an unrecognised firm commitment, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss. The changes in the fair value of the hedging instrument are also recognised in profit or loss.

##### *Cash flow hedge*

The gain or loss of the hedging instrument that is determined to be effective should be directly recognised in other comprehensive income, and the ineffective part shall be recognised in profit or loss.

If the hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or the hedged forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the amount accumulated in the cash flow hedge reserve shall be removed and included in the initial cost of the asset or the liability. In other cases, the amount accumulated in the cash flow hedge reserve shall be reclassified to profit or loss in the same periods when the hedged future cash flows affect profit or loss, such as the expected sales occur.

When the Group discontinues hedge accounting for a cash flow hedge, if the hedged future cash flows are still expected to occur, that amount accumulated in the cash flow hedge reserve shall remain in equity until the expected transaction actually occurs or the commitment is confirmed to be fulfilled. If the hedged future cash flows are no longer expected to occur, that amount shall be immediately reclassified from the cash flow hedge reserve to profit or loss.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

## II MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 5 Financial instruments (continued)

#### 5.7 Convertible corporate bonds

Convertible bonds comprise the liability and equity components. The liability component, representing the obligation to make fixed payments of principal and interest, is classified as a liability and initially recognised at the fair value, calculated using the market interest rate of a similar liability that does not have an equity conversion option, and subsequently measured at amortised cost using the effective interest method. The equity component, representing an embedded option to convert the liability into ordinary shares, is initially recognised in “Equity” as the difference between the proceeds received from the convertible bonds as a whole and the initial fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to the allocation of proceeds.

On conversion of the bonds into shares, the amount transferred to share capital is calculated as the par value of the shares multiplied by the number of shares converted. The difference between the carrying value of the related component of the converted bonds and the amount transferred to share capital is recognised in share premium under “Capital reserve”.

#### 5.8 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a current legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

#### 5.9 Financial assets held under resale and repurchase agreements

Financial assets held under resale agreements are transactions where the Group acquires financial assets which will be resold at a predetermined price at a future date under resale agreements. Financial assets sold under repurchase agreements are transactions where the Group sells financial assets which will be repurchased at a predetermined price at a future date under repurchase agreements.

The cash advanced or received is recognised as amounts held under resale or sold under repurchase agreements in the statement of financial position. Assets held under resale agreements are not recognised. Assets sold under repurchase agreements continue to be recognised in the statement of financial position.

The difference between the purchase and resale consideration, and that between the sale and repurchase consideration, is amortised over the period of the respective transaction using the effective interest method and is included in interest income and interest expenses respectively.

### 6 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 realisable value. Precious metals acquired by the Group for trading purposes are initially measured at fair value less costs to sell, and subsequent changes in fair value less costs to sell are recognised in profit or loss in the year of the change.

## II MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 7 Property and equipment

Property and equipment are assets held by the Group for operation and administration purposes with useful lives over one year.

The Group's property and equipment mainly comprise premises, electronic equipment, aircraft, ships and vehicles and construction in progress.

The assets purchased or constructed are initially measured at acquisition cost or deemed cost, as appropriate. Such initial cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in an asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to the statement of profit or loss during the financial period in which they are incurred.

Depreciation is calculated on the straight-line method to write down the cost of such assets to their residual values over their estimated useful lives. The residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each financial reporting date.

Gains and losses on disposals are determined by the difference between proceeds and carrying amount, after deduction of relevant taxes and expenses. These are included in the statement of profit or loss.

#### 7.1 Premises, electronic equipment and others

Property and equipment are depreciated using the straight-line method over their estimated useful lives, after taking into account their estimated residual values. The estimated useful lives, residual values and depreciation rates of each class of property and equipment are as follows:

Asset category	Estimated useful lives (years)	Estimated rate of residual value (%)	Depreciation rate (%)
Premises	30–35	3	2.8–3.2
Electronic equipment	3–5	3–5	19.0–32.3
Others	5–10	3–5	9.5–19.4

#### 7.2 Aircraft, ships and vehicles

Aircraft, ships and vehicles are used in the Group's operating leasing business.

Aircraft are depreciated using the straight-line method over the expected useful life between 20 and 25 years, less the years in service at the time of purchase at an estimated residual value rate between 5% and 15%.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

## II MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 7 Property and equipment (continued)

#### 7.2 Aircraft, ships and vehicles (continued)

Ships are depreciated using the straight-line method over the expected useful life of 25 years, less the years in service at the time of purchase at an estimated residual value rate of 5%.

Vehicles are depreciated using the straight-line method over the expected useful life of 5 years, less the years in service at the time of purchase at an estimated residual value rate of 5%.

#### 7.3 Construction in progress

Construction in progress consists of assets under construction or being installed and is stated at cost. Cost includes equipment cost, cost of construction, installation and other direct costs. Items classified as construction in progress are transferred to property and equipment when such assets are ready for their intended use and the depreciation charge commences after such assets are transferred to property and equipment.

### 8 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.

#### 8.1 As lessee

Except for short-term leases and leases of low-value assets, the Group recognizes the right-of-use assets and lease liabilities for the lease, and the accounting is shown in Note V 21 and Note V 33.

##### *Short-term leases and leases of low-value assets*

The Group considers a lease that, at the commencement date of the lease, has a lease term of 12 months or less, and does not contain any purchase option as a short-term lease; and a lease for which the value of the individual underlying asset is relatively low when it is new as a lease of a low-value asset. The Group chooses not to recognise the right-of-use assets and lease liabilities for short-term leases and leases of low-value assets, and the rent is amortised on a straight-line basis in each period of the lease term and included in the statement of profit or loss.

##### *Right-of-use assets*

At the commencement date of the lease, the Group recognises a right-of-use asset, which is measured according to the cost. The cost of the right-of-use asset comprises: (1) the amount of the initial measurement of the lease liability; (2) any lease payments made at or before the commencement date of the lease less any lease incentives received; (3) any initial direct cost incurred when the Group is a lessee; and (4) an estimate of costs incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. If the Group remeasures the lease liability due to changes in the lease payment amount, the carrying amount of the right-of-use assets shall be adjusted accordingly.

## II MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 8 Leases (continued)

#### 8.1 As lessee (continued)

##### *Right-of-use assets* (continued)

The right-of-use assets are depreciated on a straight-line basis subsequently by the Group. If the Group is reasonably certain that the ownership of the underlying asset will be transferred to the Group at the end of the lease term, the Group depreciates the asset from the commencement date to the end of the useful life of the asset. Otherwise, the Group depreciates the assets from the commencement date to the earlier of the end of the useful life of the asset and the end of the lease term, whichever is shorter.

##### *Lease liability*

At the commencement date of the lease, the Group measures the lease liability at the present value of the lease payments that are not paid at that date, except for short-term leases and leases of low-value assets. Lease payments include fixed payments and substantial fixed payments after deduction of lease incentives, variable lease payments depending on indexes or ratios, payments expected to be made based on security balances, and also include the exercise price of the purchase option or payments to exercise the option to terminate the lease, provided that the Group is reasonably certain that the option will be exercised or that the lease period reflects that the Group will exercise the option to terminate the lease.

In calculating the present value of the lease payments, the Group uses the incremental borrowing rate of lessee as the discount rate. The Group calculates the interest expenses of the lease liability in each period during the lease term using the constant periodic rate of interest, and recognises such interest expenses in profit or loss. Variable lease payments that are not included in the measurement of the lease liabilities are recognised in profit or loss as incurred.

The Group uses the incremental borrowing rate as the discount rate to calculate the present value of lease payment. When determining the incremental borrowing rate, each institution of the Group uses its economic environment and the observable interest rate as the foundation. On this basis, the applicable incremental borrowing rate is calculated through the adjustment of the reference interest rate, which is determined according to the situation of the institution and the underlying asset, the lease term, the amount of the lease liability and other specific conditions of the lease.

After the commencement date, the Group increases the carrying amount of the lease liability when recognizing interest and decreases the carrying amount of the lease liability when paying the lease payment. The Group remeasures the lease liability by discounting the revised lease payments using a revised discount rate if either: the actual fixed payment has been changed, there is a change in the amounts expected to be payable under a residual value guarantee, there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments; or there is a change in the assessment of an option to purchase, extend or terminate the underlying asset, assessed in the context of a purchase option.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

## II MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 8 Leases (continued)

#### 8.2 As lessor

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset, except that a lease is classified as an operating lease at the inception date.

When the Group is a lessor under finance leases, at the commencement date of the lease, the Group recognises finance lease receivable and derecognises finance lease assets. In the initial measurement of the finance lease receivable, the Group recognises the net investment of the lease as the book value. The net investment in a lease is the sum of the unguaranteed residual value and the present value of the unreceived minimum lease payment receivable at the commencement date, which is discounted by the interest rate implicit in the lease. The Group calculates and recognises the interest income in each period during the lease term using the constant periodic rate of interest, and recognises such interest income in profit or loss. Variable lease payments that are not measured as part of the net investment in the lease are recognised in profit or loss as incurred.

When the Group is a lessor under operating leases, The rental income is amortised on a straight-line basis or other more systematic and reasonable methods in each period of the lease term and recognised in the statement of profit or loss. The initial direct costs are included in the carrying amount of the underlying assets and is recognized as expenses over the lease term on the same basis as the rental income.

### 9 Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance, including computer software and other intangible assets.

Computer software and other intangible assets are stated at acquisition cost less accumulated amortisation and impairment. These costs are amortised on a straight-line basis over their estimated useful lives with the amortisation recognised in the statement of profit or loss.

The respective amortisation periods for intangible assets are as follows:

Asset category	Estimated useful lives (years)
Computer software	5
Others	5–10

### 10 Goodwill

Goodwill represents the excess of cost of acquisition over the Group's interest in the fair value of the identifiable net assets of the acquiree under the business combination involving entities not under common control. Goodwill is not amortised and is stated at cost less accumulated impairment loss (Note II 12). On disposal of the related cash-generating unit ("CGU") or group of CGUs, any attributable amount of purchased goodwill is written off and included in the calculation of profit or loss on disposal.

## II MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 11 Repossessed assets

Repossessed 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. The repossessed assets should be recorded at the fair value of the abandoned creditor's rights, and the relevant expenses payable for obtaining the repossessed assets should be included in the book value of the repossessed assets. When there is an indication that the net realizable value of the repossessed assets is lower than the book value, the Group will reduce the book value to the net realizable value.

### 12 Provision for impairment losses on non-financial assets

The carrying amounts of the following assets are reviewed at the end of the reporting period based on the internal and external sources of information to determine whether there is any indication of impairment: property and equipment, right-of-use assets, construction in progress, intangible assets, goodwill and investments in joint ventures.

If any indication exists that an asset may be impaired, the recoverable amount of the asset is estimated. In addition, the Group estimates the recoverable amounts of goodwill at no later than each year end, irrespective of whether there is any indication of impairment or not. Goodwill is allocated to the cash generating unit (CGU), or group of CGUs, that is expected to benefit from the synergies of the combination for the purpose of impairment testing.

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 asset groups. A CGU is composed of assets directly relating to cash generation. Identification of a CGU is based on whether major cash inflows generated by the asset group are largely independent of the cash inflows from other assets or asset groups. In identifying an asset group, the Group also considers how management monitors the Group's operations and how management makes decisions about continuing or disposing of the Group's assets.

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 a pre-tax discount rate that reflects expected future cash flows, the useful life and the discount rate specific to the asset.

The recoverable amount of an asset or CGU, or the group of CGUs (hereinafter called "asset") 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 CGU to which the assets belongs.

If there is indication of impairment when testing for CGU or the group of CGUs with goodwill for impairment, the Group shall first test the CGU or the group of CGUs excluding goodwill for impairment and recognise the impairment loss in the statement of profit or loss. Then the Group shall test the CGU or the group of CGUs including goodwill for impairment, by comparing the carrying amount with its recoverable amount. Any impairment loss shall be allocated to reduce the carrying amount of any goodwill allocated to the CGU or the group of CGUs first and then pro rata on the basis of carrying amount of each of the CGU or the group of CGUs (excluding goodwill).

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

## II MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 12 Provision for impairment losses on non-financial assets (continued)

An impairment loss in respect of goodwill is not reversed. If, in a subsequent period, the amount of impairment loss of the non-financial asset except for goodwill decreases and the decrease can be linked objectively to an event occurring after impairment was recognised, the previously recognised impairment loss is reversed through profit or loss. A reversal of impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior periods.

The estimation of recoverable amount indicates that if the recoverable amount of an asset is lower than its carrying amount, the carrying amount of the asset will be reduced to the recoverable amount, and the reduced amount will be recognized as an impairment loss included in profit or loss. A provision for an impairment loss of the asset is recognised accordingly.

### 13 Employee benefits

Employee benefits refer to all forms of consideration and other related expenditure given by the Group in exchange for services rendered by employees. The benefits payable are recognised as liabilities during the period in which the employees have rendered services to the Group. If the effect of discounting the benefits payable which are payable after one year from the end of the reporting period is significant, the Group will present them at their present value.

#### 13.1 Short-term employee benefits

Employee wages or salaries, bonuses, social security contributions such as medical insurance, work injury insurance, maternity insurance and housing funds, measured at the amount incurred or 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.

All eligible employees overseas participate in local defined contribution schemes. The Group contributes to these defined contribution schemes based on the requirements of the local regulatory bodies.

#### 13.2 Post-employment benefits – defined contribution plans

Pursuant to the relevant laws and regulations of the PRC, the Group participates in a defined contribution basic pension insurance in the social insurance system established and managed by government organisations. The Group makes contributions to basic pension insurance plans based on the applicable benchmarks and rates stipulated by the government. Basic pension insurance contributions are recognised as part of the cost of the assets or charged to profit or loss as the related services are rendered by the employees.

In addition, employees in Chinese Mainland also participate in a defined contribution retirement benefit plan established by the Group (the "Annuity Plan"). The Group and its employees are required to contribute a certain percentage of the employees' previous year basic salaries to the Annuity Plan. The contribution is charged to profit or loss when it is incurred. The Group pays a fixed contribution into the Annuity Plan and has no obligation to pay further contributions if the Annuity Plan does not hold sufficient assets to pay all employee benefits.

## II MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 13 Employee benefits (continued)

#### 13.3 Post-employment benefits – defined benefit plans

According to the Expected Accumulated Benefit Obligation, the Group uses unbiased and mutually consistent actuarial assumptions to estimate relevant demographic and financial variables, to calculate the obligations arising from defined benefit plans, and recognize the net liability or net asset of a defined benefit plan as the deficit or surplus formed by subtracting the fair value of the defined benefit plan assets (if any) from its discounted present value.

The Group attributes the welfare obligations arising from the defined benefit plan to the period during which employees provide services. Recognize the net interest on net liabilities or assets belonging to service costs and defined benefit plans as part of the current period's profit and loss or related asset costs, and recognize the changes in net liabilities or net assets resulting from the re-measurement of defined benefit plans in other comprehensive income.

#### 13.4 Termination benefits

Termination benefits are payable as a result of either the Group's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment. The Group recognises termination benefits in profit or loss at the earlier of:

- When the Group can no longer withdraw an offer of those benefits; and
- When the Group has a specific, formal restructuring plan involving payment of termination benefits, and the plan has started or the details of the plan have been notified to each affected party, so that each party has developed reasonable expectations.

### 14 Other provisions and contingent liabilities

A provision is recognised for an obligation related to a contingency with uncertain timing or amount if the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. A provision is measured at the best estimate of the expenditure required to settle the related present obligation. Factors pertaining to a contingency such as the risks, uncertainties and time value of money are taken into account as a whole in reaching the best estimate. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows.

For a possible obligation resulting from a past transaction or event whose existence will only be confirmed by the occurrence or non-occurrence of uncertain future events or a present obligation resulting from a past transaction or event, where it is not probable that the settlement of the above obligation will cause an outflow of economic benefits, or the amount of the outflow cannot be estimated reliably, the possible or present obligation is disclosed as a contingent liability.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

## II MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 15 Fiduciary activities

The Group acts in a fiduciary activity as a manager, a custodian, or an agent for customers. Assets held by the Group and the related undertakings to return such assets to customers are off-balance sheet items as the risks and rewards of the assets reside with customers.

The Group enters into entrusted loan agreements with customers, whereby the customers provide funding (“entrusted funds”) to the Group, and the Group grants loans to third parties (“entrusted loans”) under instructions of the customers. As the Group does not assume the risks and rewards of the entrusted loans and the corresponding entrusted funds, the entrusted loans and funds are recorded as off-balance sheet items at their principal amounts. No provision for impairment loss is made for entrusted loans.

### 16 Other equity instruments

#### Preference shares

Such preference shares or their components are initially recognised as financial assets, financial liabilities or equity instruments according to the terms of the contract, the economic substance and the definition of financial assets, financial liabilities and equity instruments.

The issued preference shares that should be classified as equity instruments will be recognised as equity in the actual amount received. Dividends payable are recognised as distribution of profits. Equity will be written down by the redemption price for any redemptions made before maturing in accordance with contractual terms.

#### Perpetual bonds

The perpetual bonds issued by the Group do not include the contractual obligations to pay cash or other financial assets to other parties or exchange financial assets or financial liabilities with other parties under potential adverse conditions; and perpetual bonds issued includes no terms and arrangement that the bonds must or will alternatively be settled in the Group’s own equity instruments. The perpetual bonds issued by the Group are classified as equity instruments. The handling fees and commissions incurred in issuing the perpetual bonds are divided into equity instruments, and the transaction costs are deducted from equity. The interest on perpetual bond is recognized as profit distribution at the time of declaration.

### 17 Revenue recognition

#### 17.1 Interest income

For all financial assets measured at amortized cost and those measured at fair value through other comprehensive income, interest income is measured using the effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset. The calculation of the effective interest rate must consider all contractual terms of the financial instrument and all fees 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, but excludes expected credit losses.

## II MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 17 Revenue recognition (continued)

#### 17.1 Interest income (continued)

The Group calculates interest income by multiplying the carrying amount of financial assets by the effective interest rate and presents it as interest income, except in the following cases:

- For the purchased or originated credit-impaired financial assets, the Group calculates the interest income according to the amortised cost of the financial assets and the effective interest rate after credit adjustment since the initial recognition by the Group.
- For the financial assets acquired or originated without any credit impairment, but incurred credit impairment in the subsequent period, the Group calculates the interest income in accordance with the amortised cost and the effective interest rate of the financial assets. If the financial assets no longer has credit impairment in subsequent periods due to an improvement in its credit risk, and this improvement can objectively be linked to an event that occurs after the application of the above provisions, the interest income shall be calculated by multiplying the actual interest rate by the carrying amount of the financial assets.

#### 17.2 Fee and commission income

The Group earns fee and commission income from a diverse range of services it provides to its customers. The income should be recognised when the Group's performance obligation in the contract is fulfilled, which refers the revenue is recognised when the customer obtains the control right of relevant goods or services. To obtain the right of control over related goods or services means to be able to dominate the use of such goods or the provision of such services and obtain almost all economic benefits therefrom.

If one of the following conditions is met, the Group shall fulfill its performance obligations within a certain period of time; otherwise, it shall fulfill its performance obligations at a certain point in time:

- The customer obtains and consumes economic benefits brought by the performance of the Group at the same time as the performance of the Group;
- Customers are able to control the services provided by the Group during the performance process;
- The goods produced by the output during the performance of the contract have an irreplaceable use, and the Group has the right to receive payment for the performance accumulated to date throughout the contract period.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

## II MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 17 Revenue recognition (continued)

#### 17.3 Dividend income

Dividend income from equity instruments is recognized in profit or loss of the current period when the Group's right to receive income is established.

#### 17.4 Other income

Other income is recognised on an accrual basis.

### 18 Expenses recognition

#### 18.1 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.

#### 18.2 Other expenses

Other expenses are recognised on an accrual basis.

### 19 Deferred tax

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and does not give rise to equal taxable and deductible temporary differences; and

## II MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 19 Deferred tax (continued)

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### 20 Dividend distribution

Dividends or distributions of profits proposed in the profit appropriation plan which will be authorised by the Group and declared after the end of the reporting year are not recognised as a liability at the end of the reporting period but disclosed separately in the notes to the financial statements.

### 21 Related parties

If a Group has the power to control, jointly control or exercise significant influence over another party, or vice versa, or where the Group and one or more parties are subject to common control or joint control from another party, they are considered to be related parties. Related parties may be individuals or enterprises. Enterprises with which the Group is under common control only from the State and that have no other related party relationships are not regarded as related parties.

### 22 Segment reporting

Reportable segments are identified based on operating segments which are determined based on the structure of the Group's internal organisation, management requirements and internal reporting system, whose operating results are regularly reviewed by the Group's management to make decisions about resources to be allocated to the segment and assess its performance. Any segments which do not comply with the reporting of segments by division of quantities are reported at consolidation level.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

## III CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The preparation of financial statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed by management on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Areas susceptible to changes in critical estimates and judgements, which affect the carrying value of assets and liabilities, are set out below. It is possible that actual results may be materially different from the estimates and judgements referred below.

### 1 Measurement of expected credit loss allowance

The Group follows IFRS 9 to measure impairment losses of all financial assets. In this process, there are many estimates and judgements, especially the determination of the amount of impairment losses, the estimation of future contract cash flows, the value of collateral, and the criteria for judging a significant increase in credit risk. The Group's impairment measurement is impacted by many factors, which will lead to different levels of allowance for impairment.

The Group's expected credit loss calculation is the result of model output, which contains many model assumptions and parameter inputs. The accounting judgements and estimates used in the expected credit loss model include:

- criteria for judging a significant increase in credit risk
- definition of credit impaired assets
- parameters for the measurement of ECL
- forward-looking information
- risk grouping

### 2 Fair value of financial instruments

There are no quoted prices from an active market for a number of financial instruments. The fair values of these financial instruments are established by using valuation techniques. These techniques include using recent arm's length market transactions by referring to the current fair value of similar instruments, discounted cash flow analysis and option pricing models. The Group has established a work flow to ensure that the valuation techniques are constructed by qualified personnel and are validated and reviewed by independent personnel. Valuation techniques are certified and calibrated before implementation to ensure that the valuation result reflects the actual market conditions. Valuation models established by the Group make maximum use of market inputs and rely as little as possible on the Group's specific data. However, it should be noted that some inputs, such as credit and counterparty risk, and risk correlations require management's estimates. The Group reviews the above estimations and assumptions periodically and makes adjustment if necessary.

### III CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (CONTINUED)

#### 3 Income taxes

Determining income tax provisions involves judgement on the future tax treatment of certain transactions. The Group carefully evaluates the tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislation. Deferred tax assets are recognised for tax losses not yet used and temporary deductible differences. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profits will be available against which the unused tax credits can be utilised, management's judgement is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax assets to be recovered.

#### 4 Impairment of non-financial assets

Non-financial assets are reviewed regularly to determine whether the carrying amount exceeds the recoverable amount of the assets. If any such indication exists, an impairment loss is provided.

Since the market price of an asset (the asset group) cannot be obtained reliably, the fair value of the asset cannot be estimated reliably. In assessing the present value of future cash flows, significant judgements are exercised over the cash flows generated by the asset (the asset group) during its continuous use and final disposal, as well as the discount rate used in calculating the present value. All relevant materials which can be obtained are used for estimation of the recoverable amount, including the estimation of the selling price and related operating expenses based on reasonable and supportable assumption.

#### 5 Judgement in assessing control over structured entities

The Group is involved with structured entities in its normal business course, and the Group determines whether or not to consolidate those structured entities depending on whether the Group has control over them. When assessing control over structured entities, the Group takes into consideration the power arising from rights it directly owns or indirectly owns through subsidiaries (including controlled structured entities), variable returns, and the link between power and returns.

The variable returns the Group is exposed to from its involvement with structured entities include decision makers' remuneration (such as management fees and performance-related fees), as well as other benefits (such as investment income, remuneration and exposure to loss from providing credit or liquidity support, and variable returns from transactions with structured entities). When assessing whether it controls a structured entity, the Group not only considers applicable legal or regulatory requirements, and contractual agreements, but also other circumstances where the Group may have the obligation to absorb any loss of the structured entity.

The Group reassesses whether it controls a structured entity if facts and circumstances indicate that there are changes to one or more of the relevant elements of control.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

### IV TAXATION

The Group's main applicable taxes and tax rates are as follows:

- (a) Value-added tax: value-added tax is charged based on the difference between the output tax amount and the input tax amount. The main value-added tax rates are 6% and 13%.
- (b) City construction tax: city construction tax is calculated as 1%-7% of turnover tax paid.
- (c) Education surcharge: education surcharge is calculated as 3% of turnover tax paid.
- (d) Income tax: the income tax is calculated on taxable income. Taxation on the Bank and subsidiaries in Chinese Mainland is 25%. Taxation on overseas operations is charged at the relevant local rates. Tax paid on overseas operations is set off to the extent allowed under the relevant income tax laws of the PRC.

### V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### 1 Net interest income

	Notes	2025	2024
<b>Interest income</b>			
Deposits with central banks		3,789	4,076
Deposits with banks and other financial institutions		1,286	340
Placements with banks and other financial institutions		4,375	5,159
Loans and advances to customers	(a)		
– Corporate loans and advances		80,101	86,665
– Personal loans and advances		63,602	75,019
– Discounted bills		846	1,362
Finance lease receivables		3,726	4,552
Financial assets held under resale agreements		359	1,048
Investments	(a)	53,074	55,786
<b>Subtotal</b>		<b>211,158</b>	<b>234,007</b>
<b>Interest expenses</b>			
Due to the central bank		3,049	2,083
Deposits from banks and other financial institutions		8,576	12,402
Placements from banks and other financial institutions		4,958	6,825
Deposits from customers			
– Corporate customers		49,090	58,047
– Individual customers		24,250	26,951
Financial assets sold under repurchase agreements		3,023	2,428
Debt securities issued		26,111	28,605
<b>Subtotal</b>		<b>119,057</b>	<b>137,341</b>
<b>Net interest income</b>		<b>92,101</b>	<b>96,666</b>

Note:

- (a) The interest income arising from impaired financial assets for year ended 31 December 2025 amounted to RMB1,195 million (2024: RMB1,514 million).

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 2 Net fee and commission income

	2025	2024
<b>Fee and commission income</b>		
Bank card service fees	7,355	8,313
Wealth management service fees	6,198	3,840
Settlement and clearing fees	3,866	3,663
Custody and other fiduciary business fees	1,994	1,936
Agency services fees	1,549	1,898
Acceptance and guarantee fees	1,186	1,340
Underwriting and advisory fees	1,099	1,187
Others	16	17
Subtotal	23,263	22,194
<b>Fee and commission expense</b>		
Bank card transaction fees	1,338	1,588
Settlement and clearing fees	894	910
Wealth management service fees	41	40
Underwriting and advisory fees	18	45
Acceptance and guarantee fees	11	3
Agency services fees	3	4
Others	706	533
Subtotal	3,011	3,123
<b>Net fee and commission income</b>	<b>20,252</b>	<b>19,071</b>

### 3 Net trading gains

	2025	2024
Trading financial instruments		
– Derivatives	132	188
– Debt securities	1,072	2,878
Subtotal	1,204	3,066
Precious metal contracts	217	137
Total	1,421	3,203

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

### V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 4 Net gains arising from investment securities

	2025	2024
Net gains arising from financial investments at fair value through profit or loss	4,949	13,583
Net gains arising from debt instruments at fair value through other comprehensive income	2,374	686
Net gains arising from Loans and advances to customers measured at fair value through other comprehensive income	81	210
<b>Total</b>	<b>7,404</b>	<b>14,479</b>

#### 5 Operating expenses

	Note	2025	2024
Staff costs			
– Salaries and bonuses		13,256	15,221
– Pension and annuity		2,650	2,591
– Housing allowances		1,318	1,278
– Staff welfares		755	826
– Supplementary retirement benefits		(3)	12
– Others		2,125	2,335
<b>Subtotal</b>		<b>20,101</b>	<b>22,263</b>
Premises and equipment expenses			
– Depreciation of right-of-use assets		2,692	2,828
– Depreciation of property and equipment		2,536	2,428
– Amortisation of intangible assets		1,519	1,316
– Rental and property management expenses		458	499
– Interest expense on lease liabilities		326	385
– Amortisation of other long-term assets		367	356
<b>Subtotal</b>		<b>7,898</b>	<b>7,812</b>
Tax and surcharges		1,560	1,650
Other general and administrative expenses	(a)	10,783	11,844
<b>Total</b>		<b>40,342</b>	<b>43,569</b>

Note:

(a) Other general and administrative expenses included the principal auditor's remuneration of RMB18.48 million for the year ended 31 December 2025 (2024:RMB15.32 million).

