



广州农商银行

GUANGZHOU RURAL COMMERCIAL BANK

Guangzhou Rural Commercial Bank Co., Ltd.

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

Stock Code: 1551

2025 | ANNUAL REPORT



GUANGZHOU RURAL COMMERCIAL BANK

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DEFINITIONS

Unless the context otherwise requires, the terms used in this report shall have the following meaning:

“AGM”	annual general meeting of the Bank
“Articles of Association”	the articles of association of the Bank
“Board of Directors”	the board of directors of the Bank
“Board of Supervisors”	the board of supervisors of the Bank
“CBIRC”	the former China Banking Insurance Regulatory Commission
“CBRC”	the former China Banking Regulatory Commission
“Central Bank”, “PBOC”	the People’s Bank of China or “People’s Bank”
“China” or “PRC”	the People’s Republic of China
“Corporate Governance Code ”	Appendix C1 of the Corporate Governance Code under the Listing Rules
“county bank(s)”	banking financial institutions that are approved by China Banking Regulatory Authority to be incorporated in rural areas to serve the farmers, agriculture in rural areas and rural economic development
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of our Bank
“Domestic Shares”	the ordinary shares with a nominal value of RMB1.00 each issued by the Bank in the PRC
“Group”	Guangzhou Rural Commercial Bank Co., Ltd. and its subsidiaries
“Guangzhou Rural Commercial Bank” or “Bank”	Guangzhou Rural Commercial Bank Co., Ltd.
“H Shares”	the foreign shares issued by the Bank which are registered in Mainland China and listed in Hong Kong
“HK\$”	the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“HKEx” or “Stock Exchange”	the Stock Exchange of Hong Kong Limited
“IFRS Accounting Standards”	the International Financial Reporting Standards, which include the related standards, amendments and interpretations issued by the International Accounting Standard Board (“IASB”)
“Latest Practicable Date”	27 March 2026
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time
“Reporting Period”	for the twelve months from 1 January 2025 to 31 December 2025
“yuan” or “RMB”	the lawful currency of the People’s Republic of China
“Hundred, Thousand, and Ten Thousand Project”	the High-Quality Development Project for hundred Counties, thousand Towns, and ten thousand Villages in Guangdong Province
“Sannong”	agriculture, rural areas and farmers
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	the holder(s) of the Share(s)
“Share(s)”	Domestic Shares and H Shares
“supervisor(s)”	the supervisor(s) of the Bank
“USD”	the lawful currency of the United States of America
“%”	per cent

CHAIRMAN'S STATEMENT

2025 is the final year of the "14th Five-Year" Plan. Over the past five years, Guangzhou Rural Commercial Bank has adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, targeted at the vision of "becoming a first-class commercial bank in China", and made relentless explorations and creative practices. It has forged a path of specialized operations tailored to its own development reality, achieving comprehensive optimization and enhancement in assets and liabilities, capital strength, risk management, internal control, and talent pool. In 2025, the Group's total assets reached RMB1.38 trillion, businesses supporting Sannong and small enterprises maintained solid growth, the asset and liability structure continued to be optimized, and net profit achieved growth. The foundation for the Bank's positive operational trajectory was continuously strengthened, and the building of a first-class bank has taken clear shape and momentum.

Unwavering in commitment, and taking the lead in serving the real economy. We have consistently integrated our own development into the broader regional economic and social landscape. Developing rural finance according to local conditions, our agriculture-related loans achieved steady growth. We fully supported the advancement of the "Two Mountains" ring construction, cumulatively engaging with 302 key projects with a credit line amount of RMB65.3 billion, ranking at the forefront in the Guangzhou region. Our leading effect in serving the "Hundred, Thousand and Ten Thousand Project" has become even more prominent. We devoted our efforts to the "Five Key Tasks" in Finance, actively implemented the "Enterprise Co-prosperity Plan", and provided credit support to nearly 2,700 technology-based enterprises and over 1,000 national and provincial SRDI enterprises. We successfully landed the province's first dual-certified loan combining "transition finance + carbon footprint linkage", with green loans growing by 20% and the growth rate of inclusive micro and small business self-operated loans ranking first in Guangzhou. The "Guangfu Butler" elderly care finance brand has gradually gained prominence, digital transformation accelerated its empowerment, and the dynamic waters of finance continued to nourish tens of thousands of market entities.

Unceasing in our pursuit, and scaling new heights in reform and development. Adhering to reform as the pathbreaker, from localized operations to comprehensive marketing and then to the "114" development model, the reform and transformation of our branch network have progressed steadily and methodically, with the per capita net operating income of the branches increasing by over 10%. By restructuring the credit product system and strengthening our marketing teams, our advantages in talent, products, and services have continuously accumulated, and the proportion of small and medium-sized loans to total customer loans increased significantly. The "3+2" specialized operations model – centered on the branch network as the main battleground and small and medium-sized asset business as the core competitiveness – has been comprehensively established and continues to exert its strength, continuously enhancing the professionalism, precision, and accessibility of our financial services. Focusing on efficiency enhancement, we actively optimized the asset and liability structure. We synergistically advanced reform, risk mitigation, and cost reduction with efficiency gains, maintaining stable operation and development. The characteristics of a first-class bank – high quality, excellent service, and strong management – have become even more evident.

CHAIRMAN'S STATEMENT

Unwavering in spiritual conviction, and gathering strength through Party-building efforts. We have persistently strengthened overall Party leadership and Party building, systematically constructed the 442 working system for Party building, intensified theoretical learning, solidified research and investigation, and advanced ideological and propaganda work with high standards, deeply implementing Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era through meticulous reflection and earnest action. We solidly advanced thematic education, Party discipline education, and conduct building, continuously deepening the rectification of work styles, enforcement of discipline, and anti-corruption efforts, thereby constantly infusing the Bank with an atmosphere of integrity and uprightness. Firmly implementing the strategy of “revitalizing the Bank through talent”, we deepened reforms in personnel selection and remuneration management. Annually, we brought in over 300 university graduates, promoted more than 70 young cadres to middle management positions, and achieved grade promotions for over 2,000 professional track employees. Over 10,000 employees faced difficulties head-on, prioritizing hard work, forging ahead in their endeavors, and reaping rewards through dedication, contributing to the reform and crucial battles of the “14th Five-Year” Plan with high morale.

2026 is the inaugural year of the “15th Five-Year” Plan, bringing forth the tremendous opportunities of Chinese-style modernization and the majestic prospects of the financial industry’s development. The CPC Central Committee has drawn a grand blueprint for accelerating the building of a financial powerhouse during the “15th Five-Year” period. As the high-quality development of the province and city deepens and the construction of the Guangdong-Hong Kong-Macao Greater Bay Area advances rapidly, we must stay true to our original aspirations and act resolutely to temper ourselves and grow amidst the tide of financial reform and development in the new era. Only by moving forward hand in hand can we continuously create a new paradigm of high-quality development for Guangzhou Rural Commercial Bank.

We will strive to become a vanguard in the high-quality development model for small and medium-sized banks nationwide. We will unswervingly adhere to and implement the specialized development concept, strengthen and optimize the small and medium-sized asset business, and refine and solidify the “114” branch network development model. We will continuously achieve breakthroughs in product innovation, service enhancement, technological support, and efficiency creation, forging operational resilience across economic cycles anchored by a healthy balance sheet. We will unswervingly adhere to a prudent and stable operating philosophy, deeply advance the construction of a comprehensive risk management system covering all institutions, all customers, all assets, and full processes, steadily elevate the level of digital risk control and the capability to dispose of and resolve risky assets, and firmly maintain the risk bottom line.

We will continue to serve as a main force in supporting rural revitalization and the real economy. Sticking to the development positioning of supporting Sannong and small enterprises, we will deepen comprehensive financial services, pass the baton to write a new chapter in serving Sannong and rural revitalization, and make greater contributions to assisting integrated urban-rural development. Focusing on major strategies, key areas, and weak links, we will continuously increase support for the construction of a modern industrial system, and help accelerate the development of new quality productive forces with more precise and efficient financial services.

CHAIRMAN'S STATEMENT

We will strive to build a benchmark bank for the deep integration and development of Party building and business operations. Deepening comprehensive strict governance of the Party, we will perfect an integrated working paradigm of "Party building leading, operational landing, and integration creating efficiency". We will build a solid organizational foundation and strengthen disciplinary safeguards, making daring, capable, and energetic endeavors the new normal for entrepreneurship and daily work. We will strengthen cultural construction, guiding employees to firmly establish correct views on performance, operations, and risks, promoting the formation of cultural genes consistent with financial culture with Chinese characteristics, thereby enhancing our soft power for development.

Seeking dreams across mountains and seas, the distance matters not; though the road ahead is long, we march forward with broad strides. We firmly believe that with the strong support of leaders at all levels and relevant units, and the relentless efforts of all cadres and employees, Guangzhou Rural Commercial Bank will surely usher in a brighter future during the "15th Five-Year" Plan period!

PRESIDENT'S STATEMENT

Time marches on, bringing a prosperous new year. As 2025 marks the final year of the "14th Five-Year" Plan, Guangzhou Rural Commercial Bank adhered to the theme of high-quality development. We forged ahead in serving the real economy, strengthened our advantages through specialized operations, and consolidated our foundation by reducing risks. We promoted the balanced improvement of "quality, efficiency, and scale", and with solid results in pursuing progress while maintaining stability and improving quality through progress, we added a resplendent chapter to the successful conclusion of the "14th Five-Year" Plan.

Over the past year, we delivered a development record of robust and resilient operations. Focusing on stabilizing growth and increasing efficiency, we accelerated the optimization of our asset and liability structure, continuously strengthened our foundation, honed our advantages, and accumulated strength to build resilience across economic cycles. The Group's total assets grew to RMB1.38 trillion, and net profit increased by 2% year-on-year, we achieved dual growth in both scale and profitability. The proportion of high-quality small and medium-sized loans and deposits with maturities within one year increased by 5.1 and 3.2 percentage points, respectively. We added over 12,000 new customers for small and medium-sized loans, achieving dual optimization in both business structure and customer base structure, thereby driving more high-quality, resilient, and dynamic development.

Over the past year, we demonstrated our mission and commitment to serving the broader development landscape. We adhered to the essence of finance, tightly integrating investment in physical assets with investment in people, and fully supported economic growth with a sense of immense responsibility. Embedding our original financial aspirations into the pulse of regional economic development, we deepened and refined the "Five Key Tasks" to empower the innovative development of industries. The number of signed enterprises and credit line balance under the "Enterprise Co-prosperity Plan" ranked first among pilot banks in Guangzhou. Loans in the "12218" areas, inclusive loans to small and micro enterprises, and green loans all achieved double-digit growth. Channelling financial vitality into the fertile soil of rural revitalization, we acted as a vanguard in promoting the hundred counties, thousand towns, and ten thousand villages high-quality development project. We served over 22,000 agriculture-related customers, with agriculture-related loans reaching RMB42 billion, helping to build a higher-level new pattern of integrated urban-rural development. Embedding our "finance for the people" philosophy into the practice of improving livelihoods, we comprehensively supported customers in enhancing their quality of life. The incremental growth of mortgage loans remained the first among our local peers in Guangzhou, and we accelerated the creation of the new benchmark for elderly care finance with "Guangfu Butler", continuously fulfilling the people's aspirations for a better life.

PRESIDENT'S STATEMENT

Over the past year, we surged with the powerful momentum of deepening specialized operations. Based on the differentiated development orientation of small and medium-sized banks, we actively sought internal refinement and outward growth, building a specialized operation model centered on enhancing the “dual competitiveness”, which propelled the Bank’s development toward higher quality and greater sustainability. We fully established the core competitiveness of our small and medium-sized asset business, tackling capability building in four major areas: product innovation, customer service, technological support, and efficiency creation. Small and medium-sized loans maintained a growth rate of over 15% for the second consecutive year, increasingly becoming the core engine driving performance growth. We devoted our full efforts to enhancing the comprehensive competitiveness of our branch network, deepening the “114” branch development model. We clarified the development positioning with a “one branch, one policy” approach, identified target customer groups, and optimized the supply of four key elements: personnel, products, processes, and performance assessments. With double-digit growth in both per capita asset scale and per capita net operating income at branches, our main battleground for specialized operations was continuously strengthened.

Over the past year, we left a solid imprint by accelerating reforms and risk mitigation. Adhering to the eternal theme of risk prevention and mitigation, we successfully completed the Bank-wide reform and risk mitigation tasks. We took a coordinated approach to reducing legacy asset risks and controlling new ones, successfully achieving our risk asset recovery and disposal targets. We effectively reduced large and out-of-region credit exposures, stabilizing our asset quality foundation. We moved risk prevention and control barriers forward, strengthening the proactive and forward-looking risk controls for performing assets, and facilitating the early detection, early warning, and early disposal of asset risks. We prudently and systematically advanced the reduction in quantity and improvement in quality of our affiliated village and township banks. Centered on the organizational structure, credit approval, and business development of our subsidiaries, we implemented comprehensive and deep-level reforms, driving their robust development through transparent, vertical consolidated management.

Looking back, the entire Bank has been united in purpose and relentless in action, painting a vivid picture of Guangzhou Rural Commercial Bank reforming, innovating, and braving the waves with wisdom and sweat. Moving forward, our original aspirations remain as solid as rock, and our determination grows even firmer. We will unwaveringly adjust our structure, improve quality, and increase efficiency. Taking reform and innovation as the fundamental driving force, we will continuously optimize financial supply, strengthen risk control, and enhance management efficiency, striving to ensure a strong start and a solid beginning for the “15th Five-Year” Plan.

We will uphold integrity and innovation to deepen our development positioning, creating new advantages for high-quality development. We will ensure that our efforts to serve the local economy and our own operational growth are aligned, taking proactive actions in supporting the development of new quality productive forces and expanding domestic demand. We will polish our four financial calling cards – rural finance, technology finance, industrial finance, and retail finance – to breathe “new vitality” into our traditional strengths and open up “new tracks” for balanced development, using financial vitality to serve myriad industries and nourish tens of thousands of enterprises and households. We remain steadfast in enhancing the “dual competitiveness”, accelerating the market share and efficiency contribution of our small and medium-sized asset business. We will transform our branch network into comprehensive service nodes and value creation centers for the regional market, forging a path of high-quality development characterized by distinctive features, prominent advantages, and strong sustainability.

PRESIDENT'S STATEMENT

We will concentrate our efforts on tackling challenges to strengthen risk control, building a solid new defense line of compliance and internal control. We will optimize and perfect a comprehensive risk management system covering the entire Group, all scopes, and full processes. By decisively mitigating risks in key areas, strictly preventing and controlling new asset risks, and driving the continuous convergence of credit risks, we will firmly safeguard our asset quality lifeline. We will establish and improve our compliance and internal control system, deepen the closed-loop management of rule formulation, execution, and supervision, and cultivate a robust compliance culture, thereby reinforcing the foundation for stable and long-term progress. We will continue to deepen the reform and risk mitigation of our subsidiaries, encouraging them to focus on their core businesses, refine corporate governance, and manage risks, ultimately promoting quality and efficiency enhancement in their operations.

We will strive for excellence to optimize internal management, injecting new momentum into value creation. By comprehensively strengthening proactive asset-liability management, we will steadily improve asset efficiency and reduce liability costs to build a healthy balance sheet, ensuring a firmer foundation and stronger staying power for our development. We will comprehensively advance digital transformation, accelerate the roll-out of new online products, perfect our intelligent customer marketing system, and build a digitalized and intelligent risk control decision-making system to empower operations and management with improved quality and efficiency. We will provide long-term, normalized services to the grassroots level, clearing bottlenecks and building consensus through the mutual engagement of “truly raising issues” and “genuinely solving problems”, pooling our strength with an excellent working style to embark on a new journey together.

Those who begin with sharp resolve must plan for the end; those who succeed prepare from the very start. Standing at the new starting point of the “15th Five-Year” Plan, we will set sail on a new journey with the posture of strivers and open a new chapter with the responsibility of pragmatists. We will advance at full speed toward the goal of becoming a vanguard of high-quality development for small and medium-sized banks. During the “15th Five-Year” Plan period, we will accelerate our pace, deliver new achievements, and contribute greater rural commercial bank strength to the accelerated construction of a financial powerhouse province and city!

BASIC INFORMATION

I. BANK PROFILE

- (I) Official Chinese Name and Abbreviated: 廣州農村商業銀行股份有限公司
(Abbreviated as “廣州農村商業銀行”)
Official English Name and Abbreviated: Guangzhou Rural Commercial Bank Co., Ltd.
(Abbreviated as “GRCB”)
- (II) Legal representative: Mr. Cai Jian
- (III) Authorized Representatives: Mr. Cai Jian and Mr. Ngai Wai Fung
- (IV) Company Secretary: Mr. Ngai Wai Fung
- (V) H-Share Listing Stock Exchange: The Stock Exchange of Hong Kong Limited
- (VI) Stock Name and Code: GRCB (1551.HK)
- (VII) Registered Address: No. 9 Yingri Road, Huangpu District, Guangzhou, PRC
- (VIII) Principal Place of Business in Hong Kong: 40th Floor, Dah Sing Financial Centre, No. 248 Queen’s Road East, Wanchai, Hong Kong
- (IX) Scope of Business: Monetary and financial services
- (X) Place of Inspection of the Report: Office of the Board of Directors of the Bank
- (XI) Domestic External Auditor: Deloitte Touche Tohmatsu Certified Public Accountants LLP
- (XII) International External Auditor: Deloitte Touche Tohmatsu
- (XIII) Legal Advisor as to Mainland PRC Law: East & Concord Partners Guangzhou Office
- (XIV) Legal Advisor as to Hong Kong Law: King & Wood
- (XV) H-Share Registrar: Computershare Hong Kong Investor Services Limited
- (XVI) Domestic Shares Depository: China Securities Depository and Clearing Corporation Limited
- (XVII) Other Relevant Information of the Bank
Contact Address: No. 1 Huaxia Road, Pearl River New Town, Tianhe District, Guangzhou, PRC
Postal Code: 510623
Website of the Bank: www.grcbank.com
Customer Service and Complaint Telephone No.: +8695313
Investor Relations Management Telephone No.: (8620)28019324
Email Address: ir@grcbank.com

II. BANK BRANCHES AND SUBSIDIARIES

(I) Main Branches of the Bank

No	Name of branch	Business address	Postal code	Contact telephone number	Facsimile number	Remarks
1	Baiyun Sub-branch	1/F to 3/F, No. 466-472 Huangshi West Road, Baiyun District, Guangzhou	510425	020-86295397	NA	-
2	Conghua Sub-branch	1/F and 2/F, No. 98 Hebin North Road, Chengjiao Subdistrict, Conghua District, Guangzhou	510900	020-87999606	NA	-
3	Panyu Sub-branch	No. 239 Qinghe East Road, Shiqiao Subdistrict, Panyu District, Guangzhou	511400	020-34619386	NA	-
4	Haizhu Sub-branch	1/F and 2/F, No. 173 Changgang Middle Road, Haizhu District, Guangzhou	510250	020-84278835	NA	-
5	Huanan Sub-branch	East Side of Tangxi, Village Entrance, Yingbin Road South, Tangbuxi Village, Nancun Town, Panyu District, Guangzhou	511442	020-34693625	NA	-
6	Huangpu Sub-branch	No. 138 Fengle North Road, Huangpu District, Guangzhou	510700	020-32204220	NA	-
7	Liwan Sub-branch	No. 89 Huadi Avenue Central, Liwan District, Guangzhou	510380	020-81615680	NA	-
8	Airport Economic Zone Sub-branch	Renhe Village, Renhe Town, Baiyun District, Guangzhou	510470	020-86451956	NA	-
9	Tianhe Sub-branch	Room 105, 601, 602, 603, 604, 605, 606, 701, 702, 703, 704, 705, No. 7, Chunrong 3rd Road Tianhe District, Guangzhou	510655	020-38478080	NA	-
10	Yuexiu Sub-branch	1/F, No. 60 Meidong Road, Yuexiu District, Guangzhou	510030	020-87619149	NA	-
11	Zengcheng Sub-branch	No. 88-15, 16, 17, 18, 19, 20, 21 and 22 Fuyou Road, Licheng Subdistrict, Zengcheng District, Guangzhou, and Rooms 201, 202, 210 and 211, No. 55 Zuanshi Street, Hehui Square, Licheng Subdistrict, Zengcheng District, Guangzhou	511300	020-32162645	NA	--

BASIC INFORMATION

No	Name of branch	Business address	Postal code	Contact telephone number	Facsimile number	Remarks
12	Huadu Branch in the Pilot Zone for Green Finance Reform and Innovation	No. 101, No. 201 (catering), No. 202, No. 301 (catering), No. 302 and No. 401, Building 2, Poly Financial Center, 3 of No. 8 Gongyi North Road, Huadu District, Guangzhou (廣州市花都区公益北路8號之三保利金融中心 2棟101號商業、201號商業(餐飲)、202號商業、301號商業(餐飲)、302號商業、401號商業)	510800	020-36911139	NA	Branch
13	Guangdong Free Trade Zone Nansha Branch	Rooms 106, 201, 2101-2110, 2201, 2301, No. 115 Jiaoxi Road, Huangge Town, Nansha District, Guangzhou	511458	020-34929298	NA	Branch
14	Foshan Branch	No. 1 and 2 on 1/F, No. 1 and 2 on 2/F, No. 1, 7 and 8 3/F, and Rooms 4001 to 4010 of Tower 1, No. 17 Jihua Sixth Road, Chancheng District, Foshan	528000	0757-82586010	NA	Branch outside
15	Qingyuan Branch	Shop on 1/F to 3/F, Block 1, Oriental Paris, No. 5 Fengxiang Avenue, Qingcheng District, Qingyuan	511500	0763-3910555	NA	Branch outside
16	Zhaoqing Branch	Shop 01 on 1/F, offices 201-207 on 2/F and offices 301-307 on 3/F, Cultural Innovation Building, No. 48 Duanzhou Third Road, Duanzhou District, Zhaoqing, Guangdong	526040	0758-2812835	NA	Branch outside
17	Heyuan Branch	Rooms 1601-1602 and Rooms 101-102 on 1/F, Changhong Building (Changhong Financial Center), H Road West, Yanjiang Road North, Xueqianbaxiaoqu, Xinshi District, Heyuan, Guangdong Province	517000	0762-2238111	NA	Branch outside
18	Hengqin Branch in Guangdong – Macao In-depth Cooperation Zone	No. 187 and 189 Rongzhu Road, Hengqin New District; Shop 303-01, No. 272 Rongyue Road; Rooms 2701, 2702, 2703, 2704, 2705, 2706, 2707, 2708, Office Building, No. 191 Rongzhu Road, Zhuhai	519031	0756-2993600	NA	Branch outside
19	Zhongshan Dongfeng Sub-branch	No. 132 Fengxiang Avenue, Minle Community, Dongfeng Town, Zhongshan City	528425	0760-22787009	NA	Sub-branch outside
20	Dongguan Huangjiang Sub-branch	Rooms 101 and 503 of No. 1 Yuanwuwei Road, Yuanwuwei Village, Huangjiang Town, Dongguan City, Guangdong Province	523000	0769-82123838	NA	Sub-branch outside

BASIC INFORMATION

(II) Major Subsidiaries of the Bank

No.	Company name	Registered address	Postal code	Telephone number	Facsimile number
1	Hunan Zhuzhou Zhujiang Rural Commercial Bank Co., Ltd.	No. 06 Xiangyang North Road, Lukou Town, Lukou District, Zhuzhou City, Hunan Province	412100	0731-27618647	NA
2	Chaozhou Rural Commercial Bank Co., Ltd.	No. 130 Fengchun Road, Chaozhou City	521000	0768-2292072	NA
3	Guangdong Nanxiong Rural Commercial Bank Co., Ltd.	No. 147 Xiongnan Road, Nanxiong City	512400	0751-3822857	NA
4	Shaoguan Rural Commercial Bank Co., Ltd.	Shop 35, No. 41 Xinhua South Road, Wujiang District, Shaoguan City, Guangdong Province	512000	0751-8760282	0751-8639226
5	Zhujiang Financial Leasing Co., Ltd.	Rooms 2808 and 2809, No. 2 Huitong 2nd Street, Hengli Town, Nansha District, Guangzhou City	510620	020-29168100	020-29168101
6	Huixian Zhujiang County Bank Co., Ltd.	East Section of Gongcheng Avenue, Huixian	453600	0373-6223019	NA
7	Anyang Zhujiang County Bank Co., Ltd.	Northwest Corner of the intersection of Xingtai Road and Jian'an Street, Anyang City	455000	0372-2223000	0372-2223209

BASIC INFORMATION

No.	Company name	Registered address	Postal code	Telephone number	Facsimile number
8	Xinyang Zhujiang County Bank Co., Ltd.	Intersection of Xinqi Avenue and Xinba Street, Yangshan New District, Xinyang, Henan Province	464000	0376-6199236	NA
9	Zhengzhou Zhujiang County Bank Co., Ltd.	Unit 04, 1st Floor, and the western part of the 2nd Floor, Jincheng International Trade Building, No. 60 Zijingshan Road, Guancheng Hui District, Zhengzhou City, Henan Province	450000	0371-89959017	NA
10	Xinjin Zhujiang County Bank Co., Ltd.	No. 4-4, 1/F of No. 5 and New No. 6 Wujin West Road, Xinjin County, Chengdu	611430	028-82580021	NA
11	Guanghan Zhujiang County Bank Co., Ltd.	No. 188 Section 1 of Zhongshan Avenue South, Guanghan, Sichuan Province	618300	0838-5513187	0838-5513152
12	Pengshan Zhujiang County Bank Co., Ltd.	No. 223 Caishan East Road, Pengshan District, Meishan, Sichuan Province	620860	028-37666086	NA
13	Shenzhen Pingshan Zhujiang County Bank Co., Ltd.	32/F and 33/F of Building H and Shops 165-166, 1st Phase of Liuhe Commercial Plaza, Pingshan Subdistrict, Pingshan District, Shenzhen City	518118	0755-36669888	0755-32833903
14	Xingning Zhujiang County Bank Co., Ltd.	Shopping Mall of Building 9 of Shengjing Times on the west side of Xingnan Avenue and north side of Xigou, Xingning City	514500	0753-8682651	0753-8682655

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No.	Company name	Registered address	Postal code	Telephone number	Facsimile number
15	Heshan Zhujiang County Bank Co., Ltd.	Room 201 of No. 195, 187 and 185, and No. 189-193 (odd numbers only), Zhongshan Road, Shaping Town, Heshan, Guangdong Province	529700	0750-8818081	0750-8818081
16	Qingdao Chengyang Zhujiang County Bank Co., Ltd.	No. 196 Zhengyang Middle Road, Chengyang District, Qingdao, Shandong Province (YinShengTai International Business Port)	266109	0532-67762806	NA
17	Haiyang Zhujiang County Bank Co., Ltd.	No. 181 Haiyang Road, Haiyang, Shandong Province	265100	0535-3107730	NA
18	Laiwu Zhujiang County Bank Co., Ltd.	Yanjie Building, No. 19 Daihuayuan, Longtan East Street, Laicheng District, Laiwu, Jinan City	271100	0531-75662720	NA
19	Laizhou Zhujiang County Bank Co., Ltd.	No. 672 Wenhua East Street, Laizhou, Shandong Province	261400	0535-2750000	NA
20	Yantai Fushan Zhujiang County Bank Co., Ltd.	No. 133-216 Fuhai Road, Fushan District, Yantai, Shandong Province	265500	0535-6319002	NA
21	Beijing Mentougou Zhujiang County Bank Co., Ltd.	No. 8 Shilong South Road, Yongding Town, Mentougou District, Beijing	102300	010-60865137	NA

BASIC INFORMATION

No.	Company name	Registered address	Postal code	Telephone number	Facsimile number
22	Dalian Bonded Area Zhujiang County Bank Co., Ltd.	Public Building 8, 9 (1-4 floors)- No. 151 Huanghaixi Road, Dalian Economic and Technological Development Area, Liaoning Province	116600	0411-66771959	NA
23	Suzhou Wuzhong Zhujiang County Bank Co., Ltd.	No. 51 Jinshan Road, Mudu Town, Wuzhong District, Suzhou, Jiangsu Province	215101	0512-80969696	NA
24	Jiangsu Xuyi Zhujiang County Bank Co., Ltd.	5-1001, Wuzhou International Plaza Phase II, Donghu South Road, Xuyi County, Huai'an	211700	0517-88331111	NA
25	Jiangsu Qidong Zhujiang County Bank Co., Ltd.	No. 605, 609 and 613 Jianghai Middle Road, Huilong Town, Qidong	226200	0513-83904316	NA
26	Changning Zhujiang County Bank Co., Ltd.	No. 101 and 102 Qunying West Road, Changning, Hunan Province	421500	0734-7330833	0734-7330833
27	Jizhou Zhujiang County Bank Co., Ltd.	No. 33 Yangming West Road, Jizhou District, Ji'an, Jiangxi Province	343000	0796-2066666	NA

III. MAJOR HONORS AND AWARDS RECEIVED IN 2025

No	Honors	Awarding/Granting authority	Obtaining time
1	2024 RBA THE 8TH RETAIL BANKING AWARDS – TOP 10 RETAIL BANK AWARDS OF RURAL COMMERCIAL BANK (2024 RBA 第八屆零售銀行大獎“TOP10 農商銀行零售銀行獎)	Retail Bank Magazine (《零售銀行》雜誌社)	January 2025
2	273rd in 2025 Global Bank Brand Value Top 500	Brand Finance	March 2025
3	Guangzhou Green Finance Benchmark Demonstration Unit in 2024	Guangzhou Green Finance Association	April 2025
4	2024 “Top Points Achieved” digital finance evaluation activity — Digital Finance Excellent Unit (2024 年“點數成金”數字金融評優活動——數字金融優秀單位)	Guangzhou Digital Finance Association	June 2025
5	2024 Guangzhou “Financial Officials in Rural Areas” Outstanding Organization (2024 年廣州市“金融村官”工作優秀組織機構)	Guangzhou Financial Service Platform for Rural Revitalization (廣州鄉村振興金融服務平台)	June 2025
6	2024 Silver Cup of Guangdong Poverty Relief Hongmian Cup (2024 年度廣東扶貧濟困紅棉杯銀獎)	Leading Group for Rural Work of the Guangdong Provincial Committee of the Communist Party of China	June 2025
7	156th in Top 1000 World Banks 2025	The Banker (英國《銀行家》雜誌)	July 2025
8	354th in 2025 Fortune China 500,	Fortune (財富雜誌)	August 2025
9	29th in 2025 “China Banking 100”	China Banking Association (中國銀行業協會)	September 2025
10	194th in Top 500 Service Enterprises in China	China Enterprise Confederation, China Enterprise Directors Association	September 2025
11	The Gamma Award of Regional Influence Bank in 2025 (2025 年度區域影響力銀行天璣獎)	Securities Times (證券時報)	November 2025
12	2025 FinTech Innovation Award (2025 年度金融科技創新獎)	National Business Daily (每日經濟新聞)	November 2025

BASIC INFORMATION

No	Honors	Awarding/Granting authority	Obtaining time
13	2025 China Financial Media Publicity "Four Powers" Construction Excellent Work Brand (2025 年度中國金融傳媒宣傳“四力”建設優秀工作品牌)	China Financial Media Co., Ltd. (中國金融傳媒股份有限公司)	November 2025
14	2025 Inclusive Finance Bank with Outstanding Competitiveness (2025 卓越競爭力普惠金融銀行)	China Business Journal (中國經營報)	December 2025
15	2025 Wealth Management Bank with Outstanding Competitiveness (2025 卓越競爭力財富管理銀行)	China Business Journal (中國經營報)	December 2025
16	2025 Best Retail Service Bank (2025 年度最佳零售服務銀行)	New Express (新快報)	December 2025
17	Golden Lion Good Reputation Annual Excellent Customer Service Bank Award (金獅好口碑年度優秀客服服務銀行)	Information Times (信息時報)	December 2025
18	2025 Southern Salute • Innovative Enterprise Award (2025 南方致敬•創新企業)	Southern Daily (南方日報)	December 2025
19	Outstanding "Small but Beautiful" Regional Financial Contribution Award (傑出“小而美”區域金融貢獻獎)	JRJ.com (金融界)	December 2025
20	2025 "Thousand and Ten Thousand Project" Financial Practice Model (2025 年度“百千萬工程”金融實踐典範)	Yangcheng Evening News (羊城晚報)	December 2025
21	Financial Empowerment Unit for hundred counties, thousand towns, and ten thousand villages high-quality development project with initial success achieved after three years of practice(金融賦能“百千萬工程”三年初見成效重要成果實踐單位)	Guangdong Economic Research Center, China Economic Information Agency of Xinhua News Agency (新華社中國經濟資訊社廣東經濟研究中心)	December 2025
22	2025 Excellent Partner of City Development (2025 年度城市發展卓越夥伴)	Guangzhou Daily (廣州日報)	December 2025
23	2025 Outstanding Contribution Team for Supporting High-Quality Development (2025 年度助力高品質發展傑出貢獻團隊)	Guangzhou Daily (廣州日報)	December 2025
24	2025 Guangzhou Charity Service Commendation (Guangzhou Rural Commercial Bank Jinmi Public Welfare Foundation) (2025 年廣州慈善服務表揚狀(廣州農商銀行金米公益基金會))	Guangzhou Municipal People's Government	December 2025
25	CFCA "2025 Regional Mobile Banking Leading Star Award" (CFCA "2025 年區域性手機銀行領航之星獎")	China Financial Certification Authority (CFCA) (中國金融認證中心)	December 2025

SUMMARY OF FINANCIAL DATA

The financial information of the Group set forth in this report is prepared on a consolidated basis in accordance with IFRS Accounting Standards and expressed in Renminbi unless otherwise stated.

Item (Expressed in RMB million, unless otherwise stated)	For the year ended 31 December					
	2025	2024	Comparison between 2025 and 2024	2023	2022	2021
Operating results			Rate of Change (%)			
Net interest income	13,688.67	13,614.75	0.54	16,583.43	18,582.02	19,559.16
Net fee and commission income	684.20	561.57	21.84	847.09	1,382.08	1,319.07
Operating income	15,390.00	15,831.68	(2.79)	18,154.13	22,544.65	23,480.53
Operating expenses	(6,447.69)	(6,546.41)	(1.51)	(6,815.37)	(7,346.18)	(6,420.27)
Impairment losses	(7,413.99)	(7,810.79)	(5.08)	(8,425.88)	(10,688.12)	(12,602.97)
Profit before income tax	1,528.33	1,474.48	3.65	2,912.88	4,510.35	4,457.29
Net profit	2,463.93	2,415.54	2.00	3,259.51	4,037.78	3,776.29
Net profit attributable to shareholders of the Bank	2,121.88	2,080.67	1.98	2,634.42	3,492.16	3,175.21
Per share (in RMB)			Change			
Net assets per share attributable to shareholders of the Bank ⁽¹⁾	5.67	5.75	(0.08)	5.48	6.22	6.13
Basic earnings per share ⁽²⁾	0.12	0.10	0.02	0.17	0.25	0.26

Item (Expressed in RMB million, unless otherwise stated)	As at 31 December					
	2025	2024	Comparison between 2025 and 2024	2023	2022	2021
Scale indicators			Change			
Total assets	1,380,008.47	1,362,407.92	17,600.55	1,314,042.45	1,233,454.45	1,161,628.63
Among which: loans and advances to customers, net	684,881.61	698,208.45	(13,326.84)	708,908.58	669,117.87	637,553.81
Total liabilities	1,278,912.64	1,259,489.78	19,422.86	1,217,501.57	1,145,205.35	1,074,743.36
Among which: customer deposits	1,008,267.06	979,458.78	28,808.28	947,186.02	910,485.03	849,766.80
Equity attributable to shareholders of the Bank	93,730.13	94,857.91	(1,127.78)	88,826.18	81,078.57	80,027.31
Non-controlling interests	7,365.70	8,060.23	(694.53)	7,714.70	7,170.53	6,857.96
Total equity	101,095.83	102,918.14	(1,822.31)	96,540.88	88,249.10	86,885.27

SUMMARY OF FINANCIAL DATA

Item (Expressed in percentage)	For the year ended 31 December					
	2025	2024	Comparison between 2025 and 2024	2023	2022	2021
Profitability indicators			Change			
Return on average total assets ⁽³⁾	0.18	0.18	(0.00)	0.26	0.34	0.34
Return on average equity ⁽⁴⁾	2.37	1.97	0.40	3.17	4.40	4.43
Net interest spread ⁽⁵⁾	1.03	1.06	(0.03)	1.33	1.71	2.01
Net interest margin ⁽⁶⁾	1.08	1.11	(0.03)	1.39	1.69	2.00
Net fee and commission income to operating income ⁽⁷⁾	4.45	3.55	0.90	4.67	6.13	5.62
Cost-to-income ratio ⁽⁸⁾	40.00	39.33	0.67	36.08	31.37	26.08

Item (Expressed in percentage)	As at 31 December					
	2025	2024	Comparison between 2025 and 2024	2023	2022	2021
Assets quality indicators			Change			
Non-performing loan ratio ⁽⁹⁾	1.86	1.66	0.20	1.87	2.11	1.83
Provision coverage ratio ⁽¹⁰⁾	161.85	184.34	(22.49)	164.63	156.93	167.04
Allowance to total loans ⁽¹¹⁾	3.00	3.06	(0.06)	3.07	3.31	3.06
Capital adequacy indicators			Change			
Core Tier 1 capital adequacy ratio ⁽¹²⁾	9.61	9.90	(0.29)	9.83	9.21	9.68
Tier 1 capital adequacy ratio	11.15	11.42	(0.27)	11.12	10.56	11.06
Capital adequacy ratio	13.98	14.52	(0.54)	13.67	12.59	13.09
Ratio of total equity to total assets	7.33	7.55	(0.22)	7.35	7.15	7.48

Item (Expressed in percentage)	As at 31 December					
	2025	2024	Comparison between 2025 and 2024	2023	2022	2021
Other indicators			Change			
Loan-to-deposit ratio ⁽¹³⁾	70.03	73.53	(3.50)	77.21	76.00	77.39

SUMMARY OF FINANCIAL DATA

Notes:

- (1) Calculated by dividing equity attributable to shareholders of the Bank for the period (excluding other equity instruments) by the total number of ordinary shares at the end of the period.
- (2) The preference shares dividends, has been deducted for this indicator.
- (3) Representing the net profit for the period (including profit attributable to non-controlling interests) as a percentage of the average balance of total assets as at the beginning and end of the period.
- (4) Calculated by dividing the net profit for the period (excluding the distribution to holders of other equity instruments during the period) by the average balance of total equity (excluding other equity instruments) as at the beginning and end of the period.
- (5) Calculated as the difference between the average yield rate on total interest-earning assets and the average cost rate on total interest-bearing liabilities.
- (6) Calculated by dividing net interest income by the average daily balance of total interest-earning assets.
- (7) Calculated by dividing net fee and commission income by operating income.
- (8) Calculated by dividing operating expenses (excluding tax and surcharges) by operating income.
- (9) Calculated by dividing the balance of non-performing loans by the total loans and advances to customers.
- (10) Calculated by dividing the balance of allowance for loan losses by the balance of non-performing loans.
- (11) Calculated by dividing the balance of allowance for loan losses by the total loans and advances to customers.
- (12) Calculated in accordance with the "Administrative Measures for the Capital of Commercial Banks" issued by the National Financial Regulatory Administration.