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 6 Directors' and supervisors' emoluments

The emoluments before individual income tax for directors and supervisors who held office during the reporting year are as follows:

		2025							
		Discretionary bonuses				Contributions	Other	Total	
Notes	Fees	Salaries	Paid	Payable	Subtotal	to social	welfares	Total	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	pension	RMB'000	RMB'000	
						schemes			
						RMB'000			
<b>Executive directors</b>									
	-	-	-	-	-	-	-	-	
Hao Cheng	-	-	-	-	-	-	-	-	
Qi Ye	-	965	289	-	1,254	203	96	1,553	
Yang Bingbing	-	953	286	-	1,239	203	96	1,538	
<b>Non-executive directors</b>									
	-	-	-	-	-	-	-	-	
Wu Lijun	-	-	-	-	-	-	-	-	
Cui Yong	-	-	-	-	-	-	-	-	
Yao Wei	-	-	-	-	-	-	-	-	
Zhang Mingwen	-	-	-	-	-	-	-	-	
Li Wei	-	-	-	-	-	-	-	-	
Zhao Jingjing	(i)	-	-	-	-	-	-	-	
<b>Independent non-executive directors</b>									
	430	-	-	-	430	-	-	430	
Li Yinquan	430	-	-	-	430	-	-	430	
Liu Shiping	(ii)	293	-	-	293	-	-	293	
Huang Zhenzhong	(iii)	-	-	-	-	-	-	-	
Liu Qiao	(iv)	-	-	-	-	-	-	-	
Hu Xiang	(v)	-	-	-	-	-	-	-	
Li Yingqi		-	-	-	-	-	-	-	

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

### V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 6 Directors' and supervisors' emoluments (continued)

The emoluments before individual income tax for directors and supervisors who held office during the reporting year are as follows: (continued)

		2025							
		Discretionary bonuses				Contributions to social pension schemes		Other welfares	Total
Notes		Fees	Salaries	Paid	Payable	Subtotal			
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Former non-executive directors</b>									
Qu Liang	(vi)	-	-	-	-	-	-	-	-
Zhu Wenhui	(vii)	-	-	-	-	-	-	-	-
<b>Former independent non-executive director</b>									
Hong Yongmiao	(viii)	430	-	-	-	430	-	-	430
Shao Ruiqing	(ix)	430	-	-	-	430	-	-	430
Huang Zhiling	(x)	-	-	-	-	-	-	-	-
<b>Former supervisors</b>									
Wu Junhao	(xi)	-	-	-	-	-	-	-	-
Qiao Zhimin	(xi)	340	-	-	-	340	-	-	340
Chen Qing	(xi)	-	-	-	-	-	-	-	-
Shang Wencheng	(xi)	/	/	/	/	/	/	/	/
Yang Wenhua	(xi)	/	/	/	/	/	/	/	/
Lu Jian	(xi)	/	/	/	/	/	/	/	/

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 6 Directors' and supervisors' emoluments (continued)

The emoluments before individual income tax for directors and supervisors who held office during the reporting year are as follows: (continued)

	2024							
	Fees RMB'000	Salaries RMB'000	Discretionary bonuses		Subtotal RMB'000	Contributions to social pension schemes RMB'000	Other welfares RMB'000	Total RMB'000
			Paid RMB'000	Payable RMB'000				
<b>Executive directors</b>								
Hao Cheng	-	-	-	-	-	-	-	-
Qi Ye	-	965	289	-	1,254	198	93	1,545
Yang Bingbing	-	953	286	-	1,239	198	93	1,530
<b>Non-executive directors</b>								
Wu Lijun	-	-	-	-	-	-	-	-
Cui Yong	-	-	-	-	-	-	-	-
Qu Liang	-	-	-	-	-	-	-	-
Yao Wei	-	-	-	-	-	-	-	-
Zhu Wenhui	-	-	-	-	-	-	-	-
Zhang Mingwen	-	-	-	-	-	-	-	-
Li Wei	-	-	-	-	-	-	-	-
<b>Independent non-executive directors</b>								
Shao Ruiqing	430	-	-	-	430	-	-	430
Hong Yongmiao	430	-	-	-	430	-	-	430
Li Yinquan	430	-	-	-	430	-	-	430
Liu Shiping	430	-	-	-	430	-	-	430
Huang Zhiling	-	-	-	-	-	-	-	-

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

### V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 6 Directors' and supervisors' emoluments (continued)

The emoluments before individual income tax for directors and supervisors who held office during the reporting year are as follows: (continued)

	2024							
	Fees RMB'000	Salaries RMB'000	Discretionary bonuses		Subtotal RMB'000	Contributions to social pension schemes RMB'000	Other welfares RMB'000	Total RMB'000
			Paid RMB'000	Payable RMB'000				
<b>Supervisors</b>								
Wu Junhao	-	-	-	-	-	-	-	-
Qiao Zhimin	340	-	-	-	340	-	-	340
Chen Qing	-	-	-	-	-	-	-	-
Shang Wencheng	/	/	/	/	/	/	/	/
Yang Wenhua	/	/	/	/	/	/	/	/
Lu Jian	/	/	/	/	/	/	/	/
<b>Former executive directors</b>								
Wang Zhiheng	-	-	-	-	-	-	-	-
Qu Liang	-	576	173	-	749	113	53	915
<b>Former supervisors</b>								
Li Yinzong	-	-	-	-	-	-	-	-
Wang Zhe	165	-	-	-	165	-	-	165

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 6 Directors' and supervisors' emoluments (continued)

The emoluments before individual income tax for directors and supervisors who held office during the reporting year are as follows: (continued)

Notes:

- (i) Zhao Jingjing was elected Non-Executive Director effective 4 February 2026.
- (ii) Huang Zhenzhong was elected Independent Non-Executive Director effective 10 April 2025.
- (iii) Liu Qiao was elected Independent Non-Executive Director effective 6 January 2026.
- (iv) Hu Xiang was elected Independent Non-Executive Director effective 6 March 2026.
- (v) Li Yingqi was elected Independent Non-Executive Director effective 12 March 2026.
- (vi) Qu Liang ceased to be Non-Executive Director effective 14 November 2025.
- (vii) Zhu Wenhui ceased to be Non-Executive Director effective 14 November 2025.
- (viii) Hong Yongmiao ceased to be Independent Non-Executive Director effective 6 January 2026.
- (ix) Shao Ruiqing ceased to be Independent Non-Executive Director effective 12 March 2026.
- (x) Huang Zhiling ceased to be Independent Non-Executive Director effective 6 March 2026.
- (xi) On 29 July 2025, the resolution on dissolution of the Board of Supervisors of China Everbright Bank Company Limited was reviewed and approved at the Bank's 2025 Second Extraordinary General Meeting. NFRA has approved the amendments to the Articles of Association of the Company on 16 December 2025. The Company has ceased to have the Board of Supervisors from the effective date of approval of the Articles of Association, and the relevant rules of the Board of Supervisors have been abolished simultaneously. The Audit Committee of the Board of Directors has assumed the functions and powers of the Board of Supervisors as prescribed by laws and regulations.
- (xii) The total compensation package for these directors and supervisors for the year ended 31 December 2025 has not yet been finalised in accordance with regulations of the PRC relevant authorities. The amount of the compensation not provided for is not expected to have significant impact on the Group's and the Bank's financial statements for the year ended 31 December 2025.

The above directors' and supervisors' emoluments for the year ended 31 December 2025 were calculated in accordance with their actual tenure.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

### V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 7 Individuals with highest emoluments

	2025 RMB'000	2024 RMB'000
Salaries and other emoluments	9,046	4,942
Discretionary bonuses	4,295	11,590
Contributions to pension schemes	676	267
Others	1,154	871
<b>Total</b>	<b>15,171</b>	<b>17,670</b>

None of the five individuals with the highest emoluments are directors or supervisors. The number of these individuals whose emoluments before individual income tax are within the following bands is set out below:

	2025	2024
RMB2,500,001 to 3,000,000	2	2
RMB3,000,001 to 3,500,000	3	2
RMB3,500,001 to 4,000,000	–	–
RMB4,000,001 to 4,500,000	–	–
RMB4,500,001 to 5,000,000	–	–
RMB5,000,001 and above	–	1

None of these individuals received any inducements or compensation for loss of office, or waived any emoluments during the reporting year.

#### 8 Credit impairment losses

	2025	2024
Loans and advances to customers		
– measured at amortised cost	36,489	38,147
– measured at fair value through other comprehensive income	(68)	(331)
Debt instruments at fair value through other comprehensive income	499	335
Financial investments measured at amortised cost	(1,611)	2,030
Finance lease receivables	(438)	(95)
Others	1,555	436
<b>Total</b>	<b>36,426</b>	<b>40,522</b>

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 9 Income tax

#### (a) Income tax:

	Note V	2025	2024
Current tax		11,735	9,283
Deferred tax	23(b)	(1,271)	(335)
Adjustments for prior years		82	615
<b>Total</b>		<b>10,546</b>	<b>9,563</b>

#### (b) Reconciliations between income tax and accounting profit are as follows:

	Note	2025	2024
Profit before tax		49,687	51,474
Statutory tax rate		25%	25%
Income tax calculated at statutory tax rate		12,422	12,869
Effect of different tax rates applied by certain subsidiaries		(1)	(1)
Non-deductible expenses and others		6,006	4,041
Non-taxable income	(i)	(7,503)	(7,501)
Interest expense on perpetual bonds		(460)	(460)
Subtotal		10,464	8,948
Adjustments for prior years		82	615
<b>Income tax</b>		<b>10,546</b>	<b>9,563</b>

Note:

(i) Non-taxable income mainly includes interest income of PRC government bonds and dividends of funds.

As at 31 December 2025, Pillar Two legislation has come into effect in countries where some of the Group's subsidiaries are located. The Group is subject to the global minimum top-up tax under Pillar Two legislation in those jurisdictions. The Group has applied the temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current income tax when it occurs. For the year ended 31 December 2025, the impact of the top-up tax on the Group's current income tax expense is not material.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

### V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 10 Basic and diluted earnings per ordinary share

Basic earnings per share was computed by dividing the net profit attributable to the ordinary shareholders of the Bank by the weighted average number of ordinary shares in issue during the period. Diluted earnings per share was computed by dividing the net profit attributable to the ordinary shareholders of the Bank based on assuming conversion of all dilutive potential shares for the period by the adjusted weighted average number of ordinary shares in issue.

The conversion feature of the preference shares is considered to fall within contingently issuable ordinary shares. The triggering events of conversion did not occur as at 31 December 2025 and 31 December 2024, therefore the conversion feature of preference shares has no effect on the basic and diluted earnings per share calculation for the above period.

The non-cumulative perpetual bonds issued by the Bank do not contain equity conversion clauses.

	2025	2024
Net profit attributable to equity holders of the Bank	38,826	41,696
Less: net profit for the year attributable to other equity instruments holders of the Bank	4,647	4,811
Net profit attributable to ordinary shareholders of the Bank	34,179	36,885
Weighted average number of ordinary shares in issue (in million shares)	59,086	59,086
Basic/Diluted earnings per share (in RMB/share)	0.58	0.62

Weighted average number of ordinary shares in issue (in million shares):

	2025	2024
Issued ordinary shares as at 1 January	59,086	59,086
Add: Weighted average number of new issued ordinary shares in current year	—	—
Weighted average number of ordinary shares in issue (in million shares)	59,086	59,086

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 11 Cash and deposits with central banks

	Notes	31 December 2025	31 December 2024
Cash on hand		5,866	5,326
Deposits with central banks			
– Statutory deposit reserves	(a)	215,697	228,698
– Surplus deposit reserves	(b)	110,363	44,701
– Foreign exchange risk reserves	(c)	449	223
– Fiscal deposits		6,757	4,224
Subtotal		339,132	283,172
Accrued interest		100	94
Total		339,232	283,266

Notes:

- (a) The Group places statutory deposit reserves with the People's Bank of China ("PBOC") and overseas central banks where it has operations. The statutory deposit reserves are not available for use in the Group's daily business. As at the end of the reporting period, the Bank's statutory deposit reserve rates in Chinese Mainland were as follows:

	31 December 2025	31 December 2024
Reserve ratio for RMB deposits	5.50%	6.00%
Reserve ratio for foreign currency deposits	4.00%	4.00%

The statutory RMB deposit reserve rates applicable to domestic subsidiaries of the Group are determined by the PBOC. The amounts of statutory deposit reserves placed with the central banks of overseas countries and regions are determined by local jurisdictions.

- (b) The surplus deposit reserve maintained with the PBOC is mainly for the purpose of clearing.
- (c) The foreign-exchange risk reserve is the foreign-exchange risk reserve paid by the Group to the PBOC in accordance with the relevant provisions. As at 31 December 2025, the proportion of foreign-exchange risk reserve shall be 20% (31 December 2024: 20%).

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

### V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 12 Deposits with banks and other financial institutions

##### Analysed by type and location of counterparty

	31 December 2025	31 December 2024
Deposits in Chinese Mainland		
– Banks	100,592	34,360
– Other financial institutions	874	4,473
Deposits overseas		
– Banks	5,732	9,126
Subtotal	107,198	47,959
Accrued interest	373	202
Total	107,571	48,161
Less: Provision for impairment losses	(409)	(394)
Net balances	107,162	47,767

#### 13 Placements with banks and other financial institutions

##### Analysed by type and location of counterparty

	31 December 2025	31 December 2024
Placements in Chinese Mainland		
– Banks	6,554	11,599
– Other financial institutions	151,103	136,505
Placements overseas		
– Banks	26,877	31,688
Subtotal	184,534	179,792
Accrued interest	200	265
Total	184,734	180,057
Less: Provision for impairment losses	(356)	(318)
Net balances	184,378	179,739

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 14 Derivatives and hedge accounting

#### (a) Analysed by nature of contract

	31 December 2025		
	Notional amount	Fair value	
		Assets	Liabilities
Interest rate derivatives			
– Interest rate swaps	522,503	3,384	(3,391)
– Treasury bond futures	25	0	–
Currency derivatives			
– Foreign exchange forwards	10,201	67	(85)
– Foreign exchange swaps and cross-currency interest rate swaps	366,678	1,901	(1,996)
– Foreign exchange options	13,034	176	(75)
<b>Total</b>	<b>912,441</b>	<b>5,528</b>	<b>(5,547)</b>

	31 December 2024		
	Notional amount	Fair value	
		Assets	Liabilities
Interest rate derivatives			
– Interest rate swaps	644,830	6,510	(6,295)
– Treasury bond futures	277	1	–
Currency derivatives			
– Foreign exchange forwards	6,532	46	(55)
– Foreign exchange swaps and cross-currency interest rate swaps	1,673,074	27,211	(26,058)
– Foreign exchange options	1,689	29	(40)
<b>Total</b>	<b>2,326,402</b>	<b>33,797</b>	<b>(32,448)</b>

- (1) The notional amounts of derivative financial instruments refer only to the amounts outstanding at the end of the reporting period and do not represent the amounts at risk.
- (2) The above derivative financial instruments include hedging instruments designated by the Group.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 14 Derivatives and hedge accounting (continued)

#### (b) Analysed by credit risk-weighted amount

	31 December 2025	31 December 2024
Counterparty default risk-weighted assets	3,233	3,287
Credit value adjustment risk-weighted assets	3,222	3,272
<b>Total</b>	<b>6,455</b>	<b>6,559</b>

As at 31 December 2025 and 31 December 2024, the risk-weighted assets for counterparty credit risk (“CCR”) of derivatives of the Group were calculated in accordance with the “Regulation Governing Capital of Commercial Banks”, and other relevant regulations under the advanced capital measurement approaches. For derivative transactions, risk-weighted assets for CCR include the risk-weighted assets for default risk, and the risk-weighted assets for credit valuation adjustment (“CVA”).

#### (c) Hedging accounting

##### (1) Fair value hedge

The Group uses interest rate swaps to hedge fair value changes caused by interest rate changes, and the hedged items are fixed interest bonds. As at 31 December 2025, the notional amount of the derivative financial instruments used by the Group for the fair value hedging instrument in the hedge accounting was RMB19,997 million (31 December 2024: RMB17,739 million). In the above hedging instrument, derivative financial assets was RMB282 million (31 December 2024: RMB413 million), derivative financial liabilities was RMB193 million (31 December 2024: RMB27 million).

In 2025 and 2024, the fair value changes recognised in the profit or loss attributed to the ineffective hedging were not significant.

##### (2) Cash flow hedge

The Group uses cross-currency swaps and foreign exchange swaps to hedge cash flow fluctuations resulting from exchange rate and interest rate risks. The hedged items are fixed or floating rate bonds and deposit certificates, as well as fixed rate funds offered or borrowed from the interbank markets. As at 31 December 2025, the nominal amount of derivative financial instruments used by the Group as cash flow hedging instruments in hedge accounting was RMB22,556 million (31 December 2024: RMB18,709 million), among which derivative financial assets amounted to RMB56 million (31 December 2024: RMB101 million), and derivative financial liabilities amounted to RMB409 million (31 December 2024: RMB97 million).

In 2025 and 2024, the profit or loss arising from the recognised invalidated portion of the cash flow hedge was not significant.

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 15 Financial assets held under resale agreements

#### (a) Analysed by type and location of counterparty

	31 December 2025	31 December 2024
In Chinese Mainland		
– Banks	2,565	29,821
– Other financial institutions	10,357	88,287
Subtotal	12,922	118,108
Accrued interest	2	29
Total	12,924	118,137
Less: Provision for impairment losses	(1)	(9)
Net balances	12,923	118,128

#### (b) Analysed by type of collateral held

	31 December 2025	31 December 2024
Bonds		
– Government bonds	5,242	27,968
– Other debt securities	7,680	90,140
Subtotal	12,922	118,108
Accrued interest	2	29
Total	12,924	118,137
Less: Provision for impairment losses	(1)	(9)
Net balances	12,923	118,128

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

### V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 16 Loans and advances to customers

##### (a) Analysed by nature

	31 December 2025	31 December 2024
Loans and advances to customers measured at amortised cost		
Corporate loans and advances	2,275,434	2,185,506
Discounted bills	232	419
Personal loans and advances		
– Personal housing mortgage loans	582,140	582,704
– Personal business loans	315,307	326,045
– Personal consumption loans	200,089	197,927
– Credit cards	368,626	375,743
Principal of loans and advances to customers measured at amortised cost	3,741,828	3,668,344
Accrued interest	19,230	12,373
Gross loans and advances to customers measured at amortised cost	3,761,058	3,680,717
Less: Provision for impairment losses of loans and advances to customers measured at amortised cost	(88,069)	(88,582)
Net loans and advances to customers measured at amortised cost	3,672,989	3,592,135
Loans and advances to customers measured at fair value through other comprehensive income		
Forfaiting – domestic letter of credit	153,778	112,053
Discounted bills	84,612	153,505
Net Loans and advances to customers measured at fair value through other comprehensive income	238,390	265,558
Net loans and advances to customers	3,911,379	3,857,693
Provision for impairment losses of Loans and advances to customers measured at fair value through other comprehensive income	(291)	(359)

As at the end of the reporting period, part of the above loans and advances to customers was pledged for repurchase agreements. See Note V 25(a).

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 16 Loans and advances to customers (continued)

#### (b) Analysed by industry

	31 December 2025		
	Amount	Percentage	Loans and advances secured by collateral
Manufacturing	559,499	14.05%	97,898
Leasing and commercial services	456,636	11.47%	105,100
Water, environment and public utility management	330,368	8.30%	92,532
Wholesale and retail trade	196,252	4.93%	35,266
Real estate	155,846	3.92%	108,180
Construction	145,780	3.66%	31,864
Transportation, storage and postal services	143,190	3.60%	50,326
Finance	119,654	3.01%	9,083
Production and supply of power, gas and water	109,507	2.75%	19,939
Mining	57,826	1.45%	2,943
Others	154,654	3.89%	34,220
Subtotal of corporate loans and advances	2,429,212	61.03%	587,351
Personal loans and advances	1,466,162	36.84%	874,984
Discounted bills	84,844	2.13%	82,899
Total	3,980,218	100.00%	1,545,234
Accrued interest	19,230		
Gross loans and advances to customers	3,999,448		
Less: Provision for impairment losses of loans and advances to customers measured at amortised cost	(88,069)		
Net loans and advances to customers	3,911,379		
Provision for impairment losses of loans and advances to customers measured at fair value through other comprehensive income	(291)		

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

### V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 16 Loans and advances to customers (continued)

##### (b) Analysed by industry (continued)

	31 December 2024		
	Amount	Percentage	Loans and advances secured by collateral
Manufacturing	517,263	13.16%	104,787
Leasing and commercial services	377,167	9.59%	96,841
Water, environment and public utility management	336,892	8.56%	116,067
Wholesale and retail trade	182,122	4.63%	38,084
Real estate	157,688	4.01%	115,760
Construction	160,791	4.09%	40,618
Transportation, storage and postal services	136,520	3.47%	49,309
Finance	113,392	2.88%	15,798
Production and supply of power, gas and water	100,044	2.54%	18,498
Mining	54,448	1.38%	5,614
Others	161,232	4.10%	42,385
Subtotal of corporate loans and advances	2,297,559	58.41%	643,761
Personal loans and advances	1,482,419	37.68%	889,974
Discounted bills	153,924	3.91%	152,717
Total	3,933,902	100.00%	1,686,452
Accrued interest	12,373		
Gross loans and advances to customers	3,946,275		
Less: Provision for impairment losses of loans and advances to customers measured at amortised cost	(88,582)		
Net loans and advances to customers	3,857,693		
Provision for impairment losses of loans and advances to customers measured at fair value through other comprehensive income	(359)		

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 16 Loans and advances to customers (continued)

#### (c) Analysed by type of collateral

	31 December 2025	31 December 2024
Unsecured loans	1,507,660	1,392,798
Guaranteed loans	927,324	854,652
Secured loans		
– Mortgage loans	1,351,988	1,409,879
– Pledged loans	193,246	276,573
Total	3,980,218	3,933,902
Accrued interest	19,230	12,373
Gross loans and advances to customers	3,999,448	3,946,275
Less: Provision for impairment losses of loans and advances to customers measured at amortised cost	(88,069)	(88,582)
Net loans and advances to customers	3,911,379	3,857,693
Provision for impairment losses of loans and advances to customers measured at fair value through other comprehensive income	(291)	(359)

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

### V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 16 Loans and advances to customers (continued)

##### (d) Analysed by geographical distribution

31 December 2025			
	Amount	Percentage	Loans and advances secured by collateral
Yangtze River Delta	1,007,579	25.31%	329,158
Central	676,051	16.99%	306,385
Pearl River Delta	623,788	15.67%	318,612
Bohai Rim	603,864	15.17%	285,546
Western	492,998	12.39%	224,154
Northeastern	89,907	2.26%	60,270
Head Office	368,639	9.26%	–
Overseas	117,392	2.95%	21,109
<b>Total</b>	<b>3,980,218</b>	<b>100.00%</b>	<b>1,545,234</b>
Accrued interest	19,230		
Gross loans and advances to customers	3,999,448		
31 December 2024			
	Amount	Percentage	Loans and advances secured by collateral
Yangtze River Delta	981,383	24.95%	362,424
Central	678,006	17.23%	338,570
Pearl River Delta	618,232	15.72%	343,797
Bohai Rim	577,265	14.67%	295,108
Western	485,466	12.34%	238,991
Northeastern	94,754	2.41%	68,656
Head Office	375,410	9.54%	–
Overseas	123,386	3.14%	38,906
<b>Total</b>	<b>3,933,902</b>	<b>100.00%</b>	<b>1,686,452</b>
Accrued interest	12,373		
Gross loans and advances to customers	3,946,275		

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 16 Loans and advances to customers (continued)

#### (d) Analysed by geographical distribution (continued)

As at the end of the reporting period, detailed information of the impaired loans and advances to customers as well as the corresponding impairment provision in respect of geographic sectors which constitute 10% or more of gross loans and advances to customers is as follows:

	31 December 2025			
	Impaired loans and advances	Stage 1 (12-month ECL)	Stage 2 Lifetime ECL (without credit impairment)	Stage 3 Lifetime ECL (with credit impairment)
Pearl River Delta	11,724	(2,810)	(3,184)	(11,297)
Central	6,437	(2,136)	(2,261)	(5,094)
Yangtze River Delta	6,789	(4,383)	(1,842)	(5,968)
Bohai Rim	5,451	(2,553)	(2,185)	(5,408)
Western	4,669	(2,288)	(3,261)	(3,561)
<b>Total</b>	<b>35,070</b>	<b>(14,170)</b>	<b>(12,733)</b>	<b>(31,328)</b>

	31 December 2024			
	Impaired loans and advances	Stage 1 (12-month ECL)	Stage 2 Lifetime ECL (without credit impairment)	Stage 3 Lifetime ECL (with credit impairment)
Pearl River Delta	9,865	(3,902)	(3,286)	(8,046)
Central	7,127	(2,841)	(2,353)	(5,250)
Yangtze River Delta	6,904	(5,521)	(1,564)	(5,754)
Bohai Rim	5,221	(3,342)	(2,427)	(3,731)
Western	4,446	(2,754)	(3,744)	(3,209)
<b>Total</b>	<b>33,563</b>	<b>(18,360)</b>	<b>(13,374)</b>	<b>(25,990)</b>

For the definition of regional divisions, see Note V 48(b).

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

### V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 16 Loans and advances to customers (continued)

##### (e) Overdue loans and advances analysed by overdue period

	31 December 2025					Total
	Overdue within three months or less (inclusive)	Overdue more than three months to one year (inclusive)	Overdue more than one year to three years (inclusive)	Overdue more than three years		
Unsecured loans	18,929	10,080	2,309	1,968		33,286
Guaranteed loans	2,715	2,302	2,542	611		8,170
Secured loans						
– Mortgage loans	13,102	12,590	12,565	4,733		42,990
– Pledged loans	4	4	283	9		300
<b>Total</b>	<b>34,750</b>	<b>24,976</b>	<b>17,699</b>	<b>7,321</b>		<b>84,746</b>
As a percentage of principal of loans and advances to customers	0.87%	0.63%	0.45%	0.18%		2.13%

	31 December 2024					Total
	Overdue within three months or less (inclusive)	Overdue more than three months to one year (inclusive)	Overdue more than one year to three years (inclusive)	Overdue more than three years		
Unsecured loans	20,655	10,312	3,433	1,866		36,266
Guaranteed loans	1,712	2,843	2,191	666		7,412
Secured loans						
– Mortgage loans	13,134	10,521	9,216	2,738		35,609
– Pledged loans	5	4	2	9		20
<b>Total</b>	<b>35,506</b>	<b>23,680</b>	<b>14,842</b>	<b>5,279</b>		<b>79,307</b>
As a percentage of principal of loans and advances to customers	0.91%	0.60%	0.38%	0.13%		2.02%

Overdue loans and advances represent loans and advances of which the whole or part of the principal or interest was overdue for one day or more.