Core Tier 1 capital adequacy ratio = (core Tier 1 capital – reductions from respective capital)/risk-weighted assets *100%

Tier 1 capital adequacy ratio = (Tier 1 capital – reductions from respective capital)/risk-weighted assets *100%

Capital adequacy ratio = (total capital – reductions from respective capital)/risk-weighted assets *100%
- (13) Calculated by dividing total loans and advances to customers by total deposits of customers.

MANAGEMENT DISCUSSION AND ANALYSIS

I. ANALYSIS OF OVERALL OPERATING SITUATION

In 2025, China's economy made progress while maintaining stability and developed towards a new and favorable direction. Its total economic output reached a new level, taking new and solid steps in advancing Chinese modernization. The Bank earnestly implemented the spirit of the Central Economic Work Conference, adhered to the specific deployment of the Provincial Party Committee's "1310" and the City Party Committee's "1312" strategy and measures, as well as the overall requirements of the Group's "14th Five-Year Plan" strategic plan and the specific requirements of the 2025 annual implementation outline. The Bank deeply carried out the "Asset Efficiency Year" initiative themed "reducing large-amount exposures and increasing small and medium-sized ones; reducing the tertiary industry and increasing the secondary industry; reducing working capital loans and increasing fixed asset loans; reducing risks and increasing efficiency." Through the development of "3+2" specialized operations, the Bank enhanced the core competitiveness of the small and medium-sized assets business and the comprehensive competitiveness of the the business outlets and achieved a dual improvement in both economic and social benefits. The brand influence continued to be strengthened, and the industry position was steadily consolidated.

In terms of business scale, as of the end of the Reporting Period, the Group's total assets amounted to RMB1,380.008 billion, representing an increase of RMB17.601 billion, or 1.29%, as compared to the beginning of the year. Total deposits from customers amounted to RMB1,008.267 billion, representing an increase of RMB28.808 billion, or 2.94%, as compared to the beginning of the year. Total loans and advances to customers amounted to RMB706.058 billion, representing a decrease of RMB14.176 billion, or 1.97%, as compared to the beginning of the year. The asset scale demonstrated steady growth and the commitment to serving the real economy continued to be strengthened.

In terms of operating efficiency, during the Reporting Period, the Group achieved operating income of RMB15.390 billion and net profit of RMB2.464 billion, representing a year-on-year increase of 2.00%.

In terms of development quality, as of the end of the Reporting Period, the Group's non-performing loan ratio was 1.86%, the provision coverage ratio was 161.85%, and the capital adequacy ratio, tier 1 capital adequacy ratio and core tier 1 capital adequacy ratio were 13.98%, 11.15% and 9.61%, respectively, with all levels of capital adequacy ratios exceeding regulatory requirements, and overall risks were stable and controllable.

MANAGEMENT DISCUSSION AND ANALYSIS

II. DEEPENING THE IMPLEMENTATION OF “FIVE KEY TASKS”

The Bank deepened the development of technology finance and implemented precise measures to help technology enterprises improve quality and efficiency. The Bank actively fulfilled its responsibilities as a municipal financial institution, continuously innovating working mechanisms, strengthening product support, and creating distinctive services. We advanced the “Enterprise Co-prosperity Plan”(益企共贏計劃) in depth, empowered technology enterprises, and committed to excelling in technology finance. First, we drove the “Enterprise Co-prosperity (益企共贏)” initiative to go deeper, be more practical, and achieve tangible results. Based on our positioning as the “lead bank,” and with industrial development as the core focus, we continued to deepen the “loan-equity-guarantee-lease-subsidy (貸股擔保租補)” linkage service system. Meanwhile, we fully leveraged our branch network advantages, integrated banking and government functions to serve as a “bridge and link” between government and enterprises, and actively explored new paths for mutually beneficial cooperation between finance and the technology industry. As of the end of the Reporting Period, the Bank had signed medium – to long-term strategic cooperation agreements under the “Enterprise Co-prosperity Plan” with 561 enterprises. Second, we built a comprehensive service system to professionally and efficiently meet enterprise needs. We established an all-round service system covering “professional service teams, exclusive product system, rapid approval mechanisms, flexible pricing arrangements, and credit enhancement linkage support” to efficiently satisfy customers’ financial needs. Third, we created a precise service matrix to empower industrial innovation and development. We actively identified financial service and government service demands of technology enterprises, adhering to “one district, one policy (一區一策),” “one park, one policy (一園一策)” and “one association, one policy (一會一策)” approaches, serving as navigators for enterprise growth, liaisons for government-enterprise communication, and explainers of beneficial policies, achieving targeted empowerment in the technology finance sector. Fourth, we deepened comprehensive financial services to support enterprise growth. We provided “long-term funding” support and “settlement management” services, established annual loan quota review mechanisms to grant annual increases based on customer growth potential, while providing account management, fund pooling, and other settlement services for partner enterprises. Fifth, we deepened the “loan-equity-guarantee-lease-subsidy ((貸股擔保租補))” linkage to build a comprehensive multi-level financial service ecosystem. We signed cooperation agreements with external institutions including Guangzhou Finance Holdings (廣州金控), Guangzhou Industrial Investment (廣州產投), Yuexiu Capital (越秀資本), and Guangzhou Re-guarantee (廣州市再擔), strengthened cooperation with Zhujiang Financial Leasing Co., Ltd. within the Group, deepened cooperation mechanisms, and jointly empowered enterprise development.

MANAGEMENT DISCUSSION AND ANALYSIS

As of the Reporting Period, the Bank's technology loan balance stood at RMB73.435 billion, representing an increase of RMB5.125 billion from the beginning of the year.

The Bank empowered green finance innovation and created distinctive highlights in green finance.

The Bank's green finance work progressed steadily, with loan scale maintaining rapid growth. First, we drove scale growth to achieve new breakthroughs in green finance performance. Based on the "Green Finance Support Projects Catalog (2025 Edition)," we updated and improved green loan review requirements, strictly implemented green loan review mechanisms and green loan project database management mechanisms, synchronously completed updates to green finance business identifiers in the credit system, and conducted monthly green finance business review work to promote steady growth in green loan scale. Second, we promoted transition finance and created distinctive highlights in green finance. We deeply participated in formulating Guangzhou's transition finance standards, were first to implement Guangzhou's first transition finance loan and Guangdong Province's first "transition finance + carbon footprint linked" dual-certified loan, innovatively adopting an interest rate linkage mechanism to achieve a virtuous cycle of "carbon reduction means financing cost reduction." We successfully implemented transition finance loans in five key industries including aluminum, chemicals, and papermaking, creating replicable and scalable "Guangzhou samples" of transition finance covering multiple industries. Related transition finance cases won multiple honors including "Innovative Development Model Cases in China's Banking Industry (中國銀行業創新發展典型案例)" by Tsinghua Financial Review 《清華金融評論》, "2025 Model Green Finance Case (2025 年典型綠色金融案例)" by 21st Century Financial Competitiveness (21 世紀金融競爭力), and GF60 Best Sustainable Finance Case (GF60 最佳可持續金融案例). Third, we focused on key areas and empowered new patterns of local green development. Closely aligned with key tasks such as resource recycling and ecological restoration in the Greater Bay Area, we precisely allocated financial resources and fully supported local ecological project construction. As of the end of the Reporting Period, in Guangzhou's "waste-free city" construction, green loan balances for resource recycling, waste incineration power generation, hazardous waste treatment, and other projects exceeded RMB5 billion, with circular economy loan balances ranking among the top of provincial rural commercial banks and city commercial banks; focusing on key areas of biodiversity protection and ecological restoration, we innovatively created service models such as "financial support for agriculture + ecological protection" and "industrial transformation + ecological protection," injecting strong financial momentum into green Guangdong ecological construction and helping steadily improve regional ecological environment quality. Fourth, we deepened external cooperation and polished our green finance brand. We actively participated in green finance exchange activities organized by government departments and industry associations, hosted the finals of the second "Guangdong Green Finance Innovation Case Analysis Competition (廣東綠色金融創新案例分析競賽)", supported the successful holding of the "Financial Support for Circular Economy Development Seminar" and "2025 Mingzhu Bay Climate Investment and Financing Conference," participated multiple times in discussions on Guangzhou's green finance legislation, and as a participating unit contributed to the compilation of group standards such as "Guangzhou Transition Finance Implementation Guide 《廣州市轉型金融實施指南》" and "Business Guide for Pledge Loans of Public Welfare Forest Compensation Revenue Rights in Guangdong Province (廣東省公益林補償收益權質押貸款業務指南)". We were recognized as a "Guangzhou Green Finance Benchmark Demonstration Unit (廣州市綠色金融標桿示範單位)" and won 11 honors including "Outstanding Achievement in Guangzhou Financial Services for High-Quality Development (廣州金融服務高質量發展優秀成果)".

MANAGEMENT DISCUSSION AND ANALYSIS

As of the end of the Reporting Period, the Bank's green loan balance stood at RMB72.579 billion, representing an increase of RMB11.940 billion from the beginning of the year, serving 2,468 green loan customers, marking an increase of 784 from the beginning of the year. The loans supported green industries covering 31 secondary classifications in the "Green Finance Support Project Catalog (2025 Edition) 《綠色金融支持項目目錄(2025年版)》", with a coverage rate of 81.6%.

The Bank enhanced supply of inclusive finance, and expanded inclusive credit support to micro and small enterprises. The Bank remained steadfast in its commitment to serving the real economy as its fundamental mission. By precisely deploying various monetary policy tools and innovating financial product systems and service models, the Bank comprehensively enhanced the quality and efficiency of its services. Through high-quality financial services, the Bank injected robust financial momentum into the quality development of the local economy and society. First, the Bank launched the campaign of "Visits to Thousands of Enterprises and Households (千企萬戶大走訪)", strengthened "financing coordination" efforts, and drove greater effectiveness in the financing support mechanism for small and micro enterprises. By the end of the Reporting Period, the Bank has organized 571 bank-enterprise matching sessions in collaboration with the municipal task force and visited over 38,000 enterprises, with an accumulated amount of loan disbursements of RMB35.368 billion. The Bank ranked fifth among all financial institutions in Guangzhou in terms of both the number of enterprises visited and the amount of loans disbursed. Second, the Bank has achieved tangible progress in promoting quality development in the "Two Mountains (環兩山)" demonstration zone to advance the regional construction. The Bank actively promoted the "Jinmi Forest Loan (金米林易貸)", a featured product in relation to agriculture, deepened cooperation with the provincial agricultural guarantee company, and strengthened support for agricultural entities by enhancing credit and alleviating difficulties. By the end of the Reporting Period, the accumulated amount of disbursement under agricultural guarantee loan business reached RMB93.08 million, with over 50 households receiving the "Forest Loan" in an accumulated amount of disbursement of RMB5.13 million. Focusing on local agricultural specialties, we have innovatively launched a series of tailored products including Jinmi Flower Loan, Jinmi Lychee Loan, Bonsai Loan, and Jinmi Aquaculture Loan, with a balance of RMB171 million. This has significantly strengthened the foundation of agricultural support services. Among others, the case study under Forest Loan was featured in three-year summary special report of "Hundred, Thousand, and Ten Thousand Project" in Guangzhou. Third, the Bank deepened its focus on key customer base to enhance industrial quality and efficiency. By innovating specialized market service models and developing multi-faceted integrated service solutions such as "guarantee + management", we achieved a loan balance of RMB2.37 billion for specialized markets; we concentrated on industrial parks and supporting specialized policies, collaborating with industrial park management committees to support equipment upgrades and technological transformations for enterprises. Throughout the year, we have disbursed an accumulated amount of RMB2.283 billion, significantly increasing the proportion of secondary industry scale growth.

MANAGEMENT DISCUSSION AND ANALYSIS

Fourth, the Bank has built an ecosystem-based service system integrating “finance + specific scenarios” to achieve precise customer targeting and deep engagement. By actively connecting with core industrial scenarios such as textile trading, pharmaceutical supply chains, and government procurement, we created a bulk customer acquisition and service model of “following scenarios and embedding into ecosystems (跟隨場景、嵌入生態)” through deep integration of platforms, credit reporting systems, and government systems. This approach has shifted financial services from isolated breakthroughs to systematic empowerment. As of the end of the Reporting Period, the balance of inclusive loans for small and micro enterprises was RMB62.139 billion, representing an increase of RMB10.471 billion or a growth rate of 20.26% compared to the beginning of the year. Such growth rate exceeded the Bank’s overall substantive loan growth rate and met regulatory requirements. This year, the Bank has cumulatively obtained RMB19.999 billion in policy funds from the Central Bank’s re-lending program for small businesses, supporting over 6,200 small and micro enterprises and private small and medium-sized enterprises.

The Bank implemented multiple measures to build an aging ecosystem and establish the “Guangfu Butler (廣府管家)”, a new brand in retirement finance. The Bank has been committed to upholding the political and people-centered nature of financial business. Focusing on serving people’s livelihoods, supporting the real economy, and advancing national strategies, the Bank actively developed elderly care finance services and vigorously supported the quality development of the silver economy. First, the Bank integrated offline and online channels to deliver comprehensive elderly care services. In terms of offline channels, we continuously upgraded age-friendly facilities based on senior customers’ needs, providing convenient and age-friendly services through our branch network, mobile banking, and customer service hotlines. During the Reporting Period, we established “Guangfu Butler”, the first elderly care financial demonstration branch featuring functional zones including a direct teaching site of Guangzhou Open University for the Elderly (廣州老年開放大學), an elderly care financial literacy education center, and a dedicated elderly care section. Senior clients may participate in courses such as Tai Chi and calligraphy within the branch. Additionally, the branch is equipped with elderly-friendly facilities including AEDs, blood pressure monitors, hearing aids, and electric barrier-free access pathways. We continued optimizing 19 senior-friendly branches, each featuring dedicated senior service zones and caring service specialists to provide earnest assistance. All branches offer social security card services, with designated care windows, priority seating, and convenient facilities tailored for seniors. For online channels, we enhanced service convenience tailored to seniors’ operational habits, adding real-time fraud alerts based on risk assessments of elderly customers’ transfer behaviors. The Bank continuously optimized the “large font version” feature of mobile banking and established an “elderly services zone” covering high-frequency essential functions such as social security cards and branch services. The customer service hotline 95313 introduced customer age recognition and expedited agent transfer services for senior clients. This enabled precise identification to provide one-click agent transfer and priority access services, comprehensively meeting the financial service needs of the elderly client base. Second, the Bank expanded its elderly care product offerings. The Bank has introduced specialized deposit products such as the “Jinmi Fortune Savings (金米福享存)” tailored for senior customers, alongside retirement wealth management, pension annuity insurance and other financial products, thereby enriching its “basic + protection” portfolio. We also innovated consumer finance tools by launching dedicated consumer loan services for retirees. We launched the “Jinmi Guangfu Family Prestige Card. Prestige Edition (金米廣府家族榮耀卡.名門)”, continuously enhancing the benefits and functionalities of social security cards and credit cards for senior customers. Social security cardholders enjoy waivers on annual fees, ATM withdrawal charges, and other fees, while credit cardholders receive exclusive services such as waivers on card replacement fees for lost cards and penalties for early repayment. Third, the Bank initiated cross-sector collaborative innovation. We entered into the Strategic Cooperation Framework Agreement on Financial Support for the High-Quality Development of Guangzhou’s Silver Economy (《金融支持廣州市銀髮經濟高質量發展戰略合作框架協議》) with the Guangzhou Civil Affairs Bureau (廣州市民政

MANAGEMENT DISCUSSION AND ANALYSIS

局), in respect of matters pertaining to the development of elderly care finance, including financial support for the pension finance industry and products and services, to develop a distinctive elderly care financial service model tailored to Guangzhou's needs under joint efforts. Additionally, we have successfully obtained the qualification to provide prepaid fee custody services for elderly care institutions. The Bank entered into a strategic cooperation agreement with Guangzhou Open University to jointly explore innovative elderly care service models integrating financial institutions and educational institutions. It has also partnered with southcn.com to establish a "Demonstration Base for Personal Retirement Financial Literacy Education", aiming to enhance financial literacy among senior customers. Fourth, the Bank strengthened consumer protection awareness campaigns to enhance the vigilance of senior customers. Through integrated "online + offline" outreach, the Bank expanded its digital reach by publishing themed posts for the elderly community, covering topics like case studies on financial risks, safeguarding against illegal fundraising, and new fraud schemes. For offline efforts, the Bank refined educational approaches by launching monthly consumer protection theme campaigns. Targeted initiatives for seniors including "providing face-to-face heartwarming services to safeguard the golden years (暖心服務零距離, 守護最美夕陽紅)" and "warm-hearted outreach and dedicated services (宣傳有溫度服務暖人心)" were designed to comprehensively enhance seniors' risk awareness and prevention capabilities.

During the Reporting Period, the Bank's initiative "Financial Empowerment for Elderly Care – Strategic Leadership in Building a New Ecosystem for Elderly Care Financial Services and Multi-pronged Approach to Forging the "Guangfu Butler" New Brand 《金融賦能老有所養 – 戰略引領構建養老金融服務新生態, 多措並舉打造 廣府管家“新品牌”》" was awarded the 2025 "Outstanding Innovation in Retirement Finance (養老金融優秀創新案例)" by the financial research institute of the banking industry. The initiative "Deepening Integration of Online and Offline Services to Deliver High-Quality Pension Financial Services 《線上線下一體化協同, 做深做精做好 養老金融大文章》" was awarded the "Top 10 Achievements in Pension Financial Services (養老金融十佳成果)" for 2024 Guangzhou Financial Services High-Quality Development by Guangzhou Financial Industry Association (廣州金融業協會).

The Bank enhanced the ecosystem of digital financial scenarios and reinforced backend support for data applications. The Bank kept up with the development trends of artificial intelligence and big data, focused on small and medium-sized asset businesses, comprehensively applied big data intelligent analysis technologies, continuously deepened data application empowerment, and promoted the development of digital finance. First, empowering the digitalization of operation and management. The Bank upgraded and optimized the mobile operation data dashboard, injecting data capabilities into the digitalization of our operation and management. Second, empowering the digitalization of business analysis. The Bank continuously optimized and promoted data self-service query services, effectively helping business departments quickly realize data analysis needs, accelerating the release of data value, and improving data efficiency. Third, empowering the digitalization of financial services. The Bank promoted and applied artificial intelligence models in areas such as product marketing and loan risk management, providing multi-dimensional data support for business development. Fourth, empowering office intelligence. The Bank built local large model capabilities, piloted the application of large model agents, accelerated the release of data value, and created a new paradigm of intelligent management.

MANAGEMENT DISCUSSION AND ANALYSIS

The Bank continuously strengthened its data management system, comprehensively enhanced data governance capabilities, and improved the robustness of data security framework. First, the Bank organized a special initiative to address the quality of regulatory statistical reporting data, consistently elevating the quality and effectiveness of regulatory submissions. This effort has earned recognition and commendation from regulatory authorities. Second, the Bank strengthened the implementation and standardization of data standards, promoted the application of enterprise classification and agricultural loan labeling, and improved the data standards repository, significantly enhancing the authority of data standards and the level of standard implementation. Third, a comprehensive data asset lifecycle management system has been established, with an inventory of critical system data assets conducted, marking the entry of data asset management into a new operational phase. Fourth, the Bank strengthened its data security management mechanisms. A data security management framework has been established to refine data security management standards. The Bank implemented data classification and grading, and data security access control was yielding tangible results, thereby enhancing the Bank's data security defenses.

III. STRATEGIC VISION AND DEVELOPMENT OUTLOOK

The year 2026 marks the commencement of the 15th Five-Year Plan. the Bank will thoroughly implement major policy directives from the national, Guangdong provincial, and Guangzhou municipal levels. We will deeply grasp the political and people-oriented nature of financial work, steadfastly uphold the original aspiration and mission of rural commercial banks to support agriculture and small businesses, and anchor our strategic goal of "national pioneer in high-quality development among small and medium-sized banks nationwide". We will deepen our service system across the "Four Major Financial Sectors": rural finance, technology finance, industrial finance, and retail finance. We will diligently advance the implementation of the "Five Key Tasks", comprehensively implement the "Five Key Measures" encompassing "high-level Party leadership, high-quality business development, all-round risk prevention, refined operational decision-making, and a high-quality service ecosystem". We will optimize and strengthen small-to-medium asset operations, refine and solidify the "114" branch development model, and pursue a high-quality development path through "3+2" specialized operations. This approach will achieve steady growth in asset scale, continuous optimization of business structure, stable improvement in asset quality, and dual enhancement of both operational efficiency and profitability.

MANAGEMENT DISCUSSION AND ANALYSIS

IV. MAIN OPERATION DATA ANALYSIS

(I) INCOME STATEMENT ANALYSIS

Item (Expressed in RMB million, unless otherwise stated)	For the year ended 31 December 2025	For the year ended 31 December 2024	Change in amount	Rate of change (%)
Interest income	35,136.75	37,959.98	(2,823.23)	(7.44)
Interest expense	(21,448.08)	(24,345.23)	2,897.15	(11.90)
Net interest income	13,688.67	13,614.75	73.92	0.54
Fee and commission income	1,125.23	1,020.99	104.24	10.21
Fee and commission expense	(441.03)	(459.42)	18.39	(4.00)
Net fee and commission income	684.20	561.57	122.63	21.84
Net trading gains	(730.15)	383.56	(1,113.71)	(290.36)
Net gains on financial investment	1,577.94	1,226.42	351.52	28.66
Other income, gains or losses, net	169.34	45.38	123.96	273.16
Operating income	15,390.00	15,831.68	(441.68)	(2.79)
Operating expenses	(6,447.69)	(6,546.41)	98.72	(1.51)
Credit impairment losses	(7,275.84)	(7,768.94)	493.10	(6.35)
Impairment losses on other assets	(138.14)	(41.85)	(96.29)	230.08
Profit before income tax	1,528.33	1,474.48	53.85	3.65
Income tax credit	935.60	941.06	(5.46)	(0.58)
Profit for the year	2,463.93	2,415.54	48.39	2.00

MANAGEMENT DISCUSSION AND ANALYSIS

1. Net Interest Income

The following table sets forth interest income, interest expense and net interest income of the Group for the periods indicated:

Item (Expressed in RMB million, unless otherwise stated)	For the year ended 31 December 2025	For the year ended 31 December 2024	Change in amount	Rate of change (%)
Interest income	35,136.75	37,959.98	(2,823.23)	(7.44)
Interest expense	(21,448.08)	(24,345.23)	2,897.15	(11.90)
Net interest income	13,688.67	13,614.75	73.92	0.54

Item (Expressed in RMB million, unless otherwise stated)	For the twelve months ended 31 December 2025			For the twelve months ended 31 December 2024		
	Average balance	Interest income/expense	Average yield/cost rate (%)	Average balance	Interest income/expense	Average yield/cost rate (%)
Loans and advances to customers	709,093.49	22,411.47	3.16	729,770.83	25,683.24	3.52
Financial investments	364,921.48	9,176.20	2.51	329,327.11	8,951.83	2.72
Placements and deposits with banks and other financial institutions	99,144.76	2,026.05	2.04	80,456.95	1,974.93	2.45
Financial assets held under resale agreements	39,873.55	679.22	1.70	27,378.93	514.82	1.88
Deposits with central bank	60,099.66	843.81	1.40	62,750.70	835.16	1.33
Total interest-earning assets	1,273,132.94	35,136.75	2.76	1,229,684.52	37,959.98	3.09
Customer deposits	986,486.68	16,487.14	1.67	943,918.42	18,721.30	1.98
Placements and deposits from banks and other financial institutions and others	46,171.42	867.93	1.88	77,433.17	1,310.54	1.69
Financial assets sold under repurchase agreements	25,794.61	387.00	1.50	17,482.92	297.04	1.70
Debt securities issued	157,014.06	3,297.64	2.10	144,023.53	3,653.51	2.54
Borrowing from central bank	24,621.06	408.37	1.66	18,459.79	362.84	1.97
Total interest-bearing liabilities	1,240,087.83	21,448.08	1.73	1,201,317.83	24,345.23	2.03
Net interest income		13,688.67			13,614.75	
Net interest spread			1.03			1.06
Net interest margin			1.08			1.11

MANAGEMENT DISCUSSION AND ANALYSIS

In 2025, compared with the corresponding period of last year, the overall average yield of interest-earning assets decreased by 33 basis points to 2.76%, the overall average cost rate of interest-bearing liabilities decreased by 30 basis points to 1.73%, the net interest spread decreased by 3 basis points to 1.03%, and net interest margin decreased by 3 basis points to 1.08%.

The following table sets forth changes in the Group's interest income and interest expense as compared to the last year due to changes in volume and interest rate. Changes in volume are measured by movement of the average balance, while changes in interest rate are measured by the movement of the average interest rate:

Item (Expressed in RMB million, unless otherwise stated)	Increase/(decrease) due to changes in the following item		Net increase/ decrease
	Volume factor	Rate factor	
Assets			
Loans and advances to customers	(727.71)	(2,544.06)	(3,271.77)
Financial investments	967.53	(743.16)	224.37
Placements and deposits with banks and other financial institutions	458.72	(407.60)	51.12
Financial assets held under resale agreements	234.94	(70.54)	164.40
Deposits with central bank	(35.29)	43.94	8.65
Changes in interest income	898.19	(3,721.42)	(2,823.23)
Liabilities			
Customer deposits	844.28	(3,078.44)	(2,234.16)
Placements, deposits and others from banks and other financial institutions	(529.10)	86.49	(442.61)
Financial assets sold under repurchase agreements	141.22	(51.26)	89.96
Debt securities issued	329.54	(685.41)	(355.87)
Borrowing from central bank	121.10	(75.57)	45.53
Changes in interest expense	907.04	(3,804.19)	(2,897.15)

MANAGEMENT DISCUSSION AND ANALYSIS

(1) Interest income

In 2025, interest income of the Group amounted to RMB35,137 million, representing a year-on-year decrease of RMB2,823 million or 7.44%.

① INTEREST INCOME FROM LOANS AND ADVANCES TO CUSTOMERS

The average balance, interest income and average yield for each component of loans and advances to customers of the Group are set forth as follows:

Item (Expressed in RMB million, unless otherwise stated)	For the twelve months ended 31 December 2025			For the twelve months ended 31 December 2024		
	Average balance	Interest income	Average yield (%)	Average balance	Interest income	Average yield (%)
Corporate loans	459,661.41	14,714.45	3.20	457,211.59	16,488.61	3.61
Personal loans	192,082.67	7,033.62	3.66	178,959.57	7,854.25	4.39
Discounted bills	57,349.41	663.40	1.16	93,599.67	1,340.38	1.43
Total loans and advances to customers	709,093.49	22,411.47	3.16	729,770.83	25,683.24	3.52

Interest income from loans and advances to customers amounted to RMB22,411 million, representing a year-on-year decrease of RMB3,272 million.

② INTEREST INCOME FROM AMOUNTS DUE FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

The average balance, interest income and average yield for each component of amounts due from banks and other financial institutions of the Group are set forth as follows:

Item (Expressed in RMB million, unless otherwise stated)	For the twelve months ended 31 December 2025			For the twelve months ended 31 December 2024		
	Average balance	Interest income	Average yield (%)	Average balance	Interest income	Average yield (%)
Placements and deposits with banks and other financial institutions	99,144.76	2,026.05	2.04	80,456.95	1,974.93	2.45
Financial assets held under resale agreements	39,873.55	679.22	1.70	27,378.93	514.82	1.88
Total amounts due from banks and other financial institutions	139,018.31	2,705.27	1.95	107,835.88	2,489.75	2.31

MANAGEMENT DISCUSSION AND ANALYSIS

In 2025, the interest of amounts due from banks and other financial institutions of the Group amounted to RMB2,705 million, representing a year-on-year increase of RMB216 million, or 8.66%.

(2) Interest expense

In 2025, the Group's interest expense decreased by RMB2,897 million, or 11.90%, to RMB21,448 million as compared to the corresponding period of last year.

① INTEREST EXPENSE ON AMOUNTS DUE TO CUSTOMERS

The average balance, interest expense and average cost rate for each component of amounts due to customers of the Group are set forth as follows:

Item (Expressed in RMB million, unless otherwise stated)	For the twelve months ended 31 December 2025			For the twelve months ended 31 December 2024		
	Average balance	Interest expense	Average cost rate (%)	Average balance	Interest expense	Average cost rate (%)
Corporate deposits						
Demand	124,283.83	437.34	0.35	130,058.49	644.40	0.50
Time	180,881.67	4,539.30	2.51	186,356.19	5,405.77	2.90
Subtotal	305,165.50	4,976.64	1.63	316,414.68	6,050.17	1.91
Personal deposits						
Demand	132,340.44	94.75	0.07	128,818.54	221.62	0.17
Time	478,674.72	10,232.77	2.14	446,758.50	11,442.46	2.56
Subtotal	611,015.16	10,327.52	1.69	575,577.04	11,664.08	2.03
Other deposits	70,306.02	1,182.98	1.68	51,926.70	1,007.05	1.94
Total amounts due to customers	986,486.68	16,487.14	1.67	943,918.42	18,721.30	1.98

In 2025, the Group's interest expense on amounts due to customers amounted to RMB16,487 million, representing a year-on-year decrease of RMB2,234 million, or 11.93%. In 2025, the average cost rate of deposits was 1.67%, representing a year-on-year decrease of 31 basis points.

MANAGEMENT DISCUSSION AND ANALYSIS

② INTEREST EXPENSE ON AMOUNTS DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS

The average balance, interest expense and average cost rate for each component of the Group's amounts due to banks and other financial institutions are set forth as follows:

Item (Expressed in RMB million, unless otherwise stated)	For the twelve months ended 31 December 2025			For the twelve months ended 31 December 2024		
	Average balance	Interest expense	Average cost rate (%)	Average balance	Interest expense	Average cost rate (%)
Placements and deposits from banks and other financial institutions and others	46,171.42	867.93	1.88	77,433.17	1,310.54	1.69
Financial assets sold under repurchase agreements	25,794.61	387.00	1.50	17,482.92	297.04	1.70
Total amounts due to banks and other financial institutions	71,966.03	1,254.93	1.74	94,916.09	1,607.58	1.69

In 2025, the Group's interest expense on amounts due to banks and other financial institutions amounted to RMB1,255 million, representing a year-on-year decrease of RMB353 million, or 21.94%.

MANAGEMENT DISCUSSION AND ANALYSIS

2. Non-interest Income

(1) Net fee and commission income

Item (Expressed in RMB million, unless otherwise stated)	For the year ended 31 December 2025	For the year ended 31 December 2024	Change in amount	Rate of change (%)
Fee and commission income:				
Agency and custodian service fees	278.68	256.51	22.17	8.64
Settlement and electronic channel business fees	177.41	170.11	7.30	4.29
Bank card fees	114.48	143.41	(28.93)	(20.17)
fees	120.17	103.64	16.53	15.95
Syndicated loan fees	94.49	97.77	(3.28)	(3.35)
Guarantee and commitment service fees	60.96	86.95	(25.99)	(29.89)
Acceptance fees	32.57	35.44	(2.87)	(8.10)
Others	246.47	127.16	119.31	93.83
Subtotal	1,125.23	1,020.99	104.24	10.21
Fee and commission expense:	(441.03)	(459.42)	18.39	(4.00)
Net fee and commission income	684.20	561.57	122.63	21.84

In 2025, the net fee and commission income of the Group amounted to RMB684 million, representing a year-on-year increase of RMB123 million, and accounting for 4.45% of our total operating income.

(2) Net trading income

In 2025, the net trading income of the Group amounted to RMB-730 million, mainly including gains and losses arising from the purchase and sales of, interest income on, changes in fair value of financial assets and liabilities at fair value through profit or loss.

(3) Net gains or losses on financial investments

In 2025, the net gains on financial investments of the Group amounted to RMB1.578 billion, which were mainly the bid-ask spread of financial investments at fair value through other comprehensive income and financial investments at amortised cost.

MANAGEMENT DISCUSSION AND ANALYSIS

3. Operating Expenses

In 2025, the Group continues to promote cost reduction and efficiency improvement, the operating expenses of the Group amounted to RMB6,448 million, representing a decrease of RMB99 million or 1.51% year-on-year. The following table sets forth the principal components of operating expenses of the Group for the periods indicated:

Item (Expressed in RMB million, unless otherwise stated)	For the year ended 31 December 2025	For the year ended 31 December 2024	Change in amount	Rate of change (%)
Staff costs	4,003.84	4,074.09	(70.25)	(1.72)
Tax and surcharges	292.06	320.15	(28.09)	(8.77)
Depreciation and amortization	646.76	604.80	41.96	6.94
Others	1,505.03	1,547.37	(42.34)	(2.74)
Total operating expenses	6,447.69	6,546.41	(98.72)	(1.51)

(1) Staff costs

Staff costs represent the largest component of operating expenses of the Group, accounting for 62.10% and 62.23% of our operating expenses for the years ended 31 December 2025 and 2024, respectively.

The following table sets forth the principal components of staff costs of the Group for the periods indicated:

Item (Expressed in RMB million, unless otherwise stated)	For the year ended 31 December 2025	For the year ended 31 December 2024	Change in amount	Rate of change (%)
Salaries, bonuses and allowances (include early retirement)	2,631.27	2,648.79	(17.52)	(0.66)
Social insurance, employee benefits and others	1,372.57	1,425.30	(52.73)	(3.70)
Total staff costs	4,003.84	4,074.09	(70.25)	(1.72)

In 2025, staff costs of the Group amounted to RMB4,004 million, representing a year – on-year decrease of RMB70 million, or 1.72%.

MANAGEMENT DISCUSSION AND ANALYSIS

(2) Tax and surcharges

In 2025, the tax and surcharges of the Group incurred amounted to RMB292 million, representing a year-on-year decrease of RMB28 million.

(3) Depreciation and amortization

In 2025, depreciation and amortization of the Group was RMB647 million, representing a year-on-year increase of RMB42 million.

4. Impairment Losses on Assets

The following table sets forth the principal components of impairment losses on assets of the Group for the periods indicated:

Item (Expressed in RMB million, unless otherwise stated)	For the year ended 31 December 2025	For the year ended 31 December 2024	Change in amount	Rate of change (%)
Credit impairment losses	7,275.84	7,768.94	(493.10)	(6.35)
Impairment losses on other assets	138.15	41.85	96.30	230.11
Total impairment losses on assets	7,413.99	7,810.79	(396.80)	(5.08)

5 Income Tax Expense

In 2025, the effective income tax rate was negative, which was mainly due to the relatively large scale of tax-exempt business of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

(II) ANALYSIS OF STATEMENT OF FINANCIAL POSITION

1. Assets

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

Item (Expressed in RMB million, unless otherwise stated)	As at 31 December 2025		As at 31 December 2024	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Total loans and advances to customers	706,058.32	51.16	720,234.23	52.86
Allowances for impairment losses	(21,176.71)	(1.53)	(22,025.78)	(1.61)
Loans and advances to customers, net	684,881.61	49.63	698,208.45	51.25
Financial investments ⁽¹⁾	417,607.87	30.26	445,926.21	32.73
Cash and deposits with the central bank	87,488.46	6.34	74,750.06	5.49
Deposits with banks and other financial institutions	21,831.80	1.58	15,634.04	1.15
Placements with banks and other financial institutions	77,976.04	5.65	70,803.14	5.20
Financial assets held under resale agreements	54,717.63	3.97	30,054.62	2.21
Others ⁽²⁾	35,505.06	2.57	27,031.40	1.97
Total assets	1,380,008.47	100.00	1,362,407.92	100.00

Notes:

- (1) Financial investments included financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial assets measured at amortized cost.
- (2) Other assets consisted of property and equipment, goodwill, deferred income tax assets and others.

MANAGEMENT DISCUSSION AND ANALYSIS

As at 31 December 2025, the Group's total assets amounted to RMB1,380.008 billion, representing an increase of RMB17.601 billion, or 1.29%, as compared to the end of last year. Among which, the total loans and advances to customers decreased by RMB14.176 billion, or 1.97%, as compared to the end of last year.

Financial investments decreased by RMB28.318 billion, as compared to the end of last year, primarily due to the disposal of bonds at opportune times based on market conditions.

The placements with banks and other financial institutions increased by RMB7,173 million, primarily due to the increase in business based on market conditions and intra-group balance sheet arrangements.

(1) Loans and advances to customers

DISTRIBUTION OF LOANS BY BUSINESS SEGMENT

Item (Expressed in RMB million, unless otherwise stated)	As at 31 December 2025		As at 31 December 2024	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
General corporate loans	422,571.70	59.85	421,552.00	58.53
Personal loans	194,656.19	27.57	187,964.57	26.10
Discounted bills and forfeiting	88,830.43	12.58	110,717.66	15.37
Total loans and advances to customers	706,058.32	100.00	720,234.23	100.00

As at 31 December 2025, total loans and advances to customers of the Group amounted to RMB706.058 billion; as compared to the end of last year, total general corporate loans amounted to RMB422,572 million; total personal loans increased by RMB6,692 million, or 3.56%, to RMB194,656 million; and the Group's total discount and forfeiting decreased by RMB21,887 million, or 19.77%, to RMB88,830 million.

MANAGEMENT DISCUSSION AND ANALYSIS

DISTRIBUTION OF LOANS BY PRODUCT TYPE

Item (Expressed in RMB million, unless otherwise stated)	As at 31 December 2025		As at 31 December 2024	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Total Corporate loans and Advances to Customers	511,402.13	72.43	532,269.66	73.90
General corporate loans	422,571.70	59.85	421,552.00	58.53
Discounted bills and forfaiting	88,830.43	12.58	110,717.66	15.37
Total Personal loans and Advances to Customers	194,656.19	27.57	187,964.57	26.10
Personal mortgage loans	86,302.36	12.22	78,730.78	10.93
Personal business loans	73,825.00	10.46	73,723.71	10.24
Personal consumption loans	21,304.68	3.02	22,200.07	3.08
Balance of credit cards	13,224.15	1.87	13,310.01	1.85
Total loans and advances to customers	706,058.32	100.00	720,234.23	100.00

As at 31 December 2025, the Group's personal mortgage loans, personal business loans, personal consumption loans and balance of credit cards amounted to RMB86,302 million, RMB73,825 million, RMB21,305 million and RMB13,224 million, respectively, representing 12.22%, 10.46%, 3.02% and 1.87% of our total loans, respectively. Among which, personal mortgage loans and personal business loans increased by RMB7,572 million and RMB101 million, or 9.62% and 0.14%, as compared to the end of last year, respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

DISTRIBUTION OF LOANS BY TYPE OF COLLATERAL

Item (Expressed in RMB million, unless otherwise stated)	As at 31 December 2025		As at 31 December 2024	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Collateralized loans	335,592.39	47.53	330,796.78	45.93
Pledged loans	33,788.02	4.79	36,529.72	5.07
Guaranteed loans	134,733.63	19.08	154,725.41	21.48
Unsecured loans	201,944.28	28.60	198,182.32	27.52
Total loans and advances to customers	706,058.32	100.00	720,234.23	100.00

(2) *Financial investments*

The following table sets forth the composition of investments of the Group as at the dates indicated:

Item (Expressed in RMB million, unless otherwise stated)	As at 31 December 2025		As at 31 December 2024	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Financial assets at fair value through profit or loss	57,149.46	13.68	75,073.42	16.84
Financial assets at fair value through other comprehensive income	173,835.58	41.63	171,042.10	38.36
Financial assets measured at amortized cost	186,622.83	44.69	199,810.69	44.80
Total investments	417,607.87	100.00	445,926.21	100.00

As at 31 December 2025, total investments of the Group decreased by RMB28.318 billion, to RMB417.608 billion as compared to the end of last year.

MANAGEMENT DISCUSSION AND ANALYSIS

2. Liabilities

The following table sets forth the composition of total liabilities of the Group as at the dates indicated:

Item (Expressed in RMB million, unless otherwise stated)	As at 31 December 2025		As at 31 December 2024	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Amounts due to customers	1,008,267.06	78.84	979,458.78	77.77
Deposits from banks and other financial institutions	20,049.75	1.57	37,200.84	2.95
Placements from banks and other financial institutions	5,604.22	0.44	5,462.88	0.43
Financial assets sold under repurchase agreements	24,717.63	1.93	29,623.56	2.35
Debt securities issued	147,001.71	11.49	162,100.46	12.87
Others ⁽¹⁾	73,272.27	5.73	45,643.26	3.63
Total liabilities	1,278,912.64	100.00	1,259,489.78	100.00

Note:

- (1) Mainly included tax payable, borrowings from central bank and salaries, bonuses, allowances and subsidies payable.

As at 31 December 2025, total liabilities of the Group increased by RMB19.423 billion, or 1.54%, to RMB1,278.913 billion as compared to the end of last year. The amount due to customers stably increased by RMB28.808 billion, or 2.94%, as compared to the end of last year.

MANAGEMENT DISCUSSION AND ANALYSIS

(1) *Amount due to customers*

The following table sets forth the amount due to customers of the Group by product type as at the dates indicated:

Item (Expressed in RMB million, unless otherwise stated)	As at 31 December 2025		As at 31 December 2024	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Corporate deposits⁽¹⁾				
Time	176,829.83	17.54	175,894.84	17.96
Demand	132,686.69	13.16	135,917.03	13.88
Subtotal	309,516.52	30.70	311,811.87	31.84
Personal deposits				
Time	481,362.53	47.74	461,423.51	47.11
Demand	134,106.52	13.30	127,903.93	13.06
Subtotal	615,469.05	61.04	589,327.44	60.17
Other deposits⁽²⁾	65,034.52	6.45	57,510.69	5.87
Interest payable	18,246.97	1.81	20,808.78	2.12
Customer deposits	1,008,267.06	100.00	979,458.78	100.00

Notes:

- (1) Mainly included deposits from corporate customers and government bodies.
- (2) Mainly included treasury time deposits, fiscal deposits and pledged deposits, etc.

As at 31 December 2025, customer deposits increased by RMB28,808 million, or 2.94%, to RMB1,008,267 million as compared to the end of last year. With respect to the customer structure of the Group, personal deposits accounted for 61.04% of our total amount due to customers, and the balance of personal deposits increased by RMB26,142 million, or 4.44%, as compared to the end of last year; corporate deposits (excluding pledged deposits) accounted for 30.70% of our total customer deposits and the balance of corporate deposits decreased by RMB2,295 million, or 0.74%, as compared to the end of last year.

MANAGEMENT DISCUSSION AND ANALYSIS

3. Composition of Shareholders' Equity

The following table sets forth the composition of shareholders' equity of the Group as at the dates indicated:

Item (Expressed in RMB million, unless otherwise stated)	As at 31 December 2025		As at 31 December 2024	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Share capital	14,409.79	14.25	14,409.79	14.00
Other equity instruments	12,000.00	11.87	12,000.00	11.66
Reserves	47,545.44	47.03	49,577.09	48.17
Retained earnings	19,774.90	19.56	18,871.03	18.34
Non-controlling interests	7,365.70	7.29	8,060.23	7.83
Total shareholders' equity	101,095.83	100.00	102,918.14	100.00

As at 31 December 2025, the Group recorded a paid-in capital of RMB14.410 billion.

(III) LOAN QUALITY ANALYSIS

1. Five-Category Classification of Loans

The following table sets forth the distribution of the Group's loans by the five-category classification as at the dates indicated, under which non-performing loans include loans classified into substandard, doubtful and loss categories.

Item (Expressed in RMB million, unless otherwise stated)	As at 31 December 2025		As at 31 December 2024	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Normal	647,141.17	91.65	661,839.45	91.90
Special mention	45,818.28	6.49	46,444.46	6.45
Substandard	3,239.56	0.46	4,134.28	0.57
Doubtful	3,766.11	0.54	4,137.50	0.57
Loss	6,093.20	0.86	3,678.54	0.51
Total loans and advances to customers	706,058.32	100.00	720,234.23	100.00
Non-performing loan ratio⁽¹⁾		1.86		1.66

Note:

(1) Calculated by dividing the total amount of non-performing loans by total loans.

Under the complicated and difficult external environment and the slowdown in economic growth, the Group continued to intensify its efforts in risk resolution and non-performing loans disposal. As at 31 December 2025, the non-performing loan ratio of the Group was 1.86%, which increased by 0.2 percentage points from the end of last year.

MANAGEMENT DISCUSSION AND ANALYSIS

2 *Distribution of Non-performing Loans by Product Type*

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

Item (Expressed in RMB million, unless otherwise stated)	As at 31 December 2025			As at 31 December 2024		
	Amount	Percentage	Non-	Amount	Percentage	Non-
		of total	performing		of total	performing
		(%)	loan ratio		(%)	loan ratio
			(%) ⁽¹⁾			(%)
Corporate loans	5,077.69	38.76	1.20	6,521.96	54.58	1.55
Personal loans	8,021.18	61.24	4.12	5,428.36	45.42	2.89
Total non-performing loans	13,098.87	100.00	1.86	11,950.32	100.00	1.66

Note:

- (1) Calculated by dividing non-performing loans (loans classified into substandard, doubtful or loss categories) in each product type by gross loans in that product type.

MANAGEMENT DISCUSSION AND ANALYSIS

3. Distribution of Non-performing Corporate Loans by Industry

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

Item (Expressed in RMB million, unless otherwise stated)	As at 31 December 2025			As at 31 December 2024		
	Amount	Percentage of total (%)	Non-performing loan ratio (%)	Amount	Percentage of total (%)	Non-performing loan ratio (%) ⁽¹⁾
Wholesale and retail	1,958.18	38.56	3.34	2,259.33	34.64	4.10
Manufacturing	985.64	19.41	2.02	402.59	6.17	0.79
Construction	483.94	9.53	1.21	448.48	6.88	1.13
Real estate	401.80	7.91	0.84	653.74	10.02	1.45
Agriculture, forestry, animal husbandry and fishery	377.55	7.44	4.71	718.99	11.02	7.85
Leasing and commercial services	198.53	3.91	0.16	1,080.70	16.57	0.88
Scientific research and technical services	193.61	3.81	2.58	123.76	1.90	1.95
Transportation, storage and postal services	119.84	2.36	1.27	210.38	3.23	1.76
Information transmission, software and information technology services	111.64	2.20	1.37	41.09	0.63	0.53
Water conservation, environment and public utilities management	77.92	1.53	0.71	75.72	1.16	0.67
Household, repair and other services	58.12	1.15	0.30	206.71	3.17	1.04
Production and supply of electricity, heat, gas and water	45.94	0.91	0.87	46.10	0.71	0.94
Hotel and catering	39.16	0.77	0.45	13.13	0.20	0.13
Education	22.69	0.45	0.30	19.87	0.31	0.20
Others	3.13	0.06	0.02	221.37	3.39	1.41
Total non-performing corporate loans	5,077.69	100.00	1.20	6,521.96	100.00	1.55

Note:

- (1) Calculated by dividing non-performing loans (loans classified into substandard, doubtful or loss categories) of each industry by gross loans granted to such industry.

MANAGEMENT DISCUSSION AND ANALYSIS

4. Overdue Loans to Customers

The following table sets forth the aging timetable of the Group's loans by loan certificate as at the dates indicated.

Item (Expressed in RMB million, unless otherwise stated)	As at 31 December 2025		As at 31 December 2024	
	Amount	Percentage of total (%)	Amount	Percent of total (%)
Loans that were not past due	675,172.25	95.63	688,161.34	95.55
Loans that were past due	30,886.07	4.37	32,072.89	4.45
Within 3 months	16,947.81	2.40	18,668.24	2.59
3 months to 1 year	4,726.37	0.67	4,804.00	0.67
1 year to 3 years	6,340.39	0.90	4,994.74	0.69
Over 3 years	2,871.50	0.40	3,605.91	0.50
Total loans and advances to customers	706,058.32	100.00	720,234.23	100.00

As at 31 December 2025, overdue loans amounted to RMB30.886 billion, representing a decrease of RMB1.187 billion over the end of the previous year and accounting for 4.37%, representing a decrease of 0.08 percentage points as compared with the end of the previous year.

MANAGEMENT DISCUSSION AND ANALYSIS

(IV) ANALYSIS OF CAPITAL ADEQUACY RATIO

Since 2024, the Group has adopted the Administrative Measures for the Capital of Commercial Banks 《商業銀行資本管理辦法》 issued by the National Financial Regulatory Administration on 1 November 2023 to calculate its capital adequacy ratio, under which credit risks are measured by simplified the weighted method, market risks are measured by standard method and operational risks are measured by standard method, and the scope of this calculation covers all branches of the Bank as well as subsidiaries which are financial institutions which comply with the Administrative Measures for the Capital of Commercial Banks 《商業銀行資本管理辦法》. The following table sets forth the relevant information of the Group's capital adequacy ratio as at the dates indicated.

Item (Expressed in RMB million, unless otherwise stated)	As at 31 December 2025	As at 31 December 2024
Core Tier 1 capital adequacy ratio	9.61%	9.90%
Tier 1 capital adequacy ratio	11.15%	11.42%
Capital adequacy ratio	13.98%	14.52%
Portion of paid-in capital that may be included	14,409.79	14,409.79
Portion of capital reserve that may be included	22,105.10	22,082.58
Surplus reserve	6,201.19	6,020.84
General risk reserve	18,203.71	18,148.09
Retained earnings	19,774.90	18,871.03
Portion of minority interests that may be included	2,436.57	2,806.25
Others	1,035.44	3,325.57
Total core Tier 1 capital	84,166.70	85,664.15
Regulatory deductions for core Tier 1 capital	(7,429.59)	(4,852.93)
Goodwill and other intangible assets (excluding land use rights)	(1,102.66)	(1,174.96)
Core Tier 1 capital, net	76,737.11	80,811.22
Other Tier 1 capital	12,323.12	12,372.02
Other Tier 1 capital instruments and their premium	12,000.00	12,000.00
Portion of minority interests that may be included	323.12	372.02
Net Tier 1 capital	89,060.23	93,183.24
Tier 2 capital	22,586.15	25,303.08
Tier 2 capital instruments and related premium that may be included	14,999.22	14,999.13
Excessive loss allowances	6,939.11	9,556.34
Portion of minority interests that may be included	647.82	747.60
Net capital	111,646.38	118,486.32
Total risk-weighted assets	798,392.41	815,962.20

MANAGEMENT DISCUSSION AND ANALYSIS

As at 31 December 2025, the Group's capital adequacy ratio was 13.98%, representing a decrease of 0.54 percentage point over the end of last year, mainly due to the rate of decrease of net capital over the end of the last year exceeded that of risk-weighted assets over the end of the last year. Net capital was RMB111,600 million, representing a decrease of RMB6,800 million or 5.77% over the end of the last year, mainly due to the decrease in fair value of financial assets. Risk-weighted assets amounted to RMB798,400 million, representing a decrease of RMB17,600 million, or 2.15% over the end of the last year, mainly due to the decrease in credit risk-weighted assets for on-balance sheet businesses over the end of the last year.

(V) ANALYSIS OF LEVERAGE RATIO

As at 31 December 2025, the Group measured and disclosed the leverage ratio in accordance with the Administrative Measures for the Capital of Commercial Banks as follows:

Item (Expressed in RMB million, unless otherwise stated)	As at 31 December 2025
Net Tier 1 capital	89,060.23
The balance of assets on and off-balance sheet after adjustments	1,450,128.39
Leverage ratio (%)	6.14%

(VI) SEGMENT INFORMATION

The Group conducts its business principally in Guangdong Province, the PRC. Its major customers and non-current assets are located in Guangdong Province, the PRC.

Summary of business distribution

Operating income

Item (Expressed in RMB million, unless otherwise stated)	For the year ended 31 December			
	2025		2024	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Corporate banking business	6,922.24	44.98	7,256.69	45.84
Retail banking business	5,972.45	38.81	6,527.67	41.23
Financial market business	2,295.12	14.91	1,831.84	11.57
Others	200.19	1.30	215.48	1.36
Total operating income	15,390.00	100.00	15,831.68	100.00

MANAGEMENT DISCUSSION AND ANALYSIS

(VII) ANALYSIS OF OFF-BALANCE-SHEET ITEMS

The Group's off-balance-sheet items mainly include loan commitments, acceptance bills, issuance of letters of guarantee, unused credit card limit and issuance of letters of credit generated in the course of ordinary business of the Group. As at 31 December 2025, the balances of loan commitments, acceptance bills, issuance of letters of guarantee, unused credit card limit and issuance of letters of credit were RMB60,656 million, RMB47,840 million, RMB20,903 million, RMB21,121 million and RMB30,699 million, respectively.

(VIII) CONTINGENT LIABILITIES AND ASSETS PLEDGED AS SECURITY

For details of the Group's contingent liabilities and assets pledged as security as at 31 December 2025, please refer to notes 42 and 45 to the consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

V. BUSINESS OPERATION

(I) Corporate Banking Business

1. *Corporate Loan Business*

In 2025, the Bank earnestly implemented the spirit of the Central Financial Work Conference, adhered to the work arrangements of the provincial and municipal party committees and governments, focused on the regional main business and its own responsibilities. We firmly established the principle of financial services for the real economy, and increased support for key industries in Guangdong Province and Guangzhou City. Firstly, the Bank adhered to the development positioning of supporting agriculture and small businesses, actively promoted the “Hundred, Thousand, and Ten Thousand Project”, fully advanced rural revitalization through financial services, and strengthened credit support for key sectors, key regions, and key projects, continuously optimized the supply of financial products, and enhanced the quality and efficiency of financial services. Secondly, the Bank steadily promoted the “300 billion project” of small and medium-sized credit business, built core competitiveness in small and medium-sized asset business, completed the establishment of the “2+3+N” product system for corporate credit, and continuously optimized supporting tools such as industry comparison tables and quota calculation tables. As of the end of the Reporting Period, the Bank’s small and medium-sized corporate credit business with amounts below RMB50 million achieved growth in both scale and proportion compared to the beginning of the year. The balance of small and medium-sized corporate credit business amounted to RMB68.22 billion, an increase of 24.2% from the beginning of the year, and accounted for 16.3% of corporate loans, an increase of 2.7 percentage points from the beginning of the year; the Bank had 3,618 small and medium-sized corporate credit customers, an increase of 1,091 from the beginning of the year. Thirdly, we strengthened financial support in key sectors, adhered to the principle of “manufacturing as the cornerstone”, fully supported the development of “new quality productive forces”, closely followed provincial and municipal industrial policies, focused on high-tech enterprises, specialized and new enterprises, as well as provincial and municipal modern industrial systems, fully supported the development of the secondary industry to facilitate industrial optimization and upgrading. Fourthly, the Bank focused on key construction projects and infrastructure development, providing fixed asset loan support for eligible enterprises in equipment upgrading, technological transformation and key project development. The Bank actively participated in provincial and municipal key projects, infrastructure construction projects, and fixed asset projects located in core areas with stable cash flows. As of the end of the Reporting Period, the Bank still ranked sixth among its peers in Guangzhou in terms of corporate loan size.

MANAGEMENT DISCUSSION AND ANALYSIS

2. *Corporate Deposit Business*

In 2025, the Bank will adhere to its “customer-centric, market-oriented” business philosophy, continuously strengthen its corporate deposit customer base, enhance comprehensive financial service capabilities, and drive high-quality development of corporate deposit operations. Firstly, the Bank continued to promote the enhancement of settlement deposits, strengthened the construction of settlement scenarios for supply chain and cross-border transactions, reinforced the application of settlement products, and realised the consolidation of settlement services for enterprises. Secondly, the Bank thoroughly implemented the “Hundred, Thousand, and Ten Thousand Project”, did our best in marketing and maintenance of land requisition compensation and special borrowings and funds for urban village renovation, and relied on the application and penetration of products and system platforms such as rural collective fund account supervision and “Village Wealth (村資寶)” to improve and focus on the integrated operation of village cooperatives. Thirdly, the Bank continued to strengthen the depth and breadth of cooperation between banks and local governments and optimised the structure of its corporate deposit business on the basis of good marketing and maintenance of deposits from institutions at various levels, including provincial, municipal, regions, township, districts and sub-districts levels, and strived to realise cost reduction and efficiency improvement. As at the end of the Reporting Period, the Bank still ranked fourth among its peers

3. *Trading Bank Business*

In 2025, the Bank’s trading bank business continued to promote the digital transformation, focusing on rural finance, industrial finance and cross-border finance to create an integrated and intelligent financial service solutions. Firstly, the Bank fully supported the “Hundred, Thousand, and Ten Thousand Project”, deepened cooperation among banks, governments and villages, promoted featured products and services such as rural collective fund supervision, public resource bidding platforms for rural areas, and Village Wealth (村資寶)” and continuously improved the quality and efficiency of rural financial services. During the Reporting Period, Village Wealth processed 38,000 rural collective fund approval transactions, benefiting over 290,000 villagers. Secondly, the Bank advanced the digitalization and ecosystem development of supply chain finance, upgrading the “Jinmi Gold Housekeeper for Bills (金米票據金管家)” and “Jinmi Trade and Finance Smart Win (金米貿融智贏通)” product systems, and achieving 100% online processing for small-amount supply chain assets. During the Reporting Period, the Bank served approximately 1,000 supply chain finance customers, with business volume reaching nearly RMB160 billion. Thirdly, focusing on customer needs and experience, the Bank continuously upgraded its digital platforms such as corporate online banking, mobile banking and cash management platforms, optimized business processes, introduced biometric technologies to enhance risk control capabilities, and strengthened service security. By the end of the Reporting Period, the number of contracted corporate customers through electronic channels exceeded 50,000. Fourthly, in implementing the national policy of “stabilizing foreign trade” and facilitating cross-border financial services, the Bank strengthened support for foreign trade enterprises in financing, settlement and foreign exchange risk management, established a cross-border financial service matrix featuring Smart Settlement, Beneficial Trading and Smooth

MANAGEMENT DISCUSSION AND ANALYSIS

Financing and launched 21 supportive measures for enterprises to empower foreign trade enterprises. During the Reporting Period, the Bank served over 300 small and medium-sized foreign trade enterprises, with international trade financing balance exceeding RMB700 million. The Bank actively participated in high-level cross-border financial opening initiatives in Nansha and Hengqin new districts. During the Reporting Period, cross-border trade facilitation settlement in Nansha new district exceeded USD100 million, doubling year-on-year. The Bank fully leveraged the advantages of our branch network and optimized the layout of foreign exchange services across our branches. As of the end of the Reporting Period, more than 140 branches of the Bank obtained regulatory approval for foreign exchange settlement and sales business. Service quality for foreign exchange operations at branches continued to improve. The Bank was awarded the title of “Outstanding Unit for Foreign Currency Exchange Services for Foreign Nationals in China” by the Guangdong Self-Disciplinary Mechanism for Foreign Exchange and Cross-Border RMB Business (廣東省外匯與跨境人民幣業務展業自律機制), and was the only locally incorporated bank receiving this award.

4. Investment Banking

In 2025, the Bank fully made use of the advantages of the licence of a local legal entity as a principal underwriter, actively implemented the requirements of high-quality development, adhered to the development concept of “light capitalization”, and focused on building a product system of the investment banking focusing on direct financing, asset securitization, and structural financing, supported the development of the Guangdong-Hong Kong-Macao Greater Bay Area with diversified investment banking products, assisting Guangzhou in revitalizing its old city with new energy. Driven by innovation, the Bank actively responded to national development strategies, focused on the local market and deeply expanded customer groups, used products such as syndicated loans to support the development of the real economy in the Greater Bay Area, and supported customers in issuing innovative bonds, including technology innovation bonds and green bonds in order to continuously expand the breadth and depth of financial services for high-quality enterprises. During the Reporting Period, the Bank was recognized by the Beijing Financial Assets Exchange as the “Most Market Innovative Institution (最具市場突破力)” in 2025.

(II) Retail Financial Business

1. Retail Deposit Business

In 2025, the Bank adhered to a customer-centric approach, aligned with market trends and customer needs, enriched deposit products, and promoted the steady growth of savings deposits. Firstly, the Bank established a featured deposit product system branded “Salary & Welfare (薪福利)”, launching six products including “Jinmi-Salary-Joy Savings (金米薪悅存)”, “Jinmi-Full-Fortune Savings (金米福滿存)”, “Jinmi-Full-Enjoyment Savings (金米福享存)” “Jinmi-Flexible-Interest Savings (金米活利存)” and “Jinmi-Fixed-Interest Savings(金米定利存)” targeting payroll, social security and pension customer segments. Secondly, the Bank strengthened corporateretail and retail-retail synergy, deepened the development of volume scenario-based ecosystem, and expanded financial services in social security, collection and payment, housing rental and other scenarios. As of the end of the Reporting Period, the Bank’s savings deposit scale reached RMB516.4 billion, remaining second among its peers in Guangzhou.

MANAGEMENT DISCUSSION AND ANALYSIS

2. *Retail Loan Business*

In 2025, the Bank fully implemented the requirements of consumer finance helping boost consumption, focused on customers, focused on small and medium-sized consumer scenarios, continued to enrich the financial product system, increased the exploration of potential customers, and comprehensively enhanced the level of financial services to maintain the stable development of retail loan business. Firstly, the Bank has released the Special Action Plan to boost the consumer market development through 12 major initiatives such as optimising loan products, enhancing service efficiency, specially preferential activities, improving relief policies, regulating external cooperation, and strengthening risk prevention and control. Secondly, the Bank took the initiative to serve the financial needs of the personal consumer market, innovated and developed the online consumer loan “Jinmi Home e-Loan (金米家 e 貸)”, followed the policy to optimise the mortgage “Jinmi Residence Loan (金米安居貸)” and other special products, which comprehensively covering mortgages, consumer loans for various customer groups, and meeting various types of consumption scenarios to create a multi-level, integrated, and comprehensive financial service model for customers. Thirdly, the Bank targeted market transactions and implemented “volume-position matching”, strengthened our tactical planning, and focused on key properties, effectively improving our market share in Guangzhou. Fourthly, the Bank strengthened technology empowerment, promoted business process optimisation, enhanced its digital risk-control capabilities, realised digital transformation, and provided customers with one-stop convenience and transparency and enhanced customer service experience. As of the end of the Reporting Period, the Bank’s retail loan balance stood at RMB93.04 billion, representing an increase of RMB7.04 billion or 8.2% compared to the beginning of the year.

3. *Wealth Management Business*

In 2025, the Bank’s wealth management and private banking business, centering on the final year of the 14th Five-Year Plan, adhered to a customer-centric strategy, enhanced product competitiveness, strengthened professional service capabilities, and aimed to meet the wealth management needs of residents in the Guangdong-Hong Kong-Macao Greater Bay Area, thereby supporting high-quality regional development. Firstly, product competitiveness was continuously enhanced by building a diversified and comprehensive product offerings, reshaping the value chain of wealth products based on lifecycle wealth management needs, and enriching market supply. During the year, 225 new wealth management products were approved for distribution on a commission basis, meeting customers’ needs for value preservation, appreciation, protection and inheritance. Secondly, the Bank enhanced professional service capabilities by leveraging the asset allocation system to restructure the service process for wealth management clients. This drove a shift among marketing personnel from “traditional single-product sales” to “advisory services”, delivering thoughtful and professional comprehensive wealth services to clients. Thirdly, the Bank deepened the implementation of the Southbound Cross-Boundary Wealth Management Connect, actively expanding cross-border financial services to meet high-net-worth customers’ global asset allocation needs, and building Cross-Boundary Wealth Management Connect into a strategic linkage between cities in the Guangdong-Hong Kong-Macao Greater Bay Area by optimization of service process, ample product offerings and innovative marketing mode.

MANAGEMENT DISCUSSION AND ANALYSIS

4. *Bank Card Business*

In 2025, the Bank focused on developing its distinctive customer segments and enhancing client services, promoting the comprehensive growth of its debit card business. First, leveraging its elderly financial service framework, the Bank introduced the “Jinmi Guangfu Family Prestige Card • Prestige Edition (金米廣府家族榮耀卡•名門)” to deepen its engagement with family-based customer groups and support refined operations in the elderly segment. Second, the Bank continued to strengthen its social security card service system, steadily expanding its social security cooperation outlets and instant card issuance network to enhance accessibility and convenience of social security services. As of the end of the Reporting Period, the Bank had issued over 540,000 new debit cards, with a total of more than 8.45 million debit cards in circulation; social security card issuance increased by over 40,000, bringing the total number of social security cards to more than 630,000.

5. *Credit Card Business*

In 2025, the Bank’s credit card business focused on such key economical areas such as expanding domestic demand, stabilizing growth and boosting consumption. By deepening scenario-based operations to stimulate domestic demand, optimizing asset structure to stabilize growth, and reshaping value to enhance consumption, the Bank continued to expand the supply of high-quality consumer finance services and products. Firstly, the Bank established a “one core with two wings” scenario-based operation strategy, with large-scale automobile consumption as the core, supplemented by household bulk consumption and high-frequency personal consumption. The Bank adhered to developing credit card business anchored in authentic consumption scenarios. Newly granted automobile installment loans increased by sevenfold year-on-year, supporting the implementation of the strategy to expand domestic demand. Secondly, leveraging a “dual-funnel” screening mechanism and implementing a target customer-driven strategy, the Bank strengthened differentiated and personalized operations, enhanced the resilience of its asset portfolio with a “safety mat”, and promoted the transformation of its credit card business toward a “quality-focused” development mode, optimizing asset structure to support stable growth. Thirdly, the Bank actively participated in the three major initiatives of “enhancing service consumption for public benefit”, “upgrading major consumer goods” and “improving consumption quality”, and launched dozens of consumption-boosting campaigns, including the “winning gold medal moment • getting massive discounts” brand marketing series and Alipay’s 2025 “year-end carnival” instant discount promotion. By aggregating diverse consumption scenarios, it helped to implement the strategy for boosting consumption.

MANAGEMENT DISCUSSION AND ANALYSIS

(III) Financial Market Business

1. *Financial Interbank Business*

In 2025, adhering to prudent operations, the Bank deepened the transformation of our financial market business, strengthened risk assessment, seized market opportunities, optimized business structure, and promoted high-quality development of our financial market business. Firstly, business deployment remained prudent and balanced, and business structure was continuously optimized. The Bank dynamically optimized its asset allocation, gradually increased investment in high-quality assets such as interest rate bonds, and leveraged bond investments as a stabilizer of profitability, while reducing inefficient assets to enhance overall portfolio returns. As of the end of 2025, the balance of local government bond investments amounted to RMB138.719 billion, an increase of RMB24.119 billion from the beginning of the year, accounting for 48% of the portfolio. The balance of policy bank bonds was RMB46.46 billion, a decrease of RMB2.0 billion from the beginning of the year, representing 16% of the portfolio. Structural adjustments achieved the expected results. On the liabilities side, the Bank utilized diversified funding instruments, including interbank depositary receipts, interbank placement of deposit, bond repurchase agreements, medium-term lending facilities (MLF) and bond issuances, while strengthening refined liability management and effectively reducing comprehensive funding costs while ensuring sound liquidity management. During the Reporting Period, the interest rate of interbank liabilities was 1.76%, down 41 basis points from the end of last year. Secondly, transaction volume grew rapidly and market influence improved significantly. The Bank actively fulfilled its responsibilities as a primary dealer in open market operations, enhanced capital utilization efficiency, and expanded interbank counterparties. To effectively boost trading activity and expand market influence, the Bank actively employed various trading strategies including brokerage and market making to increase bond transaction frequency. Through company-wide marketing efforts, the Bank enhanced lending business volume and proactively participated in the trading center's innovative initiatives, resulting in a significant year-on-year increase in trading volume. In 2025, the Bank's bond trading volume reached RMB3.3 trillion, up 35% year-on-year, while bond lending volume reached RMB1.56 trillion, up 36% year-on-year. Thirdly, the engagement with interbank customers was comprehensively deepened and customer service quality was effectively enhanced. The Bank continued to strengthen its interbank customer management system, implemented precise account-based and category-based management. actively cultivated a high-quality inter-bank" social circle". The Bank actively expanded the depth and breadth of business cooperation, effectively integrated and coordinated various business resources, providing high-quality comprehensive financial services to interbank customers, and continuously enhanced the Bank's industry influence in interbank operations.

MANAGEMENT DISCUSSION AND ANALYSIS

2. *Asset Management Business*

In 2025, the Bank continued to implement regulatory requirements and focused on customers' diverse wealth management needs. Through the core wealth brand "Golden Grain Wealth Management (金米理財)", the Bank developed the "Five Riches (五富臨門)" product system. Leveraging a comprehensive asset allocation system with fixed income as its core and "fixed income +" as its distinctive feature, the Bank continuously enhanced investment and research capabilities, dynamically optimized investment portfolios, and steadily improved product profitability, providing clients with tailored wealth appreciation options. Simultaneously, the Bank continuously enhanced the professional service capabilities of our investment advisors, established a long-term investor support mechanism, and provided tailored product recommendations and customized services, empowering customers to achieve their wealth goals through enduring partnership.

In 2025, the Bank received multiple industry awards, including the 2024 "Golden Toad Awards (金蟾獎)" – "Wealth Management Income Pioneer Prize (理財收益先鋒獎)", "Yinghua Award – Outstanding Hybrid Wealth Management Bank (英華獎 – 優秀混合類理財銀行)" in the 7th China Banking Wealth Management Elite Case Awards, the "Rural Commercial Bank with Excellent Asset Management" (卓越資產管理農商銀行) prize in the Golden Reputation Awards, and The Gamma Award of Regional Influence Bank in 2024 (天璣獎"2025 年度區域影響力銀行").

3. *Asset Custody Business*

In 2025, the Bank further deepened the trinity business structure of custody, investment, and agency sales, continuously enriched the custody product system, and promoted the synergistic development of businesses. Adhering to the customer-centric service philosophy, the Bank deeply advanced digital transformation, and leveraged the Ysstech 5.0 system and the comprehensive asset custody business platform to deeply empower business development, continuously improving the professional capabilities and customer experience of custody operation services.

The Bank's asset custody business maintained stable development and its structure was continuously optimized. As of the end of the Reporting Period, the asset custody balance of the Bank was approximately RMB337 billion, of which securities investment funds accounted for 8.48%, asset management plans accounted for 26.81%, bank wealth management products accounted for 13.91%, trust plans accounted for 10.34%, private equity funds accounted for 7.82%.

The Bank continuously improved the risk management and compliance internal control system of the asset custody business, earnestly fulfilled the custodian's duties in accordance with laws, regulations, and custody contracts, and safely kept the entrusted assets. During the Reporting Period, the business operated smoothly overall, and no custody business risk events occurred.

MANAGEMENT DISCUSSION AND ANALYSIS

(IV) Inclusive Financial Services

In 2025, as a small and medium-sized financial institution rooted locally, the Bank adhered to the development positioning of supporting agriculture and small enterprises, continued to strengthen confidence and stabilize expectations for micro and small enterprises with high-quality financial services, and provided accessible, reasonably priced, safe, and efficient financial services. Firstly, the Bank deepened the digital restructuring of existing products to solidify the dual foundations of risk management and operational efficiency. We completed institutionalized and standardized upgrades for 47 inclusive products, achieving a full-process risk closed loop spanning from admission to post-loan management. Concurrently, we built a standardized product matrix covering multiple dimensions such as agricultural guarantees and technology credit, enhancing the quality and efficiency of review and approval processes and laying a solid foundation for scaled expansion. Secondly, the Bank built an inclusive business communication, mutual learning, and joint progress platform across sub-branches serving the entire Bank, regularly evaluated and selected “Model Battalion (標兵連)” institutions, and dug deep into typical exemplary leadership; extracted and introduced the development experience of “Model Battalion” for publication and promotion across the Bank, establishing a benchmark for inclusive business development. Thirdly, the Bank continued to drive the digital transformation of business processes, and introduced the innovative “I Want a Loan (我要貸款)” one-stop feature on the Jinmi Inclusive Finance (金米普惠) mini-program and mobile banking APP. After authorized by customers, the system automatically integrates credit reports and multi-source data and performs intelligent preliminary screening, credit limit calculation, and product matching through risk control models, significantly streamlining the loan application process. Fourthly, the Bank improved the market-oriented pricing mechanism to enhance profitability and market competitiveness. By optimizing the loan interest rate management regulations, we implemented refined pricing strategies for key customer groups and core businesses. This not only enhanced pricing flexibility to align with the market and improved customer acquisition capabilities, but also ensured the organic unity of profitability and compliance through the system’s rigid control over the lower limit of interest rates, effectively upgrading the asset yield level and overall competitiveness.

During the Reporting Period, the Bank has received multiple awards. By strengthening publicity around key products, customer groups, and sectors, our inclusive financial service cases have been reported multiple times by mainstream media outlets such as People’s Daily, Caixin (財新網), Guangzhou Daily (廣州日報), and Guangzhou Finance (廣州金融). We have also been honored with six awards, including “Small but Beautiful (小而美)” and “Outstanding Competitiveness (卓越競爭力)” inclusive finance bank, effectively enhancing customer trust in our services. In data empowerment, we participated in the national “Data Elements X” competition and won first prize in the financial services category of the Guangdong regional contest.