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 16 Loans and advances to customers (continued)

#### (f) Loans and advances and provision for impairment losses

	31 December 2025			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL (without credit impairment)	Stage 3 Lifetime ECL (with credit impairment)	
Principal of loans and advances to customers measured at amortised cost	3,525,332	146,358	70,138	3,741,828
Accrued interest	13,683	5,035	512	19,230
Gross loans and advances to customers measured at amortised cost	3,539,015	151,393	70,650	3,761,058
Less: Provision for impairment losses of loans and advances to customers measured at amortised cost	(25,074)	(17,965)	(45,030)	(88,069)
Net loans and advances to customers measured at amortised cost	3,513,941	133,428	25,620	3,672,989
Net Loans and advances to customers measured at fair value through other comprehensive income	238,355	35	–	238,390
Provision for impairment losses of Loans and advances to customers measured at fair value through other comprehensive income	(291)	(0)	–	(291)

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 16 Loans and advances to customers (continued)

## (f) Loans and advances and provision for impairment losses (continued)

	31 December 2024			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL (without credit impairment)	Stage 3 Lifetime ECL (with credit impairment)	
Principal of loans and advances to customers measured at amortised cost	3,462,419	152,150	53,775	3,668,344
Accrued interest	7,365	4,877	131	12,373
Gross loans and advances to customers measured at amortised cost	3,469,784	157,027	53,906	3,680,717
Less: Provision for impairment losses of loans and advances to customers measured at amortised cost	(28,676)	(21,379)	(38,527)	(88,582)
Net loans and advances to customers measured at amortised cost	3,441,108	135,648	15,379	3,592,135
Net Loans and advances to customers measured at fair value through other comprehensive income	265,482	6	70	265,558
Provision for impairment losses of Loans and advances to customers measured at fair value through other comprehensive income	(358)	(0)	(1)	(359)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 16 Loans and advances to customers (continued)

#### (g) Reconciliation of provision for impairment losses

		2025			
		Stage 1	Stage 2	Stage 3	
		12-month	Lifetime	Lifetime	
		ECL	(without	ECL (with	
			credit	credit	
Note		impairment)	impairment)	impairment)	Total
	As at 1 January 2025	(28,676)	(21,379)	(38,527)	(88,582)
	– Transfer to Stage 1	(4,415)	3,665	750	–
	– Transfer to Stage 2	945	(1,533)	588	–
	– Transfer to Stage 3	466	3,698	(4,164)	–
	Net reverse/(charge) for the year	6,601	(2,416)	(40,674)	(36,489)
(i)	Write-off and disposal	–	–	47,456	47,456
	Recovery of loans and advances written off	–	–	(11,098)	(11,098)
	Interest income on impaired loans	–	–	636	636
	Exchange fluctuation and others	5	–	3	8
	As at 31 December 2025	(25,074)	(17,965)	(45,030)	(88,069)
		2024			
		Stage 1	Stage 2	Stage 3	
		12-month	Lifetime	Lifetime	
		ECL	(without	ECL (with	
			credit	credit	
Note		impairment)	impairment)	impairment)	Total
	As at 1 January 2024	(30,599)	(23,766)	(31,006)	(85,371)
	– Transfer to Stage 1	(4,375)	2,444	1,931	–
	– Transfer to Stage 2	1,076	(2,296)	1,220	–
	– Transfer to Stage 3	398	1,855	(2,253)	–
	Net reverse/(charge) for the year	4,829	384	(43,360)	(38,147)
(i)	Write-off and disposal	–	–	46,519	46,519
	Recovery of loans and advances written off	–	–	(12,275)	(12,275)
	Interest income on impaired loans	–	–	735	735
	Exchange fluctuation and others	(5)	–	(38)	(43)
	As at 31 December 2024	(28,676)	(21,379)	(38,527)	(88,582)

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

### V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 16 Loans and advances to customers (continued)

##### (g) Reconciliation of provision for impairment losses (continued)

Note:

- (i) The net charge for the year includes the impact of provisions for impairment losses on the newly originated or purchased loans, provisions for impairment losses made/reversed in the event of updates to the impact of changes in PD, LGD, and EAD, changes in model assumptions and methodologies, and phase transfers.
- (ii) The above reconciliation of provision for impairment losses only represents provision for impairment losses on loans and advances to customers measured at amortised cost.

#### 17 Finance lease receivables

	31 December 2025	31 December 2024
Sale and leaseback receivables	90,799	98,713
Finance lease receivables	19,913	11,128
Less: Unearned finance lease income	(13,200)	(11,337)
Present value of finance lease receivables	97,512	98,504
Accrued interest	708	694
Less: Provision for impairment losses	(3,805)	(4,417)
Net balance	94,415	94,781

The finance lease receivables under finance lease and hire purchase contracts and their present values are as follows:

	31 December 2025	31 December 2024
Less than 1 year (inclusive)	32,253	39,541
1 year to 2 years (inclusive)	24,322	27,570
2 years to 3 years (inclusive)	15,514	17,113
3 years to 4 years (inclusive)	11,012	8,007
4 years to 5 years (inclusive)	6,914	5,874
More than 5 years	20,697	11,736
Total	110,712	109,841

#### 18 Financial investments

	Notes	31 December 2025	31 December 2024
Financial assets at fair value through profit or loss	(a)	458,638	443,106
Debt instruments at fair value through other comprehensive income	(b)	678,425	600,404
Equity instruments at fair value through other comprehensive income	(c)	1,143	1,140
Financial investments measured at amortised cost	(d)	1,233,695	1,164,099
Total		2,371,901	2,208,749

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 18 Financial investments (continued)

#### (a) Financial assets at fair value through profit or loss

	Notes	31 December 2025	31 December 2024
Debt instruments held for trading	(i)	139,512	128,495
Other financial assets at fair value through profit or loss	(ii)	319,126	314,611
<b>Total</b>		<b>458,638</b>	<b>443,106</b>

#### (i) Debt instruments held for trading

	Notes	31 December 2025	31 December 2024
Issued by the following governments or institutions:			
In Chinese Mainland			
– Government		39,777	30,037
– Banks and other financial institutions		54,828	46,197
– Other institutions	(1)	43,901	37,867
Overseas			
– Government		155	1,169
– Banks and other financial institutions		773	12,884
– Other institutions		78	341
<b>Total</b>	(2)	<b>139,512</b>	<b>128,495</b>
Listed	(3)	27,107	29,978
Of which: listed in Hong Kong		95	5,920
Unlisted		112,405	98,517
<b>Total</b>		<b>139,512</b>	<b>128,495</b>

Notes:

- (1) Debt instruments issued by other institutions in Chinese Mainland mainly represented debt securities issued by state-owned enterprises and joint stock enterprises in Chinese Mainland.
- (2) At the end of the reporting period, some of the debt instruments held for trading were pledged for repurchase agreements and time deposits. See Note V 25(a).
- (3) Listed investments only include debt instruments traded on a stock exchange.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 18 Financial investments (continued)

#### (a) Financial assets at fair value through profit or loss (continued)

##### (ii) Other financial assets at fair value through profit or loss

	31 December 2025	31 December 2024
Fund investments	187,588	278,804
Equity instruments	6,321	3,481
Others	125,217	32,326
<b>Total</b>	<b>319,126</b>	<b>314,611</b>

#### (b) Debt instruments at fair value through other comprehensive income

##### (i) Analysed by type and location of counterparty:

	Notes	31 December 2025	31 December 2024
In Chinese Mainland			
– Government		352,532	328,801
– Banks and other financial institutions	(1)	178,855	147,220
– Other institutions	(2)	88,126	78,354
Overseas			
– Government		3,080	3,208
– Banks and other financial institutions		26,864	8,549
– Other institutions		21,397	26,581
<b>Subtotal</b>		<b>670,854</b>	<b>592,713</b>
Accrued interest		7,571	7,691
<b>Total</b>	<b>(3)</b>	<b>678,425</b>	<b>600,404</b>
Listed	(4)	78,166	68,538
Of which: listed in Hong Kong		19,075	28,103
Unlisted		592,688	524,175
<b>Subtotal</b>		<b>670,854</b>	<b>592,713</b>
Accrued interest		7,571	7,691
<b>Total</b>		<b>678,425</b>	<b>600,404</b>

Notes:

- (1) Debt instruments issued by banks and other financial institutions mainly represent debt securities issued by banks and other financial institutions in Chinese Mainland.
- (2) Debt instruments issued by other institutions mainly represent debt securities issued by state-owned enterprises and joint stock enterprises in Chinese Mainland.
- (3) At the end of the reporting period, part of the debt instruments at fair value through other comprehensive income were pledged for repurchase agreements and time deposits, see Note V 25(a).
- (4) Listed investments only include debt instruments traded on a stock exchange.

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 18 Financial investments (continued)

#### (b) Debt instruments at fair value through other comprehensive income (continued)

##### (ii) Reconciliation of provision for impairment losses on debt instruments at fair value through other comprehensive income:

	2025			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL (without credit impairment)	Stage 3 Lifetime ECL (with credit impairment)	
As at 1 January 2025	(274)	(15)	(1,357)	(1,646)
– Transfer to Stage 2	–	–	–	–
– Transfer to Stage 3	–	0	(0)	–
Net charge for the year	(214)	(0)	(285)	(499)
Write-off and disposal	–	–	425	425
Exchange fluctuation and others	10	1	25	36
As at 31 December 2025	(478)	(14)	(1,192)	(1,684)

	2024			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL (without credit impairment)	Stage 3 Lifetime ECL (with credit impairment)	
As at 1 January 2024	(433)	(107)	(753)	(1,293)
– Transfer to Stage 2	5	(5)	–	–
– Transfer to Stage 3	43	83	(126)	–
Net reverse/(charge) for the year	108	14	(457)	(335)
Exchange fluctuation and others	3	–	(21)	(18)
As at 31 December 2024	(274)	(15)	(1,357)	(1,646)

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

### V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 18 Financial investments (continued)

##### (c) Equity instruments at fair value through other comprehensive income

	Notes	31 December 2025	31 December 2024
Listed	(i)	40	38
Unlisted		1,103	1,102
<b>Total</b>	<b>(ii)</b>	<b>1,143</b>	<b>1,140</b>

Notes:

- (i) Listed investments only include equity instruments traded on a stock exchange.
- (ii) The Group designated the equity instruments not held for trading as measured at fair value through other comprehensive income. For year ended 31 December 2025, the Group has received RMB49 million dividends from the above equity instruments (2024: RMB44 million).

##### (d) Financial investments measured at amortised cost

	Notes	31 December 2025	31 December 2024
Debt securities and asset-backed instruments	(i)	1,180,411	1,127,995
Others	(ii)	50,694	34,602
<b>Subtotal</b>		<b>1,231,105</b>	<b>1,162,597</b>
Accrued interest		15,150	16,509
<b>Total</b>		<b>1,246,255</b>	<b>1,179,106</b>
Less: Provision for impairment losses		(12,560)	(15,007)
<b>Net balance</b>		<b>1,233,695</b>	<b>1,164,099</b>
Listed	(iii)	196,650	169,666
Of which: listed in Hong Kong		12,479	25,436
Unlisted		1,021,895	977,924
<b>Subtotal</b>		<b>1,218,545</b>	<b>1,147,590</b>
Accrued interest		15,150	16,509
<b>Net balance</b>		<b>1,233,695</b>	<b>1,164,099</b>

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 18 Financial investments (continued)

#### (d) Financial investments measured at amortised cost (continued)

(i) *Debt securities and asset-backed instruments measured at amortised cost were analysed by type and location of counterparty as follows:*

	Notes	31 December 2025	31 December 2024
In Chinese Mainland			
– Government		591,186	493,294
– Banks and other financial institutions		254,203	322,250
– Other institutions	(1)	276,291	265,319
Overseas			
– Government		10,289	7,270
– Banks and other financial institutions		39,994	23,880
– Other institutions		8,448	15,982
Subtotal		1,180,411	1,127,995
Accrued interest		14,993	16,475
Total	(2)	1,195,404	1,144,470
Less: Provision for impairment losses		(2,826)	(2,923)
Net balance		1,192,578	1,141,547
Fair value		1,228,368	1,191,979

*Notes:*

- (1) *Debt securities and asset-backed instruments issued by other institutions mainly represent debt securities and asset-backed instruments issued by state-owned enterprises and joint stock enterprises in Chinese Mainland.*
- (2) *As at the end of the reporting period, part of the debt securities measured at amortised cost were pledged for repurchase agreements, time deposits and derivative transactions. See Note V 25(a).*

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 18 Financial investments (continued)

## (d) Financial investments measured at amortised cost (continued)

(ii) *Other financial investments measured at amortised cost mainly include Income Certificate Issued by Securities Firms, trusts and other rights to earnings.*

(iii) *Listed investments only include debt instruments traded on a stock exchange.*

(iv) *Reconciliation of provision for impairment losses on financial investments measured at amortised cost:*

	2025			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL (without credit impairment)	Stage 3 Lifetime ECL (with credit impairment)	
As at 1 January 2025	(483)	(100)	(14,424)	(15,007)
– Transfer to Stage 2	–	–	–	–
Net (charge)/reverse for the year	(76)	(97)	1,784	1,611
Write-off and disposal	–	–	260	260
Interest income on impaired financial investments	–	–	559	559
Exchange fluctuation and others	4	1	12	17
As at 31 December 2025	(555)	(196)	(11,809)	(12,560)

	2024			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL (without credit impairment)	Stage 3 Lifetime ECL (with credit impairment)	
As at 1 January 2024	(711)	(130)	(14,456)	(15,297)
– Transfer to Stage 2	7	(7)	–	–
Net (charge)/reverse for the year	(114)	37	(1,953)	(2,030)
Write-off and disposal	–	–	1,219	1,219
Interest income on impaired financial investments	–	–	779	779
Exchange fluctuation and others	335	–	(13)	322
As at 31 December 2024	(483)	(100)	(14,424)	(15,007)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 19 Investments in subsidiaries and joint ventures

#### (a) Investments in subsidiaries

##### *The Bank*

	31 December 2025	31 December 2024
Everbright Financial Leasing Co., Ltd.	4,680	4,680
CEB International Investment Co., Ltd.	2,267	2,267
Shaoshan Everbright Rural Bank Co., Ltd.	105	105
Jiangsu Huai'an Everbright Rural Bank Co., Ltd.	70	70
China Everbright Bank (Europe) S.A.	156	156
Jiangxi Ruijin Everbright Rural Bank Co., Ltd.	105	105
Everbright Wealth Co., Ltd.	5,000	5,000
Beijing Sunshine Consumer Finance Co., Ltd.	600	600
Less: Provision for impairment losses	(1,793)	(1,793)
Total	11,190	11,190

The Group and the Bank conduct impairment testing on long-term equity investment, and the recoverable amount is determined according to the present value of the estimated future cash flow of the relevant subsidiary, and the estimated future cash flow is determined based on the financial forecast approved by the management of the corresponding subsidiary. The average growth rate, discount rate and other assumptions used to forecast cash flows reflect the specific risks associated with them.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 19 Investments in subsidiaries and joint ventures (continued)

#### (a) Investments in subsidiaries (continued)

##### *The Bank* (continued)

The details of the subsidiaries are presented as follows:

Corporate name	Registered address	Registered capital	Investment proportion	Voting proportion	Main business	Economic nature/type
Everbright Financial Leasing Co., Ltd. (Everbright Financial Leasing)	Wuhan, Hubei	5,900	90%	90%	Leasing transactions	Incorporated company
CEB International Investment Co., Ltd. (CEB International)	Hong Kong	2,267	100%	100%	Investment banking	Limited company
Shaoshan Everbright Rural Bank Co., Ltd. (Shaoshan Everbright Bank)	Shaoshan, Hunan	150	70%	70%	Banking business	Incorporated company
Jiangsu Huai'an Everbright Rural Bank Co., Ltd. (Huai'an Everbright Bank)	Huai'an, Jiangsu	100	70%	70%	Banking business	Incorporated company
China Everbright Bank (Europe) S.A. (CEB Europe)	Luxembourg	156	100%	100%	Banking business	Incorporated company
Jiangxi Ruijin Everbright Rural Bank Co., Ltd. (Ruijin Everbright Bank)	Ruijin, Jiangxi	150	70%	70%	Banking business	Incorporated company
Everbright Wealth Co., Ltd. (Everbright Wealth)	Qingdao, Shandong	5,000	100%	100%	Asset management business	Limited liability company
Beijing Sunshine Consumer Finance Co., Ltd. (Sunshine Consumer)	Beijing	1,000	60%	60%	Consumer finance business	Incorporated company

#### (b) Investments in joint ventures

##### *The Group*

	2025	2024
Net balances as at 1 January	—	204
Decrease capital	—	(220)
Investment gains under the equity method	—	13
Foreign currency conversion difference	—	3
Net balances at 31 December	—	—

Note: The Group disposed of the joint venture in September 2024, and there were no new joint ventures of the Group as at 31 December 2025.

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 20 Property and equipment

	Premises (Note (i))	Aircraft, ships and vessels (Note (ii))	Construction in progress	Electronic equipment	Others	Total
<b>Cost</b>						
As at 1 January 2025	17,105	14,708	2,027	9,654	4,885	48,379
Additions	361	4,798	88	832	237	6,316
Transfer out	–	–	(366)	–	–	(366)
Disposals	(50)	(2)	–	(643)	(196)	(891)
Foreign currency conversion difference	–	(386)	–	(1)	(2)	(389)
As at 31 December 2025	17,416	19,118	1,749	9,842	4,924	53,049
<b>Accumulated depreciation</b>						
As at 1 January 2025	(6,345)	(2,311)	–	(7,176)	(3,878)	(19,710)
Charge for the year	(548)	(721)	–	(1,061)	(206)	(2,536)
Disposals	5	0	–	636	147	788
Foreign currency conversion difference	–	62	–	–	1	63
As at 31 December 2025	(6,888)	(2,970)	–	(7,601)	(3,936)	(21,395)
<b>Provision for impairment losses</b>						
As at 1 January 2025	(163)	–	–	–	–	(163)
As at 31 December 2025	(163)	–	–	–	–	(163)
<b>Net balances</b>						
As at 31 December 2025	10,365	16,148	1,749	2,241	988	31,491

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

### V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 20 Property and equipment (continued)

	Premises (Note (i))	Aircraft, ships and vessels (Note (ii))	Construction in progress	Electronic equipment	Others	Total
<b>Cost</b>						
As at 1 January 2024	16,450	11,510	1,603	10,226	5,001	44,790
Additions	673	3,010	904	728	204	5,519
Transfer out	–	–	(480)	–	–	(480)
Disposals	(18)	–	–	(1,300)	(322)	(1,640)
Foreign currency conversion difference	–	188	–	–	2	190
As at 31 December 2024	17,105	14,708	2,027	9,654	4,885	48,379
<b>Accumulated depreciation</b>						
As at 1 January 2024	(5,832)	(1,807)	–	(7,208)	(3,942)	(18,789)
Charge for the year	(524)	(472)	–	(1,220)	(212)	(2,428)
Disposals	11	–	–	1,252	276	1,539
Foreign currency conversion difference	–	(32)	–	–	–	(32)
As at 31 December 2024	(6,345)	(2,311)	–	(7,176)	(3,878)	(19,710)
<b>Provision for impairment losses</b>						
As at 1 January 2024	(163)	–	–	–	–	(163)
As at 31 December 2024	(163)	–	–	–	–	(163)
<b>Net balances</b>						
As at 31 December 2024	10,597	12,397	2,027	2,478	1,007	28,506

Notes:

- (i) As at 31 December 2025, title deeds were not yet finalised for the premises with a net balances of RMB2,148 million (31 December 2024: RMB2,228 million). Management of the Group expected that there would be no significant cost in obtaining the title deeds.
- (ii) As at 31 December 2025, Everbright Financial Leasing, the Group's subsidiary leased aircraft and vehicles to third parties under operating lease arrangements, with a net balances of RMB16,148 million (31 December 2024: RMB12,397 million). As at the end of the reporting period, part of the aircraft was pledged for borrowings from banks. See Note V 25(a).

The net book values of premises at the end of the reporting period are analysed by the remaining terms of leases as follows:

	2025	2024
Held in Chinese Mainland		
– Medium term leases (10 to 50 years)	9,858	10,060
– Short term leases (less than 10 years)	507	537
Total	10,365	10,597

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 21 Right-of-use assets

	Premises	Transportation and others	Total
Cost			
As at 1 January 2025	19,172	33	19,205
Charge for the year	2,152	5	2,157
Deductions	(2,356)	(16)	(2,372)
Foreign currency conversion difference	(20)	–	(20)
As at 31 December 2025	18,948	22	18,970
Accumulated depreciation			
As at 1 January 2025	(8,864)	(20)	(8,884)
Charge for the year	(2,687)	(5)	(2,692)
Reduction for the year	1,882	13	1,895
Foreign currency conversion difference	(3)	–	(3)
As at 31 December 2025	(9,672)	(12)	(9,684)
Net balances			
As at 31 December 2025	9,276	10	9,286

	Premises	Transportation and others	Total
Cost			
As at 1 January 2024	18,926	36	18,962
Charge for the year	2,889	5	2,894
Deductions	(2,644)	(8)	(2,652)
Foreign currency conversion difference	1	–	1
As at 31 December 2024	19,172	33	19,205
Accumulated depreciation			
As at 1 January 2024	(8,535)	(19)	(8,554)
Charge for the year	(2,821)	(7)	(2,828)
Reduction for the year	2,490	6	2,496
Foreign currency conversion difference	2	–	2
As at 31 December 2024	(8,864)	(20)	(8,884)
Net balances			
As at 31 December 2024	10,308	13	10,321

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

### V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 22 Goodwill

	31 December 2025	31 December 2024
Gross amount	6,019	6,019
Less: Provision for impairment losses	(4,738)	(4,738)
Net balances	1,281	1,281

As approved by the PBOC, the Bank and China Development Bank (“CDB”) jointly signed the “Agreement between China Development Bank and China Everbright Bank for the transfer of assets, liabilities and banking premises of China Investment Bank” (the “Agreement”) on 18 March 1999. According to the Agreement, CDB transferred the assets, liabilities, equity and 137 outlets of 29 branches of the former China Investment Bank (“CIB”) to the Bank. The Agreement became effective on 18 March 1999. The Bank assessed the fair value of the transferred assets and liabilities, and recognised the excess of the purchase cost over the sum of the fair value of the net assets transferred and deferred tax assets as goodwill.

The Bank regularly conducts impairment tests on goodwill. The Bank makes provision for impairment if necessary. The Bank calculates the recoverable amount of the CGU using cash flow projections based on financial forecasts approved by management covering a five-year period. As at 31 December 2025, the discount rate used in the Bank’s cash flow forecast is 9% (31 December 2024: 10%). The discount rate used reflects specific risks relating to the relevant segments.

Based on the result of the impairment testing, no additional impairment losses on goodwill were recognised for the year.

#### 23 Deferred tax assets and liabilities

Deferred income tax assets and deferred income tax liabilities that have not been offset:

	31 December 2025	31 December 2024
Deferred income tax assets	37,446	37,608
Deferred income tax liabilities	(2,228)	(6,250)
Total	35,218	31,358

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 23 Deferred tax assets and liabilities (continued)

#### (a) Analysed by nature

	31 December 2025		31 December 2024	
	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)
Deferred income tax assets				
– Fair value changes	–	–	60	15
– Provision for impairment losses	124,968	31,242	124,352	31,088
– Accrued staff costs and others	24,816	6,204	26,020	6,505
<b>Total</b>	<b>149,784</b>	<b>37,446</b>	<b>150,432</b>	<b>37,608</b>
Deferred income tax liabilities				
– Fair value changes	(3,780)	(945)	(19,444)	(4,861)
– Others	(5,132)	(1,283)	(5,556)	(1,389)
<b>Total</b>	<b>(8,912)</b>	<b>(2,228)</b>	<b>(25,000)</b>	<b>(6,250)</b>

#### (b) Movements of deferred tax

	Provision for impairment losses Note (i)	Fair value changes of financial instruments Note (ii)	Accrued staff costs and others	Net balance of deferred tax assets/ (liabilities)
As at 1 January 2025	31,088	(4,846)	5,116	31,358
Recognised in profit or loss	163	1,303	(195)	1,271
Recognised in other comprehensive income	(9)	2,598	–	2,589
<b>As at 31 December 2025</b>	<b>31,242</b>	<b>(945)</b>	<b>4,921</b>	<b>35,218</b>
	Provision for impairment losses Note (i)	Fair value changes of financial instruments Note (ii)	Accrued staff costs and others	Net balance of deferred tax assets/ (liabilities)
As at 1 January 2024	29,550	–	4,424	33,974
Recognised in profit or loss	1,513	(1,870)	692	335
Recognised in other comprehensive income	25	(2,976)	–	(2,951)
<b>As at 31 December 2024</b>	<b>31,088</b>	<b>(4,846)</b>	<b>5,116</b>	<b>31,358</b>

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 23 Deferred tax assets and liabilities (continued)

#### (b) Movements of deferred tax (continued)

Notes:

- (i) The Group made provision for impairment losses on loans and advances to customers and other assets. The provision for impairment losses was determined based on the expected recoverable amount of the relevant assets at the end of the reporting period. Besides, the amounts deductible for income tax purposes which fulfil specific criteria as set out in the PRC tax rules are calculated at 1% of the gross carrying amount of qualifying assets at the end of the reporting period, together with write-offs and are approved by the tax authorities.
- (ii) Fair value changes of financial instruments are subject to tax when realised.

### 24 Other assets

	Note	31 December 2025	31 December 2024
Other receivables	(a)	40,271	31,368
Intangible assets		5,056	4,963
Property and equipment purchase prepayment		4,831	4,491
Interest receivables		3,339	9,937
Refundable Deposits		2,838	1,783
Long-term deferred expense		866	954
Repossessed assets		64	83
Land use right		61	67
Others		1,907	3,201
<b>Total</b>		<b>59,233</b>	<b>56,847</b>

Note:

- (a) Other receivables mainly include items in the process of clearing and settlement, the amount of impairment allowance is not material.

### 25 Pledged assets

#### (a) Assets pledged as collateral

The Group's assets as collateral for liabilities include discounted bills, debt securities and property and equipment, which are mainly used as collateral for repurchase agreements, time deposits, derivative contracts, borrowings from banks and due to the central bank. The carrying amount of the assets pledged as securities as at 31 December 2025 was RMB490,057 million (as at 31 December 2024: RMB321,403 million).

#### (b) Collateral received

The Group received debt securities as collateral for financial assets held under reverse repurchase agreements. As at 31 December 2025, the Group held no collateral that can be resold or re-pledged unless in the event of default by the counterparties (31 December 2024: Nil). During the year ended 31 December 2025, the Group did not resell or re-pledge any of these collateral (year ended 31 December 2024: Nil).

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 26 Due to the central bank

	31 December 2025	31 December 2024
Due to the central bank	153,048	95,007
Accrued interest	1,630	626
<b>Total</b>	<b>154,678</b>	<b>95,633</b>

### 27 Deposits from banks and other financial institutions

#### Analysed by type and location of counterparty

	31 December 2025	31 December 2024
Deposits in Chinese Mainland		
– Banks	84,597	200,642
– Other financial institutions	420,608	377,851
Deposits overseas		
– Banks	63	878
<b>Subtotal</b>	<b>505,268</b>	<b>579,371</b>
Accrued interest	1,186	2,165
<b>Total</b>	<b>506,454</b>	<b>581,536</b>

### 28 Placements from banks and other financial institutions

#### Analysed by type and location of counterparty

	31 December 2025	31 December 2024
Placements in Chinese Mainland		
– Banks	165,867	142,984
– Other financial institutions	4,769	2,684
Placements overseas		
– Banks	37,329	70,022
<b>Subtotal</b>	<b>207,965</b>	<b>215,690</b>
Accrued interest	642	872
<b>Total</b>	<b>208,607</b>	<b>216,562</b>

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

### V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 29 Financial assets sold under repurchase agreements

##### (a) Analysed by type and location of counterparty

	31 December 2025	31 December 2024
In Chinese Mainland		
– Banks	143,454	50,502
Overseas		
– Banks	13,055	24,378
– Other financial institutions	1,236	744
Subtotal	157,745	75,624
Accrued interest	373	169
Total	158,118	75,793

##### (b) Analysed by collateral

	31 December 2025	31 December 2024
Bonds		
– Government bonds	5,922	1,556
– Other debt securities	151,078	70,039
Bills	745	4,029
Subtotal	157,745	75,624
Accrued interest	373	169
Total	158,118	75,793

#### 30 Deposits from customers

	31 December 2025	31 December 2024
Demand deposits		
– Corporate customers	700,340	760,979
– Individual customers	299,406	301,162
Subtotal	999,746	1,062,141
Time deposits		
– Corporate customers	1,516,434	1,459,520
– Individual customers	1,062,132	977,213
Subtotal	2,578,566	2,436,733
Pledged deposits	450,705	458,063
Other deposits	731	591
Subtotal deposits from customers	4,029,748	3,957,528
Accrued interest	72,710	78,159
Total	4,102,458	4,035,687

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 31 Accrued staff costs

	Notes	31 December 2025	31 December 2024
Salary and welfare payable		16,476	17,643
Pension and annuity payable	(a)	374	291
Supplementary retirement benefits payable	(b)	2,058	3,961
<b>Total</b>		<b>18,908</b>	<b>21,895</b>

Notes:

(a) Pension and annuity payable

Pursuant to the relevant laws and regulations in the PRC, the Group operates a defined contribution scheme for its employees arranged by local government labour and social security organisations. The Group makes contributions to the retirement scheme at the applicable rates based on the amounts stipulated by the relevant government organisations.

In addition to the pension mentioned above, the Group also provides an annuity plan to the eligible employees. The Group makes annuity contributions in proportion to its employees' gross wages in the prior year, which are expensed to profit or loss when the contributions are made.

(b) Supplementary retirement benefits ("SRB")

The Group pays SRB for eligible employees. The amount represents the present value of the total estimated amount of future benefits that the Group is committed to pay for eligible employees at the end of the reporting period. The Group's obligations in respect of the SRB were assessed using projected unit credit method by an external independent actuary, Wills Towers Watson Management Consulting (Shenzhen) Co., Ltd..

(i) The details of the Group's supplementary retirement benefits are as follows:

	31 December 2025	31 December 2024
Present value of supplementary retirement benefits liability	2,058	3,961

(ii) Movements of SRB of the Group are as follows:

	2025	2024
As at 1 January	3,961	3,700
Current service costs	(88)	(98)
Interest costs	85	110
Recalculation part of the defined benefit plan	(1,874)	274
Payments made	(26)	(25)
As at 31 December	2,058	3,961

Remeasurement of the defined benefit plan was recognised in other comprehensive income. See Note V 39.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 31 Accrued staff costs (continued)

Notes: (continued)

(b) Supplementary retirement benefits ("SRB") (continued)

(iii) Principal actuarial assumptions of the Group are as follows:

	31 December 2025	31 December 2024
Discount rate	2.25%	2.00%
Medical cost growth rate	3.00%	5.00%

(iv) Sensitivity analysis:

Reasonably possible changes at the end of the reporting period to one of the relevant actuarial assumptions, with other assumptions being constant, would have affected the defined benefit obligation by the amounts shown below:

	31 December 2025	
	Increases	Decreases
Discount rate (0.25% movement)	(129)	141
Medical cost growth rate (1% movement)	592	(428)

	31 December 2024	
	Increases	Decreases
Discount rate (0.25% movement)	(297)	328
Medical cost growth rate (1% movement)	1,230	(862)

Although the analysis does not take the full expected distribution into account in the future cash flow statement, approximate assumptions can be made about the sensitivity to supplementary retirement benefits.

Except for (a) and (b) above, the Group has no other major responsibilities for the payment of employee retirement benefits and other post-retirement benefits. There is no balance in arrears in the above staff emoluments payable.

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 32 Taxes payable

	31 December 2025	31 December 2024
Income tax payable	3,388	1,896
Value added tax payable	2,466	2,444
Others	514	418
<b>Total</b>	<b>6,368</b>	<b>4,758</b>

### 33 Lease liabilities

	31 December 2025	31 December 2024
Within 1 year (inclusive)	2,597	2,864
1 year to 2 years (inclusive)	2,253	2,373
2 years to 3 years (inclusive)	1,790	1,964
3 years to 5 years (inclusive)	2,101	2,515
More than 5 years	1,615	1,742
<b>Total undiscounted lease liabilities</b>	<b>10,356</b>	<b>11,458</b>
<b>Lease liabilities</b>	<b>9,534</b>	<b>10,412</b>

### 34 Debt securities issued

	Notes	31 December 2025	31 December 2024
Financial bonds issued	(a)	259,604	278,882
Tier-two capital bonds issued	(b)	59,997	61,594
Interbank deposits issued	(c)	913,812	817,541
Certificates of deposit issued	(d)	59,053	38,004
Medium term notes issued	(e)	32,545	30,546
<b>Subtotal</b>		<b>1,325,011</b>	<b>1,226,567</b>
Accrued interest		3,790	4,545
<b>Total</b>		<b>1,328,801</b>	<b>1,231,112</b>

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

### V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 34 Debt securities issued (continued)

##### (a) Financial bonds issued

	Notes	31 December 2025	31 December 2024
Fixed rate financial bonds maturing in February 2025	(i)	–	40,000
Floating rate financial bonds maturing in March 2025	(ii)	–	409
Floating rate financial bonds maturing in March 2025	(iii)	–	749
Floating rate financial bonds maturing in April 2025	(iv)	–	513
Floating rate financial bonds maturing in May 2025	(v)	–	272
Fixed rate financial bonds maturing in October 2025	(vi)	–	47,999
Floating rate financial bonds maturing in May 2026	(vii)	467	454
Fixed rate financial bonds maturing in May 2026	(viii)	20,000	19,999
Fixed rate financial bonds maturing in June 2026	(ix)	20,000	19,999
Fixed rate financial bonds maturing in September 2026	(x)	30,000	29,999
Fixed rate financial bonds maturing in November 2026	(xi)	28,000	27,999
Fixed rate financial bonds maturing in November 2026	(xii)	2,998	2,996
Fixed rate financial bonds maturing in March 2027	(xiii)	1,699	1,698
Fixed rate financial bonds maturing in March 2027	(xiv)	20,000	19,999
Fixed rate financial bonds maturing in April 2027	(xv)	29,999	29,999
Fixed rate financial bonds maturing in May 2027	(xvi)	2,198	2,196
Fixed rate financial bonds maturing in July 2027	(xvii)	2,288	2,286
Fixed rate financial bonds maturing in August 2027	(xviii)	24,999	24,999
Fixed rate financial bonds maturing in August 2027	(xix)	5,000	5,000
Floating rate financial bonds maturing in October 2027	(xx)	1,353	1,317
Fixed rate financial bonds maturing in February 2028	(xxi)	2,606	–
Fixed rate financial bonds maturing in March 2028	(xxii)	19,999	–

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 34 Debt securities issued (continued)

#### (a) Financial bonds issued (continued)

	Notes	31 December 2025	31 December 2024
Fixed rate financial bonds maturing in July 2028	(xxiii)	14,999	—
Fixed rate financial bonds maturing in July 2028	(xxiv)	5,000	—
Fixed rate financial bonds maturing in November 2028	(xxv)	21,999	—
Floating rate financial bonds maturing in December 2028	(xxvi)	6,000	—
<b>Total</b>		<b>259,604</b>	<b>278,882</b>

Notes:

- (i) Fixed rate social bonds for Small and Micro Enterprises Loans of RMB40.00 billion with a term of three years were issued by the Bank on 17 February 2022. The coupon rate is 2.73% per annum.
- (ii) Floating rate financial bonds of AUD90.00 million with a term of two years were issued by the Bank's Sydney branch on 24 February 2023. The coupon rate is 3MBBSW+93BPS per annum.
- (iii) Floating rate financial bonds of AUD165.00 million with a term of two years were issued by the Bank's Sydney branch on 15 March 2023. The coupon rate is 3MBBSW+100BPS per annum.
- (iv) Floating rate financial bonds of AUD113.00 million with a term of two years were issued by the Bank's Sydney branch on 19 April 2023. The coupon rate is 3MBBSW+90BPS per annum.
- (v) Floating rate financial bonds of AUD60.00 million with a term of two years were issued by the Bank's Sydney branch on 8 May 2023. The coupon rate is 3MBBSW+92BPS per annum.
- (vi) Fixed rate financial bonds of RMB48.00 billion with a term of three years were issued by the Bank on 18 October 2022. The coupon rate is 2.47% per annum.
- (vii) Floating rate financial bonds of AUD100.00 million with a term of three years were issued by the Bank's Sydney branch on 5 May 2023. The coupon rate is 3MBBSW+105BPS per annum.
- (viii) Fixed rate financial bonds (Phase I) of RMB20.00 billion with a term of three years were issued by the Bank on 16 May 2023. The coupon rate is 2.68% per annum.
- (ix) Fixed rate green financial bonds (Phase I) of RMB20.00 billion with a term of three years were issued by the Bank on 19 June 2023. The coupon rate is 2.68% per annum.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 34 Debt securities issued (continued)

#### (a) Financial bonds issued (continued)

Notes: (continued)

- (x) Fixed rate financial bonds (Phase II) of RMB30.00 billion with a term of three years were issued by the Bank on 21 September 2023. The coupon rate is 2.72% per annum.
- (xi) Fixed rate financial bonds (Phase III) of RMB28.00 billion with a term of three years were issued by the Bank on 7 November 2023. The coupon rate is 2.81% per annum.
- (xii) Fixed rate financial bonds of RMB3.00 billion with a term of three years were issued by Everbright Financial Leasing on 8 November 2023. The coupon rate is 2.85% per annum.
- (xiii) Fixed rate financial bonds (Phase I) of RMB2.00 billion with a term of three years were issued by Everbright Financial Leasing on 4 March 2024. The coupon rate is 2.45% per annum.
- (xiv) Fixed rate financial bonds (Phase I) of RMB20.00 billion with a term of three years were issued by the Bank on 15 March 2024. The coupon rate is 2.43% per annum.
- (xv) Fixed rate social bonds for Small and Micro Enterprises Loans of RMB30.00 billion with a term of three years were issued by the Bank on 23 April 2024. The coupon rate is 2.15% per annum.
- (xvi) Fixed rate financial bonds (Phase II) of RMB2.50 billion with a term of three years were issued by Everbright Financial Leasing on 23 May 2024. The coupon rate is 2.20% per annum.
- (xvii) Fixed rate financial bonds (Phase III) of RMB2.50 billion with a term of three years were issued by Everbright Financial Leasing on July 23 2024. The coupon rate is 2.02% per annum.
- (xviii) Fixed rate financial bonds (Phase II) of RMB25.00 billion with a term of three years were issued by the Bank on 23 August 2024. The coupon rate is 2.07% per annum.
- (xix) Fixed rate special financial bonds for agriculture, rural areas and farmers (Phase I) of RMB5.00 billion with a term of three years were issued by the Bank on 23 August 2024. The coupon rate is 2.05% per annum.
- (xx) Floating rate financial bonds of AUD290.00 million with a term of three years were issued by the Bank's Sydney branch on 16 October 2024. The coupon rate is 3MBBSW+90BPS per annum.
- (xxi) Fixed rate green financial bonds of RMB3.00 billion with a term of three years were issued by Everbright Financial Leasing on 25 February 2025. The coupon rate is 1.88% per annum.
- (xxii) Fixed rate financial bonds (Phase I) of RMB20.00 billion with a term of three years were issued by the Bank on 24 March 2025. The coupon rate is 1.94% per annum.
- (xxiii) Fixed rate financial bonds (Phase II) of RMB15.00 billion with a term of three years were issued by the Bank on 10 July 2025. The coupon rate is 1.68% per annum.

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 34 Debt securities issued (continued)

#### (a) Financial bonds issued (continued)

Notes: (continued)

(xxiv) Fixed rate green financial bonds of RMB5.00 billion with a term of three years were issued by the Bank on 17 July 2025. The coupon rate is 1.65% per annum.

(xxv) Fixed rate financial bonds (Phase III) of RMB22.00 billion with a term of three years were issued by the Bank on 10 November 2025. The coupon rate is 1.80% per annum.

(xxvi) Floating rate financial bonds for science and technology innovation of RMB6.00 billion with a term of three years were issued by the Bank on 18 December 2025. The coupon rate is 3MDR007+38BPS per annum.

(xxvii) As at 31 December 2025, the total fair value of the financial bonds issued approximated to RMB260,919 million (31 December 2024: RMB282,377 million).

#### (b) Tier-two capital bonds issued

	Notes	31 December 2025	31 December 2024
Tier-two capital fixed rate bonds maturing in September 2030	(i)	–	1,597
Tier-two capital fixed rate bonds maturing in August 2032	(ii)	39,998	39,998
Tier-two capital fixed rate bonds maturing in April 2033	(iii)	9,999	9,999
Tier-two capital fixed rate bonds maturing in August 2037	(iv)	5,000	5,000
Tier-two capital fixed rate bonds maturing in April 2038	(v)	5,000	5,000
Total		59,997	61,594

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 34 Debt securities issued (continued)

#### (b) Tier-two capital bonds issued (continued)

Notes:

- (i) Fixed rate tier-two capital bonds of RMB1.60 billion with a term of ten years were issued on 16 September 2020 by Everbright Financial Leasing. The coupon rate is 4.39% per annum. The Group redeemed all of the bonds at face value on 18 September 2025.
- (ii) Fixed rate tier-two capital bonds of RMB40.00 billion with a term of ten years were issued by the Bank on 25 August 2022. The coupon rate is 3.10% per annum. The Bank has an option to redeem the debts on 29 August 2027 at the nominal amount.
- (iii) Fixed rate tier-two capital bonds of RMB10.00 billion with a term of ten years were issued by the Bank on 10 April 2023. The coupon rate is 3.55% per annum. The Bank has an option to redeem the debts on 12 April 2028 at the nominal amount.
- (iv) Fixed rate tier-two capital bonds of RMB5.00 billion with a term of fifteen years were issued by the Bank on 25 August 2022. The coupon rate is 3.35% per annum. The Bank has an option to redeem the debts on 29 August 2032 at the nominal amount.
- (v) Fixed rate tier-two capital bonds of RMB5.00 billion with a term of fifteen years were issued by the Bank on 10 April 2023. The coupon rate is 3.64% per annum. The Bank has an option to redeem the debts on 12 April 2033 at the nominal amount.
- (vi) As at 31 December 2025, the fair value of the total tier-two capital bonds issued approximated to RMB61,882 million (31 December 2024: RMB64,578 million).

#### (c) Interbank deposits issued

As at 31 December 2025, the interbank deposits issued by the Bank were measured at amortised cost. The fair value of its outstanding interbank deposits issued was RMB914,017 million (31 December 2024: RMB818,756 million).

#### (d) Certificates of deposit issued

As at 31 December 2025, the certificates of deposit issued by the Bank's Hong Kong Branch, Macao Branch, Seoul Branch, Sydney Branch and Luxembourg Branch were measured at amortised cost. The fair value of the certificates of deposit issued approximated to their carrying amount.

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 34 Debt securities issued (continued)

#### (e) Medium term notes issued

	Notes	31 December 2025	31 December 2024
Medium term notes with fixed rate maturing on 12 September 2025	(i)	–	1,499
Medium term notes with fixed rate maturing on 2 March 2026	(ii)	2,795	2,916
Medium term notes with fixed rate maturing on 14 May 2026	(iii)	1,500	1,499
Medium term notes with fixed rate maturing on 20 May 2026	(iv)	400	400
Medium term notes with fixed rate maturing on 22 May 2026	(v)	494	480
Medium term notes with floating rate maturing on 12 September 2026	(vi)	3,492	3,645
Medium term notes with floating rate maturing on 20 September 2026	(vii)	3,841	4,009
Medium term notes with fixed rate maturing on 19 November 2026	(viii)	1,499	1,498
Medium term notes with fixed rate maturing on 18 December 2026	(ix)	369	342
Medium term notes with fixed rate maturing on 18 December 2026	(x)	349	364
Medium term notes with fixed rate maturing on 18 December 2026	(xi)	999	997
Medium term notes with fixed rate maturing on 19 December 2026	(xii)	410	380
Medium term notes with fixed rate maturing on 21 December 2026	(xiii)	998	996
Medium term notes with fixed rate maturing on 8 March 2027	(xiv)	450	450
Medium term notes with floating rate maturing on 7 April 2027	(xv)	699	728
Medium term notes with fixed rate maturing on 26 April 2027	(xvi)	499	498
Medium term notes with floating rate maturing on 14 May 2027	(xvii)	3,840	4,008
Medium term notes with floating rate maturing on 3 June 2027	(xviii)	1,048	1,095
Medium term notes with fixed rate maturing on 30 September 2027	(xix)	1,395	1,456
Medium term notes with floating rate maturing on 30 October 2027	(xx)	1,188	1,102
Medium term notes with floating rate maturing on 19 November 2027	(xxi)	2,093	2,184
Medium term notes with floating rate maturing on 22 May 2028	(xxii)	4,187	–
<b>Total</b>		<b>32,545</b>	<b>30,546</b>

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 34 Debt securities issued (continued)

#### (e) Medium term notes issued (continued)

Notes:

- (i) Fixed rate medium term notes of RMB1.50 billion with a term of two years were issued by the Bank's Hong Kong branch on 12 September 2023. The coupon rate is 2.95% per annum.
- (ii) Fixed rate medium term notes of USD400.00 million with a term of three years were issued by the Bank's Hong Kong branch on 2 March 2023. The coupon rate is 4.99% per annum.
- (iii) Fixed rate medium term notes of RMB1.50 billion with a term of two years were issued by the Bank's Hong Kong branch on 14 May 2024. The coupon rate is 3.00% per annum.
- (iv) Fixed rate medium term notes of RMB400.00 million with a term of two years were issued by the Bank's Sydney branch on 20 May 2024. The coupon rate is 3.00% per annum.
- (v) Fixed rate medium term notes of RMB500.00 million with a term of two years were issued by the Bank's Sydney branch on 22 May 2024. The coupon rate is 0.00% per annum.
- (vi) Floating rate medium term notes of USD500.00 million with a term of three years were issued by the Bank's Hong Kong branch on 12 September 2023. The coupon rate is SOFR Compounded Index+63BPS per annum.
- (vii) Floating rate medium term notes of USD550.00 million with a term of three years were issued by the Bank's Sydney branch on 20 September 2023. The coupon rate is SOFR Compounded Index+63BPS per annum.
- (viii) Fixed rate medium term notes of RMB1.50 billion with a term of two years were issued by the Bank's Hong Kong branch on 19 November 2024. The coupon rate is 2.45% per annum.
- (ix) Fixed rate medium term notes of EUR45.00 million with a term of three years were issued by the Bank's Luxembourg branch on 18 December 2023. The coupon rate is 3.70% per annum.
- (x) Fixed rate medium term notes of USD50.00 million with a term of three years were issued by the Bank's Luxembourg branch on 18 December 2023. The coupon rate is 5.00% per annum.
- (xi) Fixed rate medium term notes of RMB1.00 billion with a term of three years were issued by the Bank's Luxembourg branch on 28 December 2023. The coupon rate is 3.00% per annum.
- (xii) Fixed rate medium term notes of EUR50.00 million with a term of three years were issued by the Bank's Luxembourg branch on 19 December 2023. The coupon rate is 3.66% per annum.
- (xiii) Fixed rate medium term notes of RMB1.00 billion with a term of three years were issued by the Bank's Luxembourg branch on 29 December 2023. The coupon rate is 3.10% per annum.

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 34 Debt securities issued (continued)

#### (e) Medium term notes issued (continued)

Notes: (continued)

- (xiv) Fixed rate medium term notes of RMB450.00 million with a term of three years were issued by the Bank's Luxembourg branch on 6 March 2024. The coupon rate is 3.00% per annum.
- (xv) Floating rate medium term notes of USD100.00 million with a term of three years were issued by the Bank's Sydney branch on 28 March 2024. The coupon rate is SOFR Compounded Index+59BPS per annum.
- (xvi) Fixed rate medium term notes of RMB500.00 million with a term of three years were issued by the Bank's Sydney branch on 26 April 2024. The coupon rate is 2.80% per annum.
- (xvii) Floating rate medium term notes of USD550.00 million with a term of three years were issued by the Bank's Hong Kong branch on 14 May 2024. The coupon rate is SOFR Compounded Index+52BPS per annum.
- (xviii) Floating rate medium term notes of USD150.00 million with a term of three years were issued by the Bank's Sydney branch on 3 June 2024. The coupon rate is SOFR Compounded Index+54BPS per annum.
- (xix) Fixed rate medium term notes of USD200.00 million with a term of three years were issued by the Bank's Luxembourg branch on 30 September 2024. The coupon rate is 3.90% per annum.
- (xx) Floating rate medium term notes of EUR145.00 million with a term of three years were issued by the Bank's Luxembourg branch on 30 October 2024. The coupon rate is EURIBOR 6M+60BPS per annum.
- (xxi) Floating rate medium term notes of USD300.00 million with a term of three years were issued by the Bank's Hong Kong branch on 19 November 2024. The coupon rate is SOFR Compounded Index+59BPS per annum.
- (xxii) Floating rate medium term notes of USD600.00 million with a term of three years were issued by the Bank's Hong Kong branch on 22 May 2025. The coupon rate is SOFR Compounded Index+54BPS per annum.
- (xxiii) As at 31 December 2025, the fair value of the medium term notes approximated to RMB32,631 million (31 December 2024: RMB30,644 million).

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

### V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 35 Other liabilities

	Notes	31 December 2025	31 December 2024
Payment and collection clearance accounts		9,231	11,087
Bank loans	(a)	8,863	9,619
Deposit payable of finance leases		3,864	5,592
Provisions	(b)	1,839	2,409
Dormant accounts		804	729
Dividend payables		41	14
Others		33,762	33,504
<b>Total</b>		<b>58,404</b>	<b>62,954</b>

Notes:

(a) The Group's subsidiary, Everbright Financial Leasing, borrowed long-term loans with terms of 1 to 10 years. Everbright Financial Leasing should repay the loan with quarterly interest payment or interest paid off with principal.

(b) Provisions

	31 December 2025	31 December 2024
Expected credit losses on credit commitments	1,633	2,183
Litigation losses	90	93
Others	116	133
<b>Total</b>	<b>1,839</b>	<b>2,409</b>

The reconciliation of the expected credit losses on credit commitments was as follows:

	2025	2024
As at 1 January	2,183	1,845
Net (reverse)/charge for the year	(550)	338
<b>As at 31 December</b>	<b>1,633</b>	<b>2,183</b>

#### 36 Share capital

The Bank's shareholding structure as at the end of the reporting period is as follows:

	31 December 2025	31 December 2024
Ordinary shares listed in Chinese Mainland (A share, RMB1 per share)	46,407	46,407
Ordinary shares listed in Hong Kong (H share, RMB1 per share)	12,679	12,679
<b>Total</b>	<b>59,086</b>	<b>59,086</b>

The H shares rank pari passu in all respects with the A shares including the right to all dividend distributions declared, paid or made.

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 37 Other equity instruments

	Notes	31 December 2025	31 December 2024
Preference shares	(a), (b), (c), (e)	64,906	64,906
Perpetual bonds	(d), (e)	40,000	39,993
<b>Total</b>		<b>104,906</b>	<b>104,899</b>

#### (a) Preference shares at the end of the reporting period

	Issue date	Dividend rate	Issue price (RMB/share)	Number of shares issued (million)	Issue amount (RMBmillion)	Conversion condition
Everbright P1	2015-6-19	3.60%	100	200	20,000	Mandatory conversion triggering events
Everbright P2	2016-8-8	4.01%	100	100	10,000	Mandatory conversion triggering events
Everbright P3	2019-7-15	3.77%	100	350	35,000	Mandatory conversion triggering events
Subtotal					65,000	
Less: Issuing costs					(94)	
Book value					64,906	

#### (b) Main clauses of preference shares

##### (i) Dividend

Fixed rate for the first 5 years after issuance;

Dividend is reset every 5 years thereafter to the sum of the benchmark rate and the fixed spread;

The fixed spread equals to the spread between the dividend rate at the time of issuance and the benchmark rate. The fixed spread will remain unchanged throughout the term of the preference shares.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

### V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 37 Other equity instruments (continued)

##### (b) Main clauses of preference shares (continued)

###### (ii) *Conditions to distribution of dividends*

The Group could pay dividends while the Group still has distributable after-tax profit after making up previous years' losses, contributing to the statutory reserve and making general reserve, and the Group's capital adequacy ratio meets regulatory requirements. The Group may elect to cancel any dividend, but such cancellation requires a shareholder's resolution to be passed.

###### (iii) *Dividend blocker*

If the Group cancels all or part of the dividends to the preference shareholders, the Group shall not make any dividend distribution to ordinary shareholders before the Group pays the dividends for the current dividend year to the preference shareholders in full.

###### (iv) *Order of distribution and liquidation method*

The preference shareholders are subordinated to the depositors, ordinary creditors, holders of subordinated debt, holders of Tier-two capital bonds, holders of convertible bonds and holders of perpetual bonds but have a higher priority in shares' distribution than the ordinary shareholders.

###### (v) *Mandatory conversion triggering events*

Upon the occurrence of an Additional Tier-one Capital Triggering Event (adequacy ratio of common equity tier-one capital of the Group falling to 5.125% or below), the Group shall have the right to convert all or part of the outstanding preference shares issued and existing at that time into A ordinary shares without obtaining the consent of preference shareholders, in order to restore the adequacy ratio of common equity tier-one capital of the Group to above 5.125%; If preference shares were converted to A shares, they cannot be converted to preference shares again.

Upon the occurrence of a Tier-two Capital Triggering Event, the Group has the right to convert all the outstanding preference shares issued and existing at that time into A ordinary shares based on the total amount without obtaining the consent of the preference shareholders. Once the preference shares converted into A ordinary shares, it will no longer be restored as preference shares in any circumstances. The Tier-two Capital Triggering Event means the earlier of the two situations: (1) NFRA has determined that the Group would become non-viable if there is no conversion or write-down of capital; and (2) the relevant authorities have determined that a public sector injection of capital or equivalent support is necessary, without which the Group would become non-viable).

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 37 Other equity instruments (continued)

#### (b) Main clauses of preference shares (continued)

##### (vi) Redemption

Subject to the prior approval of the NFRA and the satisfaction of the relevant requirements, the Group shall have the right to redeem all or part of the preference shares on any redeemable day (annual dividend of the preference shares payment day) after the fifth year following the completion date of the issuance of the preference shares. The specific commencement date of the redemption period shall be determined by the board directors in line with market conditions, subject to authorisation at a shareholders' general meeting (the authorisation can be further delegated). The redemption period for the preference shares shall commence on such commencement date of the redemption period and end on the completion date of the redemption or conversion of all the preference shares. Where redemption is in part, the preference shares shall be redeemed based on the same proportion and conditions. Preference shares shall be redeemed in cash. The redemption price shall be the par value plus the dividend declared but unpaid for the relevant period.

#### (c) Changes in preference shares outstanding

	1 January 2025		Additions for the year		31 December 2025	
	Number of shares (million)	Carrying value	Number of shares (million)	Carrying value	Number of shares (million)	Carrying value
Preference shares	650	64,906	–	–	650	64,906

	1 January 2024		Additions for the year		31 December 2024	
	Number of shares (million)	Carrying value	Number of shares (million)	Carrying value	Number of shares (million)	Carrying value
Preference shares	650	64,906	–	–	650	64,906

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

### V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 37 Other equity instruments (continued)

##### (d) Main clauses of perpetual bonds

With the approvals by the relevant regulatory authorities in China, the Bank issued RMB40 billion of non-dated capital bonds (the “Bonds”) with write-down clauses in the domestic interbank bond market on 18 September 2020, and completed the issuance on 22 September 2020. The denomination of the Bonds is RMB100 each, and the annual coupon rate of the Bonds for the first five years is 4.60%, which is reset every 5 years. the “Bonds” was fully redeemed on 23 September 2025.

With the approvals by the relevant regulatory authorities in China, the Bank issued RMB40 billion of non-dated capital bonds (the “Bonds”) with write-down clauses in the domestic interbank bond market on 16 September 2025, and completed the issuance on 18 September 2025. The denomination of the Bonds is RMB100 each, and the annual coupon rate of the Bonds for the first five years is 2.29%, which is reset every 5 years.

The duration of the Bonds is the same as the period of continuing operation of the Bank. Subject to the satisfaction of the redemption conditions and having obtained the prior approval of the NFRA, the Bank may redeem the Bonds in whole or in part on each distribution payment date 5 years after the issuance date of the Bonds. Upon the occurrence of a trigger event for the write-downs, with the consent of the NFRA and without the consent of the bondholders, the Bank has the right to write down all or part of the Bonds issued and existing at that time in accordance with the total par value. The claims of the holders of the Bonds will be subordinated to the claims of depositors, general creditors and subordinated creditors ranking higher than the above-mentioned bonds; and shall rank in priority to the claims of shareholders and will rank pari passu with the claims under any other additional tier 1 capital instruments of the Bank that rank pari passu with the Bonds.