MANAGEMENT DISCUSSION AND ANALYSIS

(V) Building of Financial Technology

In 2025, the Bank actively advanced fintech construction and digital transformation across the Bank, deepened the application of technology to drive business innovation and efficiency gains, strived to integrate business and technology to enhance the quality and effectiveness of technology services, strengthened foundational technological capabilities to fortify information security defenses, so as to fully leverage technology to empower the high-quality development of the Bank's business.

1. The Bank enhanced the technology governance system to elevate the level of technology empowerment.

The Bank has consistently focused on building technology governance capabilities, and established a top-down information technology management structure consisting of the Board of Directors and senior management, the Finance Technology Committee, the Information Technology Risk Management Department, and the Financial Technology Department. We adhered to the implementation of the "three lines of defense" for information technology risk management and continuously refined the Finance Technology Committee's deliberative functions on major matters related to finance technology management, information technology risk management and data governance. We continuously refined our technology systems and standard systems, and organized regular benchmarking against industry leaders to elevate management standardization. We continuously strengthened standardized research and development process management to enhance self-reliance and control, and formed expert teams in distributed research and development technology systems, and data technology empowerment sectors to boost technological research and development capabilities. Furthermore, we actively promoted the application of agile development mechanism and business-technology integration mechanism, and established dedicated teams for small and medium-sized asset business to elevate technology-enabled business development.

2. The Bank accelerated the digital transformation process to support high-quality business development.

The Bank steadfastly adhered to strategic guidance, and formulated the "Digital Transformation Implementation Plan (2025-2027) 《數字化轉型工作實施方案(2025-2027年)》". We focused on enhancing the core competitiveness of small and micro asset business and the comprehensive competitiveness of business outlets, improving risk prevention and control capabilities, and intelligent management capabilities. Through multi-dimensional efforts – including business process digitization, product innovation, customer management, channel development, intelligent marketing, digital risk control, and data-driven initiatives – we propelled the Bank's digital transformation to accelerate comprehensively.

In 2025, the Bank successfully implemented 48 information system construction projects, completed the launch and put into production of 28 information systems including the artificial intelligence model platform and the native HarmonyOS version of the mobile banking client application. These initiatives effectively supported the development and operational management of all major business segments across the Bank, and played the role of technology in promoting the comprehensive improvement of the Bank's asset efficiency. The maturity of financial digital capabilities steadily improved, with significant year-on-year enhancements observed in nine key areas, such as planning and implementation, risk prevention and resolution, data governance systems, data architecture, data standards, cloud computing, business middle platforms, online channel innovation, and small and micro finance services.

MANAGEMENT DISCUSSION AND ANALYSIS

3. Network security defense to ensure the security and stability of information systems

The Bank firmly comprehensively implemented national and regulatory cybersecurity requirements, adhered to the baseline of operational security, and rigorously upheld cybersecurity perimeters. We strictly enforced cybersecurity management responsibilities across all levels while continuously enhancing organization-wide cybersecurity awareness. Multiple cybersecurity management measures were effectively implemented, including classified protection evaluation of cybersecurity, penetration testing of internet-facing information systems, and security assessments of information systems. The Bank has established next-generation technical protection platforms such as a new antivirus system and next-generation endpoint security management system, to comprehensively identify, prevent and resolve potential risks and hazards in cyber security and achieve all-round enhancement of cybersecurity protective capabilities. In 2025, the Bank did not experience any major cybersecurity incidents, accomplishing the goal of “zero accidents” in cybersecurity.

4. Business continuity management to enhance operation and maintenance guarantee capabilities

The Bank consistently implemented all aspects of business continuity management to fully build a solid foundation for the technological infrastructure, optimizing high availability for critical system database cluster software and database disaster recovery architectures. We proactively advanced the replacement of aging equipment in data centers, thereby mitigating potential operational risks of aging infrastructure while enhancing the stability of foundational resource frameworks. We expanded the cloud platform resource pool, continuously deepened fundamental software/hardware support capabilities, and progressively broadened product application scopes. Software and hardware inspections and disaster recovery switchover drills were conducted in an orderly manner, completing emergency switchover exercises for 5 batches of 130 information systems to improve emergency incident response capabilities. Continuous development of an Integrated Operational Service Platform, One-Click Disaster Recovery Switching Platform, and Intelligent Integrated Monitoring Platform have effectively enhanced the intelligence and automation of operation management, reinforcing business continuity assurance capabilities. All critical information systems maintained stable operations throughout the year without unplanned interruption incidents incurred.

(VI) Service Channel Development

1. Physical Outlets

As of the end of the Reporting Period, the Bank had 530 operating outlets (including 1 franchise institution), of which 509 were located in the Guangzhou region (including 1 franchise institution) and 21 were non-local outlets in the province. In terms of the number of outlets in the Guangzhou region, the Bank ranked first among the banks in the Guangzhou region. The Bank operated 5 non-local branches in Foshan, Qingyuan, Heyuan, Zhaoqing, Zhuhai Hengqin, Zhongshan Dongfeng and Dongguan Huangjiang, 16 sub-branches.

MANAGEMENT DISCUSSION AND ANALYSIS

2. *Self-service Bank*

As of the end of the Reporting Period, the number of ATMs, self-service inquiry terminals and smart service terminals of the Bank amounted to 1,322, among which 681 were ATMs, 41 were self-service inquiry terminals and 600 were smart service terminals.

3. *Smart Banking*

As of the end of the Reporting Period, the Bank had a total of 430 smart banking outlets, and smart facilities including STM600 were installed.

4. *Internet Finance*

(1) *Mobile Banking*

During the Reporting Period, the Bank accelerated its digital transformation in mobile banking by leveraging technology-driven innovation. Firstly, we launched the HarmonyOS version of the mobile banking client application, further expanding terminal versions to meet diverse customer needs. Secondly, we deepened the “financial + life” ecosystem by integrating multiple new convenience features, including eight services such as U-Hui Guangdong (U 惠廣東) and China UnionPay QR code payments, covering diverse scenarios like dining and cross-border payments. We also launched the “Eat in Guangzhou (食在廣州)” dining vouchers campaign, enabling direct access to national subsidy policies for our customers. Thirdly, we enriched distinctive service features by introducing the “Financial Calendar” and “Customer Bill” functions. Services like the “Financial Assistant (金融小管家)” provide customers with more refined and convenient support. As of the end of the Reporting Period, the Bank’s mobile banking customers totalled 5.167 million, reflecting a 10.2% increase from the beginning of the year.

(2) *Online Banking*

The Bank has comprehensively upgraded its corporate online banking services through digital financial technology innovations, focusing on enhancing core services, platform capabilities, and risk management to optimize the overall customer experience. During the Reporting Period: The Bank had 36,300 corporate online banking clients, with a total transaction volume of RMB670.7 billion. The Bank had 22,500 corporate mobile banking clients, with a total transaction volume of RMB25.9 billion.

(3) *Jinmi Market*

The Bank remains dedicated to its mission of serving agriculture, rural areas and farmers (“Sannong”) and continues to support the “Digital Commerce for Rural Revitalization” initiative and the “Internet+” Agricultural Product Distribution Program to help agricultural enterprises and farmers expand their sales channels. In 2025, the Bank’s e-commerce platform facilitated the sale of nearly 33,000 agricultural assistance products.

MANAGEMENT DISCUSSION AND ANALYSIS

VI. RISK MANAGEMENT

In 2025, the Group adhered to the overarching principle of pursuing progress while ensuring stability. Aligned with the strategic initiatives of the “Five Key Tasks” and the “new quality productive forces” strategy, we continuously enhanced the quality and effectiveness of risk management. By establishing a unified risk preference, reinforcing primary responsibility for risk prevention and control, and strengthening proactive risk identification, the Group focused on mitigating risks in key areas. The Group also deepened the construction of digital and intelligent risk control to ensure stable and sound business development while actively responding to changes in the external environment and industry trends.

First, improve policy mechanisms, implement regulatory requirements, and enhance the comprehensiveness and proactivity of risk management. We formulated annual risk appetite and comprehensive risk management work plans, refined the 2025 Credit Policy, and strictly implement the overall strategy of “reducing large amount loans while increasing SME loans, reducing tertiary industry loans while increasing secondary industry loans, and reducing revolving credit while increasing fixed-term loans”. We also further intensified credit support for small amount credit assets, inclusive micro-enterprise financing, rural revitalization, green finance, and other areas, fully committing to advancing the “Five Key Tasks”. We continuously strengthened supervision and evaluation of branches, enhanced oversight of risk management at subsidiaries, and promoted the implementation of group-wide risk management requirements.

Second, we enhanced monitoring and analysis, solidified risk control measures, and improved the foresight and effectiveness of risk management. We continuously consolidated the “three lines of defense”, intensified risk monitoring, focused on reinforcing asset quality control responsibilities at the front end of business and on the operational front lines, and developed a collaborative approach to risk prevention and control. We enhanced asset quality monitoring, broadened the coverage of risk early warning systems, and strengthened post-loan inspection oversight. We also ensured effective coordination among risk classification, impairment provisioning, and non-performing asset disposal, implementing measures to achieve orderly risk resolution while maintaining stable asset quality. The Bank conducted frequent monitoring of risk appetite, risk limits, and regulatory indicators, which generally performed well. We strengthened the application of risk measurement tools such as stress testing and impairment provisioning to provide refined support for management decisions.

Third, we strengthened integrated planning, advanced implementation in an orderly manner, and accelerated digital transformation to empower risk management. We launched an intelligent customer information identification and analysis system, upgraded pre-loan risk control models and anti-fraud models, and established an internal rating model for interbank clients. We completed the anti-money laundering knowledge graph platform and launched the credit card risk decision platform; constructed a unified post-loan risk control model for small and micro-credit business, deployed models including the post-loan behavior scorecard for personal business loans, corporate loan scorecard, and post-loan monitoring for Credit Easy Loan Platform (信易贷), and established bond risk monitoring models to achieve early risk identification and intervention.

MANAGEMENT DISCUSSION AND ANALYSIS

(I) Risk Management Framework

The Board of Directors of the Bank is ultimately responsible for the overall risk management and has set up a related party transactions and risk management committee to fulfil the relevant responsibilities as authorized by the Board of Directors. The senior management is responsible for implementing the overall risk management, executing the resolutions of the Board of Directors, and has set up a risk management committee to collectively review risk management matters. The Board of supervisors is responsible for supervising the overall risk management, overseeing the performance of the Board of Directors and senior management in risk management, and urging rectification. The risk management department of the head office takes the lead in the daily management of overall risk, is responsible for leading the construction of the overall risk management system, and reports the overall risk and various important risk situations to the senior management in a timely manner. The functional departments of the head office are responsible for the direct management of credit risk, market risk, liquidity risk, and operational risk, etc. in their respective business areas and departments, according to their division of responsibilities. The audit department of the head office is responsible for internal audits of relevant performance. All branches are responsible for the daily management of overall risk at their respective levels. Under the overall risk preference and risk management policy framework of the Bank, each subsidiary establishes a comprehensive risk management system that is suitable for its business nature, scale, and complexity.

(II) Credit Risk

Credit risk refers to the risk of financial losses to commercial banks caused by borrowers or counterparties failing to fulfill their relevant obligations as agreed in contracts for various reasons. The Group has established a credit risk management organizational structure, policies, and processes specifically for identifying, measuring, monitoring, and controlling credit risk, and implemented systematic controls. The Group continues to optimize its risk management system, strengthening the management and control of credit risk through measures such as improving systems and optimizing processes, while clearly defining responsibilities and accountability in each process and link of credit granting. During the Reporting Period, the Bank promptly assessed the situation, made decisive decisions, adhered to the bottom line of risk prevention and control, continuously strengthened the internal control system, actively promoted digital and intelligent risk control construction, and ensured stable asset quality. First, the Bank optimized credit strategies. It deepened research on industry policies, closely followed financial regulatory guidance, closely aligned with market and frontline needs, optimized credit granting policies, strengthened business layouts in areas such as rural revitalization, green finance, technology finance, and small and micro enterprises, guided the rational allocation of credit assets, and promoted the optimization and upgrading of business structures. Second, the Bank strengthened risk prevention and control in key areas. It targeted risk-prone links and areas, continuously improved relevant risk control strategies, management systems, business processes, and risk control measures, and implemented refined management across all products, full processes, and all links. Third, the Bank conducted regular risk inspections. It organized credit risk inspections using a combination of on-site and off-site methods to identify customer risk status, formulate categorized risk control strategies, and accelerate the exit of potential risks. Fourth, It deepened the digital and intelligent risk control system. It relied on big data technology, systems, and model tools to ensure the effective implementation of various management policies, systems, and measures, enhancing the foresight, timeliness, and effectiveness of risk prevention and control. Fifth, the Bank strengthened non-performing asset collection. It fully leveraged centralized collection advantages, comprehensively using methods such as cash collection, bulk transfers, debt transfers, and write-offs to reduce non-performing loans. Sixth, the Bank reinforced accountability. For operating institutions with inadequate asset quality control, it implemented constraint measures such as interviews and performance deductions for responsible persons to supervise improvements.

MANAGEMENT DISCUSSION AND ANALYSIS

(III) Liquidity Risk

Liquidity risk refers to the risk that sufficient funds cannot be obtained by commercial bank at a reasonable cost in time to meet debts falling due, perform other payment obligations and meet other capital needs of normal business. The Group aims to establish an effective liquidity risk management mechanism to monitor, identify, measure, and control liquidity risk, control asset-liability mismatches within a reasonable range, maintain sufficient liquidity, and achieve an effective balance of liquidity, safety, and profitability.

In 2025, the Group adhered to prudent liquidity risk management principles and steady management strategies, continuously elevating the refinement level of liquidity risk management. First, the Bank continuously optimized the funds position management system, unified fund allocation to ensure sufficient intraday liquidity and secure payments. Second, the Bank established a liquidity risk limit management mechanism, conducted forward-looking liquidity indicator calculations, emphasized forward-looking predictions and dynamic tracking monitoring, timely coordinated overall arrangements, built multi-level reserves of qualified high-quality liquid assets, optimized asset-liability maturity structures, and ensured controllable liquidity risk. Third, the Bank smoothed market financing channels, flexibly conducted active liability business, issued financial bonds to supplement long-term stable funds. Fourth, the Bank conducted quarterly liquidity risk stress tests to timely assess the Bank's ability to withstand liquidity risk pressure and risk mitigation capacity, and increased stress tests during important sensitive periods to strengthen monitoring and prevention of liquidity risk. Fifth, the Bank regularly conducted liquidity risk emergency drills, improved emergency response mechanisms for sudden events, and effectively enhanced risk emergency response capabilities. During the Reporting Period, the Group's liquidity reserves were ample, liquidity risk indicators continuously exceeded regulatory target requirements, and under multiple scenario stress assumptions, it still had sufficient liquidity risk mitigation capacity, with overall liquidity risk levels reasonable and controllable.

(IV) Market Risk

Market risk refers to the risk of losses in commercial banks' on-balance-sheet and off-balance-sheet businesses due to adverse changes in market prices (interest rates, exchange rates, stock prices, and commodity prices). The Group actively implemented new market risk regulatory requirements, strengthened market risk monitoring, and used methods such as gap analysis, exposure analysis, sensitivity analysis, scenario analysis, and stress testing to identify, measure, monitor, and control market risks in various businesses. It applied a risk limit system consisting of business limits, stop-loss limits, and risk limits to monitor market risks in various businesses, while strengthening daily management, monitoring, analysis, and reporting of authorizations and limits to ensure strict execution. The Group strictly implemented relevant requirements of the market risk standard method in accordance with new capital regulations. The Group mainly managed interest rate risk through repricing gap analysis, sensitivity analysis, asset portfolio construction and adjustment, and profit and loss analysis, and closely monitored risk exposures to manage exchange rate risk. During the Reporting Period, the Group's market risk remained stable and controllable, and under multiple scenario stress assumptions, the Group could cope with the impact of valuation changes on operating income, net profit, and capital adequacy ratio.

MANAGEMENT DISCUSSION AND ANALYSIS

(V) Operation Risk

Operational risk refers to the risk of losses caused by problems of internal procedures, staff, IT system, and external events. The Bank follows the principles of comprehensiveness and prudence and implements operational risk management strategies that are in line with the Bank's asset size and business complexity under a comprehensive risk management system and overall risk preference.

During the Reporting Period, the Bank continued to refine the operational risk management system and consolidate the management foundation. First, during the Reporting Period, no major operational risk events occurred across the Bank, and the number of non-major operational risk events and loss amounts achieved a "double decline." Second, the Bank set overall operational risk preference indicators to implement preference transmission; during the Reporting Period, the preference indicator "operational risk loss rate" did not trigger early warning values. Third, the Bank explored the application of basic operational risk management tools and conducted operational risk self-assessment pilots, laying the foundation for subsequent promotion across the Group and building a normalized self-assessment mechanism. Fourth, the Bank optimized the operational risk system, achieving effective integration of manual event reporting and system-assisted screening, streamlining workflows, and promoting improvements in risk control quality and efficiency.

(VI) Information Technology Risk

The information technology risk refers to operational, legal and reputational risks generated during the process of applying information technology by the Bank due to natural factors, human factors, technical loopholes and management flaws.

During the Reporting Period, the Bank continuously improved risk control mechanisms, strengthened risk monitoring and assessment, deepened business impact analysis, conducted practical drills, and enhanced the effectiveness of technology risk management. First, the Bank formulated information technology outsourcing strategies, regulatory reporting submission procedures, revised business continuity plans, and optimized information technology risk monitoring indicators, further clarifying management requirements for key risk areas and strengthening risk monitoring in critical links. Second, the Bank conducted special risk assessments for information technology outsourcing, business continuity, data security, and comprehensive information technology risk assessments to promote improvements and effectively drive the repair of management shortcomings and enhancement of risk control effectiveness. Third, the Bank completed comprehensive business impact analysis, redefining critical businesses, important information systems, their recovery objectives, and priorities to provide decision-making basis for differentiated management. Fourth, the Bank formulated and completed business continuity drill plans for critical businesses, important systems, and information technology outsourcing services, successfully completed the business continuity stress test organized by the People's Bank of China, verifying and enhancing emergency response capabilities for sudden business interruption events. During the Reporting Period, the Group's information technology risk was overall controllable, with no key technology risk loss events occurring.

MANAGEMENT DISCUSSION AND ANALYSIS

(VII) Compliance Risk

Compliance risk refers to the potential for a commercial bank or its employees to bear criminal, administrative, or civil legal liabilities, incur financial or reputational losses, or experience other negative impacts due to non-compliance with regulatory requirements in their business operations and management activities.

During the Reporting Period, the Bank continuously strengthened compliance risk management. First, the Bank improved the compliance management system, actively responded to financial regulatory policy guidance, systematically revised compliance management measures, established a chief compliance officer and compliance officer mechanism, clearly defined compliance management responsibilities and layered them down, accelerating the transformation of the Bank's compliance management from "passive regulatory compliance" to "proactive compliance governance," helping enhance the Bank's compliance management effectiveness and building a solid defense line for lawful and compliant operations and steady development across the Bank. Second, the Bank strengthened supervision over policy implementation by formulating an inspection plan for policy execution, ensuring systematic and scientific oversight of compliance. It conducted targeted inspections focusing on key areas and weak links, enhancing compliance risk management and prevention capabilities.

(VIII) Legal Risk

Legal risk refers to the risk of incurring legal sanctions or other negative consequences that arises out of or in connection with the failure of a commercial bank to comply with requirements of relevant laws during the Bank's operation, the unfavorable legal defects that exist in products, services or information provided to clients, transactions engaged in, and contracts, agreements or other documents executed by the Bank, legal disputes (litigation or arbitration proceedings) between the Bank and its clients, counterparties and stakeholders; important changes in relevant laws and rule of laws; and other relevant legal events that occur internally and externally.

During the Reporting Period, the Bank continued to strengthen legal risk management, optimized the approval of legal reviews (consulting) and litigation cases, and continuously improved our legal risk prevention and control level. The Bank implemented laws such as the Civil Code and the Company Law, regularly conducted legal special training, and continuously strengthened the Bank employees' awareness of legal risk prevention and control, and constantly improved and optimized agreement texts. The Bank enhanced litigation risk management, strictly controlled the approval process for major lawsuits, and established targeted litigation strategies. The Bank strengthened the management of law firms and effectively enhanced litigation risk prevention and control.

MANAGEMENT DISCUSSION AND ANALYSIS

(IX) Anti-Money Laundering Risk

Money laundering risk means the risks that may be used by money laundering and other illegal and criminal activities during the process of a commercial bank conducting business and operating activities, including money laundering, terrorist financing, and mitigating the risk of proliferation financing-related targeted financial sanctions, among others.

During the Reporting Period, the Bank adhered to the risk-based approach, continuously enhancing the effectiveness of anti-money laundering work. First, the Bank successfully advanced preparations for the international anti-money laundering assessment, formulated the 2025 institutional self-assessment work plan and promoted its implementation; it cooperated with regulators to complete various special tasks, and conducted on-site teaching for “Entering Financial Institutions”. Second, the Bank focused on consolidation and strengthening, deepened digital transformation and system function improvements; it enhanced clue mining to elevate the value of suspicious intelligence. Third, the Bank deepened the construction of the self-inspection and self-correction system, thoroughly implementing self-inspection and self-correction work; it leveraged the central brain role to continuously strengthen internal supervision. Fourth, the Bank emphasized training and publicity to comprehensively improve staff quality and team building levels.

(X) Reputation Risk

Reputation risk refers to the behavior of a commercial bank, the behavior of practitioners or external events that lead to negative evaluations of the Bank by stakeholders, the public and the media, thereby damaging the brand value of the Bank, detrimental to the normal operations of the Bank, and even affecting market stability and social stability.

During the Reporting Period, the Bank established a sound reputation risk management system, formed a relatively complete mechanism for identifying and real-time monitoring potential reputation risks, timely reporting, and proactive response, to ensure that the Bank’s public opinion situation is under control. Firstly, the Bank prioritized proactive management of public opinion by strictly implementing 24/7 real-time monitoring and reporting, conducting regular reputation risk investigations, and taking comprehensive and multi-level preventive measures to effectively respond to and handle reputation risks. Secondly, the Bank increased positive publicity efforts by utilizing both internal and external media to actively report on the Bank’s achievements in specialized operations, deepening reform, advancing the “Hundred, Thousand, and Ten Thousand Project”, supporting agriculture and small businesses, and serving the real economy, and promoting high-quality development, to create a favorable public opinion environment. Thirdly, the Bank regularly reviewed and improved our reputation risk management work, comprehensively improved the quality and efficiency of reputation risk management, and effectively maintained the Bank’s good market image.

MANAGEMENT DISCUSSION AND ANALYSIS

(XI) Country Risk

Country risk refers to the risk incurred to the Bank due to economic, political, social changes and events in a country or a region, arising from the inability or refusal by the borrower or debtor to repay commercial bank debt, losses suffered by a commercial bank or its commercial presence in such country or region and other losses. The Bank has strictly implemented regulatory requirements, and combined with business development needs. Faced with a more complex and changing external situation, the Bank has comprehensively deepened the institutionalization of compliance risk management, continuously strengthened country risk management, and promoted high-quality development of our business. During the Reporting Period, the Group's country risk remained generally manageable.

(XII) Large Amount Risk Exposures

The Bank strictly implemented large amount risk exposure management in accordance with regulatory requirements, conscientiously implemented unified credit management for clients and strengthened pregranting credit limit management, collected large amount risk exposure data to fill in the Statistical Table of Large Amount Risk Exposure on a monthly basis in accordance with the requirements of local supervisory departments on the submitting and filling of off-site regulatory statements of the Banking industry, to reflect the concentration of its risk exposure to customers, and continued to monitor and manage large amount risk exposure, ensuring that indicators relating to large risk exposures are in line with regulatory requirements.

VII. INTERNAL CONTROL MANAGEMENT AND INTERNAL AUDIT

(I) INTERNAL CONTROL

The Bank has established an internal control governance and organisation structure with reasonable division of labor, clear responsibilities and clear reporting relationships. Among them, the Board of Directors is responsible for the establishment and effective implementation of the internal control system. The Audit Committee and Related Party Transactions and Risk Management Committee under the Board of Directors are responsible for assisting the Board of Directors in fulfilling its supervision and management responsibilities. The Board of Supervisors is responsible for supervising the Board of Directors and the senior management to improve the internal control system and perform their internal control duties. The senior management is responsible for implementing the decisions of the Board of Directors and guaranteeing the effective fulfillment of all responsibilities of internal control.

The Bank attaches great importance to the construction of internal control management and has formulated the Internal Control Guidelines of Guangzhou Rural Commercial Bank 《廣州農村商業銀行內部控制指引》 in accordance with the Guidelines on Internal Control of Commercial Banks 《商業銀行內部控制指引》, the Basic Standard for Enterprise Internal Control 《企業內部控制基本規範》 and other laws and regulations, and in conjunction with the actual situation of the Bank, which regulate internal control responsibilities, internal control measures, internal control guarantees, internal control evaluation, internal control supervision, information and communication, and internal control of subsidiaries.

MANAGEMENT DISCUSSION AND ANALYSIS

(II) INTERNAL AUDIT

The Bank has established an independent and vertical audit management system. The Board of Directors takes ultimate responsibility for the independence and effectiveness of audit, reviews and approves the audit regulations, medium – and long-term audit work plans, and annual audit plans to provide necessary guarantees for independent and objective audit work. The head office has set up an audit department to work under the leadership of the Bank's Party committee and Board of Directors, and to receive guidance and supervision from the Board of Supervisors, and specifically undertake audit responsibilities.

During the Reporting Period, the Bank thoroughly implemented the audit requirements of superior government agencies, fully implemented the work deployment of the Bank's Party committee and Board of Directors, continuously improved political positions, comprehensively promoted full coverage of audit supervision, strengthened audit systems, technology, and team building and other management activities, and continuously improved the long-term mechanism of audit rectification in order to centralized, comprehensive, and authoritative audit supervision system.

During the Reporting Period, the Bank focused on national financial policies and regulatory requirements, centered around the Bank's core work, with audit serving operating management as the main line, targeting areas such as audit supervision services, audit rectification tracking, and audit management enhancement. It scientifically allocated audit resources, efficiently and orderly completed various audit projects, effectively drove comprehensive improvements in audit service management effectiveness, and provided strong support for the Bank's steady development.

VIII. PROTECTION OF THE RIGHTS OF FINANCIAL CONSUMERS

(I) Improving consumer protection systems

In 2025, in accordance with national laws, regulations, and regulatory requirements, the Bank continued to establish and improve the system of protecting the rights and interests of financial consumers. As of the end of the Reporting Period, the Bank has formulated 13 consumer rights protection systems, thus fully covering consumer rights protection review, information disclosure, training and education, complaint management, and complaint handling.

(II) Optimization of Complaint Handling

The Bank attaches great importance to financial consumer complaints. In 2025, the Bank handled a total of 1,044 consumer complaints through various channels. These complaints were primarily concentrated in Guangdong Province and primarily fall into two categories: credit card repayment negotiations and credit card collection disputes. The complaint resolution rate within the prescribed time frame reached 100%. The Bank continues to strengthen its complaint handling capabilities and has established smooth channels for consumers to express their concerns. The Bank has continuously strengthened the staffing of its consumer protection hotline and dedicated credit card negotiation line, ensured the efficiency of hotline connections and the professionalism of service, proactively listening to customer feedback, effectively addressing customers' genuine concerns and continuously enhancing the effectiveness of dispute resolution.

MANAGEMENT DISCUSSION AND ANALYSIS

(III) Public Awareness Campaigns

In 2025, the Bank coordinated the creation of 12 thematic education months, building a multi-level, multi-channel, and normalized financial knowledge publicity and education system. It conducted over 5,000 financial education activities in total and released 90 original posts through its proprietary media platforms. The Bank actively fulfills its corporate social responsibilities by organizing various themed public awareness campaigns, including “3.15 Financial Consumer Rights Protection Education and Awareness Campaign”, “Financial Knowledge Popularization Campaign” and “Financial Education Awareness Week”. Throughout the year, these initiatives reached an audience of over 10 million people, effectively expanding the coverage of financial literacy efforts and enhancing consumers’ financial knowledge.

IX. PRINCIPAL SUBSIDIARIES

As of the end of the Reporting Period, the Bank strategically controls four rural commercial banks, namely Hunan Zhuzhou Zhujiang Rural Commercial Bank Co., Ltd., Chaozhou Rural Commercial Bank Co., Ltd., Guangdong Nanxiong Rural Commercial Bank Co., Ltd. and Shaoguan Rural Commercial Bank Co., Ltd. The above banks are mainly engaged in monetary financial business. Among them, Hunan Zhuzhou Zhujiang Rural Commercial Bank Co., Ltd. completed its restructuring and commenced its business in December 2017, with registered capital of RMB600 million. Chaozhou Rural Commercial Bank Co., Ltd. completed its restructuring and commenced its business in June 2019, with a registered capital of RMB2,630 million. Guangdong Nanxiong Rural Commercial Bank Co., Ltd. completed its restructuring and commenced its business in July 2019, with a registered capital of RMB430 million. Shaoguan Rural Commercial Bank Co., Ltd. completed its restructuring and commenced its business in June 2020, with a registered capital of RMB1,374 million.

As a wholly-owned subsidiary promoted and established by the Bank, Zhujiang Financial Leasing Co., Ltd. was incorporated and commenced operation in December 2014, and in December 2021, the company increased its registered capital by RMB500 million using retained earnings, raising the registered capital from RMB1 billion to RMB1.5 billion..

As of the end of the Reporting Period, the Bank had established a total of 22 Zhujiang County Banks in 9 provinces and cities of China. Zhujiang County Bank is the collective term for the county banks initiated and established by the Bank as the lead initiator. They hold significant importance for the Bank in fulfilling its social responsibilities, enhancing financial services for Sannong (agriculture, rural areas, and farmers) as well as small and micro enterprises, supporting rural revitalization and inclusive finance development, and further building a multi-layered rural financial service network. During the Reporting Period, the Bank strengthened its consolidated management capabilities over county banks, promoting their steady and high-quality development.

SANNONG FINANCIAL SERVICES

In 2025, the Bank fully implemented General Secretary Xi Jinping's important instructions and the essence of his important guidance on agricultural, rural, and farmers-related work. We earnestly implemented the "1310" strategy of the Provincial Party Committee and the "1312" strategy of the Municipal Party Committee, actively putting into practice the political orientation and people-centered approach of financial work, and adhering to our positioning of supporting agriculture and small businesses. We comprehensively implemented the work arrangements for "Hundred, Thousand, and Ten Thousand Project", and achieved a series of results.

I. MAINTAINING HIGH-LEVEL PROMOTION TO BUILD A SOLID AND EFFICIENT OPERATION MECHANISM

The Bank adhered to the Party's overall leadership over the agricultural, rural, and farmers-related work, and strictly implemented the decision-making and guidance requirements of the Board of Directors and the Strategy and Investment Committee (Sannong Committee) of the Board of Directors regarding the agricultural, rural, and farmers-related work. During the Reporting Period, in accordance with Document No. 1 of the CPC Central Committee and relevant work arrangements for advancing the "Hundred, Thousand, and Ten Thousand Project" at the provincial and municipal levels, and aligned with the 14th Five-Year Plan for strategic development, the Bank formulated the "Implementation Plan for Financial Services to Promote the Comprehensive Revitalization of Rural Areas in 2025 of Guangzhou Rural Commercial Bank 《廣州農村商業銀行2025年金融服務推進鄉村全面振興實施方案》" to solidly carry out financial services, advance key tasks in promoting the comprehensive revitalization of villages, and assist the province and city in achieving the interim objective of "initial results in three years" for the "Hundred, Thousand, and Ten Thousand Project".

SANNONG FINANCIAL SERVICES

II. CONTINUING TO INCREASE CREDIT ALLOCATION TO EFFECTIVELY SERVE RURAL REVITALIZATION

(I) Continuing to Increase Agriculture-related Credit Allocation to Achieve Continuous Scale Growth

As of the end of the Reporting Period, the balance of agriculture-related loans of the Bank reached RMB42.151 billion, representing an increase of RMB2.016 billion or 5.02% compared with the beginning of the year. The balance of inclusive agriculture-related loans was RMB11.657 billion, representing an increase of RMB858 million or 7.94% compared with the beginning of the year, both achieving continuous growth.

(II) Deepening the Cultivation of Key Agriculture-related Customer Groups to Enhance Financial Service Precision

As of the end of the Reporting Period, the balances of loans supporting leading agricultural enterprises at all levels, new agricultural business entities and enterprises in the “Basket of Vegetables” project stood at RMB5.204 billion, RMB5.384 billion and RMB482 million, respectively, representing increases of 4.49%, 3.77% and 6.36% compared to the beginning of the year. The balance of loan for supporting the establishment of modern marine ranch amounted to RMB3.191 billion, representing an increase of 1.97% compared with the beginning of the year, solidifying the position as a “Blue Granary”.

(III) Continuously Making Efforts on the “Hundred, Thousand, and Ten Thousand Project” to Promote the Implementation of Key Projects

The Bank actively provided credit support to key projects under the “Hundred, Thousand, and Ten Thousand Project” in Guangzhou. As of the end of the Reporting Period, the loan balance exceeded RMB29.2 billion. During the Reporting Period, the Bank newly extended support to key projects including phase IV of the provincial Skov River Wonderland, effectively leveraging the strength of banking institutions to inject financial vitality into the “Hundred, Thousand, and Ten Thousand Project” for the city.

III. CONTINUING TO STRENGTHEN THE SPECIALIZED FINANCIAL PRODUCT AND SERVICE OFFERINGS

(I) Continuously Enriching and Optimizing Financial Products

Since 2025, the Bank has continuously advanced the optimization of its credit product system. Based on product performance and market demand, the Bank has optimized and revised over 90 products, enhancing the adaptability of credit products and improving the core competitiveness of the Bank’s small and medium-sized asset business.

(II) Continuously Supporting the Development of Rural Collective Economy

Based on the unique village and community customers, the Bank helped revitalize rural collective assets, effectively promoting the coordinated development of urban and rural areas. As of the end of the Reporting Period, the Bank’s featured credit products, “Jinmi rural revitalization collective construction land credit loans and project loans”, have supported over 150 rural collective construction land projects, with a credit balance reaching RMB3.699 billion, representing an increase of RMB1.789 billion or 93.66% compared with the beginning of the year; the “rural collective economic organization loans” have supported the financing of 21 rural collective economic organizations in Guangzhou, with a credit balance of RMB563 million, representing an increase of RMB302 million or 53.64% compared with the beginning of the period.

(III) Strengthening Technology Empowerment for Rural “Three Funds” Management

Tailored to the characteristics of village communities, the Bank launched the “village and community property rental management system” and “village and community intelligent payment system”. Such initiative integrated the district “Three Funds” management service platform with village financial management channels, ensuring collective property rent collection and management were conducted transparently. Up to now, the “village and community intelligent payment system” has been implemented in 49 village and community entities, including Tangxi Village in Baiyun District. The “village and community property rental management system” has secured contracts with 21 villages and communities, listing over 3,300 properties online and serving more than 3,000 tenants. Notably, Kuipeng Village in Liwan District has implemented smart water and electricity meters for rent collection, garnering coverage from multiple domestic media outlets.

SANNONG FINANCIAL SERVICES

(IV) Enriching Products and Exclusive Service Programs for Villager Customer Groups

During the Reporting Period, the Bank launched a dedicated credit program targeting 55 administrative villages including Liede Village, Xian Village, and Linhe Village. Covering 14 central sub-branches, the initiative provided pre-approved credit lines to 74,000 whitelisted clients, offering preferential terms in credit limits and interest rate pricing. As of the end of the Reporting Period, the Bank has cumulatively disbursed consumer loans totaling RMB76 million to 254 villagers, effectively supporting villagers' consumption upgrades, stimulating their spending potential, and contributing to their improved quality of life.

(V) Vigorously Supporting the Dispatching of "Rural Financial Service Officers"

The Bank actively responded to and supported Guangzhou's special initiative of appointing "rural financial service officers". It received the 2024 Guangzhou outstanding organization award for the "rural financial service officers" program, with 10 employees recognized as outstanding "rural financial service officers" in Guangzhou. As of the end of the Reporting Period, the Bank has selected and dispatched 142 key business personnel to serve as "rural financial service officers" at the municipal and district levels in Guangzhou, including 36 "rural financial service officers" (with 2 additions in 2025) in Guangzhou. These officers served 57 administrative villages across 7 districts (with 2 administrative villages newly added in 2025). As the sole banking institution achieving comprehensive coverage of all 7 agriculture-related districts in the city, the Bank led both in the number of personnel dispatched and the number of administrative villages served, accounting for nearly 40% of the city's total.

IV. FULLY IMPLEMENTING FINANCIAL SERVICES FOR RURAL REVITALIZATION THROUGH POLICY MECHANISMS

As of the end of the Reporting Period, the Bank has cumulatively utilized over RMB19.999 billion in re-lending funds from the Central Bank for agricultural and small business support this year, effectively reducing financing costs for more than 6,204 households, agricultural enterprises, micro and small businesses, and private small and medium-sized enterprises. Leveraging the advantages of the "bank-guarantee cooperation" model, the Bank formulated and published the "Provincial Agricultural Guarantee Cooperation Business Application Standards for Inclusive Micro and Small Enterprises" in May 2025 to enhance risk-sharing for agricultural credit loans. As of the end of the Reporting Period, credit enhancement had been provided for agricultural business entities, with over RMB93 million in agricultural guarantee loans disbursed, solidifying the distinctive focus on supporting agriculture.