The Bonds are paid with non-cumulative interest. The Bank shall have the right to cancel distributions on the Bonds in whole or in part and such cancellation shall not constitute a default. The Bank may at its discretion utilise the proceeds from the cancelled distributions to meet other obligations of maturing debts. But the Bank shall not distribute profits to ordinary shareholders until the decision is made to resume the full payment of interest to the aforementioned bondholders.

Capital raised from the issuance of the Bonds was wholly used to replenish the Bank’s additional tier one capital and to increase its capital adequacy ratio.

##### (e) Interests attributable to equity instruments’ holders

Items	31 December 2025	31 December 2024
Total equity attributable to equity shareholders of the Bank	604,800	587,700
– Equity attributable to ordinary shareholders of the Bank	499,894	482,801
– Equity attributable to preference shareholders of the Bank	64,906	64,906
– Equity attributable to Perpetual bonds holders of the Bank	40,000	39,993
Total equity attributable to non- controlling interests	2,642	2,531
– Equity attributable to non-controlling interests of ordinary shares	2,642	2,531

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 38 Capital reserve

	31 December 2025	31 December 2024
Share premium	74,473	74,473
Other capital reserve	(9)	–
<b>Total</b>	<b>74,464</b>	<b>74,473</b>

### 39 Other comprehensive income

	31 December 2025	31 December 2024
<b>Items that will not be reclassified to profit or loss</b>		
Fair value changes on equity instruments at fair value through other comprehensive income	28	26
Remeasurement of a defined benefit plan	705	(1,169)
<b>Subtotal</b>	<b>733</b>	<b>(1,143)</b>
<b>Items that will be reclassified to profit or loss</b>		
Debt instruments at fair value through other comprehensive income	4,204	11,930
– Change in fair value	2,589	10,275
– Change in provision for impairment losses	1,615	1,655
Change in cash flow hedge	(4)	(13)
Exchange differences on translation of foreign operations	48	117
<b>Subtotal</b>	<b>4,248</b>	<b>12,034</b>
<b>Total</b>	<b>4,981</b>	<b>10,891</b>

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

### V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 39 Other comprehensive income (continued)

Other comprehensive income attributable to equity holders of the Bank in the condensed consolidated statement of financial position:

	Fair value change on debt instruments at fair value through other comprehensive income	Change in provision for impairment losses on debt instruments at fair value through other comprehensive income	Fair value change on equity instruments at fair value through other comprehensive income	Change in Cash flow hedge	Exchange differences on translation of foreign operations	Remeasurement of a defined benefit plan	Total
As at 1 January 2024	1,522	1,529	20	4	65	(895)	2,245
Changes in amount for the year	8,753	126	6	(17)	52	(274)	8,646
As at 1 January 2025	10,275	1,655	26	(13)	117	(1,169)	10,891
Changes in amount for the year	(7,686)	(40)	2	9	(69)	1,874	(5,910)
As at 31 December 2025	2,589	1,615	28	(4)	48	705	4,981

#### 40 Surplus reserve and general reserve

##### (a) Surplus reserve

The surplus reserve at the end of the reporting period represented statutory surplus reserve fund. The Bank is required to allocate 10% of its net profit, after making good prior year's accumulated losses, to statutory surplus reserve fund until the reserve fund balance reaches 50% of its registered capital. As of 31 December 2025, the Bank ceased to make appropriations to the statutory surplus reserves since the balance of them has reached 50% of the share capital of the Bank (2024: RMB3,298 million).

##### (b) General reserve

Pursuant to the Measures for Managing the Appropriation of Provisions of Financial Enterprises (Cai Jin [2012] No. 20) issued by the Ministry of Finance, the Bank is required to provide for impairment losses of its assets and set aside a general reserve through the appropriation of net profits to cover potential losses against its assets. The general reserve is treated as a profit distribution and is part of the equity shareholders' interests and the general reserve through profit net of tax should not be less than 1.5% of the period-end balance of risk-bearing assets.

The Bank's subsidiaries appropriated their profits to the general reserve according to the applicable local regulations.

The Group appropriated RMB1,478 million of profits to the general reserve for the year ended 31 December 2025 (2024: RMB3,730 million). The Bank appropriated RMB970 million of profits to the general reserve for the year ended 31 December 2025 (2024: RMB3,271 million).

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 41 Appropriation of profits

- (a) **At the first extraordinary general meeting on 13 January 2026, the shareholders approved the proposal on the medium-term distribution plan for 2025:**
- Declared Interim cash dividend in 2025 to all ordinary shareholders of RMB6,204 million before tax, representing RMB1.05 per 10 shares before tax;
- (b) **At the Board Meeting held on 13 January 2026, the dividend distribution of the Everbright P3 was approved by the Board of Directors:**
- Declared cash dividends to preference shareholders of RMB1,319.5 million before tax, representing RMB3.77 per share before tax, accruing from 1 January 2025, and are calculated using the 3.77% of dividend yield ratio for the Everbright P3;
- (c) **The Bank distributed the interest on the Undated Capital Bonds amounting to RMB1,840 million on 22 September 2025.**
- (d) **At the Annual General Meeting of Shareholders held on 27 June 2025, the shareholders approved the following profit appropriations for the year ended 31 December 2024:**
- Under the Company Law of the PRC, the statutory surplus reserve is withdrawn, amounting to RMB3,298 million;
  - Appropriated RMB3,271 million to general reserve;
  - Declared final cash dividends of RMB5,022 million to all ordinary shareholders, representing RMB0.85 per 10 shares before tax. Combined with the distributed interim cash dividends, total of RMB11,167 million, representing 1.89 per 10 shares before tax in 2024.
- (e) **At the Board Meeting held on 29 May 2025, the dividend distribution of the Everbright P1 was approved by the Board of Directors:**
- Declared cash dividends to preference shareholders of RMB890 million before tax, representing RMB4.45 per share before tax, accruing from 25 June 2024, and are calculated using the 4.45% of dividend yield ratio for the Everbright P1;
- (f) **At the Board Meeting held on 29 May 2025, the dividend distribution of the Everbright P2 was approved by the Board of Directors:**
- Declared cash dividends to preference shareholders of RMB401 million before tax, representing RMB4.01 per share before tax, accruing from 11 August 2024, and are calculated using the 4.01% of dividend yield ratio for the Everbright P2;

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

### V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 41 Appropriation of profits (continued)

- (g) **At the first extraordinary general meeting on 7 January 2025, the shareholders approved the proposal on the medium-term distribution plan for 2024:**
- Declared Interim cash dividend in 2024 to all ordinary shareholders of RMB6,145 million before tax, representing RMB1.04 per 10 shares before tax;
- (h) **At the Board Meeting held on 7 January 2025, the dividend distribution of the Everbright P3 was approved by the Board of Directors:**
- Declared cash dividends to preference shareholders of RMB1,516 million before tax, calculated using the 4.80% of dividend yield ratio for the Everbright P3 from 1 January 2024 to 17 July 2024 and calculated using the 3.77% of dividend yield ratio for the Everbright P3 from 18 July 2024 to 31 December 2024.

#### 42 Involvement with structured entities

(a) **Structured entities sponsored by third party institutions in which the Group holds interests:**

In order to make better use of the funds to obtain income, the Group has an interest in the structured entities initiated and established by third-party institutions through direct holding of investments. Structured entities that the Group does not consolidate but in which it holds interests for better investment return, which include fund investments, asset management plans and asset-backed securities at fair value through profit or loss, asset management plans and asset-backed securities at amortised cost.

The following table sets out an analysis of the carrying amounts and maximum exposure of interests held by the Group in unconsolidated structured entities sponsored by third party institutions as at the end of the reporting period:

	31 December 2025		31 December 2024	
	Carrying amount	Maximum exposure	Carrying amount	Maximum exposure
Financial assets at fair value through profit or loss				
– Fund investments	187,588	187,588	278,804	278,804
– Asset management plans	52,977	52,977	3,855	3,855
– Asset-backed securities	37,548	37,548	19,750	19,750
Financial investments measured at amortised cost				
– Asset management plans	18,877	18,877	17,280	17,280
– Asset-backed securities	61,464	61,464	73,791	73,791
<b>Total</b>	<b>358,454</b>	<b>358,454</b>	<b>393,480</b>	<b>393,480</b>

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 42 Involvement with structured entities (continued)

#### (b) Structured entities sponsored by the Group which the Group does not consolidate but hold interests in:

The types of unconsolidated structured entities sponsored by the Group include non-principal guaranteed wealth management products. The nature and purpose of these structured entities are to generate fees from managing assets on behalf of investors. These structured entities are financed through the issue of units to investors. Interests held by the Group include investments in units issued by these structured entities and fees charged by providing management services. As 31 December 2025, the carrying amounts of the investments in the notes issued by these structured entities and management fee receivables being recognised were not material to the Group.

As at 31 December 2025, the amount of assets held by the unconsolidated non-principal guaranteed wealth management products which are sponsored by the Group was RMB1,945,963 million (31 December 2024: RMB1,599,488 million).

For the year ended 31 December 2025, the amount of fee and commission income received from the unconsolidated structured entities by the Group was RMB5,171 million (2024: RMB3,059 million).

For the purpose of asset-liability management, wealth management products may cause short-term financing needs to the Group. The Group is not contractually obliged to provide financing. After internal risk assessment, the Group may enter into lending transactions with these wealth management products in accordance with market principles. As at 31 December 2025, the balance related to these products was Nil (31 December 2024: Nil). For year ended 31 December 2025, the amount of interest income from the above financing transactions was Nil (2024: RMB15,967).

In addition, please refer to Note V 43 for the interests in the unconsolidated structured entities of asset securitisation transactions held by the Group as at 31 December 2025. For the year ended 31 December 2025, the Group's income from these structured entities was not material.

#### (c) Consolidated structured entities

The structured entities included in the consolidation scope of the Group are mainly single asset management plans issued by third parties. When the Group has the right to a single asset management plan issued by a third party, can enjoy significant variable returns by participating in related activities, and has the ability to use its power over the investee to affect its variable returns, the Group has control over such a single asset management plan.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

### V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 43 Transferred financial assets

The Group enters into transactions in the normal course of business by which it transfers recognised financial assets to third parties or to structured entities. In some cases, these transfers may give rise to full or partial de-recognition of the financial assets concerned in accordance with IFRS Accounting Standards. In other cases where the transferred assets do not qualify for de-recognition as the Group has retained substantially all the risks and rewards of these assets, the Group continues to recognise the transferred assets.

##### **Credit assets backed securitisation**

The Group enters into credit assets transfers in the normal course of business during which it transfers credit assets to structured entities which in turn issue asset-backed securities to investors. The Group may acquire some asset-backed securities at the subordinated tranche level and accordingly, may retain parts of the risks and rewards of the transferred credit assets. The Group would determine whether or not to derecognise the associated credit assets by evaluating the extent to which it retains the risks and rewards of the assets.

With respect to the credit assets that were securitised and qualified for de-recognition, the Group derecognised the transferred credit assets in their entirety. The corresponding total carrying amount of asset-backed securities held by the Group in the securitisation transactions amounted to RMB114 million as at 31 December 2025 (31 December 2024: RMB63 million).

For those in which the Group has neither transferred nor retained substantially all the risks and rewards of the transferred credit assets, and retained control of the credit assets, the transferred credit assets are recognised on the statement of financial position to the extent of the Group's continuing involvement. As at 31 December 2025, the Group has no continuing involvement in credit asset-backed securities (31 December 2024: Nil).

##### **Transfer of non-performing loans**

In 2025, the Group disposed the original book value of non-performing loans of RMB143 million (2024: RMB4,737 million) through transfer to a third party. The Group transferred almost all the risks and rewards of the ownership of such non-performing loans, so the Group terminated the recognition of such non-performing loans.

##### **Transfer of right to earnings**

The Group transfers the usufruct of credit assets to the special purpose trust plan, and then the investors receive the shares of the trust plan.

With respect to the credit assets that were transferred and qualified for de-recognition, the Group derecognised the transferred credit assets in their entirety. As at 31 December 2025, the Group held no share in corresponding transaction.

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 43 Transferred financial assets (continued)

#### Transfer of right to earnings (continued)

As the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial assets and it has retained control on them, these financial assets are recognised on the statement of financial position to the extent of the Group's continuing involvement. The extent of the Group's continuing involvement is the extent to which the Group is exposed to changes in the value of the transferred assets. As at 31 December 2025, the Group retains a continuing involvement in transferred credit assets in the form of subordinated tranches, which were accounted for in other assets and other liabilities. In 2025, there were no new credit assets in which the Group retained the continuing involvement (2024: Nil). As at 31 December 2025, the carrying amount of assets that the Group continues to recognise amounted to RMB251 million (31 December 2024: RMB251 million).

### 44 Capital management

The Group's capital management includes capital adequacy ratio management, capital financing management and economic capital management, of which the primary focus is on capital adequacy ratio management. The Group calculates the capital adequacy ratio in accordance with guidelines issued by NFRA. The capital of the Group is categorised into common equity tier-one capital, additional tier-one capital and tier-two capital.

Capital adequacy ratio management is the key in capital management. The capital adequacy ratio reflects the soundness of the Group's operations and risk management capabilities. The main objective in capital adequacy ratio management is to set an optimal capital adequacy ratio that meets the regulatory requirements by benchmarking against the capital adequacy ratio level of leading global banks with reference to the Group's own business environment and conditions.

The Group considers its strategic development plans, business expansion plans and risk variables when conducting scenario analysis and stress testing and executing other measures to forecast, plan and manage its capital adequacy ratio. The required information of the Group and the Bank is filed with the NFRA quarterly.

With effect from 1 January 2024, the Group has started computing its capital adequacy ratios in accordance with "Regulation Governing Capital of Commercial Banks" and other relevant regulations.

According to the Regulation Governing Capital of Commercial Banks, the capital adequacy ratio of commercial banks at all levels shall not be lower than the following minimum requirements: common equity tier-one capital adequacy ratio shall not be less than 5%, tier-one capital adequacy ratio shall not be less than 6%, and capital adequacy ratio shall not be less than 8%. Commercial banks should set aside reserve capital on the basis of minimum capital requirements which is 2.5% of risk-weighted assets and is met by common equity tier-one capital, Commercial banks also should provide counter-cyclical capital above the minimum capital requirements and reserve capital requirements, which is 0-2.5% of risk-weighted assets (the proportion shall be determined by the regulatory authority) and is met by common equity tier-one capital. According to the requirements of the Additional Regulatory Provisions on Systemically Important Banks (Provisional), systemically important banks should meet certain additional capital requirements which are met by common equity tier-one capital, on the basis of meeting the minimum capital requirements, reserve capital and counter-cyclical capital requirements. The Group is in the first group on the list of systemically important banks, and need to meet the additional capital requirement of 0.25%. In addition, subsidiaries or branches of the bank incorporated overseas are also directly regulated and supervised by their respective local banking supervisors, respectively. There are differences in the capital adequacy requirements of different countries.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

### V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 44 Capital management (continued)

The credit risk weighting method, market risk standard method and operational risk standard method are used to measure risk weighted assets. To measure the credit risk weighted assets of various on balance sheet assets, the corresponding impairment provision shall be deducted from the book value of the assets first, and then multiplied by the risk weight; To measure the credit risk weighted assets of various off balance sheet items, the nominal amount of off balance sheet items shall be multiplied by the credit conversion coefficient to obtain the equivalent on balance sheet assets, and then the risk weighted assets shall be measured according to the treatment method of on balance sheet assets. Risk weighted assets of counterparty credit risk exposure, including counterparty credit risk arising from derivatives transactions and securities financing transactions with counterparties.

During the reporting period, the Group's capital adequacy ratio at all levels meets regulatory requirements.

As of December 31, 2025, the capital adequacy ratio indicators of the Group measured in accordance with the "Measures for the Management of Capital of Commercial Banks" and other relevant regulations are listed in the "Pillar 3 Report as 31 December 2025" that the Bank has publicly disclosed.

#### 45 Notes to the consolidated cash flow statements

##### (a) Net change in cash and cash equivalents

	2025	2024
Cash and cash equivalents as at 31 December	239,212	128,057
Less: Cash and cash equivalents as at 1 January	128,057	123,902
Net increase in cash and cash equivalents	111,155	4,155

##### (b) Cash and cash equivalents

	31 December 2025	31 December 2024
Cash on hand	5,866	5,326
Surplus deposit reserves	110,363	44,701
Deposits with banks and other financial institutions due within three months when acquired	91,777	39,549
Placements with banks and other financial institutions due within three months when acquired	31,206	38,481
Total	239,212	128,057

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 45 Notes to the consolidated cash flow statements (continued)

#### (c) Reconciliation of liabilities arising from financing activities

	Debt securities issued	Lease liabilities	Dividend payables	Total
As at 1 January 2025	1,231,112	10,412	14	1,241,538
Financing cash flows	71,578	(2,862)	(15,808)	52,908
Non-cash changes				
– Interest expense	26,111	326	–	26,437
– Net increase in leases	–	1,658	–	1,658
– Appropriation of profits	–	–	15,835	15,835
As at 31 December 2025	1,328,801	9,534	41	1,338,376

	Debt securities issued	Lease liabilities	Dividend payables	Total
As at 1 January 2024	1,099,326	10,349	23	1,109,698
Financing cash flows	103,181	(3,063)	(15,123)	84,995
Non-cash changes				
– Interest expense	28,605	385	–	28,990
– Net increase in leases	–	2,741	–	2,741
– Appropriation of profits	–	–	15,114	15,114
As at 31 December 2024	1,231,112	10,412	14	1,241,538

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 46 Related party relationships and transactions

#### (a) Related party relationships

##### (i) *The ultimate parent company and its subsidiaries*

The ultimate parent of the Group is China Investment Corporation (“CIC”) set up in China.

Approved by the State Council of the PRC, CIC was established on 29 September 2007 with registered capital of USD200 billion. Central Huijin Investment Ltd. (“Huijin”) is a wholly-owned subsidiary of CIC and exercises its rights and obligations as an investor on behalf of CIC to ultimately control the Bank through the China Everbright Group.

Huijin was established as a wholly state-owned investment company on 16 December 2003. It was registered in Beijing with registered capital of RMB828,209 million. Apart from holding equity investments as authorised by the State Council of the PRC, it does not engage in any other commercial operations.

The Group’s transactions with CIC, Huijin and its affiliates mainly include deposit taking, purchases and sales of debt securities, money market transactions and inter-bank clearing. These transactions are priced based on market prices and conducted under normal commercial terms.

The Group has issued subordinated debts, financial bonds, interbank deposits and certificates of deposit which are tradable bearer bonds in the secondary market. Accordingly, the Group has no information in respect of the amount of the debts held by these banks and other financial institutions as at the end of the reporting date. The amounts and balances with related parties and transactions between the Group and the ultimate parent company and its subsidiaries are listed in Note V 46(b).

##### (ii) *Affiliated companies*

The immediate parent of the Group is China Everbright Group Ltd. (“China Everbright Group”). The uniform social credit code of China Everbright Group is 91100000102063897J. The affiliated companies refer to China Everbright Group and its affiliated companies. The transactions and balances with China Everbright Group and its affiliates are listed in Note V 46(b).

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 46 Related party relationships and transactions (continued)

#### (a) Related party relationships (continued)

##### (ii) *Affiliated companies* (continued)

The affiliated companies that have related party transactions with the Group are mainly as follows:

##### **Related parties**

- Everbright Xinglong Trust Co., Ltd.
- Everbright Futures Co., Ltd.
- Everbright Securities Co., Ltd.
- Everbright Jin'ou Asset Management Co., Ltd.
- Sun Life Everbright Life Insurance Co., Ltd.
- Everbright Securities Asset Management Co., Ltd.
- Everbright Financial Holdings Asset Management Co., Ltd.
- Shanghai CEL JIAXIN Equity Investment Management Co., Ltd.
- Everbright Prudential Fund Management Co., Ltd.
- Guokai Jinzhan Economic and Trade Co., Ltd.
- Yixing Huankeyuan Optical Control Industry Investment Partnership (Limited Partnership)
- Kunshan Development Zone Optical Control Digital Industry Master Fund Partnership (Limited Partnership)
- Jia Shi Guo Run(Shanghai) Medical Technology Co.,Ltd.
- Everbright Happiness International Leasing Co.,Ltd.
- Jiashitang Pharmaceutical Co., Ltd.
- Sun Life Everbright Asset Management Co., Ltd.
- China Everbright Industry (Group) Co., Ltd.
- Everbright Real Estate Co., Ltd.
- Everbright Development Investment Co., Ltd.
- Everbright Financial Holding(Tianjin)Venture Capital Co.,Ltd.
- Shanghai Minglun Medical Equipments Co.,Ltd.
- Guangcai Tendering (Shenzhen) Co., Ltd.
- Shanghai Jiashi Jiayi Medical Equipment Co., Ltd.
- China Everbright Investment and Assets Management Co. Ltd.
- Everbright Technology Co., Ltd.
- Ganzhou Guangqi Guohui Venture Capital Partnership (Limited Partnership)
- Everbright Elderly Care and Health Industry Development Co., Ltd.
- Shanghai Everbright Exhibition Center Co., Ltd.
- Everbright Financial Holding Investment Holdings Co., Ltd.
- Everbright Industry Capital Management Co., Ltd.

##### (iii) *Other related parties*

Other related parties include key management personnel (directors, supervisors, senior management personnel of the head office) and their close family members, enterprises controlled, jointly controlled or exerted significant influence by key management personnel or their close family members, shareholders holding more than 5% shares of the Group and the key management personnel in direct control party.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

### V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 46 Related party relationships and transactions (continued)

##### (a) Related party relationships (continued)

##### (iii) *Other related parties* (continued)

The other related parties that have related party transactions with the Group are as follows:

##### **Other related parties**

- CITIC Financial Asset Management Co., Ltd.
- Beijing Huaheng Xingye Real Estate Development Co., Ltd.
- China UnionPay Co., Ltd.
- Shenzhen Overseas Chinese Town Holdings Co., Ltd.
- Huarong Financial Leasing Co., Ltd.
- Overseas Chinese Town Group Co., Ltd.
- Jiangsu Hengrui Medicine Co., Ltd.
- China Cosco Shipping Co., Ltd.
- Beijing Huahengye Real Estate Development Co., Ltd.
- China Asset Leasing Co., Ltd.
- Orient Futures Co., Ltd.
- Shanghai Linnei Co., Ltd.
- Shen Energy Group Finance Co., Ltd.
- COSCO SHIPPING Investment & Holding Co., Ltd.
- China Merchants Securities Co., Ltd.
- Shanghai Light Control Mai Ming Investment Center (Limited Partnership)
- Huadian Financial Leasing Co., Ltd.
- Huarong Leasing Management Hong Kong Co., Ltd.
- Orient Securities Co., Ltd.
- COSCO SHIPPING Development (Hong Kong) Co., Ltd.
- COSCO SHIPPING Finance Co., Ltd.
- Haifa Baocheng Finance Leasing Co., Ltd.
- Changjiang Pension Insurance Co., Ltd.
- Beijing Financial Assets Co., Ltd.
- Hainan Harbor & Shipping Holding Co., Ltd.
- Hua'an Hongze District Guangqi Venture Capital Partnership (Limited Partnership)
- Zhonglong Aircraft Recycling and Remanufacturing Co., Ltd.
- China Pacific Property Insurance Co., Ltd.
- CITIC Construction Co., Ltd.
- Zhangjiakou Guanghexiangda Property Service Co., Ltd.

The amounts and balances of transactions between the Group and other related parties are shown in Note V 46(b).

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 46 Related party relationships and transactions (continued)

#### (b) Related party transactions

##### (i) *The ultimate parent company and its subsidiaries*

The Group's material transactions with CIC, Huijin and its affiliates during the reporting period are summarised as follows:

	2025	2024
Interest income	8,005	7,420
Interest expense	4,917	8,381

The Group's material balances with CIC, Huijin and its affiliates at the end of the reporting period are summarised as follows:

	31 December 2025	31 December 2024
Deposits with banks and other financial institutions	69,425	3,980
Placements with banks and other financial institutions	40,449	34,383
Derivative financial assets	593	27,629
Financial assets held under resale agreements	300	12,501
Loans and advances to customers	8,205	14,078
Financial investments	335,397	303,663
– Financial assets at fair value through profit or loss	109,685	90,821
– Debt instruments at fair value through other comprehensive income	98,025	71,198
– Financial investments measured at amortised cost	127,687	141,644
Other assets	1,072	730
<b>Total</b>	<b>455,441</b>	<b>396,964</b>
Deposits from banks and other financial institutions	57,594	137,843
Placements from banks and other financial institutions	58,235	71,056
Derivative financial liabilities	956	26,526
Financial assets sold under repurchase agreements	5,000	21,501
Deposits from customers	83,726	103,498
Other liabilities	934	3,002
<b>Total</b>	<b>206,445</b>	<b>363,426</b>

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

### V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 46 Related party relationships and transactions (continued)

##### (b) Related party transactions (continued)

##### (ii) Transactions with other PRC state-owned entities

The Group operates in an economic regime currently predominated by entities directly or indirectly owned by the PRC government through its government authorities, agencies, affiliations and other organisations (“state-owned entities”). Transactions with other state-owned entities include but are not limited to: lending and deposit taking; taking and placing of inter-bank balances; entrusted lending and other custody services; insurance and securities agency, and other intermediary services; sale, purchase, underwriting and redemption of bonds issued by other state-owned entities; purchase, sale and leases of property and other assets; and rendering and receiving of utilities and other services.

These transactions are conducted in the ordinary course of the Group’s banking business on terms similar to those that would have been entered into with non-state-owned entities. The Group’s pricing strategy and approval processes for major products and services, such as loans, deposits and commission income, do not depend on whether or not the customers are state-owned entities. Having considered the substance of the relationships, the Group is of the opinion that none of these transactions are material related party transactions that require separate disclosure.

##### (iii) Affiliated companies and other related parties

The Group’s material transactions and balances with China Everbright Group and the above related parties during and at the end of the reporting period are summarised as follows:

	China Everbright Group	Affiliated companies	Others	Total
Transactions with related parties for the year ended 31 December 2025:				
Interest income	–	101	795	896
Interest expense	73	291	495	859

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 46 Related party relationships and transactions (continued)

#### (b) Related party transactions (continued)

##### (iii) *Affiliated companies and other related parties* (continued)

The Group's material transactions and balances with China Everbright Group and the above related parties during and at the end of the reporting period are summarised as follows:  
(continued)

	China Everbright Group	Affiliated companies	Others	Total
Balances with related parties as at 31 December 2025:				
Placements with banks and other financial institutions	–	–	24,287	24,287
Derivative financial assets	–	–	20	20
Loans and advances to customers	–	2,916	13,925	16,841
Financial investments	–	52,915	7,765	60,680
– Financial assets at fair value through profit or loss	–	52,248	2,930	55,178
– Debt instruments at fair value through other comprehensive income	–	–	676	676
– Financial investments measured at amortised cost	–	667	4,159	4,826
Other assets	–	–	–	–
<b>Total</b>	–	55,831	45,997	101,828
Deposits from banks and other financial institutions	–	20,728	6,665	27,393
Derivative financial liabilities	–	–	8	8
Deposits from customers	2,394	7,813	14,821	25,028
Other liabilities	–	244	272	516
<b>Total</b>	2,394	28,785	21,766	52,945
Significant other off-balance sheet with related parties as at 31 December 2025:				
Guarantee granted (Note)	180	–	–	180

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

### V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 46 Related party relationships and transactions (continued)

##### (b) Related party transactions (continued)

##### (iii) *Affiliated companies and other related parties* (continued)

The Group's material transactions and balances with China Everbright Group and the above related parties during and at the end of the reporting period are summarised as follows: (continued)

	China Everbright Group	Affiliated companies	Others	Total
Transactions with related parties for the year ended 31 December 2024:				
Interest income	–	201	1,398	1,599
Interest expense	166	498	1,171	1,835
Balances with related parties as at 31 December 2024:				
Placements with banks and other financial institutions	–	–	13,308	13,308
Derivative financial assets	–	–	37	37
Loans and advances to customers	–	2,645	14,447	17,092
Financial investments	–	16,125	6,145	22,270
– Financial assets at fair value through profit or loss	–	16,060	4,340	20,400
– Debt instruments at fair value through other comprehensive income	–	–	654	654
– Financial investments measured at amortised cost	–	65	1,151	1,216
Other assets	–	185	1,667	1,852
<b>Total</b>	<b>–</b>	<b>18,955</b>	<b>35,604</b>	<b>54,559</b>
Deposits from banks and other financial institutions	–	14,537	8,117	22,654
Derivative financial liabilities	–	–	17	17
Deposits from customers	5,849	9,547	15,052	30,448
Other liabilities	–	52	438	490
<b>Total</b>	<b>5,849</b>	<b>24,136</b>	<b>23,624</b>	<b>53,609</b>
Significant other off-balance sheet with related parties as at 31 December 2024:				
Guarantee granted (Note)	180	–	–	180

Note: As at 31 December 2025, the Bank has guarantee obligations relating to China Everbright Group's outstanding interest obligation of RMB180 million (31 December 2024: RMB180 million) due to one of the state-owned commercial banks.

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 46 Related party relationships and transactions (continued)

#### (b) Related party transactions (continued)

##### (iv) Remuneration of directors, supervisors and senior management

	2025 RMB'000	2024 RMB'000
Remuneration	15,304	14,909
– Retirement benefits	1,559	1,609
– Basic social pension insurance	515	542

The total compensation packages for senior management of the Group as at 31 December 2025 have not been finalised in accordance with the regulations of the PRC relevant authorities. The remuneration not yet accrued is not expected to have a significant impact on the Group's and the Bank's financial statements as at 31 December 2025.

##### (v) Loans to related natural persons

The aggregate amount of relevant loans outstanding as at 31 December 2025 to related natural persons amounted to RMB2 million (As at 31 December 2024: RMB2 million).

Of which the aggregate amount of relevant loans outstanding to directors, supervisors and senior management, are as follows:

The aggregate amount of relevant outstanding loans to directors, supervisors, senior management or their associates of the Group disclosed pursuant to section 78 of Schedule 11 to the revised Hong Kong Companies Ordinance, with reference to section 161 of the predecessor Hong Kong Companies Ordinance (Cap. 32), are as follows:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Aggregate amount of relevant loans outstanding as at the end of year	1,124	45
Maximum aggregate amount of relevant loans outstanding during the year	1,923	236

The banking transactions between the group and its related parties are conducted on normal commercial terms.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

### V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 47 Statement of financial position of the Bank

	Note V	31 December 2025	31 December 2024
<b>Assets</b>			
Cash and deposits with central banks		339,111	282,597
Deposits with banks and other financial institutions		81,491	24,795
Precious metals		1,892	6,788
Placements with banks and other financial institutions		192,974	192,282
Derivative financial assets		5,528	33,795
Financial assets held under resale agreements		9,139	113,244
Loans and advances to customers		3,900,193	3,849,147
Financial investments		2,337,310	2,187,742
– Financial assets at fair value through profit or loss		456,809	434,938
– Debt instruments at fair value through other comprehensive income		668,968	592,704
– Equity instruments at fair value through other comprehensive income		1,138	1,135
– Financial investments measured at amortised cost		1,210,395	1,158,965
Investments in subsidiaries	19(a)	11,190	11,190
Property and equipment		15,298	16,038
Right-of-use assets		9,156	10,132
Goodwill		1,281	1,281
Deferred tax assets		34,287	30,387
Other assets		51,344	50,448
<b>Total assets</b>		<b>6,990,194</b>	<b>6,809,866</b>

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 47 Statement of financial position of the Bank (continued)

Note V	31 December 2025	31 December 2024
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
Due to the central bank	154,678	95,633
Deposits from banks and other financial institutions	517,991	590,770
Placements from banks and other financial institutions	90,694	114,641
Derivative financial liabilities	5,544	32,448
Financial assets sold under repurchase agreements	138,620	67,735
Deposits from customers	4,103,976	4,035,641
Accrued staff costs	18,143	21,141
Taxes payable	5,539	4,000
Lease liabilities	9,402	10,221
Debt securities issued	1,316,876	1,220,223
Other liabilities	44,222	46,083
<b>Total liabilities</b>	<b>6,405,685</b>	<b>6,238,536</b>
<b>Equity</b>		
Share capital	59,086	59,086
Other equity instruments	104,906	104,899
of which: Preference shares	64,906	64,906
Perpetual bonds	40,000	39,993
Capital reserve	74,464	74,473
Other comprehensive income	4,839	10,770
Surplus reserve	29,543	29,543
General reserve	86,067	85,097
Retained earnings	225,604	207,462
<b>Total equity</b>	<b>584,509</b>	<b>571,330</b>
<b>Total liabilities and equity</b>	<b>6,990,194</b>	<b>6,809,866</b>

### 48 Segment reporting

The Group manages its business by business lines and geographical areas. Consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group defines reporting segments based on the following operating segments:

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 48 Segment reporting (continued)

#### **Corporate banking**

This segment represents the provision of a range of financial products and services to corporations and government agencies. These products and services include corporate loans and advances, trade financing and deposit taking activities, agency services, cash management services, financial consulting and advisory services, remittance and settlement services and guarantee services.

#### **Retail banking**

This segment represents the provision of a range of financial products and services to retail customers. These products and services include personal loans, deposit taking activities, bank card business, personal wealth management services, remittance services and securities agency services.

#### **Financial market business**

This segment covers the Group's financial market business. The financial market business enters into inter-bank money market transactions, repurchase transactions and inter-bank investments. It also trades in debt securities, derivatives and foreign currency trading for its own accounts. The financial market business segment also covers customer-driven derivatives and foreign currency trading, as well as management of the Group's overall liquidity position, including the issuance of debts.

#### **Others**

These represent equity investments and related income.

Measurement of segment assets and liabilities and measurement of segment income, expenses and results are based on the Group's accounting policies.

Internal charges and transfer prices are determined with reference to market rates and have been reflected in the performance of each segment. Interest income and expense earned from third parties are referred to as "external net interest income". Net interest income and expense arising from internal charges and transfer pricing adjustments are referred to as "internal net interest income/(expense)".

Segment income, expenses, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment income, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process. Segment capital expenditure is the total cost incurred to acquire property and equipment, intangible assets and other long-term assets.

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 48 Segment reporting (continued)

#### (a) Segment results, assets and liabilities

	2025				
	Corporate banking	Retail banking	Financial market business	Others	Total
Operating income					
External net interest income	30,636	39,352	22,113	–	92,101
Internal net interest income/(expense)	9,990	(1,371)	(8,619)	–	–
Net interest income	40,626	37,981	13,494	–	92,101
Net fee and commission income	6,959	12,406	887	–	20,252
Net trading gains	–	–	1,421	–	1,421
Dividend income	–	–	–	49	49
Net gains arising from investment securities	81	–	7,304	19	7,404
Net gains on derecognition of financial assets measured at amortised cost	–	–	2,158	–	2,158
Foreign exchange gains	166	49	808	–	1,023
Other net operating income	1,965	16	–	71	2,052
Operating income	49,797	50,452	26,072	139	126,460
Operating expenses	(16,542)	(21,570)	(1,695)	(535)	(40,342)
Credit impairment losses	(5,752)	(31,741)	1,067	–	(36,426)
Other impairment losses	–	(1)	(4)	–	(5)
Profit/(Losses) before tax	27,503	(2,860)	25,440	(396)	49,687
Other segment information					
– Depreciation and amortisation	3,365	3,472	277	–	7,114
– Capital expenditure	2,962	4,270	280	–	7,512
	31 December 2025				
	Corporate banking	Retail banking	Financial market business	Others	Total
Segment assets	2,893,984	1,633,124	2,596,853	4,859	7,128,820
Segment liabilities	2,915,427	1,505,565	2,133,936	2,908	6,557,836



## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 48 Segment reporting (continued)

#### (a) Segment results, assets and liabilities (continued)

Reconciliation between segment assets, liabilities and total assets and total liabilities:

	Note V	31 December 2025	31 December 2024
Segment assets		7,128,820	6,926,382
Goodwill	22	1,281	1,281
Deferred tax assets	23	35,218	31,358
Total assets		7,165,319	6,959,021
Segment liabilities		6,557,836	6,368,776
Dividend payables	35	41	14
Total liabilities		6,557,877	6,368,790

#### (b) Geographical information

The Group operates principally in China with branches located in main provinces, autonomous regions and municipalities directly under the central government. Also, the Group has set up branches in Hong Kong, Macao, Luxembourg, Seoul, and Sydney, with subsidiaries located in Beijing, Wuhan city of Hubei Province, Shaoshan city of Hunan Province, Huai'an city of Jiangsu Province, Ruijin city of Jiangxi Province, Qingdao city of Shandong Province, Hong Kong and Luxembourg.

Non-current assets include property and equipment, right-of-use assets, land use rights and intangible assets. In presenting of geographical information, non-current assets are allocated based on geographical locations of the underlying assets. Operating income is allocated based on the locations of the branches which generate income. Geographical areas, as defined for management reporting purposes, are as follows:

- “Yangtze River Delta” refers to the following areas serviced by the following branches of the Bank and Huai’an Everbright Bank: Shanghai, Nanjing, Hangzhou, Suzhou, Ningbo and Wuxi;
- “Pearl River Delta” refers to the areas serviced by the following branches of the Bank: Guangzhou, Shenzhen, Fuzhou, Xiamen and Haikou;
- “Bohai Rim” refers to the areas serviced by the following branches of the Bank, Everbright Wealth and Sunshine Consumer: Beijing, Tianjin, Shijiazhuang, Jinan, Qingdao and Yantai;
- “Central” refers to the areas serviced by the following subsidiaries and branches of the Bank, Everbright Financial Leasing, Shaoshan Everbright Bank and Ruijin Everbright Bank: Zhengzhou, Taiyuan, Changsha, Wuhan, Hefei and Nanchang;

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

### V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 48 Segment reporting (continued)

##### (b) Geographical information (continued)

- “Western” refers to the areas serviced by the following branches of the Bank: Xi’an, Chengdu, Chongqing, Kunming, Nanning, Hohhot, Urumchi, Guiyang, Lanzhou, Xining, Yinchuan and Lhasa;
- “Northeastern” refers to the areas serviced by the following branches of the Bank: Heilongjiang, Changchun, Shenyang and Dalian;
- “Overseas” refers to the areas serviced by the Bank and the following branches, CEB International, CEB Europe: Hong Kong, Seoul, Luxembourg, Sydney, Macao; and
- “Head Office” refers to the head office of the Bank.

	Operating Income								
	Bohai Rim	Yangtze River Delta	Central	Pearl River Delta	Western	North eastern	Head Office	Overseas	Total
2025	26,131	23,544	19,767	16,848	14,055	3,763	20,089	2,263	126,460
2024	25,618	23,307	21,301	17,984	15,354	4,142	25,468	2,421	135,595

	Non-current Asset (Note (i))								
	Bohai Rim	Yangtze River Delta	Central	Pearl River Delta	Western	North eastern	Head Office	Overseas	Total
31 December 2025	3,120	3,283	19,087	3,573	2,829	991	12,722	289	45,894
31 December 2024	3,297	3,410	15,505	3,781	3,003	1,077	13,458	326	43,857

Note:

- (i) Including property and equipment, right-of-use assets and other assets.

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 49 Risk Management

The goal of the Group's financial risk management is to optimize capital allocation and achieve value creation within an acceptable range of risks, while meeting the requirements of regulatory authorities, depositors, and other stakeholders for the stable operation of banks. The Group has exposure to the following risks from its use of financial instruments: credit risk, market risk, liquidity risk and operational risk.

This note presents information about the Group's exposure to each of the above risks and their sources, and the Group's objectives, policies and procedures for measuring and managing these risks.

The Group's risk management policies were established to identify and analyse the risks to which the Group is exposed, to set appropriate risk limits, and to design relevant internal control policies and systems for monitoring risks and adhering to risk limits. Risk management policies and relevant internal control are reviewed regularly to reflect changes in market conditions and the Group's activities. The Internal Audit Department of the Group undertakes both regular and ad hoc reviews of the compliance of internal control implementation with risk management policies.

#### (a) Credit risk

Credit risk represents the potential loss that may arise from the failure of a debtor or counterparty to meet its contractual obligation or commitment to the Group. It arises primarily from credit and bond investment portfolios and guarantees granted.

#### *Credit business*

The board of directors is responsible for setting the Group's development strategy, risk management strategy and the overall risk tolerance level. The board also monitors the Group's risk management process and regularly assesses the Group's risk position and risk management strategies. The board gives advice on internal controls relating to risk management. Senior management is responsible for the implementation of the development strategy, risk strategy and risk management policies set by the board of directors. Senior management is responsible for the improvement of the risk management system and establishment of risk management policies and rules. Senior management is responsible for establishment of procedures and standards to identify, measure, evaluate, monitor and control credit risks. And senior management is responsible for the management of all types of risks and ensure that the business activities of the Bank are consistent with the risk strategy, risk appetite and risk policies adopted by the board of directors.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 49 Risk Management (continued)

#### (a) Credit risk (continued)

##### *Credit business* (continued)

The business lines of the Group are directly responsible for the management of credit risk. The Risk Management Department is responsible for the development of risk management policies and procedures, and the monitoring and management of credit risks. The Internal Audit Department is responsible for auditing the performance of duties of business lines and the Risk Management Department, specifically as follows:

- The Corporate Finance Department/Strategic Account Department/Technology Finance Center, Investment Banking Department, Inclusive Finance Department/Rural Revitalization Finance Department, Credit Card Centre, Retail Credit Department, Digital Finance Department/Cloud Fee Payment Department and other business lines carry out corporate and retail business in accordance with the risk management policies and procedures of the Bank. The business lines are directly responsible for the management of credit risk, and they are the first line of defence of internal control. The business lines independently monitor the customer relationship and the whole process of specific business in its duration, and they are firstly responsible for the compliance and security of the business.
- The Bank's main responsible departments for credit risk management are the Risk Management Department, Credit Approval Department, Risk Monitoring Department, and Special Asset Management Department/Asset Management Department. They are the second line of defence of the internal control in credit risk management, and they are responsible for the overall execution of credit risk management. The functional departments of credit risk management determine their functional positioning in accordance with the basic procedures of "Policy and technology – Investigation and approval – During and post-lending monitoring – Collection and Resolution".
- The Internal Audit Department is the third line of defence of credit risk management, and undertakes the responsibility of execution and performance evaluation.

The Group continuously improves the internal control mechanism and strengthens the management of the credit business. According to the principle of effective checks and balances, the Group has established comprehensive assessment and inquiry mechanisms, assigning the credit management accountability to the relevant departments and posts.

For corporate businesses, the Group has established industry-specific limits for credit and investment approval. It has put in place dynamic monitoring mechanism, with regular reporting of credit exposures to the board. The Group's credit risk management covers key operational phases, including pre-lending client due diligence, independent credit assessment and credit approval, loan payment and post-lending monitoring. With respect to pre-lending client due diligence, the Group assesses customer credit ratings and performs integrated analysis on the risk and return of the loan. In the credit assessment and approval phase, the Group has established standardized system and procedures for credit evaluation and approval in accordance with the principle of separation of duties for assessment and approval as well as the hierarchical approval principle. All credit applications are approved by designated credit officers. In the loan payment phase, an independent responsible department has been established to manage and monitor the payment of the loan, ensuring that the payment conforms with the intended use of the loan approved. During the post-lending monitoring, the Group continually monitors outstanding loans and other credit related businesses. Any adverse events that may significantly affect a borrower's repayment ability are reported immediately, and actions are taken to mitigate the risks.

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 49 Risk Management (continued)

#### (a) Credit risk (continued)

##### *Credit business* (continued)

For personal credit operation business, the Group implemented control processes of “separation of review and approval, separation of approval and lending, separation of approval and mortgage registration, and separation of loan management and archival keeping” to effectively control the operational risk. During the pre-lending process, relatively managers are required to assess the income level, credit history, and repayment ability of the applicant to strengthen the credit evaluation of the applicant. During the review and approval process, the relatively managers forward the application and their recommendations to the loan-approval departments for further approval, and a standardized review and approval policies and process in accordance with the principle of “separation of review and approval” and “hierarchical approval” have been established for this process. The Group monitors borrowers’ repayment ability, the status of collateral and any changes to their value during the post-lending phase. Once a loan becomes overdue, the Group starts the recovery process in accordance with its standardized loan recovery procedures.

The Group adopts a risk-based loan classification system to manage its loan portfolio. Loans and advances are generally classified into normal, special mention, substandard, doubtful and loss according to their levels of risk. Substandard, doubtful and loss loans are considered to be impaired loans and advances. The Group measures and manages the quality of the Group’s credit assets in accordance with the Rules on Risk Classification of Financial Assets of China Everbright Bank.

The core definitions of the five categories of loans and advances are set out below:

Normal:	Debtors can perform the contract and there is no objective evidence that the principal, interest or proceeds cannot be paid in full and on time.
Special mention:	Although there are currently a number of factors that may adversely affect the performance of the contract, the debtors are currently able to pay the principal, interest or proceeds.
Substandard:	Debtors are unable to pay the principal, interest or income in full, or the financial assets have suffered credit impairment.
Doubtful:	Debtors have been unable to pay the principal, interest or income in full, and the financial assets have suffered significant credit impairment.
Loss:	After all possible measures taken, only a very small part of the financial assets can be recovered, or all of the financial assets can be lost.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 49 Risk Management (continued)

#### (a) Credit risk (continued)

##### *Credit business* (continued)

The Bank implemented a customer credit rating system based on the PD model. The PD model predicts the PD for customers in the coming year. The risk ratings of the customers is obtained through mapping relationship. The Group conducts recheck and optimization testing of the model according to the customer's actual default of the year to better identify the credit risk.

The customer credit ratings in the internal rating model are based on four categories of A, B, C and D which are further classified into twenty four grades as AAA+, AAA, AAA-, AA+, AA, AA-, A+, A, A-, BBB+, BBB, BBB-, BB+, BB, BB-, B+, B, B-, CCC+, CCC, CCC-, CC, C and D. Credit grading D equates to defaulted customers while the others are assigned to performing customers.

Management periodically reviews various elements of the Group's credit risk management process, in the context of loan portfolio growth, the changing portfolio mix and concentration of assets, and the evolving risk profile of the credit portfolio. From time to time, in this regard, refinements are made to the Group's credit risk management processes to ensure an effective management mechanism of the Group's credit risk exposures is always in place. These refinements include, among other things, adjustments to portfolio level controls, such as revisions to lists of approved borrowers, industry limits and underwriting criteria. Where circumstances related to specific loans or a group of loans increase the Bank's credit risk exposure, actions are taken, to the extent possible, to strengthen the Group's security position.

##### *Financial market business*

The Group will incorporate the financial market business that bears credit risk into its unified credit management system, and ensure that the credit risk level borne by the financial market business meets the Group's risk appetite through differentiated access standards. Relevant standards will be dynamically adjusted.

##### *Credit risk measurement*

###### *Measurement of ECL*

The Expected credit losses is a weighted average of credit losses on financial instruments weighted at the probability of default. Credit loss is the difference between all receivable contractual cash flows according to the contract and all cash flows expected to be received by the Group discounted to present value at the original effective interest rate, i.e., the present value of all cash shortfalls.

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 49 Risk Management (continued)

#### (a) Credit risk (continued)

##### *Credit risk measurement* (continued)

##### *Measurement of ECL* (continued)

According to the changes of credit risk of financial instruments since the initial recognition, the Group calculates the ECL by three stages:

- Stage 1: The financial instruments without significant increases in credit risk after initial recognition are included in Stage 1 to calculate their impairment allowance at an amount equivalent to the ECL of the financial instrument for the 12-month ECL;
- Stage 2: Financial instruments with significantly increased credit risk since initial recognition but are not credit-impaired are included in Stage 2, with their impairment allowance measured at an amount equivalent to the lifetime ECLs;
- Stage 3: Financial assets that are credit-impaired at the end of the reporting year are included in Stage 3, with their impairment allowance measured at the amount equivalent to the lifetime ECLs.

For the previous accounting year, the impairment allowance was measured at the amount equivalent to the ECL over the entire lifetime of the financial instrument. However, at the end of the reporting period, if the financial instrument no longer belongs to the situation of there being a significant increase in credit risk since initial recognition, the Group measures the impairment allowance of the financial instruments at the end of the reporting period according to the ECL in the next 12 months.

For purchased or originated credit-impaired financial assets, the Group only recognises the cumulative change in lifetime ECL after initial recognition at the end of the reporting period as impairment allowance. At the end of each reporting period, the Group recognises the amount of the changes in ECL as an impairment allowance in profit or loss.

The Group shall measure ECL of a financial instrument in a way that reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money;
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

When measuring ECL, an entity need not necessarily identify every possible scenario. However, the Group shall consider the risk or probability that a credit loss occurs by reflecting the possibility that a credit loss occurs and the possibility that no credit loss occurs, even if the possibility of a credit loss occurring is very low.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 49 Risk Management (continued)

#### (a) Credit risk (continued)

##### *Credit risk measurement* (continued)

##### *Measurement of ECL* (continued)

The Group conducted an assessment of ECL according to forward-looking information and used complex models and assumptions in its expected measurement of credit losses. These models and assumptions relate to the future macroeconomic conditions and borrower's creditworthiness (e.g., the likelihood of default by customers and the corresponding losses). The Group adopts judgement, assumptions and estimation techniques in order to measure ECL according to the requirements of accounting standards such as:

- Criteria for judging significant increases in credit risk
- Definition of credit-impaired assets
- Parameters for measuring ECL
- Forward-looking information
- Risk grouping

##### *Criteria for judging significant increases in credit risk*

The Group assesses whether or not the credit risk of the relevant financial instruments has increased significantly since the initial recognition at the end of each reporting period. When determining whether credit risk has increased significantly since initial recognition, the Group considers that it can obtain reasonable and reliable information without paying unnecessary additional costs or efforts, including qualitative and quantitative analysis based on the Group's historical data, external credit risk rating and forward-looking information. Based on the single financial instrument or the combination of financial instruments with similar characteristics of credit risk, the Group compares the risk of default of financial instruments at the end of the reporting period with that on the initial recognition date in order to figure out the changes of default risk in the expected lifetime of financial instruments.

The Group considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met:

##### *Quantitative criteria*

Credit risk is deemed to increase significantly when the forward-looking lifetime PD of an exposure increases by certain predetermined thresholds since its initial recognition. Specifically, such thresholds are met when the PD increases by a certain absolute level as well as by a relative percentage.

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 49 Risk Management (continued)

#### (a) Credit risk (continued)

##### *Credit risk measurement* (continued)

##### *Qualitative criteria*

- Significant adverse change in debtors' operation or financial status
- Be classified into special mention category within five-tier loan classification

##### *Backstop criteria*

- The debtor's contractual payments (including principal and interest) are more than 30 days past due

The Group continued to make judgments based on substantive risk assessment and comprehensively considered the operations and repayment capacity of borrowers, and to assess whether the credit risk of relevant financial instruments had increased significantly since initial recognition.

##### *Definition of credit-impaired assets*

The standard adopted by the Group to determine whether a credit impairment occurs under IFRS 9 is consistent with the internal credit risk management objectives of the relevant financial instrument, taking into account quantitative and qualitative criteria. When the Group assesses whether the credit impairment of debtor occurred, the following factors are mainly considered:

- Significant financial difficulty of the issuer or the debtor;
- Debtors are in breach of contract, such as defaulting on interest or becoming overdue on interest or principal payments overdue;
- The creditor of the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession that the creditor would not otherwise consider;
- It is becoming probable that the debtor will enter bankruptcy or other financial restructuring;
- The purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses;
- The debtor leaves any of the principal, advances, interest or investments in corporate bonds of the Group overdue for more than 90 days.

The credit impairment on a financial asset may be caused by the combined effect of multiple events and may not be necessarily due to a single event.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 49 Risk Management (continued)

#### (a) Credit risk (continued)

##### *Credit risk measurement* (continued)

##### *Parameters of ECL measurement*

According to whether there is a significant increase in credit risk and whether the assets are credit-impaired, the Group measures the impairment loss for different assets with ECL of 12 months or the entire lifetime. The key measuring parameters of ECL include probability of default (PD), loss given default (LGD) and exposure at default (EAD). According to the requirements of IFRS 9, the Group takes into account the historical statistics (such as ratings of counterparties, manners of guarantees and types of collateral and repayments) and forward-looking information in order to establish the model of PD, LGD and ECL.

Relative definitions are listed as follows:

- PD refers to the possibility that the debtor will not be able to fulfil its obligations of repayment over the next 12 months or throughout the entire remaining lifetime. The Group's PD is adjusted based on the result of the credit risk rating of customers, taking into account the forward-looking information and deducting the prudential adjustment to reflect the debtor's point-in-time (PIT) PD under the current macroeconomic environment.
- LGD refers to the Group's expectation of the extent of the loss resulting from the default exposure. Depending on the type of counterparty, the difference of credit products, and the type of collateral, the LGD varies. The LGD is the percentage of loss of risk exposure after the time of default, based on historical statistics, the loss rate may be different in various economic environments.
- EAD is the amount that the Group should be reimbursed at the time of the default in the next 12 months or throughout the entire remaining lifetime.

##### *Forward-looking information*

The calculation of ECL involves forward-looking information. Through the analysis of historical data, the Group identifies the key economic indicators that affect the credit risk and ECL of various business types, such as GDP, CPI, investment in property and equipment.

The impact of these economic indicators on the PD and the LGD varies according to different types of business. The Group combined statistic model and experts' judgement in this process, according to the result of model and experts' judgement, the Group predicts these economic indicators at least every half year basis and determines the impact of these economic indicators on the PD and the LGD by conducting regression analysis.

As at 31 December 2025, the key assumptions the Group has taken include the GDP growth rate, the CPI growth rate, the investment in property and equipment growth rate. The GDP growth rate: the predicted value under the base economic scenario during the year of 2026 is 4.45%, the optimistic predicted value is 6.16%, the pessimistic predicted value is 2.74%.

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 49 Risk Management (continued)

#### (a) Credit risk (continued)

##### *Credit risk measurement* (continued)

##### *Forward-looking information* (continued)

In addition to providing a baseline economic scenario, the Group combines statistic model with experts' judgement to determine the weight of the other possible scenarios. The Group measures the weighted average ECL of 12 months (Stage 1) or life time (Stage 2 and Stage 3). The weighted average credit loss above is calculated by multiplying the ECL for each scenario by the weight of the corresponding scenario.

The Group conducts sensitivity analysis on the main economic indicators used in forward-looking information. When the predicted value of the main economic indicators changes by 10%, the difference between the hypothetical expected credit loss and the current expected credit loss measurement does not exceed 5%.

##### *Risk grouping*

The Group groups financial assets with similar credit risk characteristics when measuring expected credit losses. According to the nature of the business, the financial assets of the Group are categorised into corporate business, interbank business, debt securities business, retail business and credit card business according to the business categories, within which the risk groups are further categorised according to the credit risk characteristics such as product type, customer industry and internal risk assessment pool. The Group regularly reviews the reasonableness of the groupings. When the credit risk characteristics of the exposure within the portfolio change, the reasonableness of the groupings is reviewed in a timely manner and, if necessary, regrouped according to the common risk characteristics of the relevant credit risk exposures.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

### V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 49 Risk Management (continued)

##### (a) Credit risk (continued)

##### *Maximum credit risk exposure*

The maximum exposure to credit risk is represented by the net carrying amount of each type of financial assets, including derivative financial instruments.