CHANGES IN SHARE CAPITAL AND SHAREHOLDERS

I. THE STATUS OF SHARE CAPITAL

As of the end of the Reporting Period, the Bank had a total share capital of 14,409,789,327 shares, comprising 11,734,864,327 Domestic Shares, accounting for 81.44% of the total share capital and 2,674,925,000 H Shares, accounting for 18.56% of the total share capital.

II. CHANGES IN SHARES

Unit: Share, %

	31 December 2024		Increase/decrease during the Reporting Period	31 December 2025	
	Quantity	Proportion		Quantity	Proportion
Domestic Shares	11,734,864,327	81.44	-	11,734,864,327	81.44
Domestic Shares held by legal persons	9,279,529,596	64.40	1,902,000	9,281,431,596	64.41
Domestic Shares held by natural persons	2,455,334,731	17.04	-1,902,000	2,453,432,731	17.03
H Shares	2,674,925,000	18.56	-	2,674,925,000	18.56
Total share capital	14,409,789,327	100	-	14,409,789,327	100

III. THE STATUS OF SHAREHOLDERS

(I) Total Number of Shareholders and Their Shareholdings

As of the end of the Reporting Period, the total number of shareholders of the Bank's Domestic Shares was 29,098, comprising the number of the legal person shareholders of the Domestic Shares was 719, possessing 9,281,431,596 Domestic Shares, accounting for 64.41% of the total share capital of the Bank, and the number of the natural person shareholders of the Domestic Shares was 28,379, possessing 2,453,432,731 Domestic Shares, accounting for 17.03% of the total share capital of the Bank, and all Domestic Shares of the Bank were deposited in China Securities Depository and Clearing Corporation Limited. The total number of registered shareholders of H Shares was 77 (of which HKSCC Nominees Limited, as a nominee, acted on behalf of some shareholders).

(II) Top Ten Shareholders

As of the end of the Reporting Period, the top ten shareholders of the Bank together held 51.78% of the Bank's total share capital, among which, no single holder of Domestic Shares having control of more than 5% of the total share capital except Guangzhou Finance Holdings Group Co., Ltd. and Guangzhou Metro Group Co., Ltd in the top ten shareholders of the Bank. Guangzhou Finance Holdings Group Co., Ltd., Guangzhou Metro Group Co., Ltd and Guangzhou City Renewal Group Co., Ltd., the shareholders of Domestic Shares of Bank, are all state-owned enterprises. Among the top ten shareholders, the largest shareholder of Domestic Shares was Guangzhou Finance Holdings Group Co., Ltd., which held 8.29% of the total share capital. The second largest shareholder of Domestic Shares was Guangzhou Metro Group Co., Ltd., which held 5.02% of the total share capital, and the third largest was Guangzhou City Renewal Group Co., Ltd., which held 4.83% of the total share capital.

CHANGES IN SHARE CAPITAL AND SHAREHOLDERS

The top ten shareholders of the Bank are as follows:

No.	Name	Class of shareholder	Nature of shareholder	Number of shares (share)	Shareholding proportion (%) ⁽²⁾
1	HKSCC Nominees Limited ⁽¹⁾	H Shares	Other	2,674,611,149	18.56
2	Guangzhou Finance Holdings Group Co., Ltd.	Domestic Shares	State-owned legal person	1,194,271,140	8.29
3	Guangzhou Metro Group Co., Ltd.	Domestic Shares	State-owned legal person	722,950,000	5.02
4	Guangzhou City Renewal Group Co., Ltd.	Domestic Shares	State-owned legal person	696,288,999	4.83
5	Guangzhou Digital Technology Group Co., Ltd.	Domestic Shares	State-owned legal person	606,266,479	4.21
6	Guangzhou Industrial Investment Holdings Group Co., Ltd.	Domestic Shares	State-owned legal person	351,944,322	2.44
7	Guangzhou Vanlead Group Co., Ltd.	Domestic Shares	State-owned legal person	319,880,672	2.22
8	Guangzhou Lingnan Business Travel Investment Group Co., Ltd.	Domestic Shares	State-owned legal person	303,442,825	2.11
9	Guangzhou Industrial Investment and Capital Operation Holding Group Ltd.	Domestic Shares	State-owned legal person	295,538,068	2.05
10	Guangzhou Development Zone Industrial Service Co., Ltd. (廣州開發區產業服務有限公司)	Domestic Shares	State-owned legal person	295,538,068	2.05
Total				7,460,731,722	51.78

Notes:

(1) HKSCC Nominees Limited, as a nominee, held 2,674,611,149 H Shares in aggregate in the Bank on behalf of several clients, representing approximately 18.56% of the issued share capital of the Bank. As a member of CCASS, HKSCC Nominees Limited promotes registration and custodian business for clients.

(2) Calculated on the basis of the total share capital of the Bank of 14,409,789,327 shares.

(III) Internal Staff Members' Shareholdings of the Bank

As of the end of the Reporting Period, the Bank had a total of 5,695 internal staff member shareholders, holding 372 million shares, which accounted for 2.58% of the total share capital of the Bank.

CHANGES IN SHARE CAPITAL AND SHAREHOLDERS

(IV) Explanation on the absence of controlling shareholders and de facto controllers of the Bank

The shareholding structure of the Bank is dispersed. As of the end of the Reporting Period, the Bank did not have any controlling shareholders or de facto controllers.

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

Based on the knowledge of the directors or chief executives of the Bank, as at 31 December 2025, the following persons (other than the directors, chief executives and supervisors of the Bank) had, or were deemed to have interests or short positions in the shares and underlying shares of the Bank which would fall to be disclosed to the Bank and the Hong Kong Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Bank pursuant to Section 336 of the SFO with details as follows:

Name of shareholder	Nature of interest	Class of shares	Long/short position	Number of shares held directly or indirectly (share)	Approximate percentage of interest in the Bank	Approximate percentage of the relevant class of shares of the Bank
Guangzhou Finance Holdings Group Co., Ltd. ⁽¹⁾	Beneficial owner	Domestic Shares	Long	1,194,271,140	8.29%	10.18%
Guangzhou Guangyong State-owned Assets Management Co., Ltd. ⁽¹⁾	Beneficial owner	Domestic Shares	Long	18,304,522	0.13%	0.16%
Guangzhou Finance Holdings Group Co., Ltd. ⁽¹⁾	Interest of a controlled corporation	Domestic Shares	Long	1,212,575,662	8.41%	10.33%
Guangzhou Metro Group Co., Ltd.	Beneficial owner	Domestic Shares	Long	722,950,000	5.02%	6.16%
Guangzhou City Renewal Group Co., Ltd. ⁽²⁾	Beneficial owner	Domestic Shares	Long	696,288,999	4.83%	5.93%
Guangzhou Pearl River Enterprises Group Co., Ltd. ⁽²⁾	Interest of a controlled corporation	Domestic Shares	Long	696,288,999	4.83%	5.93%
Guangzhou Digital Technology Group Co., Ltd.	Beneficial owner	Domestic Shares	Long	606,266,479	4.21%	5.17%
Guangzhou Industrial Investment Holding Group Co., Ltd. ⁽³⁾	Beneficial owner	Domestic Shares	Long	351,944,322	2.44%	3.00%
Guangzhou Vanlead Group Co., Ltd. ⁽³⁾	Beneficial owner	Domestic Shares	Long	319,880,672	2.22%	2.73%

CHANGES IN SHARE CAPITAL AND SHAREHOLDERS

Name of shareholder	Nature of interest	Class of shares	Long/short position	Number of shares held directly or indirectly (share)	Approximate percentage of interest in the Bank	Approximate percentage of the relevant class of shares of the Bank
Guangzhou Gongkong Capital Management Co., Ltd. ⁽³⁾	Beneficial owner	Domestic Shares	Long	45,312,844	0.31%	0.39%
Guangzhou Industrial Investment Holding Group Co., Ltd. ⁽³⁾	Interest of a controlled corporation	Domestic Shares	Long	717,137,838	4.98%	6.11%
Lead Straight Limited ⁽⁴⁾	Beneficial owner	H Shares	Long	195,229,000	1.35%	7.30%
Kwong Pak International Trading (Hong Kong) Limited (廣百國際貿易(香港)有限公司) ⁽⁴⁾	Interest of a controlled corporation	H Shares	Long	195,229,000	1.35%	7.30%
Guangzhou Lingnan Business Travel Investment Group Co., Ltd. ⁽⁴⁾	Interest of a controlled corporation	H Shares	Long	195,229,000	1.35%	7.30%
Guangzhou City Construction Investment Development Company Limited ⁽⁵⁾	Beneficial owner	H Shares	Long	551,900,000	3.83%	20.63%
Guangzhou City Construction Investment Group Co., Ltd. ⁽⁵⁾	Interest of a controlled corporation	H Shares	Long	561,249,000	3.89%	20.98%
Aeon Life Insurance Company Limited	Beneficial owner	H Shares	Long	295,229,000	2.05%	11.04%
Guangzhou Honghui Investment Co., Ltd. (廣州市鴻匯投資有限公司) ⁽⁶⁾	Beneficial owner	H Shares	Long	200,991,000	1.39%	7.51%
Zeng Weipeng ⁽⁶⁾	Interest of a controlled corporation	H Shares	Long	114,558,840	0.80%	4.28%
Manureen Investment Limited (美林投資有限公司) ⁽⁷⁾	Beneficial owner	H Shares	Long	221,424,797	1.54%	8.28%
Lin Xiaohui ⁽⁷⁾	Interest of a controlled corporation	H Shares	Long	221,424,797	1.54%	8.28%

CHANGES IN SHARE CAPITAL AND SHAREHOLDERS

Name of shareholder	Nature of interest	Class of shares	Long/short position	Number of shares held directly or indirectly (share)	Approximate percentage of interest in the Bank	Approximate percentage of the relevant class of shares of the Bank
Su Jiaohua ⁽⁷⁾	Interest of the spouse	H Shares	Long	221,424,797	1.54%	8.28%
Harvest Fund Management Co., Ltd. ⁽⁸⁾	Beneficial owner	H Shares	Long	187,000,000	1.30%	6.99%
China Credit Trust Co., Ltd. ⁽⁸⁾	Interest of a controlled corporation	H Shares	Long	187,000,000	1.30%	6.99%

- (1) Guangzhou Guangyong State-owned Assets Management Co., Ltd. (廣州市廣永國有資產經營有限公司) is wholly owned by Guangzhou Finance Holdings Group Co., Ltd. (廣州金融控股集團有限公司). Therefore, Guangzhou Finance Holdings Group Co., Ltd. together with the shares directly held by itself are deemed to be interested in the 1,212,575,662 Domestic Shares by virtue of the SFO.
- (2) Guangzhou City Renewal Group Co., Ltd. (廣州城市更新集團有限公司) is wholly owned by Guangzhou Pearl River Enterprises Group Co., Ltd. (廣州珠江實業集團有限公司). Therefore, Guangzhou Pearl River Enterprises Group Co., Ltd. is deemed to be interested in the 696,288,999 Domestic Shares by virtue of the SFO.
- (3) Guangzhou Vanlead Group Co., Ltd. (廣州萬力集團有限公司) is wholly owned by Guangzhou Industrial Investment Holding Group Co., Ltd. (廣州工業投資控股集團有限公司) and Guangzhou Gongkong Capital Management Co., Ltd. (廣州工控資本管理有限公司) is owned as to 84.75% by Guangzhou Industrial Investment Holding Group Co., Ltd. Therefore, Guangzhou Industrial Investment Holding Group Co., Ltd. together with the shares directly held by itself are deemed to be interested in the 717,137,838 Domestic Shares by virtue of the SFO.
- (4) Guangzhou Lingnan International Enterprise Group Co., Ltd. (廣州嶺南國際企業集團有限公司) and Kwong Pak International Trading (Hong Kong) Limited (廣百國際貿易(香港)有限公司) are wholly owned by Guangzhou Lingnan Business Travel Investment Group Co., Ltd. (廣州嶺南商旅投資集團有限公司), and Lead Straight Limited (威卓有限公司) is wholly owned by Kwong Pak International Trading (Hong Kong) Limited. Therefore, Guangzhou Lingnan Business Travel Investment Group Co., Ltd. is deemed to be interested in the 195,229,000 H Shares by virtue of the SFO.
- (5) The 561,249,000 H Shares comprised 551,900,000 H Shares directly held by Guangzhou City Construction Investment Development Company Limited (廣州市建設投資發展有限公司) and 9,349,000 H Shares directly held by Guangzhou Xinhua Urban Development Industry Investment Enterprise (Limited Partnership) (廣州新華城市發展產業投資企業(有限合夥)). Therefore, Guangzhou City Construction Investment Group Co., Ltd. (廣州市城市建設投資集團有限公司) is deemed to be interested in the 561,249,000 H Shares by virtue of the SFO.

CHANGES IN SHARE CAPITAL AND SHAREHOLDERS

- (6) Guangzhou Hong He Investment Co., Ltd. is owned as to 90% by Zeng Weipeng, and Guangzhou HongHui Investment Co., Ltd. (廣州市鴻匯投資有限公司) is owned as to 63.33% by Guangzhou Hong He Investment Co., Ltd. Therefore, Zeng Weipeng is deemed to be interested in the 200,991,000 H Shares by virtue of the SFO.
- (7) Manureen Investment Limited (美林投資有限公司) is owned as to 70% by Lin Xiaohui. Therefore, Lin Xiaohui is deemed to be interested in the 221,424,797 H Shares by virtue of the SFO. Su Jiaohua is the spouse of Lin Xiaohui. Therefore, Su Jiaohua is deemed to be interested in the 221,424,797 H Shares by virtue of the SFO.
- (8) Harvest Fund Management Co., Ltd. is owned as to 40% by China Credit Trust Co., Ltd. Therefore, China Credit Trust Co., Ltd. is deemed to be interested in the 187,000,000 H Shares by virtue of the SFO.

Save as disclosed above, the Bank is not aware of any other person (other than the directors, chief executives and supervisors of the Bank) having any interests or short positions in the shares or underlying shares of the Bank as at 31 December 2025 as recorded in the register required to be kept by the Bank pursuant to Section 336 of the SFO.

(VI) Major Shareholders under “Interim Measures for Equity Management of Commercial Banks” (《商業銀行股權管理暫行辦法》)

As of the end of the Reporting Period, pursuant to the relevant requirements concerning major shareholders under “Interim Measures for Equity Management of Commercial Banks”, the major shareholders and the information on their Related parties of the Bank are listed in the table below:

No.	Name of shareholder	Number of shares held (share)	Reason for being major shareholder	Whether over 50% of the shares held were pledged	Controlling shareholders	De facto controllers	Parties acting in concert	Ultimate beneficial owners	Related parties ⁽¹⁾
1	Guangzhou Finance Holdings Group Co., Ltd.	1,194,271,140	Delegated director Mr. Ni Kai	No	Guangzhou Municipal People's Government	Guangzhou Municipal People's Government	-	Guangzhou Finance Holdings Group Co., Ltd.	12 related natural persons, 315 related legal persons
2	Guangzhou Metro Group Co., Ltd.	722,950,000	Delegated director Mr. Wang Xiaobin	No	Guangzhou Municipal People's Government	Guangzhou Municipal People's Government	-	Guangzhou Metro Group Co., Ltd.	14 related natural persons, 99 related legal persons
3	Guangzhou Gongkong Capital Management Co., Ltd.	45,312,844	Delegated director Mr. Zuo Liang	No	Guangzhou Industrial Investment Holding Group Co., Ltd.	Guangzhou Municipal People's Government	-	Guangzhou Gongkong Capital Management Co., Ltd.	17 related natural persons, 577 related legal persons

CHANGES IN SHARE CAPITAL AND SHAREHOLDERS

No.	Name of shareholder	Number of shares held (share)	Reason for being major shareholder	Whether over 50% of the shares held were pledged	Controlling shareholders	De facto controllers	Parties acting in concert	Ultimate beneficial owners	Related parties ⁽¹⁾
4	Guangzhou City Renewal Group Co., Ltd.	696,288,999	Delegated director Mr. Zhang Yan	No	Guangzhou Pearl River Enterprises Group Co., Ltd.	Guangzhou Municipal People's Government	–	Guangzhou City Renewal Group Co., Ltd.	18 related natural persons, 339 related legal persons
5	Guangzhou Lingnan Business Travel Investment Group Co., Ltd.	303,442,825	Delegated director Ms. Xing Qiuyu	No	Guangzhou Municipal People's Government	Guangzhou Municipal People's Government	–	Guangzhou Lingnan Business Travel Investment Group Co., Ltd.	12 related natural persons, 212 related legal persons
6	Aeon Life Insurance Company Limited	65,000,000 ⁽²⁾	Delegated director Mr. Hu Geyou	No	–	–	–	Aeon Life Insurance Company Limited	16 related natural persons, 46 related legal persons
7	Guangzhou Huaxin Group Co., Ltd. (廣州華新集團有限公司)	100,010,000	Delegated director Mr. Feng Yaoliang	No	Mr. Feng Yaoliang	Mr. Feng Yaoliang	–	Guangzhou Huaxin Group Co., Ltd. (廣州華新集團有限公司)	6 related natural persons, 111 related legal persons
8	Guangzhou Digital Technology Group Co., Ltd.	606,266,479	Delegated supervisor Ms. Yu Qing	No	Guangzhou Municipal People's Government	Guangzhou Municipal People's Government	–	Guangzhou Digital Technology Group Co., Ltd.	11 related natural persons, 288 related legal persons

CHANGES IN SHARE CAPITAL AND SHAREHOLDERS

No.	Name of shareholder	Number of shares held (share)	Reason for being major shareholder	Whether over 50% of the shares held were pledged	Controlling shareholders	De facto controllers	Parties acting in concert	Ultimate beneficial owners	Related parties ⁽¹⁾
9	Longdong Economic Development Company, Tianhe District, Guangzhou City	121,010,000	Delegated supervisor Mr. Liang Bingtian	No	Longdong Stock Cooperative Economic Association, Longdong Street, Tianhe District, Guangzhou (廣州市天河區龍洞街龍洞股份合作經濟聯社)	Longdong Stock Cooperative Economic Association, Longdong Street, Tianhe District, Guangzhou (廣州市天河區龍洞街龍洞股份合作經濟聯社)	-	Longdong Economic Development Company, Tianhe District, Guangzhou City	6 related natural persons, 2 related legal persons
10	Foshan Dongjian Group Co., Ltd. (佛山市東建集團有限公司)	104,000,000	Delegated supervisor Mr. Li Zhiqian	No	Mr. Zhong Liuhan	Mr. Zhong Liuhan	-	Foshan Dongjian Group Co., Ltd. (佛山市東建集團有限公司)	8 related natural persons, 26 related legal persons

Notes:

- (1) For the definition of major shareholders, controlling shareholders, de facto controllers, related parties, parties acting in concert and ultimate beneficial owners, please see the relevant requirements of the Interim Measures for Equity Management of Commercial Banks. The major shareholders of the Bank have submitted their lists of related parties, and the Bank will regularly maintain and update the list of related parties to continuously lift the level of management of related party transactions. The report does not provide the list of related parties of major shareholders.
- (2) Only for Domestic Shares.

CHANGES IN SHARE CAPITAL AND SHAREHOLDERS

(VII) Undertakings by Shareholders Holding 5% or More of Share Capital of the Bank

As at the end of the Reporting Period, the shareholders holding more than 5% of the Bank's total issued shares were Guangzhou Finance Holdings Group Co., Ltd. and Guangzhou Metro Group Co., Ltd., which held 1,194,271,140 and 722,950,000 shares of the Bank respectively. Both shareholders have issued the "Substantial Shareholders Undertaking Letters" to the Bank and undertaken to perform their duties as substantial shareholders in accordance with regulatory requirements.

(VIII) Judicial Freezing and Pledging of the Bank's Shares

As of the end of the Reporting Period, 227,445,975 Domestic Shares of the Bank were involved in judicial freezing, representing 1.58% of the total share capital of the Bank, and 653,367,027 Domestic Shares of the Bank were involved in pledge, representing 4.53% of the total share capital of the Bank.

IV. ISSUE, PURCHASE, SALE AND REDEMPTION OF SECURITIES AND DEBT SECURITIES OF THE BANK

During the Reporting Period, the Bank completed the issuance and listing of ordinary financial bonds on 25 November 2025. The total issuance amount was RMB5 billion, a three-year fixed-rate bond with a coupon rate of 1.85%. Save as disclosed above, during the Reporting Period, the Bank did not issue any securities.

During the Reporting Period, the Bank did not issue or grant any convertible securities, options, warrants or similar rights, there were no exercises of any conversion or subscription rights, and the Bank had no outstanding redeemable securities..

As of the end of the Reporting Period, the Bank and its subsidiaries did not hold any treasury shares.

During the Reporting Period, the Bank and its subsidiaries did not purchase, sell and redeem any securities of the Bank (including sale of treasury shares).

V. INCREASE OR DECREASE OF REGISTERED CAPITAL, DIVISION AND MERGER OF THE BANK

During the Reporting Period, the Guangdong Regulatory Bureau of the National Financial Regulatory Administration issued "Reply of the Guangdong Regulatory Bureau of the National Financial Regulatory Administration on the Change in Registered Capital of Guangzhou Rural Commercial Bank Co., Ltd. 《國家金融監督管理總局廣東監管局關於廣州農村商業銀行股份有限公司變更註冊資本的批復》" (Yue Jin Fu [2025] No. 254). Pursuant to the resolutions passed by 2022 AGM and 2023 shareholders class meetings and the relevant mandate thereunder, the Bank revised the relevant provisions of the Articles of Association to reflect the changes in registered capital and total number of issued shares of the Bank. The Bank has completed relevant procedures such as changes in industrial and commercial (filing) registration. The registered capital of the Bank was RMB14,409,789,327.

CHANGES IN SHARE CAPITAL AND SHAREHOLDERS

The Bank held the 2024 first extraordinary general meeting on 13 December 2024 to consider and approve the absorption and merger of Zhongshan Dongfeng Zhujiang County Bank Company Limited and Dongguan Huangjiang Zhujiang County Bank Co., Ltd. The absorption and merger matter obtained regulatory approval on 30 May 2025. As of 31 December 2025, the absorption and merger work has been completed, and the former Zhongshan Dongfeng Zhujiang County Bank Company Limited and Dongguan Huangjiang Zhujiang County Bank Co., Ltd. were restructured into Zhongshan Dongfeng Sub-branch and Dongguan Huangjiang Sub-branch, respectively; the Bank held the 2024 AGM on 13 June 2025 to consider and approve the absorption and merger of Xingning Zhujiang County Bank Co., Ltd., Heshan Zhujiang County Bank Co., Ltd. and Shenzhen Pingshan Zhujiang County Bank Co., Ltd. During the Reporting Period, the Bank obtained regulatory approvals for the absorption and merger matters on 8 September 2025, 31 December 2025 and 29 December 2025, respectively. As of the Latest Practicable Date, the relevant absorption and merger matters are continuing to proceed.

During the Reporting Period, the Bank disposed of its 33.40% equity interest in Sanshui Zhujiang County Bank Company Limited to Guangdong Shunde Rural Commercial Bank Company Limited.

VI. DIVIDENDS

The Board of Directors has proposed the payment of a cash dividend of RMB0.46 (tax inclusive) per 10 shares for 2025 to all shareholders of the bank in an aggregate amount of approximately RMB663 million (tax inclusive). The payment of such dividend is subject to consideration at the 2025 AGM, and, if approved by shareholders, such dividend is expected to be paid on or before 24 July 2026 to our domestic shareholders and H shareholders. Such dividend will be denominated in Renminbi, and paid to the domestic shareholders and H shareholders in Renminbi and Hong Kong dollars, respectively. The exchange rate for dividend to be paid in Hong Kong dollars shall be the average middle rate of Renminbi against Hong Kong dollars for the five business days preceding the date of declaration of such dividend at the 2025 AGM (inclusive) as announced by the PBOC. During the Reporting Period, the Bank was not aware that any Shareholder had waived or agreed to waive any dividend arrangements. For details of the distribution of 2025 annual dividend of the Bank, please see the circular of 2025 AGM of the Bank.

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

I. THE BASIC INFORMATION OF THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(I) Information on the Current Directors of the Fourth Session of the Board of Directors, Supervisors of the Fourth Session of the Board of Supervisors and Senior Management of the Bank

Name	Position	Gender	Year of Birth	Duration of Appointment
Cai Jian	Secretary of the Party Committee, Chairman, executive director	Male	1973	2021.03–
Deng Xiaoyun	Deputy secretary of the Party Committee, Vice Chairman, executive director and President	Female	1976	2023.11–
Tan Bo	Deputy secretary of the Party Committee and executive director	Male	1974	2025.9–
Ni Kai	Non-executive director	Male	1985	2024.11–
Wang Xiaobin	Non-executive director	Male	1977	2023.10–
Zuo Liang	Non-executive director	Male	1979	2021.03–
Zhang Yan	Non-executive director	Male	1974	2024.11–
Xing Qiuyu	Non-executive director	Female	1971	2024.11–
Hu Geyou	Non-executive director	Male	1979	2024.11–
Feng Yaoliang	Non-executive director	Male	1961	2021.03–
Liao Wenyi	Independent non-executive director	Male	1962	2021.07–
Du Jinmin	Independent non-executive director	Male	1963	2021.03–
Zhu Guilong	Independent non-executive director	Male	1964	2026.02–
Zhang Hua	Independent non-executive director	Male	1965	2021.03–
Ma Hok Ming	Independent non-executive director	Male	1975	2021.07–
Wang Xigui	Member of Party Committee, Chairman of the Board of Supervisors, Employee Supervisor	Female	1966	2018.12–
Zeng Weixue	Employee Supervisor	Female	1975	2024.05–
Bao Chen	Employee Supervisor	Male	1982	2024.05–
Han Zhenping	External Supervisor	Male	1973	2021.02–
Shi Shuiping	External Supervisor	Male	1975	2021.02–
Huang Tianshun	External Supervisor	Male	1968	2022.08–
Yu Qing	Shareholders' Supervisor	Female	1975	2024.06–
Liang Bingtian	Shareholders' Supervisor	Male	1973	2021.02–
Li Zhiquan	Shareholders' Supervisor	Male	1979	2024.06–
Li Yaguang	Member of Party Committee, Vice President, Chief Information Officer and Chief Data Officer	Male	1967	2021.09–

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

Name	Position	Gender	Year of Birth	Duration of Appointment
He Heng	Member of Party Committee, Vice President, General Counsel, and Chief Compliance Officer (proposed)	Female	1970	2024.06–
Zhong Jindong	Member of the Party Committee and the Chief of the Delegated Discipline Inspection Team	Male	1977	2025.11–
Gu Bo	Member of Party Committee and Vice President	Male	1981	2024.11–
Li Yousheng	Assistant to the President (proposed)	Male	1981	2025.12 –
Wu Wenli	Assistant to the President (proposed) and Secretary to the Board of Directors	Female	1978	2022.10–
Yang Xuan	Business Director and General Manager of Business Department of the Head Office (concurrently)	Female	1976	2015.08–

Note: The commencement date of the appointment of the directors, supervisors and senior management is the approval date by the general meeting or employee representative assembly of the Bank (as the case may be) or the approval from the regulatory authority.

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

1. *Changes of Directors of the Bank*

On 13 June 2025, at the 2024 AGM of the Bank, the by-election of directors of the fourth session of the Board of Directors of the Bank was considered and approved, and Mr. Tan Bo was elected as an executive director of the fourth session of the Board of Directors of the Bank, whose qualification for the position was approved by the regulatory authorities on 23 September 2025. Mr. Tan Bo started to serve as an executive director on 23 September 2025 and ceased to serve concurrently as Assistant to the President of the Bank effective on 24 November 2025. Mr. Tan Bo has obtained the legal advice as set out in Rule 3.09D of the Listing Rules on 23 September 2025 and confirmed that he understands his responsibilities as a director of the Bank.

On 13 December 2024, at the 2024 first extraordinary general meeting of the Bank, Mr. Zhu Guilong and Ms. Huang Hongyan were elected as directors of the fourth session of the Board of Directors of the Bank. As of the Latest Practicable Date of the report, the qualification of Mr. Zhu Guilong to serve as a director was approved by the regulatory authorities on 14 February 2026, while Ms. Huang Hongyan's qualification is still subject to approval by the regulatory authorities. Mr. Zhu Guilong has obtained the legal advice as set out in Rule 3.09D of the Listing Rules on 14 February 2026 and confirmed that he understands his responsibilities as a director of the Bank.

On 3 February 2026, Mr. Zheng Guojian resigned as an independent non-executive director of the fourth session of the Board of Directors of the Bank as he needed to devote more time to other personal affairs.

2. *Changes of Supervisors of the Bank*

During the Reporting Period, there was no adjustment or change in the supervisors of the Bank.

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

3. *Changes in Senior Management of the Bank*

On 21 November 2025, Mr. Zhong Jindong served as a Member of the Party Committee and the Chief of the Delegated Discipline Inspection Team of the Bank.

On 15 December 2025, the Board of Directors of the Bank appointed Ms. He Heng as the chief compliance officer of the Bank (concurrently), and appointed Mr. Li Yousheng as an Assistant to the President of the Bank. On 3 February 2026, the Board of Directors of the Bank appointed Ms. Wu Wenli as an Assistant to the President of the Bank. As of the Latest Practicable Date, the qualifications of the above individuals are still subject to approval by the regulatory authorities.

(III) CHANGES IN DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE BANK

As of the Latest Practicable Date, Mr. Du Jinmin newly assumed the position of independent director of China Resources Bank of Zhuhai Co., Ltd. (珠海華潤銀行) and ceased to serve as independent directors of Gifore Agricultural Science & Technology Service Co., Ltd. and Shenzhen Langchi Xinchuang Science & Technology Co., Ltd.

Save as disclosed above, during the Reporting Period and the Latest Practicable Date, there has been no change in the information of directors, supervisors and senior management which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

II. BIOGRAPHY OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE BANK

(I) Biography of Directors

Mr. Cai Jian (蔡建), born in 1973, a member of the Communist Party of China, holds a master's degree, major in management, and an MBA from Sun Yat-sen University, and is a senior economist. Mr. Cai currently serves as the Secretary of the Party Committee, Chairman and Executive Director at Guangzhou Rural Commercial Bank. Mr. Cai has served as a member and deputy section chief of Guangzhou Huangpu Sub-branch of Construction Bank of China (中國建設銀行廣州黃埔支行), deputy section chief and section chief of Guangzhou Economic and Technology Development Zone Sub-branch of Construction Bank of China (中國建設銀行廣州經濟技術開發區支行), assistant to the president of Guangzhou Economic and Technology Development Zone Sub-branch of Construction Bank of China (中國建設銀行廣州經濟開發區支行), member of the Party Committee and vice president of Guangzhou Haizhu Sub-branch of China Construction Bank (中國建設銀行廣州市海珠支行), department deputy general manager of Guangdong Branch of Construction Bank of China (中國建設銀行廣東省分行), senior deputy manager of the Strategic Assistance Project Office of Construction Bank of China (中國建設銀行戰略協助項目辦公室), deputy director of Financial Services Office of Guangzhou (廣州市金融服務辦公室副主任), member of the Party Leadership Group and deputy director of the Financial Work Office of Guangzhou Municipal Government, the head of the discipline inspection team dispatched by the Guangzhou Municipal Commission for Discipline Inspection in the Financial Work Office of the Municipal Government, member of the Party Leadership Group of the Financial Work Bureau of Guangzhou, the head of the discipline inspection team dispatched by Guangzhou Municipal Commission for Discipline Inspection in the Municipal Financial Work Bureau, Secretary of the Disciplinary Committee and member of the Party Committee of the Bank of Guangzhou (廣州銀行), member of the Standing Committee of Huadu District Committee of Guangzhou, deputy secretary of the Party Leadership Group of Huadu District People's Government, deputy secretary of the Party Committee, vice chairman and president of Bank of Guangzhou.

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

Ms. Deng Xiaoyun (鄧曉雲), born in 1976, a member of the Communist Party of China, holds a master's degree in economics from South China Agricultural University. She currently serves as the deputy secretary of the Party Committee, Vice Chairman, President and Executive Director of Guangzhou Rural Commercial Bank Co., Ltd. Ms. Deng has served as the deputy manager of the personal business department of Guangzhou Beixiu Sub-branch of Agricultural Bank of China; a senior staff member and a principal staff member of the financial division, a deputy director of the banking credit market division, and a director of the insurance market division of the Financial Affairs Office of the People's Government of Guangdong Province; the secretary of the Party Leadership Group and director of the Financial Work Bureau of Guangzhou Nansha Development Zone (Nansha Area of Free Trade Zone); and a member of the Party Leadership Group and deputy director of Guangzhou Local Financial Supervision and Administration Bureau.

Mr. Tan Bo (譚波), born in 1974, a member of the Communist Party of China, has a doctoral degree in economics from Zhongnan University of Economics and Law and the qualification of senior economist. He now serves as the Deputy Secretary of the Party Committee and Executive Director of Guangzhou Rural Commercial Bank. He once served as a staff member of supervision department and vice president of PBOC Branch; chief of supervisory section 1, director of office, head (director) of personnel department (organization division), member of the Party Committee, deputy head, secretary of Commission for Discipline Inspection, secretary of the Party Committee and head of sub-division of CBRC (銀監分局); member of the Party Committee and assistant to the director (temporary appointment) of the Provincial Rural Credit Cooperatives Association (省農村信用社聯合社), secretary of the board of directors and Assistant to the President of Guangzhou Rural Commercial Bank.

Mr. Ni Kai (倪開), born in 1985, a member of the Communist Party of China, graduated from Zhongnan University of Economics and Law with a master's degree in management. He currently serves as the deputy general manager of the risk management department of Guangzhou Finance Holdings Group Co., Ltd., and concurrently serves as the deputy general manager of Guangzhou Financial Holdings Management Co., Ltd, the director of Guangzhou Finance Holdings Futures Co., Ltd. (廣州金控期貨有限公司) and the director of Legend Financial Leasing Co., Ltd. He previously served as a probationary officer, deputy chief officer at the second state-owned banks supervision division and chief officer at the second state-owned banks supervision division of Guangdong banking regulatory branch of CBRC (currently the National Financial Regulatory Administration), and the general manager of the general management department (during which: from January 2018 to December 2018, he was seconded to the urban banking department of the CBIRC (currently the National Financial Regulatory Administration)), general manager of the credit approval department, secretary to the board of directors, and vice president and secretary to the board of directors of Meizhou Hakka Bank (梅州客商銀行).

Mr. Wang Xiaobin (王曉斌), born in 1977, a member of the Communist Party of China, graduated from Sun Yat-sen University with a master's degree in business administration. He currently serves as the assistant to the general manager and secretary of the Party Branch and head of the financial management department of Guangzhou Metro Group Co., Ltd., the deputy general manager of Guangzhou Financial Holdings Management Co., Ltd, the Guangzhou Infrastructure Real Estate Investment Trust Association and General Manager of Guangzhou Metro Microfinance Co., Ltd. member of the seventh session of the governing council of Guangzhou Society of Accountants (廣州

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

會計師公會), the director of Guangdong Pearl River Delta Inter-city Railway Traffic Company Limited (廣東珠三角城際軌道交通有限公司), chairperson of the second session of Supervisory Board of Guangzhou Guangdong-Hong Kong-Macao Greater Bay Area Federation for Enterprise Compliance and Anti-corruption. He previously served as an assistant economist in the planning department, the chief budget analyst, supervisor and manager of the budget analysis department of the finance headquarters, the assistant to the general manager and manager of the budget analysis department of the finance headquarters, and the deputy general manager and general manager of the financial management department of Guangzhou Metro Group Co., Ltd. (known as Guangzhou Metro Corporation before restructuring), the director of Guangzhou Metro Design & Research Institute Co., Ltd. (廣州地鐵設計研究院股份有限公司), the deputy general manager of Guangzhou Metro Construction Investment and Financing Co., Ltd. (廣州地鐵建設投融資有限公司), the director of Guangzhou Metro Investment Finance (HK) Limited (廣州地鐵投融資(香港)有限公司), the director of Guangzhou Metro Investment Finance (BVI) Limited (廣州地鐵投融資(維京)有限公司), the vice chairman of Guangzhou Green Infrastructure Industry Investment Fund Management Co., Ltd. (廣州綠色基礎設施產業投資基金管理有限公司), and the director of the Urban Rail Transit Accounting Academic Committee of the Construction Accounting Society of China.