	31 December 2025				
	Stage 1	Stage 2	Stage 3	N/A	Total
<b>Assets</b>					
Deposits with central banks	333,366	–	–	–	333,366
Deposits with banks and other financial institutions	107,162	–	–	–	107,162
Placements with banks and other financial institutions	184,378	–	–	–	184,378
Financial assets held under resale agreements	12,923	–	–	–	12,923
Loans and advances to customers	3,752,296	133,463	25,620	–	3,911,379
Finance lease receivables	89,890	4,254	271	–	94,415
Financial investments	1,899,886	4,981	7,253	459,781	2,371,901
Others (Note)	43,109	3,339	–	5,528	51,976
<b>Total</b>	<b>6,423,010</b>	<b>146,037</b>	<b>33,144</b>	<b>465,309</b>	<b>7,067,500</b>
Credit commitments	1,681,160	4,856	42	–	1,686,058
<b>Maximum credit risk exposure</b>	<b>8,104,170</b>	<b>150,893</b>	<b>33,186</b>	<b>465,309</b>	<b>8,753,558</b>

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 49 Risk Management (continued)

#### (a) Credit risk (continued)

##### *Maximum credit risk exposure* (continued)

	31 December 2024				
	Stage 1	Stage 2	Stage 3	N/A	Total
<b>Assets</b>					
Deposits with central banks	277,940	–	–	–	277,940
Deposits with banks and other financial institutions	47,767	–	–	–	47,767
Placements with banks and other financial institutions	179,710	–	29	–	179,739
Financial assets held under resale agreements	118,128	–	–	–	118,128
Loans and advances to customers	3,706,590	135,654	15,449	–	3,857,693
Finance lease receivables	87,946	6,398	437	–	94,781
Financial investments	1,750,515	5,982	8,006	444,246	2,208,749
Others (Note)	34,818	9,937	–	33,797	78,552
<b>Total</b>	<b>6,203,414</b>	<b>157,971</b>	<b>23,921</b>	<b>478,043</b>	<b>6,863,349</b>
Credit commitments	1,563,143	5,340	159	–	1,568,642
Maximum credit risk exposure	7,766,557	163,311	24,080	478,043	8,431,991

Note: Others mainly comprise derivative financial assets and interests receivable, deposit margin, and other receivables recorded in other assets.

#### **Credit rating**

The distribution according to the credit quality of amounts due from banks and non-bank financial institutions (including deposits with banks and other financial institutions, placements with banks and other financial institutions, and financial assets held under resale agreements for which counterparties are banks and non-bank financial institutions) is as follows:

	31 December 2025	31 December 2024
<i>Impaired</i>		
Gross amount	300	300
Provision for impairment losses	(300)	(271)
Subtotal	–	29
<i>Neither overdue nor impaired</i>		
– grade A to AAA	300,861	339,163
– grade B to BBB	500	1,981
– unrated (Note)	3,567	4,910
Provision for impairment losses	(465)	(449)
Subtotal	304,463	345,605
Total	304,463	345,634

Note: Mainly represent deposits with banks and other financial institutions.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

### V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 49 Risk Management (continued)

##### (a) Credit risk (continued)

##### *Credit rating* (continued)

The Group adopts a credit rating approach in managing the credit risk of the debt securities portfolio. Debt securities are rated with reference to Bloomberg Composite, or the major rating agencies where the issuers of the securities are located. The carrying amounts of debt securities investments analysed by the rating agency designations as at the end of the reporting period are as follows:

	31 December 2025	31 December 2024
<i>Impaired</i>		
Gross amount	20,254	23,787
Provision for impairment losses	(13,001)	(15,781)
Subtotal	7,253	8,006
<i>Neither overdue nor impaired</i>		
Bloomberg Composite		
– grade AAA	4,407	2,416
– grade AA- to AA+	25,033	17,478
– grade A- to A+	37,783	31,409
– grade lower than A-	15,770	37,156
Provision for impairment losses	(151)	(134)
Subtotal	82,842	88,325
<i>Other agency ratings</i>		
– grade AAA	1,828,172	1,581,483
– grade AA- to AA+	140,131	188,658
– grade A- to A+	19,712	9,186
– grade lower than A-	11,104	7,528
– unrated	34,015	36,994
Provision for impairment losses	(1,090)	(738)
Subtotal	2,032,044	1,823,111
Total	2,122,139	1,919,442

##### (b) Market risk

Market risk is the risk of loss, in respect of the Group's activities, arising from adverse movements in market rates including interest rates, foreign exchange rates, commodity prices, stock prices and other prices.

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 49 Risk Management (continued)

#### (b) Market risk (continued)

The board of directors is ultimately responsible for monitoring the Group's market risk to ensure that the Group has effectively identified, measured, monitored and controlled all types of market risk. The Risk Management Committee monitors the market risk management process within the scope authorised by the board of directors, which include review and approval of market risk management strategies, policies and procedures as well as the market risk tolerance level recommended by senior management. The Group is primarily exposed to market risk in its treasury business. The Financial Market Department, Investment Banking Department and overseas institution are responsible for the Group's investments and proprietary trading business. The Assets and Liability Management Department is responsible for monitoring and managing the interest rate risk and foreign exchange risk on a daily basis under the banking book. The Risk Management Department is responsible for formulating the market risk management policies and procedures, as well as identifying, measuring and monitoring the Group's market risk, and the daily monitoring and management of interest rate risk and exchange rate risk in the Bank's trading book.

The Group classified the transactions as the banking book transactions and trading book transactions. The identification, measurement, monitoring and controls over the relevant market risks are based on the nature and characteristics of these books. The trading book transactions consist of the Group's investments which are acquired or incurred primarily for the purpose of selling in the near term, or for the purpose of short-term profit taking. The banking book transactions represent non-trading businesses. Sensitivity analysis, scenario analysis and foreign currency gap analysis are the main tools employed by the Group to measure and monitor the market risk in its trading book transactions. Sensitivity gap analysis, effective duration analysis and scenario simulation analysis are the main tools used by the Group to measure and monitor the market risk of its non-trading businesses.

Sensitivity analysis is a technique which assesses the sensitivity of the Group's overall risk profile and its risk profile with reference to the interest rate risks for different maturities.

Scenario analysis is a multi-factor analysis method which assesses the impact of multiple factors interacting simultaneously, taking into consideration the probabilities of various scenarios.

Foreign currency gap analysis is a technique which estimates the impact of foreign exchange rate movements on the Group's current profit or loss. The foreign currency gap mainly arises from the currency mismatch in the Group's on/off-balance sheet items.

Sensitivity gap analysis is a technique which estimates the impact of interest rate movements on the Group's current profit or loss. It is used to work out the gap between future cash inflows and outflows by categorising each of the Group's interest-bearing assets and interest-taking liabilities into different periods based on repricing dates.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 49 Risk Management (continued)

#### (b) Market risk (continued)

Scenario simulation analysis is an important technique for assessing interest rate risk. It simulates and calculates the changes in net interest income (NII) and economic value (EVE) indicators in the following year through multiple conventional scenarios and stress scenarios, including interest rate standard shocks, yield curve shifts and shape changes, historical extreme interest rate changes, customers' execution of embedded options for deposits and loans, etc. The Bank regularly re-examines important customer behavior models such as loan prepayment and deposits from early withdrawals used in scenario simulation analysis.

Effective duration analysis is a technique which estimates the impact of interest rate movements by giving a weight to each period's exposure according to its sensitivity, calculating the weighted exposure, and summarising all periods' weighted exposures to estimate the non-linear impact of a change in interest rates on the Group's economic value.

#### *Interest rate risk*

The Group is primarily exposed to interest rate risk arising from gap risk and basis risk. The Assets and Liability Management Department and Risk Management Department are responsible for identifying, measuring and monitoring. In terms of measuring and monitoring risks, the Group regularly evaluates the interest rate sensitivity repricing gap of each period and the impact of interest rate changes on the Group's net interest income and economic value. The main purpose of interest rate risk management is to reduce the potential negative impact of interest rate changes on net interest income and economic value.

#### *Gap risk*

Gap risk refers to the risk caused by different repricing periods of different financial instruments when interest rates change. Changes in interest rates include both a parallel upward or downward shift of the yield curve and a change in the shape of the yield curve. Due to the different repricing periods of financial instruments, when the interest rate rises when the interest rate on liabilities is repriced earlier than the interest rate on assets, or when the interest rate falls when the interest rate on assets is repriced earlier than the interest rate on liabilities, the Bank faces a reduction in interest rate spreads or even negative interest rate differentials for a certain period of time, resulting in losses.

#### *Basis risk*

Basis risk, is caused by interest rates on different pricing basis on the on-and off- balance sheet business of banking books. The risk could be different because the basis risk changes no matter the term is the same or similar.

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 49 Risk Management (continued)

#### (b) Market risk (continued)

##### *Interest rate risk* (continued)

The following tables indicate the average interest rates for the respective periods, and the expected next repricing dates (or maturity dates whichever are earlier) for the assets and liabilities of the Group as at the end of the period:

	31 December 2025						
	Average interest rate (Note)	Total	Non-interest-bearing	Less than three months	Between three months and one year	Between one year and five years	More than five years
<b>Assets</b>							
Cash and deposits with central banks	1.46%	339,232	16,435	322,797	–	–	–
Deposits with banks and other financial institutions	1.33%	107,162	373	96,024	9,164	1,550	51
Placements with banks and other financial institutions	2.35%	184,378	200	74,769	58,634	50,775	–
Financial assets held under resale agreements	1.52%	12,923	2	12,921	–	–	–
Loans and advances to customers	3.60%	3,911,379	19,230	2,299,257	1,425,029	163,094	4,769
Finance lease receivables	3.98%	94,415	708	4,390	77,078	9,171	3,068
Financial investments	2.80%	2,371,901	268,217	475,153	1,398,677	185,138	44,716
Others	N/A	143,929	141,091	2,838	–	–	–
<b>Total assets</b>	N/A	7,165,319	446,256	3,288,149	2,968,582	409,728	52,604

	31 December 2025						
	Average interest rate (Note)	Total	Non-interest-bearing	Less than three months	Between three months and one year	Between one year and five years	More than five years
<b>Liabilities</b>							
Due to the central bank	2.01%	154,678	1,630	77,196	75,852	–	–
Deposits from banks and other financial institutions	1.62%	506,454	1,186	453,356	51,912	–	–
Placements from banks and other financial institutions	2.56%	208,607	648	130,343	77,616	–	–
Financial assets sold under repurchase agreements	2.06%	158,118	373	124,478	33,267	–	–
Deposits from customers	1.81%	4,102,458	74,909	1,946,287	903,391	1,177,721	150
Debt securities issued	2.15%	1,328,801	3,790	268,495	829,115	167,404	59,997
Others	N/A	98,761	80,363	1,100	3,617	10,957	2,724
<b>Total liabilities</b>	N/A	6,557,877	162,899	3,001,255	1,974,770	1,356,082	62,871
<b>Asset-liability gap</b>	N/A	607,442	283,357	286,894	993,812	(946,354)	(10,267)

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 49 Risk Management (continued)

#### (b) Market risk (continued)

##### *Interest rate risk* (continued)

The following tables indicate the average interest rates for the respective periods, and the expected next repricing dates (or maturity dates whichever are earlier) for the assets and liabilities of the Group as at the end of the period: (continued)

	31 December 2024						
	Average interest rate (Note)	Total	Non-interest-bearing	Less than three months	Between three months and one year	Between one year and five years	More than five years
<b>Assets</b>							
Cash and deposits with central banks	1.48%	283,266	13,658	269,608	-	-	-
Deposits with banks and other financial institutions	0.81%	47,767	202	43,895	524	3,146	-
Placements with banks and other financial institutions	3.25%	179,739	294	100,424	79,021	-	-
Financial assets held under resale agreements	1.65%	118,128	29	118,099	-	-	-
Loans and advances to customers	4.22%	3,857,693	12,373	2,161,081	1,545,722	134,387	4,130
Finance lease receivables	4.77%	94,781	694	1,993	77,928	10,775	3,391
Financial investments	3.14%	2,208,749	315,311	132,238	276,388	1,155,206	329,606
Others	N/A	168,898	165,447	1,783	-	-	1,668
<b>Total assets</b>	N/A	6,959,021	508,008	2,829,121	1,979,583	1,303,514	338,795
<b>31 December 2024</b>							
	Average interest rate (Note)	Total	Non-interest-bearing	Less than three months	Between three months and one year	Between one year and five years	More than five years
<b>Liabilities</b>							
Due to the central bank	2.47%	95,633	626	10,337	84,670	-	-
Deposits from banks and other financial institutions	2.09%	581,536	2,165	479,644	99,727	-	-
Placements from banks and other financial institutions	3.43%	216,562	878	141,700	73,984	-	-
Financial assets sold under repurchase agreements	2.30%	75,793	169	72,938	1,792	894	-
Deposits from customers	2.18%	4,035,687	81,559	1,952,258	873,543	1,128,256	71
Debt securities issued	2.48%	1,231,112	4,545	284,893	659,137	220,943	61,594
Others	N/A	132,467	112,436	857	4,467	12,444	2,263
<b>Total liabilities</b>	N/A	6,368,790	202,378	2,942,627	1,797,320	1,362,537	63,928
<b>Asset-liability gap</b>	N/A	590,231	305,630	(113,506)	182,263	(59,023)	274,867

Note: The average interest rate represents the ratio of interest income/expense to the average interest-bearing assets/liabilities.

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 49 Risk Management (continued)

#### (b) Market risk (continued)

##### *Interest rate sensitivity analysis*

The Group uses sensitivity analysis to measure the impact of changes in interest rate on the Group's net profit or loss and equity. As at 31 December 2025, assuming other variables remain unchanged, an increase in the estimated interest rate of one hundred basis points will cause the Group's net profit to increase by RMB4,678 million (31 December 2024: increase by RMB2,057 million), and equity to decrease by RMB13,249 million (31 December 2024: decrease by RMB12,046 million); a decrease in the estimated interest rate of one hundred basis points will cause the Group's net profit to decrease by RMB4,678 million (31 December 2024: decrease by RMB2,057 million), and equity to increase by RMB13,249 million (31 December 2024: increase by RMB12,046 million).

The sensitivity analysis above is based on a static interest rate risk profile of the Group's assets and liabilities. This analysis measures only the impact of changes in interest rates within one year, showing how annualised net profit or loss and equity would have been affected by the repricing of the Group's assets and liabilities within the one-year period. The sensitivity analysis is based on the following assumptions:

- Interest rate movements at the end of the reporting period apply to all derivative and non-derivative financial instruments of the Group;
- An interest rate movement is one hundred basis points based on the assumption of interest rate movement over the next 12 months;
- There is a parallel shift in the yield curve with the changes in interest rates;
- There are no other changes to the portfolio of asset and liability;
- Other variables (including exchange rates) remain unchanged; and
- The analysis does not take into account the effect of risk management measures taken by management.

Due to the adoption of the aforementioned assumptions, the actual changes in the Group's net profit or loss and equity caused by an increase or decrease in interest rates might vary from the estimated results of this sensitivity analysis.

##### *Foreign currency risk*

The Group's foreign currency risk mainly arises from the foreign currency portfolio within the treasury's proprietary investments, and other foreign currency exposures. The Group manages foreign currency risk by spot and forward foreign exchange transactions, swap transactions and matching its foreign currency denominated assets with corresponding liabilities in the same currencies.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

### V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 49 Risk Management (continued)

##### (b) Market risk (continued)

##### *Foreign currency risk* (continued)

The Group's currency exposures as at the end of the reporting period are as follows:

	31 December 2025			
	RMB	USD (RMB Equivalent)	Others (RMB Equivalent)	Total (RMB Equivalent)
<b>Assets</b>				
Cash and deposits with central banks	331,365	3,674	4,193	339,232
Deposits with banks and other financial institutions	98,178	5,275	3,709	107,162
Placements with banks and other financial institutions	158,669	11,626	14,083	184,378
Financial assets held under resale agreements	12,923	–	–	12,923
Loans and advances to customers	3,773,476	66,865	71,038	3,911,379
Finance lease receivables	91,649	2,766	–	94,415
Financial investments	2,225,461	93,317	53,123	2,371,901
Others	139,683	229	4,017	143,929
<b>Total assets</b>	<b>6,831,404</b>	<b>183,752</b>	<b>150,163</b>	<b>7,165,319</b>
<b>Liabilities</b>				
Due to the central bank	154,678	–	–	154,678
Deposits from banks and other financial institutions	491,685	14,335	434	506,454
Placements from banks and other financial institutions	135,905	58,821	13,881	208,607
Financial assets sold under repurchase agreements	144,774	5,554	7,790	158,118
Deposits from customers	3,956,270	103,187	43,001	4,102,458
Debt securities issued	1,274,277	40,648	13,876	1,328,801
Others	87,449	250	11,062	98,761
<b>Total liabilities</b>	<b>6,245,038</b>	<b>222,795</b>	<b>90,044</b>	<b>6,557,877</b>
<b>Net position</b>	<b>586,366</b>	<b>(39,043)</b>	<b>60,119</b>	<b>607,442</b>
Credit commitments	1,647,499	21,763	18,429	1,687,691
Derivative financial instruments (Note)	22,559	9,844	(32,209)	194

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 49 Risk Management (continued)

#### (b) Market risk (continued)

##### *Foreign currency risk* (continued)

The Group's currency exposures as at the end of the reporting period are as follows: (continued)

	31 December 2024			
	RMB	USD (RMB Equivalent)	Others (RMB Equivalent)	Total (RMB Equivalent)
<b>Assets</b>				
Cash and deposits with central banks	274,786	3,565	4,915	283,266
Deposits with banks and other financial institutions	32,418	8,632	6,717	47,767
Placements with banks and other financial institutions	143,122	25,947	10,670	179,739
Financial assets held under resale agreements	118,128	–	–	118,128
Loans and advances to customers	3,703,981	76,810	76,902	3,857,693
Finance lease receivables	92,033	2,748	–	94,781
Financial investments	2,090,469	84,738	33,542	2,208,749
Others	164,471	56	4,371	168,898
<b>Total assets</b>	<b>6,619,408</b>	<b>202,496</b>	<b>137,117</b>	<b>6,959,021</b>
<b>Liabilities</b>				
Due to the central bank	95,633	–	–	95,633
Deposits from banks and other financial institutions	572,892	6,819	1,825	581,536
Placements from banks and other financial institutions	105,471	82,470	28,621	216,562
Financial assets sold under repurchase agreements	52,092	17,620	6,081	75,793
Deposits from customers	3,888,204	105,066	42,417	4,035,687
Debt securities issued	1,185,372	37,896	7,844	1,231,112
Others	121,805	59	10,603	132,467
<b>Total liabilities</b>	<b>6,021,469</b>	<b>249,930</b>	<b>97,391</b>	<b>6,368,790</b>
<b>Net position</b>	<b>597,939</b>	<b>(47,434)</b>	<b>39,726</b>	<b>590,231</b>
Credit commitments	1,525,647	23,147	22,031	1,570,825
Derivative financial instruments (Note)	4,609	28,325	(31,426)	1,508

Note: Derivative financial instruments reflect the net notional amounts of derivatives.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

### V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 49 Risk Management (continued)

##### (b) Market risk (continued)

##### *Foreign currency risk* (continued)

The Group conducts a substantial portion of its business in RMB, with certain transactions denominated in USD, HKD and, to a much lesser extent, other currencies. As at the financial reporting date, the exchange rate changes of the currencies to which the Group had significant exposure are as follows:

	31 December 2025	31 December 2024
Exchange rates against RMB for the USD	6.9887	7.2993
Exchange rates against RMB for the HKD	0.8978	0.9401

The Group uses sensitivity analysis to measure the potential effect of changes in the Group's exchange rates on the Group's net profit or loss and equity. As at 31 December 2025, assuming other variables remain unchanged, an appreciation of one hundred basis points in the USD against the RMB would decrease both the Group's net profit and equity by RMB32 million (31 December 2024: decrease by RMB57 million); a depreciation of one hundred basis points in the USD against the RMB would increase both the Group's net profit and equity by RMB32 million (31 December 2024: increase by RMB57 million).

The sensitivity analysis mentioned above is based on a static foreign exchange exposure profile of assets and liabilities and certain simplified assumptions:

- The foreign exchange sensitivity is the gain and loss recognised as a result of one hundred basis points' fluctuation in the foreign currency exchange rates (central parity) against RMB;
- At the end of the reporting period, the fluctuation of exchange rates by one hundred basis points is based on the assumption of exchange rate movement over the next 12 months;
- Due to the immaterial proportion of the Group's total assets and liabilities denominated in currencies other than US dollars and HK dollars, other foreign currencies are converted into US dollars in the above sensitivity analysis;
- The foreign exchange exposures calculated include spot and forward foreign exchange exposures and swaps;
- Other variables (including interest rates) remain unchanged; and
- The analysis does not take into account the effect of risk management measures taken by management.

Due to the assumptions adopted, actual changes in the Group's net profit or loss and equity resulting from the increase or decrease in foreign exchange rates might vary from the estimated results of this sensitivity analysis.

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 49 Risk Management (continued)

#### (b) Market risk (continued)

##### *Price risk*

Price risk mainly comes from equity investments held by the Group and the trading precious metal investments. The Group's risk of commodity or shares price from investment is not significant.

#### (c) Liquidity risk

Liquidity risk is the risk that a commercial bank is unable to obtain funds on a timely basis or obtain funds at a reasonable cost to meet repayment obligations or sustain its asset business. In accordance with liquidity policies, the Group monitors the future cash flows and maintains liquid assets of high quality.

The Asset and Liability Management Committee ("ALMC") is responsible for managing the Group's overall liquidity risk. The ALMC, chaired by the President of the Bank, is responsible for the formulation of the liquidity policies in accordance with regulatory requirements and prudential principles. Such policies include:

- Maintaining liquidity at a stable and sufficient level; establishing integrated liquidity risk management system; ensuring the meeting of liquidity requirements on a timely basis and the payments to various businesses, whether under a normal operating environment or a state of stress; and
- Making timely and reasonable adjustments to capital structure and scale in response to market changes and business developments; achieving the integration of the security, liquidity, and effectiveness of the Bank's funds.

The Asset and Liability Management Department is responsible for executing liquidity risk management policies. It is also responsible for identifying, measuring, monitoring and managing medium and long-term working capital on a regular basis, and for formulating liquidity management strategies. The Asset and Liability Management Department is responsible for monitoring working capital on a daily basis and ensuring the liquidity. Significant disbursement or portfolio changes must be reported to the ALMC on a timely basis.

The Group mainly applies liquidity gap analysis to measure liquidity risk. The Group will continue to focus on limit monitoring and dynamic control, and apply different scenario stress tests to assess the impacts from liquidity risks and develop effective contingency plans to respond to various possible liquidity risks.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 49 Risk Management (continued)

#### (c) Liquidity risk (continued)

The following tables provide an analysis of assets and liabilities of the Group by maturity grouping based on the remaining periods to repayment at the end of the reporting period:

	31 December 2025							Total
	Overdue/ indefinite	Repayable on demand	Within one month	Between one month and three months	Between three months and one year	Between one year and five years	More than five years	
<b>Assets</b>								
Cash and deposits with central banks	222,903	116,329	-	-	-	-	-	339,232
Deposits with banks and other financial institutions	-	86,875	8,563	959	9,164	1,550	51	107,162
Placements with banks and other financial institutions	-	-	33,200	41,637	58,735	50,806	-	184,378
Financial assets held under resale agreements	-	-	12,923	-	-	-	-	12,923
Loans and advances to customers	17,161	361,405	176,010	304,128	1,166,238	896,422	990,015	3,911,379
Finance lease receivables	375	40	2,665	5,312	22,591	51,015	12,417	94,415
Financial investments	74,302	195,028	30,710	79,364	324,498	1,218,688	449,311	2,371,901
Others	90,604	48,355	211	463	1,527	2,618	151	143,929
<b>Total assets</b>	<b>405,345</b>	<b>808,032</b>	<b>264,282</b>	<b>431,863</b>	<b>1,582,753</b>	<b>2,221,099</b>	<b>1,451,945</b>	<b>7,165,319</b>

	31 December 2025							Total
	Overdue/ indefinite	Repayable on demand	Within one month	Between one month and three months	Between three months and one year	Between one year and five years	More than five years	
<b>Liabilities</b>								
Due to the central bank	-	-	20,551	57,945	76,182	-	-	154,678
Deposits from banks and other financial institutions	-	396,284	17,639	40,381	52,150	-	-	506,454
Placements from banks and other financial institutions	-	6	75,587	55,139	77,875	-	-	208,607
Financial assets sold under repurchase agreements	-	-	91,355	33,436	33,327	-	-	158,118
Deposits from customers	-	1,095,713	495,473	392,452	919,692	1,198,971	157	4,102,458
Debt securities issued	-	-	57,097	204,536	831,136	176,035	59,997	1,328,801
Others	-	73,714	840	1,636	5,052	14,649	2,870	98,761
<b>Total liabilities</b>	<b>-</b>	<b>1,565,717</b>	<b>758,542</b>	<b>785,525</b>	<b>1,995,414</b>	<b>1,389,655</b>	<b>63,024</b>	<b>6,557,877</b>
<b>Net position</b>	<b>405,345</b>	<b>(757,685)</b>	<b>(494,260)</b>	<b>(353,662)</b>	<b>(412,661)</b>	<b>831,444</b>	<b>1,388,921</b>	<b>607,442</b>
Notional amount of derivative financial instruments	-	-	126,679	131,809	325,437	314,298	14,218	912,441

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 49 Risk Management (continued)

#### (c) Liquidity risk (continued)

The following tables provide an analysis of assets and liabilities of the Group by maturity grouping based on the remaining periods to repayment at the end of the reporting period: (continued)

31 December 2024								
	Overdue/ indefinite	Repayable on demand	Within one month	Between one month and three months	Between three months and one year	Between one year and five years	More than five years	Total
<b>Assets</b>								
Cash and deposits with central banks	233,145	50,121	-	-	-	-	-	283,266
Deposits with banks and other financial institutions	-	38,114	1,832	4,151	524	3,146	-	47,767
Placements with banks and other financial institutions	29	-	39,902	60,625	79,183	-	-	179,739
Financial assets held under resale agreements	-	-	118,128	-	-	-	-	118,128
Loans and advances to customers	17,494	358,447	164,176	298,636	1,116,555	875,492	1,026,893	3,857,693
Finance lease receivables	774	40	3,735	6,632	26,506	51,138	5,956	94,781
Financial investments	12,643	284,143	34,849	69,281	278,391	1,197,801	331,641	2,208,749
Others	88,812	44,627	3,775	6,295	17,576	5,937	1,876	168,898
<b>Total assets</b>	<b>352,897</b>	<b>775,492</b>	<b>366,397</b>	<b>445,620</b>	<b>1,518,735</b>	<b>2,133,514</b>	<b>1,366,366</b>	<b>6,959,021</b>

31 December 2024								
	Overdue/ indefinite	Repayable on demand	Within one month	Between one month and three months	Between three months and one year	Between one year and five years	More than five years	Total
<b>Liabilities</b>								
Due to the central bank	-	-	-	10,545	85,088	-	-	95,633
Deposits from banks and other financial institutions	-	257,905	86,394	137,342	99,895	-	-	581,536
Placements from banks and other financial institutions	-	6	102,010	40,212	74,334	-	-	216,562
Financial assets sold under repurchase agreements	-	-	47,776	25,331	1,792	894	-	75,793
Deposits from customers	-	1,165,866	416,600	411,816	890,795	1,150,538	72	4,035,687
Debt securities issued	-	-	67,677	221,763	659,135	220,943	61,594	1,231,112
Others	-	79,366	3,561	6,925	21,779	18,486	2,350	132,467
<b>Total liabilities</b>	<b>-</b>	<b>1,503,143</b>	<b>724,018</b>	<b>853,934</b>	<b>1,832,818</b>	<b>1,390,861</b>	<b>64,016</b>	<b>6,368,790</b>
<b>Net position</b>	<b>352,897</b>	<b>(727,651)</b>	<b>(357,621)</b>	<b>(408,314)</b>	<b>(314,083)</b>	<b>742,653</b>	<b>1,302,350</b>	<b>590,231</b>
Notional amount of derivative financial instruments	-	-	266,914	362,621	1,269,594	421,528	5,745	2,326,402

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 49 Risk Management (continued)

#### (c) Liquidity risk (continued)

The following tables provide an analysis of the contractual undiscounted cash flows of the financial liabilities at the end of the reporting period:

	31 December 2025							
	Carrying amount	Contractual undiscounted cash flows	Repayable on demand	Within one month	Between one month and three months	Between three months and one year	Between one year and five years	More than five years
<b>Non-derivative financial liabilities</b>								
Due to the central bank	154,678	155,883	-	20,578	58,185	77,120	-	-
Deposits from banks and other financial institutions	506,454	507,672	396,652	17,662	40,528	52,830	-	-
Placements from banks and other financial institutions	208,607	210,593	6	75,979	55,658	78,950	-	-
Financial assets sold under repurchase agreements	158,118	158,571	-	91,447	33,521	33,603	-	-
Deposits from customers	4,102,458	4,166,652	1,095,770	495,760	393,749	930,136	1,251,064	173
Debt securities issued	1,328,801	1,334,190	-	53,063	202,362	831,887	181,558	65,320
Other financial liabilities	66,099	67,955	46,599	88	1,287	4,120	12,769	3,092
<b>Total non-derivative financial liabilities</b>	<b>6,525,215</b>	<b>6,601,516</b>	<b>1,539,027</b>	<b>754,577</b>	<b>785,290</b>	<b>2,008,646</b>	<b>1,445,391</b>	<b>68,585</b>
<b>Derivative financial instruments</b>								
Derivative financial instruments settled on net basis		(25)	-	(104)	12	(119)	28	158
Derivative financial instruments settled on gross basis								
- Cash inflow		141,169	-	46,879	33,653	57,511	3,126	-
- Cash outflow		(140,957)	-	(46,874)	(33,703)	(57,058)	(3,322)	-
		212	-	5	(50)	453	(196)	-

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 49 Risk Management (continued)

#### (c) Liquidity risk (continued)

The following tables provide an analysis of the contractual undiscounted cash flows of the financial liabilities at the end of the reporting period: (continued)

	31 December 2024							
	Carrying amount	Contractual undiscounted cash flows	Repayable on demand	Within one month	Between one month and three months	Between three months and one year	Between one year and five years	More than five years
<b>Non-derivative financial liabilities</b>								
Due to the central bank	95,633	97,056	-	-	10,597	86,459	-	-
Deposits from banks and other financial institutions	581,536	583,497	258,141	86,457	137,781	101,118	-	-
Placements from banks and other financial institutions	216,562	218,929	6	102,427	40,776	75,720	-	-
Financial assets sold under repurchase agreements	75,793	76,020	-	47,820	25,422	1,829	949	-
Deposits from customers	4,035,687	4,112,938	1,165,929	416,893	413,482	903,177	1,213,367	90
Debt securities issued	1,231,112	1,272,093	-	65,374	226,298	676,892	234,617	68,912
Other financial liabilities	70,957	76,138	50,301	40	1,035	5,785	16,429	2,548
<b>Total non-derivative financial liabilities</b>	<b>6,307,280</b>	<b>6,436,671</b>	<b>1,474,377</b>	<b>719,011</b>	<b>855,391</b>	<b>1,850,980</b>	<b>1,465,362</b>	<b>71,550</b>
<b>Derivative financial instruments</b>								
Derivative financial instruments settled on net basis		177	-	88	(89)	136	42	-
Derivative financial instruments settled on gross basis								
- Cash inflow		153,987	-	51,759	38,673	57,992	5,563	-
- Cash outflow		(152,656)	-	(51,566)	(38,319)	(57,288)	(5,483)	-
		1,331	-	193	354	704	80	-

This analysis of the financial instruments by contractual undiscounted cash flows might diverge from actual results.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

### V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 49 Risk Management (continued)

##### (c) Liquidity risk (continued)

The following tables provide an analysis of Credit commitments of the Group into relevant maturity groupings based on the remaining periods to repayment at the end of the reporting period:

	31 December 2025			Total
	Within one year	Between one year and five years	More than five years	
Loan and credit card commitments	556,086	37,885	94,941	688,912
Guarantees, acceptances and other credit commitments	952,283	37,329	9,167	998,779
<b>Total</b>	<b>1,508,369</b>	<b>75,214</b>	<b>104,108</b>	<b>1,687,691</b>

	31 December 2024			Total
	Within one year	Between one year and five years	More than five years	
Loan and credit card commitments	475,053	33,467	92,363	600,883
Guarantees, acceptances and other credit commitments	923,348	39,402	7,192	969,942
<b>Total</b>	<b>1,398,401</b>	<b>72,869</b>	<b>99,555</b>	<b>1,570,825</b>

##### (d) Operational risk

Operational risk refers to the risk of losses associated with internal processes deficiencies, personnel mistakes and information system failures, or impacts from other external events.

The Group establishes a framework of an operational risk management system to comprehensive identify, assess, control, manage and report operational risk. The framework covers all business functions ranging from corporate banking, retail banking, trading, corporate finance, settlement, intermediary business, asset management and all supporting functions, including human resource management, financial management, legal affairs, anti-money laundering and administration management. The key elements of the framework are listed as follows:

- A multi-level operational risk management framework with segregation of duties between front and back offices under the leadership of senior management;
- A series of operational risk management policies covering all businesses on the basis of core operational risk management policy;

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 49 Risk Management (continued)

#### (d) Operational risk (continued)

- A set of standard operational procedures covering all products and services, which is practical, traceable and can be re-performed, investigated and remedied;
- A series of operational risk management tools, including Risk Control Self-Assessment (RCSA), Key Risk Index (KRI), Loss Event Collection and IT system monitoring;
- An operational risk management culture, the core values of the culture is that effective risk management could create value. It is supported with a team of operational risk management professionals across all branches, businesses and functions;
- An evaluation system on the operational risk management as well as an inquiry and disciplinary system on the non-compliance issues; and
- An independent risk assessment framework based on the internal audit and the compliance review.

### 50 Fair value

#### (a) Methods and assumptions for measurement of fair value

The Group adopts the following methods and assumptions when evaluating fair values:

##### (i) Debt securities and equity investments

The fair values of debt securities and equity investments that are traded in an active market are based on their quoted market prices in an active market at the end of the reporting period. The fair values of unlisted equity investments are estimated using comparable firm approach, after adjustment for the specific circumstances of the issuers.

##### (ii) Receivables and other non-derivative financial assets

Fair values are estimated as the present values of the future cash flows, discounted at the market interest rates at the end of the reporting period.

##### (iii) Debt securities issued and other non-derivative financial liabilities

Fair values of debt securities issued are based on their quoted market prices at the end of the reporting period, or the present value of estimated future cash flows. The fair values of other non-derivative financial liabilities are valued at the present value of estimated future cash flows. The discount rates are based on the market interest rates at the end of the reporting period.

##### (iv) Derivative financial instruments

The fair values of foreign currency forward and swap contracts are determined by the difference between the present values of the forward prices and the contractual prices at the end of the reporting period, or are based on quoted market prices. The fair values of interest rate swaps are estimated as the present value of estimated future cash flows. The yield curve is based on the optimised price between the broker's quoted price and Thomson Reuters' quoted price. The fair value of option contracts are determined by option pricing models.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

### V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 50 Fair value (continued)

##### (b) Fair value measurement

###### (i) Financial assets

The Group's financial assets mainly consist of cash and deposits with central banks, deposits with banks and other financial institutions, placements with banks and other financial institutions, derivative financial assets, financial assets held under resale agreements, loans and advances to customers, finance lease receivables and financial investments.

Cash and deposits with central banks, deposits with banks and other financial institutions, placements with banks and other financial institutions and financial assets held under resale agreements are mostly priced at market interest rates and due within one year. Accordingly, the carrying amounts approximate the fair values.

Loans and advances to customers measured at amortised cost, finance lease receivables and financial investments measured at amortised cost, except for bond investments and asset-backed securities, are mostly priced at floating interest rates close to the LPR. Accordingly, the carrying amounts approximate the fair values.

Financial assets at fair value through profit or loss, debt instruments at fair value through other comprehensive income, equity instruments at fair value through other comprehensive income, and derivative financial assets presented at fair value.

###### (ii) Financial liabilities

The Group's financial liabilities mainly include deposits from banks and other financial institutions, placements from banks and other financial institutions, derivative financial liabilities, financial assets sold under repurchase agreements, deposits from customers, due to the central bank and debt securities issued. Except the debt securities issued, the carrying amounts of other financial liabilities approximate their fair values.

Financial liabilities at fair value through profit or loss and derivative financial liabilities presented at fair value.

The tables below summarise the carrying amounts and fair values of "debt securities and asset-backed instruments measured at amortised cost".

	Carrying value		Fair value	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
<b>Financial assets</b>				
Debt securities and asset-backed instruments measured at amortised cost	1,192,578	1,141,547	1,228,368	1,191,979
<b>Financial liabilities</b>				
Debt securities issued	1,328,801	1,231,112	1,332,620	1,239,529

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 50 Fair value (continued)

#### (b) Fair value measurement (continued)

##### (ii) *Financial liabilities* (continued)

Except for the items shown in the tables above, the maturity dates of aforesaid financial assets and liabilities are within a year or are mainly floating interest rates, as a result, their carrying amounts are approximately equal to their fair value.

Debt securities and asset-backed instruments measured at amortised cost are based on broker/dealer price quotations. Where this information is not available, the Bank will perform valuation by referring to prices from valuation service providers or on the basis of discounted cash flows models. Valuation parameters include market interest rates, expected future default rates, prepayment rates and market liquidity. The fair values of RMB bonds are mainly determined based on the valuation results provided by China Central Depository Trust & Clearing Co., Ltd..

The fair values of debt securities issued are calculated by using discounted cash flow model which is based on the current yield curve that is appropriate for the remaining term to maturity.

#### (c) Fair value hierarchy

The level in the fair value hierarchy within which the fair value measurement is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. The definitions of three levels are as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly (i.e., prices) or indirectly. Input parameters like ChinaBond interbank yield curves, LIBOR yield curves and SOFR are sourced from ChinaBond, Thomson Reuters and Shanghai Clearing House.

Level 3: Inputs for assets or liabilities that are not based on observable market data (unobservable inputs). This level includes complicated equity instruments or debt instruments with one or more than one significant unobservable component.

Fair value measurement requires the use of observable open market data wherever possible. The Group tries its best to consider relevant and observable market prices in valuations.

If there is a reliable market quote for financial instruments, the fair value of financial instruments is based on quoted market prices. If a reliable quoted market price is not available, the fair value of the financial instruments is estimated using valuation techniques. Valuation techniques applied include reference to the fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. The inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and foreign exchange rates. Where discounted cash flow analysis is used, estimated cash flows are based on management's best estimates and the discount rate used is with reference to that of another instrument that is substantially the same.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

### V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 50 Fair value (continued)

##### (c) Fair value hierarchy (continued)

##### *Assets and liabilities measured at fair value*

The table below summaries the carrying values in three levels of assets and liabilities measured at fair value at the end of the reporting period:

	31 December 2025			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
<i>Derivative financial assets</i>				
– Currency derivatives	–	2,144	–	2,144
– Interest rate derivatives	0	3,384	–	3,384
<i>Loans and advances to customers</i>	–	238,390	–	238,390
<i>Financial assets at fair value through profit or loss</i>				
– Debt instruments held for trading	–	139,480	32	139,512
– Other financial assets at fair value through profit or loss	139,245	123,816	56,065	319,126
<i>Debt instruments at fair value through other comprehensive income</i>	–	678,241	184	678,425
<i>Equity instruments at fair value through other comprehensive income</i>	41	–	1,102	1,143
<b>Total</b>	<b>139,286</b>	<b>1,185,455</b>	<b>57,383</b>	<b>1,382,124</b>
<b>Liabilities</b>				
<i>Derivative financial liabilities</i>				
– Currency derivatives	–	2,156	–	2,156
– Interest rate derivatives	–	3,391	–	3,391
<b>Total</b>	<b>–</b>	<b>5,547</b>	<b>–</b>	<b>5,547</b>

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 50 Fair value (continued)

#### (c) Fair value hierarchy (continued)

##### *Assets and liabilities measured at fair value* (continued)

The table below summaries the carrying values in three levels of assets and liabilities measured at fair value at the end of the reporting period: (continued)

	31 December 2024			Total
	Level 1	Level 2	Level 3	
<b>Assets</b>				
<i>Derivative financial assets</i>				
– Currency derivatives	–	27,286	–	27,286
– Interest rate derivatives	1	6,510	–	6,511
<i>Loans and advances to customers</i>				
	–	265,558	–	265,558
<i>Financial assets at fair value through profit or loss</i>				
– Debt instruments held for trading	–	128,473	22	128,495
– Other financial assets at fair value through profit or loss	215,300	93,278	6,033	314,611
<i>Debt instruments at fair value through other comprehensive income</i>				
	–	600,176	228	600,404
<i>Equity instruments at fair value through other comprehensive income</i>				
	38	–	1,102	1,140
Total	215,339	1,121,281	7,385	1,344,005
<b>Liabilities</b>				
<i>Derivative financial liabilities</i>				
– Currency derivatives	–	26,153	–	26,153
– Interest rate derivatives	–	6,295	–	6,295
Total	–	32,448	–	32,448

The Group takes the date of the event that caused the transfer between levels as the date of the transfer. There is no transfer between the first and second levels for the year.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

### V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 50 Fair value (continued)

##### (c) Fair value hierarchy (continued)

##### *Assets and liabilities measured at fair value* (continued)

The movements during the year ended 31 December 2025 in the balance of Level 3 fair value measurements are as follows:

	Derivative financial assets	Financial assets at fair value through profit or loss	Equity instruments at fair value through other comprehensive income	Debt instruments at fair value through other comprehensive income	Total assets	Derivative financial liabilities	Total liabilities
As at 1 January 2025	–	6,055	1,102	228	7,385	–	–
Transferred to level 3	–	–	–	–	–	–	–
Total gains or losses:							
– Recognised in profit or loss	–	(1,923)	–	–	(1,923)	–	–
– Recognised in other comprehensive income	–	–	–	29	29	–	–
Additions	–	52,281	–	–	52,281	–	–
Settlements	–	(316)	–	(73)	(389)	–	–
As at 31 December 2025	–	56,097	1,102	184	57,383	–	–
Impact on net loss	–	(1,923)	–	–	(1,923)	–	–

The movements during the year ended 31 December 2024 in the balance of Level 3 fair value measurements are as follows:

	Derivative financial assets	Financial assets at fair value through profit or loss	Equity instruments at fair value through other comprehensive income	Debt instruments at fair value through other comprehensive income	Total assets	Derivative financial liabilities	Total liabilities
As at 1 January 2024	–	10,222	1,102	20	11,344	–	–
Transferred to level 3	–	669	–	208	877	–	–
Total gains or losses:							
– Recognised in profit or loss	–	(597)	–	–	(597)	–	–
– Recognised in other comprehensive income	–	–	–	(8)	(8)	–	–
Additions	–	336	–	8	344	–	–
Settlements	–	(4,575)	–	–	(4,575)	–	–
As at 31 December 2024	–	6,055	1,102	228	7,385	–	–
Impact on net loss	–	(597)	–	–	(597)	–	–

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 50 Fair value (continued)

#### (c) Fair value hierarchy (continued)

##### *Financial assets and liabilities not measured at fair value*

The tables below summarise the fair values in three levels of “debt securities and asset-backed instruments measured at amortised cost” and “debt securities issued”.

	31 December 2025			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Debt securities and asset-backed instruments measured at amortised cost	–	1,227,762	606	1,228,368
<b>Financial liabilities</b>				
Debt securities issued	–	1,332,620	–	1,332,620

	31 December 2024			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Debt securities and asset-backed instruments measured at amortised cost	–	1,191,337	642	1,191,979
<b>Financial liabilities</b>				
Debt securities issued	–	1,239,529	–	1,239,529

#### (d) Valuation of financial instruments with significant unobservable inputs

Financial instruments valued with significant unobservable inputs are primarily trust plans, asset management plans and unlisted equity. These financial instruments are valued using cash flow discount model and market method. The models incorporate various non-observable assumptions such as discount rate and market rate volatilities.

As at 31 December 2025, the carrying amounts of financial instruments valued with significant unobservable inputs were immaterial, and the effects of changes in significant unobservable assumptions to reasonably possible alternative assumptions were also not material.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

### V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 51 Entrusted lending business

The Group provides entrusted lending business services to government agencies, corporations and individuals. All entrusted loans are funded by entrusted funds from these entities and individuals. The Group does not take any credit risk in relation to these transactions. The Group acts as an agent to hold and manage these assets and liabilities at the direction of the entrustors and receives fee income for the services provided. The entrusted assets are not the assets of the Group and are not recognised in the statement of financial position.

	31 December 2025	31 December 2024
Entrusted loans	76,058	103,155
Entrusted funds	76,058	103,155

#### 52 Commitments and contingent liabilities

##### (a) Credit commitments

The Group's credit commitments take the form of approved loans with signed contracts, credit card commitments, acceptances, letters of credit and financial guarantees.

The contractual amounts of loans and credit card commitments represent the amounts should the contracts be fully drawn upon. The Group provides financial guarantees and letters of credit to guarantee the performance of customers to third parties. Acceptances comprise undertakings by the Group to pay bills of exchange drawn on customers. The Group expects most acceptances to be settled simultaneously with the reimbursement from the customers.

	31 December 2025	31 December 2024
Loan commitments		
– Original contractual maturity within one year	26,184	27,602
– Original contractual maturity more than one year (inclusive)	132,826	125,831
Credit card commitments	529,902	447,450
Subtotal	688,912	600,883
Acceptances	699,827	683,870
Letters of guarantee	108,689	119,730
Letters of credit	190,083	166,162
Guarantees	180	180
Total	1,687,691	1,570,825

The Group may be exposed to credit risk in all the credit businesses above. Group management periodically assesses the estimated credit risk and makes provision for any expected credit losses. As the facilities may expire without being drawn upon, the total of the contractual amounts shown above is not representative of expected future cash outflows.

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 52 Commitments and contingent liabilities (continued)

#### (b) Credit risk-weighted amount of credit commitments

	31 December 2025	31 December 2024
Credit risk-weighted amount of credit commitments	456,070	435,181

As at 31 December 2025 and 31 December 2024, the credit risk-weighted amount of credit commitments represents the amount calculated with reference to the “Regulation Governing Capital of Commercial Banks” The risk weights are determined in accordance with the credit status of the counterparties, the maturity profile and other factors. The credit conversion coefficient ranged from 0% to 100% for credit commitments.

#### (c) Capital commitments

As at the end of the reporting period, the Group’s authorised capital commitments are as follows:

	31 December 2025	31 December 2024
Contracted but not paid – Purchase of property and equipment	8,398	10,773
Approved but not contracted for – Purchase of property and equipment	5,685	6,264
Total	14,083	17,037

#### (d) Underwriting and redemption commitments

The Group has no unexpired commitments for underwriting bonds as at the end of the reporting period.

As an underwriting agent of the PRC government bonds, the Group has the responsibility for buying back those bonds it previously sold should the holders decide to make an early redemption of the bonds held. The redemption price for a bond at any time before its maturity date is based on the coupon value plus any interest unpaid and accrued up to the redemption date. Accrued interest payable to the bond holders is calculated in accordance with the relevant MOF and PBOC rules. The redemption price may be different from the fair value of similar financial instruments traded at the redemption date.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 52 Commitments and contingent liabilities (continued)

#### (d) Underwriting and redemption commitments (continued)

As at the end of the reporting period, the underwritten, sold and immature national bonds' redemption commitments at nominal value are as follows:

	31 December 2025	31 December 2024
Redemption commitments	3,250	3,229

#### (e) Outstanding litigations and disputes

As at 31 December 2025, the Group was the defendant or the third party in certain pending litigation and disputes with gross claims of RMB1,658 million (31 December 2024: RMB1,645 million). Provisions have been made for the estimated losses from such litigations based upon the opinions of the Group's internal and external legal counsels (Note V 35). The Group considers that the provisions made are reasonable and adequate.

### 53 Subsequent Events

1. The Bank redeemed the Everbright P3 on 11 February 2026, and fully paid the nominal value and the dividends.
2. The Group has no significant subsequent events except for dividend distribution. See Note V, 41 for details of dividend distribution.

### 54 Comparative Figures

Certain comparative figures in the notes have been adjusted to conform with changes in disclosures in current period.

# Unaudited Supplementary Financial Information

(Expressed in millions of Renminbi, unless otherwise stated)

The information set out below does not form part of the consolidated financial statements, and is included herein for information purposes only.

## 1 LIQUIDITY COVERAGE RATIO, LIQUIDITY RATIO AND NET STABLE FUNDING RATIO

### Liquidity Coverage Ratio

As stipulated by the Rules issued by NFRA on Liquidity Risk Management of Commercial Banks, commercial banks' liquidity coverage ratio ("LCR") should reach 100% by the end of 2018. During the transition period, the LCR should be no lower than 90%. Eligible commercial banks are encouraged to fulfil the requirements in advance, and banks with LCR already reaching 100% are encouraged to continuously maintain it at 100% or above.

	31 December 2025	31 December 2024
Liquidity coverage ratio	143.11%	151.17%
High Quality Liquid Assets	982,358	1,021,575
Net cash outflows in 30 days from the end of the reporting period	686,419	675,790

### Liquidity Ratio\*

	As at 31 December 2025	Average for the year ended 31 December 2025	As at 31 December 2024	Average for the year ended 31 December 2024
RMB current assets to RMB current liabilities	83.74%	79.10%	83.42%	79.26%
Foreign current assets to foreign current liabilities	102.62%	94.38%	69.53%	74.28%

\* Liquidity ratio is calculated in accordance with the banking level.

The above liquidity coverage ratio are calculated in accordance with the formula promulgated by the NFRA and based on the financial information prepared in accordance with PRC GAAP.

### Net Stable Funding Ratio

The net stable fund ratio is designed to ensure that commercial banks have sufficient sources of stable funding to meet the demand for stable funds for various assets and off-balance sheet exposures. The Measures for the Administration of Liquidity Risk of Commercial Banks stipulate that since 1 July 2018, the minimum regulatory standard for the net stable fund ratio is no less than 100%.

## Unaudited Supplementary Financial Information

(Expressed in millions of Renminbi, unless otherwise stated)

### 1 LIQUIDITY COVERAGE RATIO, LIQUIDITY RATIO AND NET STABLE FUNDING RATIO (CONTINUED)

#### Net Stable Funding Ratio (continued)

The calculation formula of net stable funding ratio is as follows:

Net stable funding ratio = available and stable funds/required stable funds\*100%

As at 31 December 2025, the Group met the supervision requirement with the net stable funding ratio standing at 107.66%.

Indicators	31 December 2025
Available and stable funds	4,110,592
Required stable funds	3,818,052
Net stable funding ratio	107.66%

### 2 CURRENCY CONCENTRATIONS

	31 December 2025			
	USD (RMB equivalent)	HKD (RMB equivalent)	Others (RMB equivalent)	Total (RMB equivalent)
Spot assets	183,752	59,489	90,674	333,915
Spot liabilities	(222,795)	(38,015)	(52,029)	(312,839)
Forward purchases	165,498	9,986	198,231	373,715
Forward sales	(155,654)	(17,649)	(200,221)	(373,524)
Net (short)/long position	(29,199)	13,811	36,655	21,267
Net structural position	–	324	167	491

	31 December 2024			
	USD (RMB equivalent)	HKD (RMB equivalent)	Others (RMB equivalent)	Total (RMB equivalent)
Spot assets	202,496	47,226	89,891	339,613
Spot liabilities	(249,930)	(41,546)	(55,845)	(347,321)
Forward purchases	855,619	6,384	819,293	1,681,296
Forward sales	(827,293)	(3,354)	(849,139)	(1,679,786)
Net (short)/long position	(19,108)	8,710	4,200	(6,198)
Net structural position	–	367	156	523

The net structural position of the Group includes the structural positions, denominated in foreign currency, of the Bank's Hong Kong, Seoul, Luxembourg, Sydney and Macao branches. Structural assets mainly include property and equipment.

### 3 GROSS AMOUNT OF OVERDUE LOANS AND ADVANCES

#### (a) By geographical segment

	31 December 2025	31 December 2024
Pearl River Delta	14,120	8,206
Yangtze River Delta	6,317	6,577
Central	5,572	6,031
Bohai Rim	5,309	4,681
Northeastern	4,059	3,599
Western	3,800	3,559
Head Office	8,599	8,616
Overseas	2,220	2,532
<b>Total</b>	<b>49,996</b>	<b>43,801</b>

The above analysis includes loans and advances overdue for more than 90 days. Loans and advances with a specific repayment date are classified as overdue when the principal or interest is overdue.

#### (b) By overdue day

	31 December 2025	31 December 2024
Loans and advances which have been overdue with respect to either principal or interest for periods of		
– between 3 and 6 months (inclusive)	13,658	9,396
– between 6 months and 1 year (inclusive)	11,318	14,284
– over 1 year	25,020	20,121
<b>Total</b>	<b>49,996</b>	<b>43,801</b>
As a percentage of loans and advances		
– between 3 and 6 months (inclusive)	0.34%	0.24%
– between 6 months and 1 year (inclusive)	0.29%	0.36%
– over 1 year	0.63%	0.51%
<b>Total</b>	<b>1.26%</b>	<b>1.11%</b>

The above analysis includes loans and advances overdue for more than 90 days. Loans and advances with a specific repayment date are classified as overdue when the principal or interest is overdue.

## Unaudited Supplementary Financial Information

(Expressed in millions of Renminbi, unless otherwise stated)

### 3 GROSS AMOUNT OF OVERDUE LOANS AND ADVANCES (CONTINUED)

#### (c) Collateral of loans and advances past due but not impaired

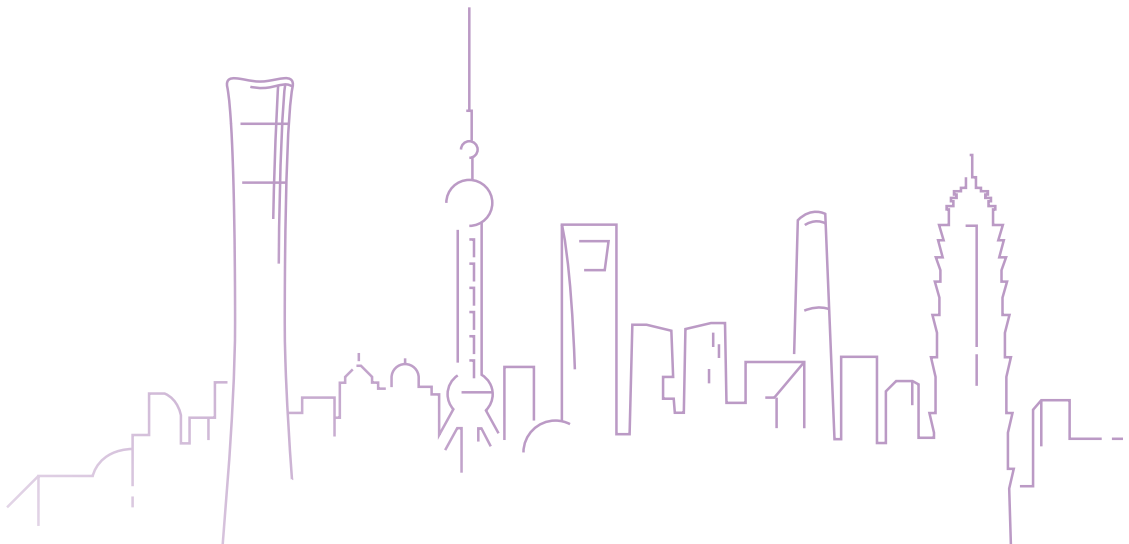
	31 December 2025	31 December 2024
Covered portion of loans and advances past due but not impaired	16,085	11,871
Uncovered portion of loans and advances past due but not impaired	20,833	21,379
Total loans and advances past due but not impaired	36,918	33,250
Current market value of collateral	37,584	37,191

### 4 RESTRUCTURED LOANS AND ADVANCES TO CUSTOMERS

	31 December 2025	31 December 2024
Restructured loans and advance to customers	24,755	21,959
Of which: Restructured loans and advances to customers overdue more than 90 days	2,025	776


### 5 NON-BANK CHINESE MAINLAND EXPOSURE

The Bank is a commercial bank incorporated in the PRC with its banking business conducted in Chinese Mainland. As at 31 December 2025, substantial amounts of the Group's exposures arose from businesses with Chinese Mainland entities or individuals.





Address : Everbright Center, No.25 Taipingqiao Avenue,  
Xicheng District, Beijing, P. R. China  
Tel : (86)10-63636363  
Fax : (86)10-63639066  
Postal Code : 100033  
Website : [www.cebbank.com](http://www.cebbank.com)

 This Annual Report is printed on environmentally friendly paper.