Mr. Zuo Liang (左梁), born in 1979, a member of the Communist Party of China, graduated from Sun Yat-sen University with a master's degree in business administration and is a senior economist. He currently serves as the secretary of the Party Branch and chairman of Guangzhou Gongkong Capital Management Co., Ltd. (廣州工控資本管理有限公司), and concurrently serves as the director of GIIHG Venture Capital Fund Management Co., Ltd. (廣州工控創業投資基金管理有限公司), the director of GIIHG Industrial Investment PE Fund Management Co., Ltd. (廣州工控產投私募基金管理有限公司), the director of Beijing Dinghan Technology Group Co., Ltd. (北京鼎漢技術集團股份有限公司), and the director of Wanli Tire Co., Ltd. He previously served as a staff member of Shenzhen Branch of The Ming An Insurance Co. (H.K.) Ltd. (香港民安保險公司深圳分公司), a staff member of the Guangzhou Municipal Finance Bureau, a staff member, senior staff member and deputy director of Guangzhou SASAC, the chief strategy officer of Guangzhou Industrial Investment Fund Management Co., Ltd. (廣州產業投資基金管理有限公司), the director of Tianhai Auto Electronics Group Co., Ltd. (天海汽車電子集團股份有限公司) and the chairman of the board of supervisors of Jiangsu Rainbow Heavy Industries Co., Ltd. (江蘇潤邦重工股份有限公司)

Mr. Zhang Yan (張研), born in 1974, a member of the Communist Party of China, graduated from Sun Yat-sen University with a master's degree in human geography. He is currently the secretary to the general Party branch and chairman of Guangzhou City Renewal Group Co., Ltd., and the vice president of the second session of Guangzhou Urban Renewal Association, a senior engineer. He previously served as a member and deputy director of the Construction Management Section and deputy director of the Land Use Planning Section of Liwan Branch of Guangzhou Urban Planning Bureau, the director of the Urban Planning Compilation and Research Center of the Liwan District of Guangzhou, the office director of Liwan Branch of Guangzhou Urban Planning Bureau, the deputy director of the planning and development department, deputy director of the human resources department and researcher in the property rights management department of the State-owned Assets Supervision and Administration Commission of the People's Government of Guangzhou Municipality (during which, he took a temporary post as the deputy general manager of GAC Business Co., Ltd. (廣州汽車集團商貿有限公司)). He previously served as the assistant to the general manager and the

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

general manager of the investment department of the headquarters and the deputy general manager of Guangzhou Regional Company (廣州區域公司) of Guangzhou City Construction & Development Co., Ltd. (Yuexiu Property) (廣州市城市建設開發有限公司(越秀地產)), the standing deputy general manager of Yuexiu Property Urban Renewal Group, the general manager of Guangzhou City Pinxiu Property Development Company Limited, the general manager of Yuexiu Property Railway Transit Development Company of Greater Bay Area (越秀地產大灣區軌道交通開發公司), the assistant to the general manager of Guangzhou Pearl River Enterprises Group Ltd. (廣州珠江實業集團有限公司), the secretary of the Party Committee and chairman of Guangzhou Pearl River Industrial Development Co., Ltd. (later known as Guangzhou Pearl River Development Group Co., Ltd.), and the secretary of the Party Committee, chairman and general manager of Guangzhou Pearl River Industrial Real Estate Company Limited (廣州珠實地產有限公司).

Ms. Xing Qiuyu (幸秋玉), born in 1971, a member of the Communist Party of China, graduated from Sun Yat-sen University with a bachelor's degree in economics and is a senior accountant. She currently serves as a member of the Party Committee and the chief accountant of Guangzhou Lingnan Business Travel Investment Group Co., Ltd. She previously served as a financial accountant of Jiangnan Branch and a financial accountant of Guangzhou Commercial Storage and Transportation Co., Ltd. (廣州市商業儲運公司), a third grade staff member and a second grade staff member of the finance and accounting department of Guangzhou Department Store Enterprise Group Co., Ltd. (廣州百貨企業集團有限公司), the financial controller of Guangzhou Xindaxin Company (廣州市新大新公司), the deputy director of the finance and accounting department, the director of the risk management and control department, the director of the audit and supervision department and the risk management and control department, the director of the discipline inspection and supervision department, the deputy secretary of the discipline committee and director of the discipline inspection and supervision department, the deputy secretary of the discipline committee and director of the finance and accounting department, and the chief economist and director of the finance and accounting department of Guangzhou Department Store Enterprise Group Co., Ltd., the chief economist and director of the finance and accounting department of Guangzhou Business Investment Holding Group Co., Ltd. (廣州商貿投資控股集團有限公司), and the chief accountant of Guangzhou Lingnan International Enterprise Group Co., Ltd. (廣州嶺南國際企業集團有限公司).

Mr. Hu Geyou (胡戈游), born in 1979, a member of the Communist Party of China, graduated from Shanghai Jiao Tong University with a master's degree in management science and engineering. He currently serves as the general manager of the equity investment department and deputy general manager of AEON Insurance Asset Management Co., Ltd. (百年保險資產管理有限責任公司). He previously served as a quantitative analyst of the financial engineering department, a researcher of the research department, an assistant fund manager, fund manager and assistant investment director of the investment department, and a deputy general manager, investment director and managing director of the equity investment department I of Hwabao WP Fund (華寶基金), and the director of Zhejiang Wanfeng Auto Wheel Co., Ltd. (浙江萬豐奧威汽輪股份有限公司).

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Mr. Feng Yaoliang (馮耀良), born in 1961. He currently serves as the chairman of Guangzhou Huaxin Group Co., Ltd. (廣州華新集團有限公司), and concurrently serves as the chairman of Guangdong Cold Chain Association (廣東省冷鏈協會), the chairman of Guangzhou Federation of Social Organizations (廣州市社會組織聯合會), the vice chairman of Guangzhou Federation of Industry and Commerce (廣州市工商聯), the chairman of Guangzhou Logistics & Supply Chain Association (廣州物流與供應鏈協會), and the chairman of Guangzhou City Haizhu District Federation of Industry and Commerce (廣州市海珠區工商聯), the vice chairman of Guangzhou Private Businesses Association (廣州市私營企業協會), the supervisor of Guangdong-Hong Kong-Macao Greater Bay Area Industrial and Financial Investment Company Limited (粵港澳大灣區產融投資有限公司).

Mr. Liao Wenyi (廖文義), born in 1962, a member of the Communist Party of China, graduated from Southwestern University of Finance and Economics with a master's degree in economics. Mr. Liao is an associate professor. He currently serves as an external director of Guangdong Hengjian Investment Holding Co., Ltd., an independent director of Daye Trust Co., Ltd., and the vice chairman of Guangdong Financial Think Tank Association. He was a teaching staff member in Hunan University and Guangdong University of Finance (廣東金融學院), and worked at the People's Bank of China Guangdong Branch and primary-level banking regulatory department.

Mr. Du Jinmin (杜金岷), born in 1963, a member of the Communist Party of China, graduated from Nanjing Agricultural University with a doctoral degree. He is currently a professor (Grade II) in Finance from College of Economics of Jinan University and a doctoral supervisor, director of research base of Guangzhou Nansha Pilot Free Trade Zone (Guangzhou key research base of Humanities and Social Sciences) of Jinan University, independent director of Shenzhen Langchi Xinchuang Science & Technology Co., Ltd., and China Resources Bank of Zhuhai.

Mr. Zhu Guilong (朱桂龍), Han Chinese, born in 1964, a member of the Communist Party of China, from Hefei, Anhui Province and a postgraduate, graduated from Sun Yat-Sen University with a doctorate degree in management. He is an expert enjoying the special allowance from the State Council and an outstanding social scientist in Guangdong Province. He is currently a second-level professor and doctoral supervisor of the School of Business Administration of South China University of Technology, the vice chairman of China High-tech Industry Promotion Society (中國高技術產業發展促進會), executive director of Chinese Association of Science and S&T Policy Research (中國科學學與科技政策研究會), director of the Industry-University-Research Cooperation Professional Committee (產學研合作專業委員會), deputy director of Technology Management Professional Committee of Chinese Society of Technology Economics (中國技術經濟學會技術管理專業委員會), and an independent director of Guangzhou Port Company Limited (廣州港股份有限公司), and Sirio Pharma Co., Ltd. He previously served as a staff of Lujiang Alum Mine (廬江礬礦) in Anhui Province, an assistant researcher, associate researcher and researcher of the Forecast and Development Institute of Hefei University of Technology (合肥工業大學預測與發展研究所), a professor, deputy dean and dean of the School of Business Administration of South China University of Technology (華南理工大學工商管理學院), vice chairman of the 8th and 9th Councils of Systems Engineering Society of China (中國系統工程學會), a member of the Steering Committee of Innovation and Entrepreneurship Education of the Ministry of Education (教育部創新創業教育指導委員會), an independent director of Guangzhou KingMed Diagnostics Group Co., Ltd. (廣州金域醫學檢驗集團股份有限公司), CSG Holding Co., Ltd. (中國南玻集團股份有限公司), GRG Banking Equipment Co., Ltd. (廣州廣電運通金融電子股份有限公司), Jiangxi Jovo Energy Company Limited (江西九豐能源股份有限公司) and Zhongke Richland Asset Management Co., Ltd. (中科沃土基金管理有限公司), and a director of Guangdong Yiji Network Co., Ltd. (廣東易積網絡股份有限公司).

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

Mr. Zhang Hua (張華), born in 1965, graduated from Jiangxi University of Finance and Economics with a master's degree in economics. Mr. Zhang is an economist. He is currently an independent director of Guangdong Utrust Financial Leasing Co., Ltd. (廣東粵財金融租賃股份有限公司) and Guangzhou Hengyun Enterprises Holdings Limited (廣州恒運企業集團股份有限公司). He served as the deputy director of Guangdong branch of China Development Bank (國家開發銀行廣東省分行), an analyst of Guangdong Golden Finger Investment Consulting Co., Ltd. (廣東金手指投資顧問有限公司), director and deputy manager of investment banking department of Guangzhou Baoxin Holding Group Co., Ltd. (廣州市寶鑫控股集團有限公司), assistant to president of Junhua Group Co., Ltd. (君華集團有限公司), deputy general manager of Guangzhou Yingzhi Caihua Investment Co., Ltd. (廣州市英智財華投資有限公司), deputy general manager of Guangzhou Driver Investment Co., Ltd. (廣州德瑞投資有限責任公司), deputy general manager of Shenzhen Dongying Ruitong Investment Management Partnership (Limited Partnership), an independent director of Guangzhou KingTeller Technology Co., Ltd. (廣州御銀科技股份有限公司), Guangdong Electronic Power Development Co., Ltd. (廣東電力發展股份有限公司), Zhuhai Taichuanyun Community Technology Co., Ltd. (珠海太川雲社區技術股份分公司) and Guangdong Expressway Development Co., Ltd. (廣東高速公路發展股份有限公司), and the general manager of Shanghai Erluo Investment Management Service Center (General Partnership).

Mr. Ma Hok Ming (馬學銘), born in 1975, has a bachelor's degree in accounting from the Hong Kong Polytechnic University, a member of the Hong Kong Institute of Certified Public Accountants. He is currently the managing director and head of Investment Banking Division of ABCI Capital Limited (農銀國際融資有限公司), and a member of the Construction Industry Council in Hong Kong. He served as an assistant senior auditor of Deloitte Touche Tohmatsu (德勤•關黃陳方會計師事務所), assistant manager of corporate finance department of South China Capital Limited (南華融資有限公司), assistant manager of investment banking department of Core Pacific – Yamaichi Capital Limited (京華山一融資有限公司), senior manager of corporate financing department of KE Capital (Hong Kong) Limited (金英企業融資(香港)有限公司), chief financial officer of Sungreen International Holdings Limited (綠陽國際控股有限公司), assistant director of corporate financing department of the KE Capital (Hong Kong) Limited (金英企業融資(香港)有限公司), audit manager of Deloitte & Touche LLP, senior vice president of investment banking department of ICEA Capital Limited (工銀東亞融資有限公司), an executive director of investment bank of ICBC International Capital Limited (工銀國際融資有限公司投資銀行), managing director and joint director of investment banking business of ABCI Capital Limited (農銀國際融資有限公司), assistant president of Zhuguang Holdings Group Company Limited (珠光控股集團有限公司).

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

(II) BIOGRAPHY OF THE SUPERVISORS

Ms. Wang Xigui (王喜桂), born in 1966, a member of the Communist Party of China. She has a bachelor's degree in economics from Zhongnan University of Economics and Law (previously Zhongnan University of Economics) and the qualification of accountant. She now serves as Member of Party Committee, chairman of the Board of Supervisors and employee supervisor of the Board of Supervisors of Guangzhou Rural Commercial Bank (廣州農村商業銀行). She once served as a teacher of Hubei School of Finance of Zhongnan University of Finance and Economics, deputy general manager of the finance department, deputy general manager (responsible for the operations) and general manager of the information technology department/sales management department of Guangzhou Branch of PICC, researcher of the accounting department and the general office of the Bureau of Finance of Guangzhou, and chairman of the board of supervisors of Guangzhou City Construction Investment Group and Guangzhou Water Investment Group assigned by Guangzhou SASAC.

Ms. Zeng Weixue (曾維雪), born in 1975, is a member of the Communist Party of China and holds a bachelor's degree in Applied Mathematics from Xiamen University. She is an intermediate economist. She is currently an employee supervisor and general manager of the Discipline Inspection Office of Guangzhou Rural Commercial Bank. She once served as teller, loan officer, and deputy manager (presiding over work) and manager of the Human Resources Department of Guangzhou Tianhe Rural Credit Cooperative Union; deputy manager (presiding over work) of the Comprehensive Department and deputy manager of the Personal Loan Center at the Luogang Credit Union of Guangzhou Rural Credit Cooperative Union; deputy manager (presiding over work) and manager of the Comprehensive Department of the Yangcheng Branch, manager of the Comprehensive Management Department and Financial Accounting Department of the Panyu Branch, manager and senior manager of the Human Resources Department of the Head Office, senior manager of the Branch Construction Department, senior manager of the Mortgage Center, and senior manager of the Consumer Credit Department, assistant to president of the Tianhe Branch, deputy general manager and senior deputy manager of the Human Resources Department (Party Committee Organization Department), and deputy general manager (presiding over work) and general manager of the Discipline Inspection Office at Guangzhou Rural Commercial Bank.

Mr. Bao Chen (包晨), born in 1982, a member of the Communist Party of China, holds a Bachelor of Laws degree from Zhongnan University of Economics and Law. He now serves as employee supervisor and deputy general manager of the audit department of Guangzhou Rural Commercial Bank. He once served as staff member of the Personal Business Department and Risk Management Department of Guangzhou Lihua Sub-branch of Agricultural Bank, an Audit Executive of the Internal Control and Compliance Department of Guangdong Branch of Agricultural Bank, a legal manager of Legal and Compliance Department of China Guangfa Bank, a senior business manager of the Compliance Department of Guangzhou Branch of China CITIC Bank, and a business manager, manager, assistant to the general manager of Office of the Board of Supervisory and deputy general manager (presiding over the work) of Guangzhou Rural Commercial Bank.

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

Mr. Han Zhenping (韓振平), born in 1973, a member of the Communist Party of China, has a master's degree in management from Sun Yat-sen University. He is certified public accountant and asset appraiser. He is currently the external supervisor of Guangzhou Rural Commercial Bank, a senior partner and director of Guangdong Branch of Mazars CPA Limited (Limited Liability Partnership (中審眾環會計師事務所(特殊普通合夥))), and concurrently serves as an external director of Guangdong GW Holding Group Co., Ltd. (廣東省廣物控股集團有限公司), an independent director of Guangzhou Pearl River Beer Co., Ltd. (廣州珠江啤酒股份有限公司), an independent director of Guangdong Province Urban and Rural Planning Design and Research Centre Technology Group Co., Ltd. (廣東省城鄉規劃設計研究院科技集團股份有限公司) and vice president of Guangdong Bankruptcy Administrators Association (廣東省破產管理人協會). He once served as the financial manager of Heilongjiang Jiamusi Fumin Agricultural Production Material Co., Ltd. (黑龍江省佳木斯富民農業生產資料有限公司), the project manager of Beijing Tianhua Certified Public Accountants (北京天華會計師事務所), senior manager, deputy chief accountant and director of Guangdong Branch of Mazars CPA Limited (Limited Liability Partnership) (中審會計師事務所), a partner and director of Guangdong Branch of China Audit Asia Pacific Certified Public Accountants LLP (Limited Liability Partnership) (中審亞太會計師事務所(特殊普通合夥)), he concurrently served as an independent director of Guangdong HuaSheng Electrical Appliances Co., Ltd. (廣東華聲電器股份有限公司), an independent director of Guangdong Jingyi Metal Co., Ltd. (廣東精藝金屬股份有限公司), an independent director of Guangdong Real-Design Intelligence Technology Co., Ltd. (廣東瑞德智能科技股份有限公司), an independent director of China Southern Power Grid Co., Ltd. (南方電網綜合能源股份有限公司獨立董事) and an external director of Guangzhou Public Transport Group Co., Ltd. (廣州市公共交通集團有限公司).

Mr. Shi Shuiping (石水平), born in 1975, a member of the Communist Party of China. He has a doctoral degree in accounting from Sun Yat-sen University and is an international Certified Anti-Fraud Professional. He is currently the external supervisor of Guangzhou Rural Commercial Bank, a professor in the Department of Accounting, School of Management, Jinan University, a vice chairman of Guangdong Association of Management Accountants, a director of Guangdong Auditing Society, and an executive director of Guangzhou Auditing Society. He is also an independent director of Guangzhou Zhujiang Development Group Co., Ltd. (廣州珠江發展集團股份有限公司), Guangzhou Grandbuy Co., Ltd. (廣州市廣百股份有限公司), Sunward Intelligent Equipment Co., Ltd. (山河智能裝備股份有限公司) and Guangdong Sihui Rural Commercial Bank Co., Ltd. (廣東四會農村商業銀行股份有限公司). He was a lecturer and associate professor of the Department of Accounting at the School of Management of Jinan University and once concurrently served as an independent director of Guangdong Yuanshang Logistics Co., Ltd. (廣東原尚物流股份有限公司), Shenzhen Xintian Technology Co., Ltd. (深圳市欣天科技股份有限公司), Chongqing VDL Electronics Co., Ltd. (重慶市紫建電子股份有限公司), Yingfeng Environmental Technology Group Co., Ltd. (盈峰環境科技集團股份有限公司), Guangdong Dinggu Jichuang Households Co., Ltd. (廣東頂固集創家居股份有限公司) and Guangzhou KingTeller Technology Co., Ltd. (廣州禦銀科技股份有限公司).

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

Mr. Huang Tianshun (黃添順), born in 1968, a member of 93 Society and has master's degree in Law from the Southwest University of Political Science and Law. He currently serves as an external supervisor of Guangzhou Rural Commercial Bank, a senior partner and the chairman of partners meeting of the Guangdong Lingnan Law Firm (廣東嶺南律師事務所), and also serves as the arbitrator of the Guangzhou Arbitration Commission, a master's tutor of the School of Law of Sun Yat-sen University, a part-time professor of Guangdong University of Foreign Studies and the independent director of the Guangzhou Ruoyuchen Technology Co., Ltd. (廣州若羽臣科技股份有限公司). He formerly served as a public lawyer of the Shantou Justice Bureau (汕頭市司法局), director of Guangdong Guoyuan Lingdong Law Firm (廣東國源嶺東律師事務所), director of Guangdong Lingnan Law Firm (廣東嶺南律師事務所), member of the 14th/15th National Committee of the Chinese People's Political Consultative Conference of Haizhu District, chairman of first session of Lawyers' Working Committee of Haizhu District (海珠區律師工作委員會), external director of Guangzhou Industrial Investment Fund Management Co., Ltd. (廣州產業投資基金管理有限公司), independent director of Jiangxi Shimei Pharmaceutical Co., Ltd. (江西施美藥業股份有限公司), and legal adviser of CP Group (泰國正大集團), CRGL Group (中國中鐵集團), Shantou Branch of Bank of China, Shantou Branch of Industrial and Commercial Bank of China, Guangdong Branch of China Construction Bank, Haizhu Branch of China Construction Bank, Guangzhou Branch of Cinda Asset Management Company, Guangzhou Economic and Trade Bureau, Haizhu District Government, Civil Affairs Bureau of Haizhu District, United Front Work Department of Haizhu District and Public Security Bureau of Haizhu District and other Party and government organs.

Ms. Yu Qing (俞青), born in 1975, is a member of the Communist Party of China and holds a master's degree in Business Administration from South China University of Technology. She is a senior accountant. She is currently a shareholder supervisor of Guangzhou Rural Commercial Bank and, a member of the Party Committee and chief accountant of Guangzhou Digital Technology Group Co., Ltd. She once served as a staff member of the Finance Department of Huangpu Stevedoring Branch Company of Guangzhou Port Authority and Guangzhou Port Container Comprehensive Development Co., Ltd.; finance supervisor, section chief, assistant minister, deputy minister, and minister of the Finance and Accounting Department, minister of the Financial Work Department and director of the Settlement Center at Guangzhou Port Group Co., Ltd.

Mr. Liang Bingtian (梁炳添), born in 1973, a member of the Communist Party of China. He has a bachelor's degree in business administration from China Central Radio and TV University. He now serves as a shareholder supervisor of Guangzhou Rural Commercial Bank, deputy secretary of the Party General Branch of Guangzhou Longdong Longhui Industrial Co., Ltd. (廣州市龍洞龍匯實業有限公司). He once served in Unit 53311 and 53320. He worked at Longdong Economic Development Company, Tianhe District, Guangzhou City (廣州市天河區龍洞經濟發展公司); he once served as a member of the Party branch of Guangzhou Longdong Longhui Industrial Co., Ltd. (廣州市龍洞龍匯實業有限公司); deputy secretary of the Party General Branch and concurrently served as a member of the board of directors of Guangzhou Longdong Longhui Industrial Co., Ltd. (廣州市龍洞龍匯實業有限公司).

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

Mr. Li Zhiquan (李志全), born in 1979, a member of the Communist Party of China, has a bachelor's degree in Economics from Sun Yat-sen University and is a senior economist. He currently serves as a shareholder supervisor of Guangzhou Rural Commercial Bank and the manager of the capital department of Foshan Dongjian Group Co., Ltd. (佛山市東建集團有限公司). He once served as a deputy manager, a fund administrator and banking officer in the planning section and a market researcher at the planning center of Foshan Dongjian Group Co., Ltd. (佛山市東建集團有限公司), a marketing planner of Foshan Dongjian Real Estate Operation and Development Company (佛山市東建房地產經營開發公司) and a shareholder supervisor of Foshan Rural Commercial Bank Co., Ltd. (佛山農村商業銀行股份有限公司).

(III) BIOGRAPHY OF THE SENIOR MANAGEMENT

Mr. Li Yaguang (李亞光), born in 1967, a member of the Communist Party of China, holds a master's degree in Science from Sun Yat-sen University and is a computer engineer and an economist. He is currently a member of the Party Committee, vice president, chief information officer and chief data officer of Guangzhou Rural Commercial Bank. He once served as a technician of Nanjing Jinshan Electric Company; section chief and deputy general manager of the System Management Division of the Technology Department, general manager of the Personal Banking Department and president of the Development Zone Branch at Guangzhou Commercial Bank; a member of the Party Committee, assistant to president, and vice president of Bank of Guangzhou.

Ms. He Heng (賀珩), born in 1970, a member of the Communist Party of China, holds a master's degree in Economics from Hunan University (formerly Hunan University of Finance and Economics) and is an economist. She is currently a member of the Party Committee, vice president, and general counsel and chief compliance officer (proposed) of Guangzhou Rural Commercial Bank. She once served as deputy director of the Teaching and Research Office of the Information Management Department and secretary of the General Branch Committee of the Communist Youth League of China at Xiangtan University; a senior staff member of the Foreign Investment Department at the Guangzhou Branch of the People's Bank of China; deputy director of the Policy and Regulation Department (Business Innovation Department) at Guangdong Office of China Banking Regulatory Commission; deputy general manager of the Risk Management Department and deputy general manager of the Credit Management Department of ICBC Guangdong Branch (temporary position); assistant to president of Zhujiang Financial Leasing Co., Ltd.; general manager of the Performance Management Department of the Guangzhou Rural Commercial Bank; general manager of the Supervisory Committee Office and general manager of the Rural Financial Reform Office at Guangzhou Rural Commercial Bank.

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

Mr. Zhong Jindong (鍾晉東), born in 1977, a member of the Communist Party of China, holds a master's degree in management from Jilin University. He currently serves as a member of the Party Committee and the Chief of the Discipline Inspection Team of the Commission for Discipline Inspection stationed in Guangzhou Rural Commercial Bank. He once served as a clerk, vice-director level and director level discipline inspector in the Case Hearing Office of the Municipal Commission for Discipline Inspection and Supervision; a director level and vice-division level discipline inspector, and a vice-division level deputy director in the Cadre Supervision Office of the Municipal Supervision Committee of the Disciplinary Inspection Commission; a vice-division and division level deputy director of the Municipal Discipline Inspection and Supervision Department; a division level deputy director (presiding over work) and bureau-level director of the Eighth Inspection and Investigation Office (第八審查調查室) of the Municipal Commission for Discipline Inspection and Supervision.

Mr. Gu Bo (古波), born in 1981, a member of the Communist Party of China, holds a doctoral degree in management from South China Agricultural University. He is now a secretary of Party General Branch and vice president of Guangzhou Rural Commercial Bank. He once served as deputy director and director of Huizhou Supervision Bureau of China Banking Regulatory Commission (中國銀行業監督管理委員會), assistant to general manager of the Development and Planning Department of Guangzhou Bank, assistant to office general manager of Guangzhou Bank, vice president and president of Guangzhou Bank Huizhou Branch, director of CPC Organization Department and general manager of HR Department of Guangzhou Bank; and deputy chief of Discipline Inspection and Supervision Team of Guangzhou Municipal Commission for Discipline Inspection and Supervision in Guangzhou Rural Commercial Bank, assistant to president of Guangzhou Rural Commercial Bank.

Mr. Li Yousheng (李有生), born in 1981, a member of the Communist Party of China, holds a master degree in laws from Renmin University of China. He currently serves as assistant to the president (proposed) of Guangzhou Rural Commercial Bank. He served as probationary cadre, a senior staff member (副主任科員) and a principal staff member (主任科員) of the Office of the 16th Asian Games Organizing Committee; a principal staff member, a principal staff member of the Secretariat, a director level secretary, a principal staff member and a deputy division director of the Second Administrative Division of the Office of Guangzhou Municipal People's Government, Guangdong Province (廣東省廣州市人民政府辦公廳綜合二處); a deputy director and director of the Office of Guangzhou Municipal Financial Affairs Bureau, Guangdong Province (廣東省廣州市金融工作局辦公室); a director of the Office and the division director of Policy, Regulation, and Planning Division (政策法規與規劃處) of Guangzhou Municipal Local Financial Regulation and Supervision Bureau, Guangdong Province (廣東省廣州市地方金融監督管理局); the division director of the First Risk Prevention and Control Division (中共廣州市委金融委員會辦公室風險防控一處) and the division director of Party Building Division (金融黨建處) of the Office of the Financial Committee of the Guangzhou Municipal Committee of the CPC (中共廣州市委金融委員會辦公室).

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

Ms. Wu Wenli (吳文莉), born in 1978, a member of the Communist Party of China, holds a bachelor's degree in law from Sun Yat-sen University. She now serves as assistant to president (proposed) and secretary of the Board of Directors of Guangzhou Rural Commercial Bank. She once served as a staff member of the Investment and Development Department of CITIC South China Group, a staff member of Credit Review Department (授信審查部) and chief staff member of the Compliance Department of Guangzhou Branch of SPD Bank (浦發銀行), assistant to office director, assistant to the president of Yuexiu Sub-branch, vice president of Yuexiu Sub-branch, vice president of Tianyu Sub-branch (天譽支行), president of Development District Sub-branch (開發區支行) of Guangzhou Branch, head of Party Committee Office, director of Propaganda Department of Party Committee, director of the office, general manager of the Security Department (concurrent) and general manager of Consumer Rights and Interests Protection and Service Management Department (concurrent) of Guangzhou Branch of SPD Bank (浦發銀行).

Ms. Yang Xuan (楊璇), born in 1976, a member of the Communist Party of China, holds a master's degree in business administration from Shanghai University of Finance and Economics, a master's degree in law in Jinan University and the qualification of economist. She now serves as business director and general manager of the Business Department of Head Office of Guangzhou Rural Commercial Bank. She once served as department manager of Guangzhou Tianhe Rural Credit Cooperative Union (廣州市天河農村信用合作聯社); general manager of Corporate Financial Department of Guangzhou Rural Commercial Bank, deputy general manager of Guangzhou Region Business Management Department; president of Free Trade Zone Nansha Branch (自貿區南沙分行); chairman of board of supervisors of Zhujiang Financial Leasing Co., Ltd. (珠江金融租賃有限公司); and general manager of the Financial Interbank Department and Asset Management Department.

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

III. INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES IN THE BANK

As of the Latest Practicable Date, based on the information available to the Bank and as far as the directors are aware, the interests and short positions of the directors, chief executives and supervisors of the Bank in the shares, underlying shares or debentures of the Bank or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Bank and the Hong Kong Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including the interests or short positions which he/she was deemed or taken to have under such provisions of the SFO), or as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Bank and the Hong Kong Stock Exchange pursuant to the Model Code were as follows:

Directors', chief executives' and supervisors' interests in the Bank							
Name	Capacity	Nature of interest	Class of shares	Long/short position	Number of shares held directly or indirectly (Share)	Approximate percentage of interests in the Bank	Approximate percentage of the relevant class of shares of the Bank
Feng Yaoliang	Director	Interest of a controlled corporation ⁽¹⁾	Domestic Shares	Long	100,010,000	0.694%	0.852%
Liao Wenyi	Director	Beneficial owner	Domestic Shares	Long	1,103,000	0.008%	0.009%
Zeng Weixue	Employee Supervisor	Beneficial owner	Domestic Shares	Long	152,224	0.001%	0.001%

Note:

- (1) These shares were held by Guangzhou Huaxin Group Co., Ltd., which was owned as to 99.54% by Feng Yaoliang. Therefore, by virtue of the SFO, Feng Yaoliang, a director of the Bank, is deemed or taken to be interested in all the shares held by Guangzhou Huaxin Group Co., Ltd.

Save as disclosed above, none of the directors, chief executives and supervisors of the Bank had any interests or short positions in any shares, underlying shares and debentures of the Bank or its associated corporations (within the meaning of Part XV of the SFO) which were recorded in the register required to be kept by the Bank pursuant to Section 352 of the SFO, or otherwise have to be notified to the Bank and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules.

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

IV. EVALUATION MECHANISM AND REMUNERATION POLICY OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT IN THE BANK

The Bank, under the guidance of relevant national policies, continues to improve the remuneration management measures and performance evaluation system of directors, supervisors and senior management. The remuneration of the directors, supervisors and senior management of the Bank appointed by the organization department of Guangzhou municipal party committee shall be subject to the provisions of the relevant supervisory departments. The remuneration of non-executive directors (including independent directors), external supervisors and shareholder supervisors consists is determined in accordance with the relevant standards of the Implementation Measures for the Remuneration Standards of Directors and Supervisors of Guangzhou Rural Commercial Bank Co., Ltd.*《廣州農村商業銀行股份有限公司董事、監事薪酬標準實施辦法》 approved by the 2014 AGM of the Bank, which mainly consists of basic remuneration and allowances. The annual basic remuneration is relatively fixed and the allowances are determined based on the meeting attendance and the service time in the Bank, among other factors. During the Reporting Period, Mr. Zuo Liang, a non-executive director of the Bank agrees to waive the director's remuneration arrangement.

V. REMUNERATION OF THE BANK'S DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

During the Reporting Period, the remuneration of senior management by remuneration group is as follows:

Remuneration range	Number of persons
RMBO – RMB500,000	2
RMB500,001 – RMB1,000,000	5
RMB1,000,001 – RMB1,500,000	2

For details of the remuneration of the Bank's directors and supervisors are set out in Note 10 to the financial statements.

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

VI. THE MANAGEMENT INFORMATION OF EMPLOYEES OF THE BANK

(I) The Basic Information of Employees

As of the end of the Reporting Period, the total number of employees of the Group was 12,995. Of which, 12,595 employees entered into labor contracts with the Group, and 400 employees were dispatched workers.

1. Gender composition of in-service employees

Gender composition	Number of persons	Percentage
Male	6,633	51.04%
Female	6,362	48.96%

2. Educational background composition of in-service employees

Educational background composition	Number of persons	Percentage
College and below	2,460	18.93%
Undergraduate	9,163	70.51%
Postgraduate and above	1,372	10.56%

3. Age composition of in-service employees

Age composition	Number of persons	Percentage
29 years old and below	2,886	22.21%
30-49 years old	7,774	59.82%
50 years old or above	2,335	17.97%

(II) Remuneration Policy of the Bank

During the Reporting Period, the Bank's remuneration policy remained basically stable. In accordance with the requirements of national and local laws and regulations, the Bank has formulated salary management measures such as the Guangzhou Rural Commercial Bank Employee Salary Management Measures, the Guangzhou Rural Commercial Bank Salary Payment Management Measures, and the Guangzhou Rural Commercial Bank Employee Welfare Management Measures, and continuously improved the employee salary system. By establishing a scientific and reasonable salary incentive mechanism and implementing a differentiated salary distribution mechanism, the Bank effectively supported the business transformation, upgrading, reform and innovation. The Board of Directors of the Bank is ultimately responsible for the remuneration management. The Nomination and Remuneration Committee of the Board of Directors is responsible for consideration and approval of the remuneration management system and policies of the entire Bank, formulating the remuneration scheme of Directors and senior managers, proposing the remuneration scheme to the Board of Directors and supervising the implementation of the scheme.

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

According to the relevant provisions of Supervisory Guidelines on Sound Compensation in Commercial Banks and the Measures for the Implementation of the Reform of Wage Determination Mechanism in State-owned Financial Enterprises, the Bank's total wages are mainly dynamically and reasonably adjusted, based on the linkage of factors such as serving the real economy, key areas of economic development, economic benefits, shareholder return and risk control, and combined with the company's development strategy, operating profit objectives, personnel size and labor productivity, labor input-output rate and non operational external factors. The Bank's payroll management implementation plan, payroll budget and final accounts shall be reported to the superior regulatory department as required.

The remuneration of the Bank's employees consists of basic salary, performance-based salary, and welfare income: basic salary refers to the relatively fixed salary determined based on factors such as position value and position nature; performance-based salary refers to the variable salary comprehensively determined based on factors such as the position held and level, as well as the quantity and difficulty of performance targets; welfare income includes social insurance, housing provident fund, enterprise annuity, etc.

Following the concept of "performance appraisal leading development" and based on the assessment idea of "undertaking strategy, benchmarking with peers, maintaining true colors and emphasizing core", the Bank established a performance appraisal system composed of indicators such as core development, business efficiency, compliance risk and business transformation, highlighted the responsibilities of risk management subjects and high-quality development requirements, and continued to improve the efficiency of resource allocation.

According to the relevant provisions of Supervisory Guidelines on Sound Compensation in Commercial Banks, the Bank has formulated the Measures for the Administration of Salary Deferred Payment of Guangzhou Rural Commercial Bank and the Measures for the Administration of Salary Recourse and Deduction of Guangzhou Rural Commercial Bank to include the personnel of relevant positions required by the regulations in the scope of salary deferred payment, and implement salary recourse deduction for the relevant personnel in accordance with the regulations. The deferred payment of salary is linked to the release of business risks for which employees are responsible, and shall be reasonably determined in accordance with the performance realization and risk changes of different business activities. If the target of salary deferred payment causes risk losses to the Bank due to business risk exposure, non-compliances and disciplinary offenses or dereliction of duty, or is responsible for the occurrence of such losses, and if there exists dereliction of duty or non-compliances in the course of operation of the staff involved in each part of credit management processes, the Bank will put forward accountability and punishment plans and implement deferred payment and salary deduction.

The Bank's remuneration management policy is applicable to all employees who have established a labor contract relationship with the Bank, and there are no exceptions beyond the original remuneration scheme.

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

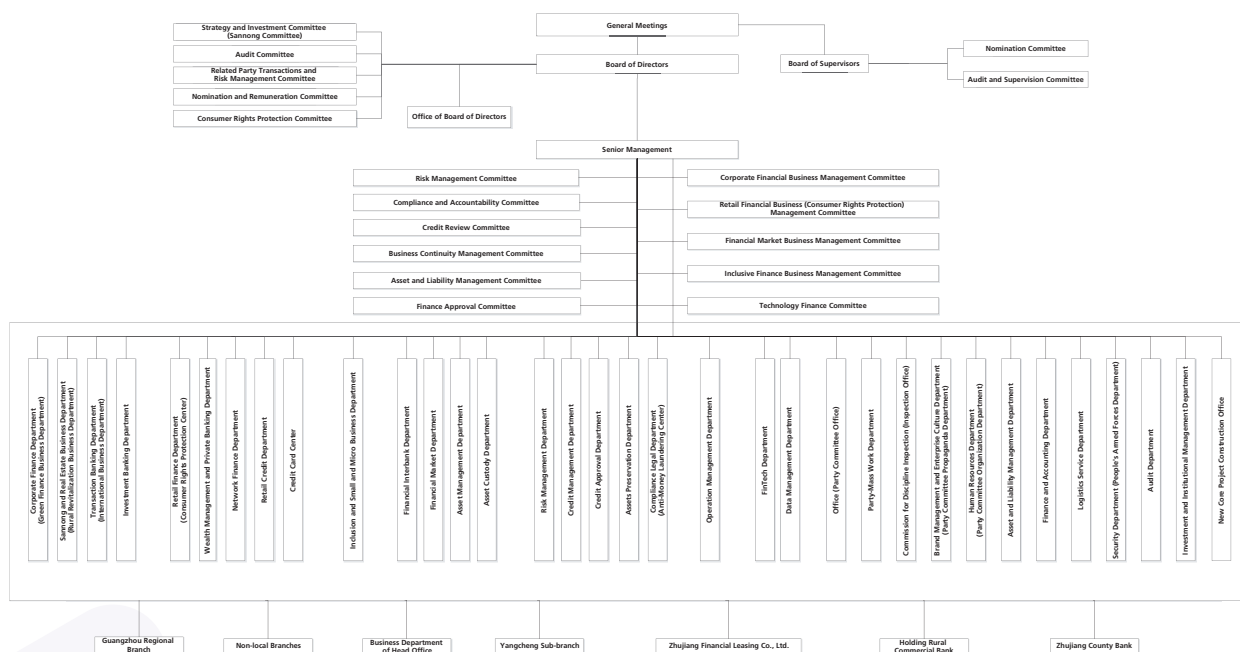
(III) Training of Employees

The Bank has always attached importance to the enhancement of the professionalism and professional quality of its employees. In 2025, the Bank thoroughly implemented the spirit of the 20th National Congress of the Communist Party of China and the Third and Fourth Plenary Session of the 20th Central Committee of the Communist Party of China, taking the opportunity of the “Asset Efficiency Year” , focusing on enhancing the core competitiveness of small and medium-sized asset business and comprehensive competitiveness enhancement program for our branches, strengthening the cadre and talent echelon building, building the internal and external trainer training system, and arming itself with the Party’s innovative theory, etc., and make every effort to promote the training work to grasp and implement, and to be innovative and outstanding. During the Reporting Period, the Bank organized training projects for the enhancement of professional capacity of employees in key positions in various ways, including internal training, external training and job-transfer training, covering topics such as Party affairs, disciplinary inspection and supervision, internal audit, risk management, credit approval, product managers, financial technology, human resources management, financial management, office management and procurement management, focusing on improving the quality of the cadre and staff team, providing organisational guarantee and talent support to promote the Bank’s high-quality development. During the Reporting Period, the Bank promoted more than 610 training projects, covering more than 150,000 employees at all levels, and conducted 500 online live training sessions, with 120 hours of online learning per capita.

CORPORATE GOVERNANCE REPORT

I. CORPORATE STRUCTURE

The Group's organisation chart as of the end of the Reporting Period:



II. CORPORATE GOVERNANCE OVERVIEW

During the Reporting Period, the Bank continued to improve the standardization of corporate governance and ensured to reach the corporate governance level of listed companies, so as to protect the rights and interests of stakeholders and enhance corporate value.

During the Reporting Period, the Bank has strictly complied with all the code provisions of the Corporate Governance Code to the Appendix C1 of the Listing Rules and has also complied with most of the recommended best practices contained therein. The Bank has also strictly complied with relevant laws and regulations and the Listing Rules and other provisions on inside information management. There is no significant difference between the Bank's corporate governance status and the requirements of the Company Law and the relevant provisions of the State Administration of Financial Supervision and the Hong Kong Stock Exchange.

The Bank will continue to review and strengthen its corporate governance to ensure that its corporate governance continues to comply with the provisions of the Corporate Governance Code and meet the higher expectations of shareholders and investors.

III. SHAREHOLDERS' GENERAL MEETING

(I) Duties of the Shareholders' General Meeting

The Shareholders' General Meeting is an organ of power of the Bank. Pursuant to the Articles of Association of the Bank, it shall exercise the following powers in accordance with the laws: to decide on business policies and investment plans of the Bank; to elect and change of directors and supervisors who are non-employee representatives and to determine the remunerations of relevant directors and supervisors; to consider and approve reports prepared by the Board of Directors; to consider and approve reports prepared by the Board of Supervisors; to consider and approve annual budgets, final accounts, balance sheet, profit and loss and other financial reports of the Bank; to consider and approve profit distribution plans and plans for making up for losses of the Bank; to adopt resolutions concerning the increase and reduction of the registered capital of the Bank; to resolve the issuance of bonds and other securities of the Bank and the listing thereof; to adopt resolutions on the merger, division, dissolution, liquidation (including voluntary liquidation) and change of the form of the Bank; to amend the Articles of Association; to resolve the appointment, reappointment or removal of the accounting firm and their remuneration which conducts regular statutory audits of the Bank's financial reports; to consider the matters of single acquisition and disposal of significant assets (including but not limited to equity, fixed assets and other assets), or the matters of which guaranteed amount exceeds ten percent of the audited net assets of the Bank in the latest period; to consider and approve any proposals submitted by any shareholder individually or collectively holdings more than three percent of the total voting shares of the Bank (including holders of preference shares with their voting rights restored); to decide on the issuance of preference shares, decide or authorize the Board of Directors to decide, any matters in relation to the preference shares issued by the Bank; to consider and approve the rules of procedure of the shareholders' general meetings, the Board of Directors and the Board of Supervisors; to consider and approve the equity incentive scheme; to adopt resolutions on the acquisition of shares of the Bank in accordance with the laws; to consider and approve any other matters required by the laws, administrative regulations, regulatory provisions and the Articles of Association to be approved by shareholder's general meetings.

(II) Shareholders' Rights

1. *Convening EGM*

Pursuant to the Articles of Association of the Bank, shareholders' request to convene an extraordinary general meeting ("EGM") or a class meeting of shareholders shall be submitted to the Board of Directors in writing and handled in accordance with the following procedures:

Shareholder(s) (including holders of preference shares with their voting rights restored) who individually or jointly hold more than 10% of the voting shares in total at the proposed meeting may sign one or more written requests in the same format and content to request the Board of Directors to convene an EGM or a class meeting of shareholders and describe the topics of the meeting. The aforesaid number of shares held shall be calculated according to the date when the shareholders submit a written request. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association of the Bank, give a written feedback on whether to agree or disagree to convene the EGM or the class meeting of shareholders within ten days after receiving the request.

CORPORATE GOVERNANCE REPORT

If the Board of Directors agrees to convene the EGM or the class meeting of shareholders, it shall issue a notice of convening such meeting within five days after the Board of Directors' resolution is made. Any change to the original request in the notice shall be approved by the relevant shareholders.

If the Board of Directors does not agree to convene the EGM or the class meeting of shareholders, or does not give feedback within 10 days after receiving the request, the shareholder(s) individually or collectively holding more than 10% of the voting shares at the proposed meeting (including holders of preference shares with their voting rights restored) shall be entitled to propose to the Board of Supervisors to convene the EGM or the class meeting, and shall submit a request to the Board of Supervisors in writing.

If the Board of Supervisors agrees to convene the EGM or the class meeting of shareholders, it shall send a notice of convening such meeting within five days after receiving the request. Any change to the original request in the notice shall be approved by the relevant shareholders.

If the Board of Supervisors fails to send the notice of the EGM or the class meeting of shareholders within the prescribed time limit, it shall be deemed that the Board of Supervisors does not convene and preside over such meeting, and after more than 90 consecutive days later, the shareholder(s) individually or collectively holding more than 10% of the voting shares at the proposed meeting (including holders of preference shares with their voting rights restored) may voluntarily convene and preside over a meeting.

When convening the general meeting, the Bank shall fully protect the legitimate rights and interests of all shareholders attending the meeting. During the general meeting, the Bank shall set up Q&A session for shareholders to earnestly answer shareholders' questions and promote effective deliberation and decision-making.

2. Putting forward Proposals to the General Meeting of the Bank

Pursuant to the Articles of Association of the Bank, when the Bank holds a general meeting of shareholders, the Board of Directors, the Board of Supervisors and the shareholder(s) (including holders of preference shares with their voting rights restored) individually or collectively holding more than 3% of the total number of voting shares of the Bank shall be entitled to submit proposals to the Bank in writing. The Bank shall include the matters in the proposal within the scope of responsibilities of the general meeting of shareholders on the topics of the meeting.

The shareholders (including holders of preference shares with their voting rights restored) individually or collectively holding more than 3% of the total number of voting shares of the Bank may put forward interim proposals and submit them to the convener in writing ten days before the convening of the general meeting of shareholders. The convener shall, within two days after receiving the proposals, issue a supplemental notice of the general meeting and announce the contents of the interim proposals. If there are other provisions in the listing rules of the place where the Bank's securities are listed, they shall be met at the same time.

3. Shareholder Communication Policy

The purpose of the Bank's shareholder communication policy is to ensure that the Bank publicly discloses its latest operation and management through different media and channels through an effective communication mechanism, strengthen the communication between shareholders and stakeholders and the Bank, solicit and understand the suggestions and opinions of shareholders, and review the implementation of communication policy. The Bank encourages shareholders to attend the general meeting of shareholders, and shareholders who are unable to attend may entrust their proxies to vote. The general meeting of shareholders will appropriately arrange directors, supervisors, senior management and external auditors to attend the meeting, especially the chairman of each committee under the Board of Directors (if the relevant chairman fails to attend, another member will be invited to attend), to respond to shareholders' questions. At the same time, the Bank has set up an "Investor Relations" column on its official website to promptly disclose announcements, periodic reports and investor relations-related information of listed companies for investors' reference. The Bank also strengthens its communication with shareholders and stakeholders through offline means such as investor research receptions and roadshows, as well as online means such as investor hotlines and investor relations email replies.

The Bank attaches great importance to communicate with all stakeholders, including shareholders, and reviews and discusses the Bank's communication policy, communication mechanism and implementation with shareholders in the Corporate Social Responsibility Report and the Board of Directors' Report every year, and continuously strives to strengthen close ties with all stakeholders, including shareholders and is satisfied with the implementation of the policy.

Shareholders and investors may obtain the latest news and important information on the Bank's main development through the Bank's official website (www.grcbank.com) and the HKExnews webpage of the Hong Kong Stock Exchange (www.hkexnews.hk). Shareholders may also apply to the Bank or the share registrar for the published corporate communications of the Bank, including annual reports, interim reports and circulars. In order to support environmental protection and reduce the impact of printed materials on the environment and climate, the Bank encourages shareholders and investors to choose to collect and browse the electronic version of corporate communications.

4. Shareholder Inquiry and Contact

The shareholders of the Bank may also make inquiries, suggestions or opinions to the Board of Directors through the following ways:

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre,
183 Queen's Road East Wanchai, Hong Kong
Tel: +85228628555
Fax: +85228650990

If shareholders and investors have any inquiries about their Domestic Shares held, such as share transfer and pledge, change of address and report of lost share certificates, please write to the following address:

Office of the Board of Directors of the Bank
No. 1, Huaxia Road, Tianhe District, Guangzhou, China
Tel: (8620)28019324
Fax: (8620)22389227
E-mail: ir@grcbank.com

CORPORATE GOVERNANCE REPORT

(III) Convening of the General Meeting of the Bank

In 2025, the Bank convened two general meetings, with the details as follows:

1. 2024 annual general meeting

On 13 June 2025, the Bank convened the 2024 annual general meeting in Guangzhou, Guangdong Province, a total of 152 shareholders (including proxies) attended the meeting, and the thirteen directors of the fourth session of the Board of Directors of the Bank including executive Directors, Mr. Cai Jian, Ms. Deng Xiaoyun, independent non-executive directors, Mr. Liao Wenyi, Mr. Du Jinmin, Mr. Zheng Guojian, Mr. Zhang Hua and Mr. Ma Hok Ming, and non-executive directors, Mr. Ni Kai, Mr. Wang Xiaobin, Mr. Zuo Liang, Mr. Zhang Yan, Mr. Hu Geyou and Mr. Feng Yaoliang attended the above general meeting.

The following resolutions were considered and approved at the 2024 annual general meeting, including the Resolution on Consideration of the 2024 Work Report of the Board of Directors of Guangzhou Rural Commercial Bank Co., Ltd., Resolution on Consideration of the 2024 Work Report of the Board of Supervisors of Guangzhou Rural Commercial Bank Co., Ltd., Resolution on Election of Directors of the Fourth Session of the Board of Directors of Guangzhou Rural Commercial Bank Co., Ltd., Resolution on Consideration of the 2024 Annual Report of Guangzhou Rural Commercial Bank Co., Ltd., Resolution on Consideration of the 2024 Annual Financial Accounts of Guangzhou Rural Commercial Bank Co., Ltd., Resolution on Consideration of the 2024 Profit Distribution Plan of Guangzhou Rural Commercial Bank Co., Ltd., Resolution on Consideration of the 2025 Financial Budget Report of Guangzhou Rural Commercial Bank Co., Ltd., Resolution on Consideration of the 2024 Report on Sannong Financial Services of Guangzhou Rural Commercial Bank Co., Ltd., Resolution on Consideration of the Estimated Quota for Material Related Parties Transactions of the Major Shareholders and Its Controlling Shareholders, de facto controllers of Guangzhou Rural Commercial Bank Co., Ltd. in 2025; Resolution on Consideration of Appointing an Accounting Firm to Undertake the External Audit of the Bank's 2025 Financial Report; Resolution on Consideration of Guangzhou Rural Commercial Bank Co., Ltd. Issuing Ordinary Financial Bonds; Resolution on Consideration of Approving the Absorption and Merger of Xingning Zhujiang County Bank Co., Ltd. by Guangzhou Rural Commercial Bank Co., Ltd.; Resolution on Consideration of the Implementation Plan for the Absorption and Merger of Xingning Zhujiang County Bank Co., Ltd. by Guangzhou Rural Commercial Bank Co., Ltd.; Resolution on Consideration of Approving the Absorption and Merger of Heshan Zhujiang County Bank Co., Ltd. by Guangzhou Rural Commercial Bank Co., Ltd.; Resolution on Consideration of the Implementation Plan for the Absorption and Merger of Heshan Zhujiang County Bank Co., Ltd. by Guangzhou Rural Commercial Bank Co., Ltd.; Resolution on Consideration of Approving the Absorption and Merger of Shenzhen Pingshan Zhujiang County Bank Co., Ltd. by Guangzhou Rural Commercial Bank Co., Ltd.; Resolution on Consideration of the Implementation Plan for the Absorption and Merger of Shenzhen Pingshan Zhujiang County Bank Co., Ltd. by Guangzhou Rural Commercial Bank Co., Ltd.

CORPORATE GOVERNANCE REPORT

The Bank's PRC legal adviser, East & Concord Partners Guangzhou Office, witnessed this general meeting and issued a legal opinion: it is of the view that the convening of this general meeting was in compliance with the corresponding legal procedures. The notice, convening and voting process of the meeting are in line with the relevant provisions of the Company Law of the PRC, the Articles of Association of the Bank and the Listing Rules; the qualifications of the attendants and the convener are lawful and valid; and the voting procedure and results are lawful and valid. For relevant details of the resolutions, please refer to the announcement of the poll results of the 2024 annual general meeting dated 13 June 2025 published on the websites of the Hong Kong Stock Exchange and the Bank.

2. *The first extraordinary general meeting of 2025*

On 21 November 2025, the Bank held the first extraordinary general meeting of 2025 in Guangzhou, Guangdong. A total of 135 shareholders (including proxies) attended the meeting, along with 14 directors of the fourth session of the Board of Directors of the Bank, including executive directors, Mr. Cai Jian and Ms. Deng Xiaoyun, Mr. Tan Bo, independent non-executive directors, Mr. Liao Wenyi, Mr. Du Jinmin, Mr. Zheng Guojian, Mr. Zhang Hua and Mr. Ma Hok Ming, and non-executive directors, Mr. Ni Kai, Mr. Wang Xiaobin, Mr. Zuo Liang, Mr. Zhang Yan, Ms. Xing Qiuyu and Mr. Feng Yaoliang attended the above general meeting.

The resolutions considered and approved at the first extraordinary general meeting of 2025 include the Resolution on Consideration of the Asset Transfer of Guangzhou Rural Commercial Bank Co., Ltd. in 2025.

The Bank's PRC legal adviser, East & Concord Partners Guangzhou, witnessed this extraordinary general meeting and issued a legal opinion: it is of the view that the convening of this extraordinary general meeting has complied with the relevant legal procedures; the notice, convening, holding and voting procedures of the meeting are in line with the relevant provisions of the Company Law of the PRC, the Articles of Association of the Bank and the Listing Rules; the qualifications of the attendees and the convenor are valid and lawful; and the voting procedures and results are legitimate and effective. For relevant details of the resolution, please refer to the announcement of the poll results of the first extraordinary general meeting of 2025 dated 21 November 2025, published on the websites of the Hong Kong Stock Exchange and the Bank.

CORPORATE GOVERNANCE REPORT

IV. BOARD OF DIRECTORS

(I) Board Composition

As of the Latest Practicable Date, the fourth session of the Board of Directors of the Bank consisted of 15 Directors, including three executive Directors, namely Mr. Cai Jian (Party Secretary and Chairman) and Ms. Deng Xiaoyun (Deputy Secretary of the Party Committee, Vice Chairman and President of the Bank), Mr. Tan Bo (Deputy secretary of the Party Committee); seven non-executive Directors, namely Mr. Ni Kai, Mr. Wang Xiaobin, Mr. Zuo Liang, Mr. Zhang Yan, Ms. Xing Qiuyu, Mr. Hu Geyou and Mr. Feng Yaoliang; and five independent non-executive Directors, namely Mr. Liao Wenyi, Mr. Du Jinmin, Mr. Zhu Guilong, Mr. Zhang Hua and Mr. Ma Hok Ming.

Each term of office of a Director (including non-executive Directors) of the Bank is three years and he/she may serve consecutive terms if re-elected. Upon expiry of the office term of three years, an independent non-executive Director of the Bank shall be eligible for re-election and re-appointment as independent non-executive Director of the Bank. An independent non-executive Director shall serve in the Bank for no more than a cumulative period of six years.

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

(II) Duties of the Board

The Board of Directors is responsible for formulating the main management system of the Bank and monitoring the Group's business and financial strategy decisions and performance and reporting to the shareholders at the general meeting. The Board of Directors has conferred the rights and duties of the Group's governance to the management. In addition, the Board of Directors has assigned the respective responsibilities to the Strategy and Investment Committee (Sannong Committee), Related Party Transactions and Risk Management Committee, Nomination and Remuneration Committee, Audit Committee, and Consumer Rights Protection Committee. The details of the above committees are set out in this Report.

Pursuant to the Articles of Association, the Board of Directors of the Bank assumes the ultimate responsibility for the Bank's operations and management and exercises the following duties and powers according to law: to convene shareholders' general meetings and report its work to the shareholders' general meetings; to implement the resolutions of the shareholders' general meetings; to formulate the development strategy of the Bank and supervise the implementation of the strategy; to decide on the business plans and investment plans of the Bank; to prepare the annual financial budgets and final accounts of the Bank; to prepare the venture capital distribution plan, profit distribution plan and the plan for making up the losses of the Bank; to formulate the capital planning of the Bank and take ultimate responsibility for capital and solvency management, and formulate plans for increase or reduction of the registered capital, issue of corporate bonds or other securities and listing and assume primary responsibility for the Bank's capital management; to prepare plans for the Bank's material acquisitions, acquisitions of the Bank's shares, or merger, division, dissolution and alteration of corporate form of the Bank; to consider and approve the Bank's external investments, purchase of assets, disposal and write-off of assets, pledge of assets, related party transactions, data governance, external donations, external guarantees, entrustments of others to manage the Bank's funds or other assets of the Bank in accordance with laws, regulations, regulatory provisions and the Articles of Association, except for material matters regulated in the Articles of Association of the Bank, which shall be decided by the shareholders' general meeting; to take ultimate responsibility

CORPORATE GOVERNANCE REPORT

for the management of related party transactions; the Board of Directors shall make a special report on the overall situation of related party transactions to the shareholders' general meeting every year and submit it to the regulatory authorities; to decide on the establishment of internal management structure of the Bank; as proposed by the Nomination and Remuneration Committee, to decide on the appointment or removal of the President, the secretary to the Board of Directors, the auditor and their remuneration, rewards and punishments based on the proposals of the Chairman; to decide on the appointment or removal of the vice president, the assistant to the president, the business director and other senior management personnel as determined by the Board of Directors and the supervision and management institutions, and their remuneration, rewards and punishments based on the proposals of the president; to formulate the basic management system of the Bank; to formulate the Bank's risk tolerance, risk management and internal control policies, and assume ultimate responsibility for overall risk management; to take the ultimate responsibility for the compliance of the Bank's business activities; to prepare any amendment proposals to the Articles of Association of the Bank; to formulate the rules of procedure of the shareholders' general meeting, the rules of procedure of the Board of Directors and the modification plan, and examine and approve the working rules of the special committees of the Board of Directors; be responsible for information disclosure of the Bank and take the ultimate responsibilities for the truthfulness, accuracy, completeness and timeliness of accounting and financial reports of the Bank; to determine the job responsibilities for management, including the President, the Vice President, the assistant to president, the secretary to the Board of Directors, the auditors and the business directors; to monitor the performance of senior management; to listen the work report from the President and inspect the work of the President; the Board of Directors shall establish a supervisory system for the management to formulate the code of conduct and terms of reference for the management and business officers and that the normative documents shall specifically require employees at all levels to report any potential conflict of interests in a timely manner, provide particular rules, establish corresponding measures; the Board of Directors shall establish an information reporting system, requiring the senior management to report regularly to the Board of Directors and the Directors on the operation and management of the Bank; to evaluate and refine the corporate governance of the Bank on a regular basis; to protect the legitimate interests of financial consumers and other stakeholders; to assume the management responsibilities of shareholders' affairs; to establish the mechanism for identification, verification and management of the conflict of interest between the Bank and shareholders, in particular Substantial Shareholders; to assume the management responsibilities promised by the substantial shareholders; to take the ultimate responsibility for the formulation and updating of recovery plan and disposal plan proposals; to take the ultimate responsibility for management of business continuity, response management of emergency, risk management of reputation, risk management of internet loan, anti-money laundering and antiterrorist financing, consumer rights protection, data governance, etc.; to assume the responsibility for determining the green credit development strategy; to take the ultimate responsibility for remuneration management; to propose to the shareholders' general meeting the appointment, reappointment or removal of accounting firm that conducts regular statutory audit of the financial reports of the Bank; to assume the responsibility for establishing and improving the Directors' performance records; to take the responsibility for formulating the professional norms and value standards to be followed by the Board of Directors and the senior management; to draw up an equity incentive plan; to take the responsibility for ensuring that the Bank has established and implemented an adequate and effective internal control system and that the Bank operates prudently within the legal and policy framework; to take the ultimate responsibility for the establishment, operation and maintenance of the internal audit system, as well as the independence and effectiveness of the internal audit; to take the responsibility for fulfilling corporate governance responsibilities, making strategic decisions related to the environment, and effectively governing and overseeing ESG issues; and to exercise any other duties and power conferred by laws, regulations, regulatory requirements and the Articles of Association of the Bank.

CORPORATE GOVERNANCE REPORT

The Board of Directors is responsible for performing corporate governance. It has defined the Bank's corporate governance policy and has formulated the rules of procedure of the Board of Directors and the special committees. As of the end of the Reporting Period, the Board of Directors continued to review the Bank's corporate governance policies and regular rules and made recommendations to the Board of Directors for continuous improvement and enhancement. The Board of Directors continued to pay attention to the training and continuous professional development of directors and senior management officers, and continuously enhanced the comprehensive quality of key management officers; the Board of Directors paid continuous attention to the Bank's compliance with laws and regulations, regulatory rules, and regularly received reports on risk management and compliance management and examined the relevant situation; the Board of Directors kept motivating the employees and directors of the Bank to strengthen their compliance with the code of professional ethics as required by laws and regulations, regulatory rules, the Bank's Articles of Association and internal management system; the Board of Directors paid continuous attention to and discusses the Bank's compliance with the Corporate Governance Code and the disclosure in the Corporate Governance Report, etc. In general, the Board of Directors of the Bank has performed its corporate governance as set out in the Corporate Governance Code during the Reporting Period.

(III) Procedures for Electing and Appointing Board Members

In accordance with the Articles of Association, Directors are elected or changed by the shareholders' general meeting, and serve a 3-year term of office. Directors may serve consecutive terms if re-elected. For a Director, the term of office starts from the date of approval by the banking regulator under the State Council and ends when the session of the Board expires. The shareholders' general meeting shall not dismiss any Director for no reason before the expiration of his or her term of office.

If a Director's term expires but no new Director is elected in time, the original Director shall still perform his or her duties in accordance with laws, regulations, regulatory requirements and the Bank's Articles of Association of the Bank before the new Director takes office.

Directors can also be the President or other senior management officers. However, Directors that are also senior management officers and directors that are employees representatives shall not represent more than half of the total number of the Directors of the Bank, and the number of Directors that are senior management shall not be less than two.

Board members can include employee representatives of the Bank. After elected by the employee congress, Directors that are employee representatives will directly enter the Board, and the Board will report that to the shareholders' general meeting.

The proportion of Directors and independent non-executive Directors, who have a global vision, rich management experience and expertise in finance, accounting, risk management, financial management and fintech, can be properly increased on the Board.

CORPORATE GOVERNANCE REPORT

After a Director is elected and approved for his/her qualification for the position by the regulatory authorities, the Bank shall sign an appointment contract with the elected Director in time, which, in accordance with laws, regulations and the Articles of Association of the Bank, shall clearly specify the rights and obligations of the Bank and the Director, the Director's term and liability for violating laws, regulations or the Articles of Association of the Bank, as well as the compensation made by the Bank for canceling the said appointment contract ahead of time for some reason.

(IV) Operation of the Board of Directors

The Board of Directors convenes regular meetings, generally no fewer than four times a year; extraordinary meetings are convened if and when necessary. Board meetings may be convened by means of on-site conference or written resolutions. The agenda for Board meetings is drafted upon regular consultation with each Director. Regular meetings are usually circulated to all Directors and supervisors at least 14 days in advance of board meetings. All Directors keep contact with the office of Board of Directors, to ensure compliance with board procedures and all applicable rules.

Detailed minutes of meetings of the Board of Directors of the Bank are maintained and are available to all participating Directors for their review and comments after the conclusion of such meeting. The finalized minutes of meetings of the Board of Directors will be sent to all Directors as soon as possible. The minutes of meetings of the Board of Directors are kept according to the file management regulations of the Bank and are available for inspection by Directors at any time.

A sound communication and reporting mechanism has been established among the Board of Directors, Directors and senior management of the Bank. The senior management of the Bank report to and are supervised by the Board of Directors. Relevant members of senior management of the Bank are invited to meetings of the Board of Directors from time to time to provide explanations or answers to inquiries.

Directors of the Bank can express their opinions freely at meetings of the Board of Directors, and major decisions are made after detailed discussions. A Director shall abstain from discussion and voting at a meeting of the Board of Directors on any proposal in which he/she is materially interested, and shall not be counted in the quorum for such proposal.

The Board of Directors has set up an office as its working body, which is responsible for preparation of general meetings, meetings of the Board of Directors and meetings of the special committees under the Board of Directors, information disclosure and other routine matters.

CORPORATE GOVERNANCE REPORT

(V) Chairman and President

The roles and duties of the Chairman and the President of the Bank are performed by different persons, and their respective duties are clearly defined and in compliance with the requirements of Corporate Governance Code. During the Reporting Period, Mr. Cai Jian was the Chairman of the Bank and exercised the duties of presiding over the general meetings, convening and chairing the Board meetings, supervising and checking the implementation of the Board resolutions. To assist the Board in discussing all important and relevant matters at proper times, the Chairman communicates fully with the senior management to ensure that the Directors receive appropriate, complete and accurate information in time for their consideration and decision making and the Board runs effectively.

During the Reporting Period, by means like visits and talks, phone communication, written consultation and investor hotline, the Chairman maintained active and effective contact with shareholders, carefully listened to shareholders' opinions and suggestions about the Bank's operation and management, and conveyed shareholders' opinions to the Board of Directors in appropriate ways, to increase effective communication between the Board of the Directors and stakeholders including shareholders.

During the Reporting Period, the Chairman actively increased communication with independent non-executive Directors through meetings, discussions, and written consultations. By consulting the information and data provided by the Bank on a regular or irregular basis and through other independent and objective external channels, independent non-executive Directors can learn about the external economic and financial environment which the Bank relies on for development and market comments on the Bank. Also, they can maintain close and effective communication with the Chairman of the Bank on matters they are concerned about by multiple means, and contribute to the Bank's high-quality development by giving positive opinions and suggestions. During the Reporting Period, the Chairman convened meeting with all independent non-executive Directors to review the main work in 2025, discussed the continuous construction of the high standard governance system and the continuous promotion of the robust and high quality development, and jointly planned various measures to enhance the corporate governance level of the Bank.

During the Reporting Period, Ms. Deng Xiaoyun was the President of the Bank, performing duties of presiding over the management of the Company, executing the strategic plan of the Company and reporting to the Board of Directors. During the Reporting Period, the President strictly abided by the relevant system requirements of laws, regulations, regulatory provisions and the Bank's Articles of Association, earnestly implemented the resolutions of the relevant meetings, adhered to the organic integration of strengthening the Party's leadership and improving corporate governance, promoted the collaboration and joint cooperation between the Board of Directors and senior management, and effectively enhanced the corporate governance level of the Bank.

CORPORATE GOVERNANCE REPORT

(VI) Board Meetings

During the Reporting Period, the Board of Directors of the Bank convened 14 meetings, including 12 on-site meetings and 2 written resolution meetings, at which 102 proposals were considered and approved on matters mainly including the 2024 Annual Report, the 2024 Annual ESG Report and the 2025 Interim Report.

The list of Directors participated in the meetings during 2025

Director	Board of Director ¹	Strategy and Investment Committee (Sannong Committee) ¹	Related Party Transactions and Risk Management Committee ¹	Audit Committee ¹	Nomination and Remuneration Committee ¹	Consumer Rights Protection Committee ¹
Cai Jian	14/14	6/6	-	-	-	-
Deng Xiaoyun	14/14	6/6	-	-	-	4/4
Tan Bo ²	7/14	-	-	-	-	-
Liao Wenyi	14/14	6/6	11/11	8/8	-	-
Du Jinmin	14/14	6/6	-	8/8	-	4/4
Zheng Guojian ⁽³⁾	14/14	-	11/11	8/8	5/5	-
Zhang Hua	14/14	6/6	11/11	-	5/5	-
Ma Hok Ming	14/14	-	11/11	8/8	5/5	-
Ni Kai	14/14	-	-	-	-	4/4
Wang Xiaobin	14/14	-	-	-	-	-
Zuo Liang	14/14	6/6	-	-	-	-
Zhang Yan	14/14	-	-	-	-	4/4
Xing Qiuyu	14/14	-	-	-	5/5	-
Hu Geyou	14/14	-	-	-	-	4/4
Feng Yaoliang	14/14	6/6	-	-	-	-

CORPORATE GOVERNANCE REPORT

Notes:

- (1) Directors who did not attend in person but entrusted other directors to attend the meetings on their behalf, and directors who abstained from voting on related party transactions, were deemed to attend the meetings. In 2025, 14 meetings convened by the Board of Directors; six meetings convened by the Strategy and Investment Committee (Sannong Committee); 11 meetings convened by the Related Party Transactions and Risk Management Committee; eight meetings convened by the Audit Committee; 5 meetings convened by the Nomination and Remuneration Committee; and four meetings convened by the Consumer Rights Protection Committee.
- (2) On 23 September 2025, Mr. Tan Bo obtained regulatory approval for his appointment as an executive director. During the Reporting Period, Mr. Tan Bo attended seven Board Meetings.
- (3) Mr. Zheng Guojian resigned from office at 3 February 2026

(VII) Diversification Policies of the Board of Directors

The Bank believes that a diversified Board of Directors will be beneficial to enhance the Bank's performance. The Bank considers the increasing diversification at the level of Board of Directors as a key factor in achieving sustainable development, supporting its achievement of strategic objectives and maintaining good corporate governance. The Bank regards ensuring that the Board of Directors includes at least one female member as one of the objectives of effectively practicing the diversification policy of the Board of Directors.

In setting the composition of the Board of Directors, the Bank will consider the diversification of members of the Board of Directors from various aspects, including but not limited to, gender, area and industry experience, skills, knowledge and educational background. All appointments to the Board of Directors shall follow the principle of meritocracy, taking into account objectively the benefits of diversification of members of the Board of Directors when considering the candidates. As of the Latest Practicable Date, the Board of Directors of the Bank consisted of 15 members, who featured specialized and rich experience in finance, legal affairs, accounting, economy or business management and diversified background. As of the end of the Reporting Period, the Board of Directors included two female members (Ms. Deng Xiaoyun, Ms. Xing Qiuyu).

The Nomination and Remuneration Committee earnestly implements the policies for nominating Directors, as well as the nomination procedures and screening and recommendation standards for Director candidates of the Bank, and will review the policy in due time to ensure its effectiveness in performance. The Nomination and Remuneration Committee will discuss any possible amendments needed, and offer the advice on amendments to the Board of Directors for its consideration and approval.

(VIII) Continuous Professional Development Program for Directors

The Bank actively promoted continuing professional training for its directors to enhance their understanding of the Bank's operations and business, deepen their knowledge of laws, regulations, supervisory requirements, and departmental rules, and strengthen their awareness of the responsibilities conferred upon them by regulatory authorities and the Articles of Association of the Bank. During the Reporting Period, all members of the Board participated in professional training through a combination of online and offline formats. Training sessions attended included the Interpretation of the Administrative Measures for the Compliance Management of Financial Institutions 《金融機構合規管理辦法》, the Administrative Measures for the Market Risk Management of Commercial Banks 《商業銀行市場風險管理辦法》, the Administrative Measures for the Data Security of Banking and Insurance Institutions 《銀行保險機構數據安全管理辦法》, and the Special Training on Anti-Money Laundering and Anti-Corruption 《反洗錢反貪污專題培訓》; the 2025 Training on Enhancing the Performance Capabilities of Directors, Supervisors and Senior Management of Guangzhou Rural Commercial Bank and Special Training on the "15th Five-Year" Strategic Development Plan (Session 1) Theme: The Changing Landscape is Here, Inward Involution – Macro-economic Analysis of the "15th Five-Year" Period and Bank Strategic Elevation 《2025 年度廣州農商銀行董事監事高級管理人員履職能力提升培訓暨“十五五”發展戰略規劃專題培訓(第1期)主題:變局已至,內卷向內——“十五五”宏觀形勢分析與銀行戰略升維》; and the 2025 Training on Enhancing the Performance Capabilities of Directors, Supervisors and Senior Management of Guangzhou Rural Commercial Bank and Special Training on the "15th Five-Year" Strategic Development Plan (Session 2) Theme: Great Changes in the Global Economy and China's New Economic Development Pattern – Key Policy Directions for the "15th Five-Year" Period and 2026 《2025 年度廣州農商銀行董事監事高級管理人員履職能力提升培訓暨“十五五”發展戰略規劃專題培訓(第2期)主題:全球經濟大變局與中國經濟新發展格局——“十五五”時期及2026年關鍵政策方向》. These training programs effectively broadened the macro decision-making perspective of Board members, significantly enhanced their ability to interpret major policies and make critical decisions, and further reinforced the intellectual foundation for Board deliberations and decision-making.

During the Reporting Period, members of the Strategy and Investment Committee (Sannong Committee) of the Board of Directors successively visited Hangzhou in Zhejiang Province, Suzhou in Jiangsu Province, and Chaozhou and Heyuan in Guangdong Province, among other places, where they held seminars on the topics of agriculture, farmer and rural areas and conducted relevant visits and investigations, in order to understand the economic development of the villages and future plans for the development of villager communities, and conducted independent, objective and professional discussions on the implementation of the Rural Revitalization Strategy, the improvement of rural financial services, the development of agricultural enterprises and the channels of wealth appreciation for villagers.

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(IX) Independent Views and Input from the Board

With the information reporting system in place, Board members can obtain independent views and opinions through regular communication channels (monthly information reports and relevant newsletters) or irregular communication channels (face-to-face talks, teleconferences and work reports), and thus make better-informed decisions in a scientific and prudent manner. The Board of Directors considers that this mechanism is effective and will review the implementation and effectiveness of the mechanism every year to ensure its effective implementation.

(X) Performance of Independent Non-executive Directors

On 3 February 2026, Mr. Zheng Guojian resigned from his positions as an independent non-executive director of the Bank and from the relevant committees. Pursuant to Rule 3.10A of the Listing Rules, the Bank must appoint independent non-executive directors representing at least one-third of the Board. Following the resignation of Mr. Zheng Guojian, the Bank has four independent non-executive directors, resulting in the number of independent non-executive directors of the Board falling below the minimum number as required under Rule 3.10A of the Listing Rules. On 14 February 2026, the regulatory authorities approved Mr. Zhu Guilong's qualification as an independent non-executive director. Following his appointment, the Bank once again complies with Rule 3.10A of the Listing Rules, with independent non-executive directors constituting one-third of the Board members. As of the Latest Practicable Date, the Bank had five independent non-executive Directors. With rich experience and outstanding professional abilities, the independent non-executive Directors serve as a major force driving the high-quality corporate governance of the Bank. They take active part in various governance activities and perform their duty and exercise their power prudently. The Related Party Transactions and Risk Management Committee, Nomination and Remuneration Committee and Audit Committee of the Bank are all chaired by independent non-executive Directors. In daily work, the independent non-executive Directors actively participated in Board meetings and meetings of its special committees, discussed and provided advice and suggestions on important proposals, played their due role effectively, and continued to effectively communicate with the Bank through various ways such as joining field trips, special investigations and training sessions.

During the Reporting Period, the independent non-executive Directors issued written independent opinions on major issues such as the profit distribution plan, director nomination, senior management appointment, engagement of auditors, and major related party transactions. The independent non-executive Directors also considered that the related party transactions of the Bank, particularly major ones, were conducted in strict compliance with domestic and overseas laws and regulations, regulatory rules and relevant systems of the Bank, and relevant transactions were conducted in the usual business of the Bank on fair and reasonable terms in accordance with normal commercial terms or better terms, and are not prejudicial to the interests of the Bank and its shareholders. In addition, the independent non-executive Directors of the Bank also took full advantages of their professional advantages in the special committees of the Board of Directors and provided professional and independent opinions on the corporate governance and operation management of the Bank, which has provided a strong support for the scientific decision-making process of the Board of Directors.

(XI) Directors' Duties in Preparing Financial Statements

The Directors of the Bank acknowledge that they are responsible for the preparation of the financial statements of the Bank for the year ended 31 December 2025.

The Directors of the Bank are responsible for reviewing and confirming the financial statements for each accounting period so that the financial statements give a true and fair view of the financial position, operating results and cash flows of the Bank.

In preparing the financial statements for the year ended 31 December 2025, the Directors of the Bank have selected and applied applicable accounting policies and have made prudent and reasonable judgments.

(XII) Special Committees of the Board of Directors

The Board of Directors of the Bank established five special committees in accordance with relevant laws and regulations, the Articles of Association and relevant requirements under the Listing Rules, namely, the Strategy and Investment Committee (Sannong Committee), Related Party Transactions and Risk Management Committee, Nomination and Remuneration Committee, Audit Committee and Consumer Rights Protection Committee.

During the Reporting Period, the special committees of the Board of Directors of the Bank exercised their duties in an independent, regulated and effective manner in accordance with the laws, which effectively enhanced the corporate governance of the Board of Directors, improved the working efficiency and ensured the stable and healthy development of various businesses of the Bank.

1. Strategy and Investment Committee (Sannong Committee)

As of the Latest Practicable Date, the Strategy and Investment Committee (Sannong Committee) of the Bank consisted of seven Directors. Its chairman was Mr. Cai Jian, executive Director. The members included an executive Director Ms. Deng Xiaoyun, independent non-executive Directors Mr. Liao Wenyi, Mr. Du Jinmin and Mr. Zhang Hua, and non-executive Directors Mr. Zuo Liang and Mr. Feng Yaoliang.

The key terms of reference of the Strategy and Investment Committee (Sannong Committee) included: formulating the long-term development strategy and medium and long-term development outlines of the Bank, and making recommendations to the Board of Directors; formulating the development strategies and plans for Sannong financial services, reviewing the annual development goals and service resource allocation plan of Sannong finance, and evaluating and supervising the conscientious implementation by the management; formulating the development strategies for green credit and financial innovation, and promoting the establishment of relevant work mechanisms; promoting the implementation of the Bank's "five major initiatives" financial strategy (science and technology finance, green finance, inclusive finance, elderly care finance, and digital finance) in accordance with regulatory requirements; making recommendations on the adjustments of strategies in response to changes in the operation environment; supervising and assessing the implementation of strategies and making relevant recommendations; conducting research on and formulating relevant systems for

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external investment, making recommendations and plans for the major investment decisions of the Bank (including fixed asset investment and equity investment) and implementing group management on our subsidiaries; conducting research on and formulating relevant systems for external mergers and acquisitions, conducting research on the strategies for mergers and acquisitions and making recommendations on the implementation plan, including acquisition target, acquisition method, reorganization and consolidation; conducting research and making plans on diversified operation and development models, conducting research on and formulating organization models and management methods of the finance (group) corporation; approving major matters related to data governance as authorized by the Board of Directors; formulating and reviewing the corporate governance policies and regular rules of the Bank as authorized by the Board of Directors, and giving recommendations to the Board of Directors; reviewing the Bank's observance of the Corporate Governance Code and disclosure in the Corporate Governance Report; conducting research on and addressing other major matters concerning the strategic development of the Bank; other matters provided by laws, administrative regulations, departmental regulations and the securities regulator in the place where the Bank is listed or authorized by the Board of Directors.

In 2025, the Strategy and Investment Committee (Sannong Committee) of the Bank held a total of six meetings, at which it considered 28 resolutions, as well as listened to 2 notifications, such as the 2025 Outline for the Implementation of the 14th Five-Year Plan for Strategic Development of Guangzhou Rural Commercial Bank Co., Ltd. and the 2024 Profit Distribution Plan of Guangzhou Rural Commercial Bank Co., Ltd. It also held two Sannong forums.

2. *Related Party Transactions and Risk Management Committee*

As of the Latest Practicable Date, the Related Party Transactions and Risk Management Committee of the Bank consisted of three Directors. Its chairman was Mr. Liao Wenyi, independent non-executive Director. The members included Mr. Zhang Hua and Mr. Ma Hok Ming, independent non-executive Directors.

The key terms of reference of the Related Party Transactions and Risk Management Committee included: assisting the Board of Directors in performing the duty of comprehensive risk management, and checking the results of risk management and internal control of the Bank; assisting the Board of Directors in performing the duty of managing money laundering risk, and giving professional advice on managing money laundering risk to the Board of Directors; taking charge of the management, review and risk control of related party transactions, focusing on the compliance, fairness and necessity of related party transactions, and taking the responsibility for the compliance of related party transactions; other matters provided by laws, administrative regulations, departmental regulations and the securities regulator in the place where the Bank is listed or authorized by the Board of Directors.

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During the Reporting Period, the Related Party Transactions and Risk Management Committee of the Bank performed duties and exercised powers conferred by laws, regulations, regulatory rules and the Articles of Association the Bank. It vigorously carried out the management of related party transactions, the review of important risk management matters, the building of key risk control systems and other activities, and actively assisted the Board of Directors in advancing comprehensive risk management as well as management of risks in key areas like money laundering and terrorist financing, business continuity, compliance and case prevention, to ensure the Bank consistently meets regulatory requirements on related party transactions, risk management and internal control.

In 2025, the Related Party Transactions and Risk Management Committee of the Bank held 11 meetings, at which it reviewed 48 resolutions, as well as listened to 8 notifications, such as the 2024 Work Report and the 2025 Work Plan on Comprehensive Risk Management of Guangzhou Rural Commercial Bank Co., Ltd., the 2024 Work Report and the 2025 Work Plan on Compliance Risk Management of Guangzhou Rural Commercial Bank Co., Ltd.

3. *Nomination and Remuneration Committee*

As of the Latest Practicable Date, the Nomination and Remuneration Committee of the Bank consisted of three Directors. Its chairman was Mr. Zhang Hua, independent non-executive Director. The members included Mr. Ma Hok Ming, independent non-executive Directors, Ms. Xing Qiuyu, a non-executive Director.

The key terms of reference of the Nomination and Remuneration Committee included: setting up the selection procedures and criteria for Directors and senior management, conducting preliminary review on the qualifications and credentials of candidates for Directors and senior management and making recommendations to the Board of Directors; drafting the remuneration scheme for Directors and senior management, making recommendations to the Board of Directors on the remuneration scheme and supervising the implementation of the scheme; other matters provided by laws, administrative regulations, departmental regulations and the securities regulator in the place where the Bank is listed or authorized by the Board of Directors.

During the Reporting Period, the Nomination and Remuneration Committee continuously focused on policies about the selection and employment of Directors and senior management as well as nomination procedures and codes for selection and recommendation, reviewed the qualifications and credentials of Directors and senior management candidates, commented on the annual performance of Directors and senior management, made suggestions on the remuneration scheme of Directors and senior management, and guided the Bank to carry out training on the performance ability of Directors, supervisors and senior management through rich and diversified work form, to effectively improve the quality and efficiency of corporate governance.

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During the Reporting Period, the Nomination and Remuneration Committee carried out the election of directors and the nomination of directors in accordance with laws and regulations, regulatory rules, the Articles of Association, the rules of procedure of the Nomination and Remuneration Committee, etc. Subject to the range of Board of Directors required by the Articles of Association, for non-independent Directors, according to the number of persons to be elected, a list of nominated candidates for Directors can be drawn up by the Nomination and Remuneration committee of the Board of Directors. Shareholders individually or jointly holding 3% or more of the total issued shares with voting rights of the Bank (including holders of preference shares with restored voting rights) may also nominate candidates for Directors to the Board of Directors. For independent Directors, the Nomination and Remuneration Committee of the Board of Directors and Shareholders individually or jointly holding more than 1% of the total issued shares with voting rights of the Bank, the Board of Directors and the Board of Supervisors may nominate candidates for independent Directors. The Nomination and Remuneration Committee of the Board of Directors conducted a preliminary review on the qualifications and credentials of candidates for Directors in accordance with laws and regulations, regulatory rules and relevant systems of the Bank, focusing on the standards of professional knowledge, experience and ability and diversified board construction, and the list of qualified candidates was submitted to the Board of Directors for consideration and approval. Candidates for Directors may perform their duties according to law after being considered and approved by the Board of Directors and the general meeting of shareholders and submitted to the regulatory authority for approval of their qualifications.

In 2025, the Nomination and Remuneration Committee of the Bank held a total of 5 meetings, at which it reviewed 9 resolutions, as well as listened to 2 notifications, such as the Proposal of the Consideration of the By-election of Director for the Fourth Session of the Board of Directors of Guangzhou Rural Commercial Bank Co., Ltd. and Guangzhou Rural Commercial Bank Co., Ltd Employee Performance-Based Wage Distribution Method (Revised 2025).

4. Audit Committee

As of the Latest Practicable Date, the Audit Committee of the Bank consisted of three Directors. Its chairman was Mr. Du Jinmin, independent non-executive Director. The members included Mr. Liao Wenyi, Mr. Ma Hok Ming, independent non-executive Directors.

The key terms of reference of the Audit Committee included: reviewing the quarterly (if any), semi-annual and annual results of the Bank, and the accounting policies, financial position and financial reporting procedures of the Bank; conducting annual audit of the Bank, making recommendations on the engagement and replacement of external audit agencies, preparing analytical reports on the authenticity, completeness, timeliness and accuracy of the information set out in audited financial reports and submitting the them to the Board of Directors for review and consideration; being responsible to the Board of Directors, and authorized by the Board of Directors to review important systems and reports like internal audit charters, review medium and long-term audit plans and annual audit plans, and guide, assess and comment on internal audit efforts; other matters provided by laws, administrative regulations, departmental regulations and the securities regulator in the place where the Bank is listed or authorized by the Board of Directors.

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During the Reporting Period, the Audit Committee of the Bank performed duties and exercised powers conferred by laws, regulations, regulatory rules and the Articles of Association of the Bank. It earnestly reviewed annual reports, interim reports and other important financial materials, actively reflected on the effectiveness of risk control and internal control, particularly the internal monitoring system, oversaw that the Bank exercised audit supervision according to law and regulations, and assisted the Board of Directors in monitoring audit in special areas like material business management, risk management and internal control management.

In 2025, the Audit Committee of the Bank held eight meetings, at which it reviewed 18 resolutions, as well as listened to 8 notifications, such as the 2024 Results Announcement of Guangzhou Rural Commercial Bank Co., Ltd. and the 2025 Audit Plan of Guangzhou Rural Commercial Bank Co., Ltd.

5. Consumer Rights Protection Committee

As of the Latest Practicable Date, the Consumer Rights Protection Committee of the Bank consisted of five Directors. Its chairman was Ms. Deng Xiaoyun, executive Director. The members included an independent non-executive Director Mr. Du Jinmin, and non-executive Directors Mr. Ni Kai, Mr. Zhang Yan and Mr. Hu Geyou.

The key terms of reference of the Consumer Rights Protection Committee included: being responsible to the Board of Directors, submitting the work reports and annual reports on consumer protection to the Board of Directors, and, as authorized by the Board of Directors, carry out relevant work, discuss and decide on relevant matters, and conduct research on major issues and policies concerning consumer protection; guiding and overseeing the establishment and improvement of the management system for consumer protection, to ensure relevant policies to be aligned with corporate governance, corporate culture and operation and development strategies; overseeing the comprehensiveness, timeliness and effectiveness of the work of senior management and consumer protection departments in accordance with regulatory requirements and based on the implementation of the strategies, policies and objectives for consumer protection; regularly holding work conferences on consumer protection, reviewing the work reports by senior management and consumer protection departments and performing relevant duties; guiding the disclosure of important information about consumer protection efforts; other matters provided by laws, administrative regulations, departmental regulations and the securities regulator in the place where the Bank is listed or authorized by the Board of Directors.

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During the Reporting Period, the Consumer Rights Protection Committee of the Bank performed duties and exercised powers conferred by laws, regulations, regulatory rules and the Articles of Association of the Bank. It actively guided the complaint and effective implementation of the consumer protection plan, faithfully followed regulatory opinions and rectification requirements, continued to advance the improvement of the consumer protection system, and regularly inspected the Bank's work on consumer protection to ensure all matters related to consumer protection to consistently meet regulatory requirements.

In 2025, the Consumer Rights Protection Committee of the Bank held four meetings, at which it reviewed 8 resolutions, as well as listened to 1 notification, such as 2024 Work Report and 2025 Work Plan on Protection of Consumers' Interests of Guangzhou Rural Commercial Bank Co., Ltd. and Consumer Rights Protection Review Management Measures of Guangzhou Rural Commercial Bank Co., Ltd. (Revised 2025).

(XIII) Execution of the Resolutions of the Shareholders' General Meetings by the Board of Directors during the Reporting Period

During the Reporting Period, the Board of Directors and its special committees loyally and diligently performed their duties on corporate governance conferred by laws, regulations, regulatory rules and the Articles of Association of the Bank. It earnestly reviewed important matters, including (but not limited to) the operation conditions, strategic development, financial results, effectiveness of risk management (including ESG related risks) and internal control and compliance (including the whistleblowing policy and anti-corruption policy), performance of corporate governance, the effectiveness of the mechanism for the Board of Directors and Directors to gain independent views and the diversification policy for the Board of Directors, as well as other matters concerning the observance of relevant laws, regulations, regulatory policies and duties of the Board of Directors. In doing so, they continued to help the Bank maintain sound corporate governance and a momentum of steady and compliant development.

During the Reporting Period, the Board of Directors strictly executed the resolutions approved by the Shareholders' General Meetings, and earnestly implemented various proposals reviewed and adopted by the Shareholders' General Meetings.

V. THE BOARD OF SUPERVISORS

(I) Composition of Board of Supervisors

As of the Latest Practicable Date, the Board of Supervisors of the Bank consists of nine Supervisors, including three employee Supervisors, namely Ms. Wang Xigui, Ms. Zeng Weixue and Mr. Bao Chen; three external Supervisors, namely Mr. Han Zhenping, Mr. Shi Shuiping and Mr. Huang Tianshun; and three shareholder Supervisors, namely Ms. Yu Qing, Mr. Liang Bingtian and Mr. Li Zhiquan.

(II) Duties of Board of Supervisors

According to the Articles of Association of the Bank, the Board of Supervisors assumes supervisory responsibility and exercises the following duties and powers according to law:

- to examine and provide comments in writing on the periodical reports of the Bank prepared by the Board of Directors;
- to examine and supervise the Bank's financial affairs and consolidated management;
- to monitor the directors and senior management in the performance of their duties to propose to remove the directors or senior management who is in breach of the laws, regulations, the provisions of the Articles of Association or the resolutions of the general meeting;
- to demand rectification from a director or senior management when the acts of such person injure the interests of the Bank;
- to assume ultimate responsibility for the evaluation of the performance of directors and supervisors of the Bank; to be responsible for the establishment and improvement of the file on the performance of supervisors and the file on the evaluation of the performance of directors and supervisors; to assess and question the performance and conduct of Director, Supervisors and Senior Management, report assessment results to the Shareholders' General Meeting and submit to supervisory authorities in accordance with regulations;
- to conduct special and off-office audit in respect to any Directors and senior officers as required;
- to conduct supervision and assessment over the performance of duties by the Board of Directors and senior management in respect of the key responsibilities including strategic management, operation decisions, financial management, remuneration management, capital management, internal control, comprehensive risk management, liquidity risk management, reputational risk management, compliance management, fraud prevention, Sannong financial services, related party transactions, information disclosure, data governance, consumer rights protection and anti-money laundering and to report the same to the general meetings in accordance with the requirements;
- to review relevant audit reports in accordance with regulations and provide guidance and supervise the internal audit work of the Bank, and have the right to request relevant information from the Board of Directors and senior management in relation to the audit;

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- to review the financial reports, operation reports, profit distribution plan and other financial documents submitted by the Board of Directors to general meetings; if any query arises, to engage such professionals as certified public accountants or practicing auditors to assist re-examine the work for the Bank;
- to propose the convening of extraordinary general meetings; to host the general meetings under the circumstances that the Board of Directors cannot perform its duties of convening and presiding over the general meeting as required under the Company Law;
- to make the proposals to the shareholders' general meetings;
- to represent the Bank to negotiate with the directors or senior management or bring the lawsuits against the directors or senior management according to the provisions of the Company Law;
- If any abnormality is found in operations of the Bank, to conduct investigations; and when necessary, to engage such professionals as accountants or lawyers to assist the work for the account of the Bank at the expense of the Bank;
- to supervise the Board of Directors on the establishment of stable business ideas and valuation standard and formulate the developing strategies in line with the situation of the Bank;
- to make periodical assessments on the rationality, reasonability and robustness of the developing strategies of the Bank and make the reports;
- to supervise and inspect the operating decision, risk management, internal control, etc. of the Bank, and supervise the rectification;
- to supervise the procedure of the election and appointment of the directors;
- to supervise the implementation of the system of the remuneration management of the Bank and the rationality and reasonability on the salary plan of the senior management and propose any remuneration (or allowance) arrangement of a supervisor;
- to be responsible for the supervision of money laundering risk management, and shall be responsible for supervising the performance of due diligence of the Board and senior management in money laundering risk management and supervising rectification, and making recommendations and opinions on the Bank's money laundering risk management;
- to communicate with the banking regulatory authorities of the State Council about the condition of the Bank on a regular basis;
- Other duties and powers as provided in the laws, regulations, regulatory requirements and the provisions of the Articles of Association.

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(III) Meetings of Board of Supervisors

During the Reporting Period, the Bank convened a total of six Meetings of Board of Supervisors, at which a total of 28 resolutions of the Bank were considered, including 2024 annual work report of the Board of Supervisors, 2024 Annual Report, 2024 Profit Distribution Plan, 2024 Work Report of Comprehensive Risk Management, 2024 Internal Control Evaluation Report, 2025 Interim Results Announcement.

Table of participation of supervisors in 2025

Supervisors	Board of Supervisors	Nomination Committee	Audit and supervision committee
Wang Xigui	6/6	1/1	–
Zeng Weixue	6/6	–	4/4
Bao Chen	6/6	1/1	4/4
Han Zhenping	6/6	–	4/4
Shi Shuiping	6/6	1/1	–
Huang Tianshun	6/6	1/1	–
Yu Qing	6/6	–	4/4
Liang Bingtian	6/6	1/1	–
Li Zhiquan	6/6	–	4/4

Notes: Supervisors who are not present in person but delegate other Supervisors to attend on their behalf are deemed to be present at the meeting.

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(IV) Special Committees of the Board of Supervisors

The Board of Supervisors established the Nomination Committee and the Audit and Supervision Committee. The Nomination Committee consist of five Supervisors, whereas the Audit and Supervision Committee consist of five Supervisors, and the chairmen are all served by external Supervisors.

1. *Nomination Committee*

During the Reporting Period, the Nomination Committee of the Bank consisted of five Supervisors. The chairman was Mr. Shi Shuiping, external Supervisor and the members were Ms. Wang Xigui, Mr. Huang Tianshun, Mr. Liang Bingtian and Mr. Bao Chen.

The key terms of reference of the Nomination Committee of the Bank included:

- studying the selection and appointment criteria and procedures for Supervisors;
- conducting preliminary review on the qualifications of supervisor candidates;
- advising the Board of Supervisors on the number and composition of the Board of Supervisors;
- conducting comprehensive evaluation of the performance of directors, Supervisors and senior management and reporting to the Board of Supervisors;
- conducting extensive search for qualified candidates of Supervisors;
- performing other duties as authorized by the Board of Supervisors.

During the Reporting Period, the Nomination Committee held one meeting, at which 5 resolutions were considered, including the proposal on 2024 Performance Assessment Report of the Board, supervisors, and senior management and its members, the 2024 Work Report of the Nomination Committee of the Fourth Session of the Board of Supervisors, the 2024 Performance Assessment Report of Chief Supervisors of Subsidiaries.

2. *Audit and Supervision Committee*

During the Reporting Period, the Audit and Supervision Committee of the Bank consisted of five Supervisors. The chairman was Mr. Han Zhenping, external Supervisor and the members were Ms. Yu Qing, Mr. Li Zhiquan, Ms. Zeng Weixue and Mr. Bao Chen.

The key terms of reference of the Audit and Supervision Committee included:

- supervising the performance of duties of the Board of Directors and its members and senior management;
- conducting off-office audit for directors and senior management of the Bank if necessary;
- formulating supervision programs for financial activities of the Bank and conducting related inspections;
- supervising, examining or reviewing business decisions, risk management, internal control of the Bank;
- conducting supervision over the performance of duties by the Board of Directors and senior management in respect of the key responsibilities including strategic planning, operation decisions, financial management, remuneration management, capital management, internal control, comprehensive risk management, liquidity risk management, reputation risk management, compliance management, fraud prevention, Sannong financial services, related party transactions, information disclosure, data governance, protection of consumers' interests and anti-money laundering and reporting the same to the general meetings in accordance with the requirements;
- considering relevant audit reports in accordance with the requirements, and providing guidance and supervision for the internal audit department of the Bank;
- supervising the Board of Directors in establishing sound business philosophy, value standard and formulating development strategies according to the actual situation of the Bank;
- making periodical assessments on the scientific, reasonableness and effectiveness of the development strategies formulated by the Board of Directors and forming the assessment reports;
- performing other duties authorized by the Board of Supervisors.

During the Reporting Period, the Audit and Supervision Committee held four meetings, at which 12 resolutions of the Bank were considered, including the 2024 Work Report of the Audit and Supervision Committee of the Fourth Session of the Board of Supervisors, the 2024 Strategic Assessment Report, the 2025 Audit Work Plan, Research Report on Collateral Management of the Board of Supervisors.

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(V) Continuous Professional Development Program for Board of Supervisors

The Bank focuses on strengthening the capacity building of supervisors in performing their duties, continuously optimizing the training mechanism for supervisors to help them improve their professional expertise in performing their duties. During the Reporting Period, the Board of Supervisors organized supervisors to participate in two specialized training sessions on corporate governance for directors, supervisors, and senior management. Remote training sessions were conducted on topics such as anti-money laundering, compliance management, market risk management, and data security management. These initiatives helped supervisors enrich their knowledge base in oversight and enhance their professional supervisory capabilities.

(VI) Work of External Supervisors

During the Reporting Period, the external Supervisors of the Bank performed their supervisory duties in strict accordance with relevant laws, regulations, the Bank's Articles of Association and relevant requirements for the performance of duties of Supervisors, and performed their duties diligently by receiving and reading the monthly and quarterly management information reports, newsletters, and other materials on a regular basis, so as to gain an in-depth understanding of the operation and management situation of the Bank as a whole; performed their duties diligently by taking part in the meetings of the Board of Supervisors on time, carefully studying and reviewing every proposal; and actively participating in the general meetings, attending the Board of Directors and other important meetings, independently and objectively expressing opinions and suggestions. Also, they devoted sufficient time and effort to participate in relevant supervision and inspections, investigation and research and training, and proactively leveraging their own work experience and professional expertise to offer suggestions and insights, they have played a positive role in ensuring the Bank's stable and compliant operations.

VI. SENIOR MANAGEMENT

(I) Senior Management and senior management officers

The Bank has one President, nominated by Chairman and appointed or dismissed by the Board of Directors. The Bank shall have Vice President, Assistant to President, Secretary of the Board of Directors and Business Director. Vice President, Assistant to President and Business Director shall be appointed or dismissed by the Board of Directors on the nomination of President, and Secretary of the Board shall be appointed or dismissed by the Board of Directors on the nomination of the Chairman. All the senior management officers of the Bank shall meet the qualifications required by laws, regulations and banking regulatory authorities.

(II) Duties of Senior Management

The duties of the senior management of the Bank mainly include: to carry out business management activities in accordance with the Articles of Association of the Bank and the authorization of the Board of Directors, and actively implement the resolutions of the general meeting of shareholders and the Board of Directors; to be responsible to the Board of Directors, and accept the supervision of the Board of Supervisors at the same time, report the company's operation and management in accordance with the requirements of the Board of Directors and the Board of Supervisors in a timely, accurate and complete manner, and provide relevant materials; to establish an information reporting system to the Board of Directors and its special committees, and the Board of Supervisors and its special committees, define the types, content, time and methods of reporting information to ensure that directors and supervisors can obtain various information in a timely, accurate and complete manner; to establish and improve various meeting systems, and formulate the corresponding rules of procedure; to assume the responsibility for implementing comprehensive risk management and perform the following responsibilities: Establish an operation and management structure suitable for comprehensive risk management, define the assignment of responsibilities of functional departments of comprehensive risk management, business departments and other departments in risk management, and establish an operation mechanism of mutual coordination and effective check and balance among departments; to establish clear execution and accountability mechanisms to ensure that risk management strategy, risk preference and risk limit are communicated fully and implemented effectively; to formulate risk limit based on the risk preference set by the Board of Directors, including but not limited to industry, region, customer, product and other dimensions; to develop risk management policies and procedures, make periodical assessments, and make adjustments when necessary; to assess overall risk and various significant risk management status, and report to the Board of Directors; to establish a complete management information system and data quality control mechanism; to monitor breaches of risk preference, risk limit and risk management policies and procedures, and handle as authorized by the Board of Directors; other responsibilities of risk management; to be responsible for developing systematic systems, procedures and methods according to the acceptable risk level determined by the Board of Directors, and take the corresponding risk control measures; to be responsible for establishing and improving the internal organizational structure to ensure the effective performance of internal control responsibilities; to be responsible for organizing monitoring and assessment of the adequacy and effectiveness of the internal control system; to be responsible for organizing capital management according to business strategy and risk preference ensure that capital is appropriate to business development and risk level, and implement

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various monitoring measures. The specific duties are as follows: to formulate and organize the implementation of rules and regulations on capital management; to formulate and organize the implementation of internal capital adequacy assessment procedures, define the assignment of responsibilities of related departments, establish and improve the assessment framework, process and management system; to formulate and organize the implementation of capital planning and capital adequacy management plans; to make periodical and aperiodic assessment of the capital adequacy ratio, report the level and management of the capital adequacy ratio and the results of the internal capital adequacy assessment to the Board of Directors; to organize and carry out stress tests, participate in the determination of stress test objectives, schemes and important assumptions, and promote the application of stress test results in risk assessment and capital planning; to organize the development and maintenance of the internal capital adequacy assessment information management system; to assume the management responsibility for formulating and updating recovery plan and disposal plan proposals; to be responsible for implementing the business continuity management policy approved by the Board of Directors. The main responsibilities include: to develop, and periodically review and supervise the business continuity management implementation policies and procedures; to define the business continuity management responsibilities of all departments, define the reporting route, review and approve important business recovery objectives and recovery strategies, urge all departments to perform their management responsibilities, and ensure the normal operation of the business continuity management system; to ensure that adequate resources are allocated to the implementation of business continuity management; to be responsible for implementing emergency management policy approved by the Board of Directors; to assume the responsibility of the Bank's reputational risk management; to be responsible for establishing and improving the reputation risk management system, improving the working mechanism, formulating the reputation risk response plans and handling schemes for major issues, and arranging and promoting the handling of reputation events; to conduct one reputational risk management assessment at least a year; to be responsible for implementing money laundering and terrorist financing risk management; to be responsible for promoting the construction of money laundering risk management culture; to establish and timely adjust the organizational structure of money laundering risk management, and define the assignment of responsibilities and coordination mechanism of anti-money laundering management department, business department and other departments in money laundering risk management; to formulate and adjust money laundering risk management strategy and its implementation mechanism; to review money laundering risk management policies and procedures; to report the anti-money laundering work to the Board of Directors periodically, and report major money laundering risk events to the Board of Directors and the Board of Supervisors in a timely manner; to organize the implementation of anti-money laundering information system and data governance; to organize the implementation of anti-money laundering performance assessment, and reward and punishment mechanisms; to handle the violations of the money laundering risk management policies and procedures as authorized by the Board of Directors; other relevant duties: to be responsible for determining the operation and management structure of Internet loans, and clarifying the assignment of responsibilities of each department; to develop, assess and supervise the implementation of Internet loan business planning, risk management policies and procedures, cooperative institution management policies and procedures, and cross-regional operation management policies; to formulate Internet loan business risk control indicators, including but not limited to Internet loan limit, loan limit of loan jointly funded with cooperative institutions and ratio of contributions, concentration of cooperative institutions, and non-performing loan ratio; to establish

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the Internet loan business risk management mechanism, continue to monitor, control and report all kinds of risks effectively, and make a time response to risk events; to fully understand and regularly assess the development of Internet loan business, risk level and management status and consumer protection, timely understand the major changes, and report to the Board of Directors regularly; Other relevant responsibilities: to formulate green credit objectives, establish mechanisms and procedures, define the responsibilities and authority, carry out internal control inspection and assessment, report the development of green credit to the Board of Directors every year, and submit relevant information to the regulator in a timely manner; to ensure the effective implementation of the strategic objectives and policies for consumer protection; to be responsible for reviewing and publishing major information disclosure concerning the protection of consumer rights and interests; to be responsible for establishing the data governance system to ensure the allocation of data governance resources, developing and implementing accountability and incentive mechanisms, establishing the data quality control mechanism to ensure the authenticity, accuracy, continuity, integrity and timeliness of data, organizing the assessment of the effectiveness and implementation of data governance, and reporting to the Board of Directors periodically; to be responsible for organizing the implementation of resolutions of the Board of Directors in compensation management; to support internal audit department to perform their duties independently and ensure the allocation of adequate internal audit resources; to report to the audit committee on the latest development and changes in business development, product innovation, operation process, risk management, internal control compliance; to take effective rectification actions in a timely manner according to the problems found by internal audit and the audit recommendations; other functions and powers that shall be exercised by the senior management according to laws, regulations and the Articles of Association of the Bank.

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VII. COMPANY SECRETARIES

During the Reporting Period, Mr. Ngai Wai Fung served as the company secretary of the Bank. Ms. Wu Wenli, assistant to the President (proposed) and secretary of the Board of Directors to the Bank, serves as Mr. Ngai Wai Fung's internal liaison of the Bank. Mr. Ngai Wai Fung confirmed that he has received not less than 15 hours of relevant professional training during the Reporting Period.

VIII. SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Bank has adopted, in respect of securities transactions by Directors and Supervisors, the Model Code for Securities Transactions by Directors of Listed Companies as set out in Appendix C3 to the Listing Rules. Having made specific enquiries, all Directors and Supervisors confirmed that they have complied with the Model Code during the Reporting Period.

IX. RELATIONSHIP BETWEEN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

There is no financial, business, family or other material affiliated relationship between the supervisors and Directors, senior management of the Bank.

X. AMENDMENTS TO THE ARTICLES OF ASSOCIATION

During the Reporting Period, the Bank has amended its Articles of Association. For further details, please refer to section headed v. increase or decrease of registered capital, division and merger of the bank to the "CHANGES IN SHARE CAPITAL AND SHAREHOLDERS" of this report.

XI. EXTERNAL AUDITORS AND AUDITORS' REMUNERATION

As considered and approved by the 2024 first extraordinary general meeting of the Bank, the Bank changed its auditors as Deloitte Touche Tohmatsu Certified Public Accountants LLP (Special General Partnership) and Deloitte Touche Tohmatsu. As considered and approved by the 2024 annual general meeting of the Bank, the Bank appointed Deloitte Touche Tohmatsu Certified Public Accountants LLP (Special General Partnership) and Deloitte Touche Tohmatsu as the Bank's accounting firms for 2025, which would be responsible for providing audit and review services for the Bank's financial statements prepared in accordance with PRC Enterprise Accounting Standards and IFRS Accounting Standards.

During the Reporting Period, the fees for the financial statements audit services and review services provided by the Deloitte Touche Tohmatsu Certified Public Accountants LLP (Special General Partnership) and Deloitte Touche Tohmatsu to the Bank amounted to RMB7.3 million (of which RMB5 million was for audit).

XII. RISK MANAGEMENT AND INTERNAL CONTROL

During the Reporting Period, the Board of Directors assumed ultimate responsibility for overall risk management, ultimate responsibility for the compliance of the Bank's operating activities and ultimate responsibility for the independence and effectiveness of the internal audit. The Board of Directors also reviewed resolutions, heard reports on the work of senior management, and strengthened communication with internal and external auditors, to review multiple times the effectiveness of the risk management and internal control system, and timely improved the internal control through system amendments and mechanism optimization, to address possible deficiencies in internal control.

During the Reporting Period, the Board of Directors continued to pay attention to the effectiveness of the Bank's risk management and internal monitoring system and conducted timely reviews, deliberated and discussed the 2024 work report and 2025 work plan of the Bank's total risk management, the 2024 work report and 2025 work plan of the compliance risk management, the 2024 internal control assessment report and other proposals. Besides, it reviewed or listened to many special audit reports involving related party transaction, anti-money laundering and anti-terrorist financing, market risk management, financial asset risk classification, capital management, business continuity management and protection of consumers' interests, and monitored and assessed the effectiveness of the Bank's risk management and internal control continuously. During the Reporting Period, the Bank set up special management departments with the functions of risk management, internal audit, internal monitoring and so on, and reported the performance and the work arrangement at the next stage to the Board of Directors every year. Meanwhile, it reported the Bank's overall risk management, business performance and financial monitoring, compliance management and internal control status to the Board of Directors on a regular basis. The Bank's risk management and internal control system aims to identify and manage relevant risks as comprehensively and effectively as possible, and to report the objective situation of risk management in a true, accurate and complete manner. In particular, in terms of the risk management, the Bank conscientiously carried out the implementation of regulatory policies and systems, thoroughly deployed various risk management and control measures, and persistently improved the comprehensive risk management system and the long-term mechanism for risk prevention and control, with the promoting risk management reform as the main line, the system development and risk identification as effective means and the asset quality control as the key points, to improve its risk management capability in a steady manner, strengthen the construction of internal control and compliance management, stimulate the endogenous impetus for the Bank's compliant operation, and continuously improve the level of the Bank's lawful and compliant operation and comprehensive risk management. In terms of the internal control system, the Bank has established a "multi-level, full-coverage, grid-based" supervision system that includes the Supervisory Committee, discipline and inspection unit, audit unit, compliance unit and risk management unit. It played an active part in that, with responsibilities being consolidated at all levels to ensure that various responsible entities performed their respective role and responsibilities, with effective checks and balances and coordinated operation. In addition, the Board of Directors and its subordinate Audit Committee, Related Transaction and Risk Management Committee, and Nomination and Remuneration Committee actively maintained close contacts with external audit intermediaries, governmental authorities, financial supervisors, discipline inspection and supervision institutions and other institutions to ensure that the Board of Directors had a dynamic grasp of the Bank's overall risk control, financial operation and compliance and internal control, and continued to review the response strategies and optimization measures and promote the Bank to maintain steady and high quality development trend. In general, the Bank's risk management and internal monitoring system maintained a stable operation trend, and the Bank's risk management and internal monitoring system are sound and effective. For more information about the Group's risk management and internal control, please see the Management Discussion and Analysis.

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XIII. INFORMATION DISCLOSURE AND INSIDER INFORMATION MANAGEMENT

During the Reporting Period, in compliance with the relevant laws and regulatory requirements under the Listing Rules, the Bank initiated the disclosure of information in accordance with the law and strengthened the communication and exchange with shareholders through various channels, such as general meetings, reception of visitors and telephone communication. The Bank has established a working mechanism for insider information in conjunction with regulatory requirements and the actual situation of the Bank, strengthened the management of insider information throughout the Bank through various channels, and ensured the Bank's insider information management to continue to be in compliance with the relevant management requirements under the Listing Rules and the Insider Information Disclosure Guideline.

XIV. MANAGEMENT OF CONSOLIDATED FINANCIAL STATEMENTS

The Bank has established a consolidated management organizational structure comprising the Board of Directors, the Board of Supervisors, senior management, and relevant functional departments, featuring clear responsibilities and orderly operations. As the highest decision-making body for consolidated management, the Board of Directors is responsible for formulating the overall strategic guidelines for the Group's consolidated management, approving and supervising the implementation of specific plans, and establishing regular review and evaluation mechanisms – including those for intra-Group transactions – to ensure the effective execution of consolidated management strategies. The Board of Supervisors, as the internal oversight body, monitors the establishment and operational effectiveness of the consolidated management mechanism. It supervises the Board of Directors and senior management in fulfilling their consolidated management responsibilities and urges the Board to continuously oversee the compliance and effectiveness of corporate governance and operational management at the Bank and its subsidiaries. Senior management is responsible for executing consolidated management policies approved by the Board of Directors, formulating the Group's consolidated management system, continuously improving the organizational structure for consolidated management, the comprehensive risk management framework, and the internal risk isolation system. It regularly monitors and evaluates the comprehensiveness, adequacy, and effectiveness of the Group's consolidated management system and promptly reports relevant circumstances to the Board of Directors.

During the Reporting Period, the scope of the Bank's consolidated management included Zhuzhou Zhujiang Rural Commercial Bank Co., Ltd., Chaozhou Rural Commercial Bank Co., Ltd., Nanxiong Rural Commercial Bank Co., Ltd., Shaoguan Rural Commercial Bank Co., Ltd., Zhujiang Financial Leasing Co., Ltd. and 22 county banks.

XV. CORPORATE CULTURE

The Bank has formulated a corporate culture conceptual system consistent with the Bank's corporate development vision and strategic objectives, and has promoted it throughout the Bank. The Bank was committed to integrating its corporate culture into the Bank's operation and management, and has made an effort to implant the compliance culture and the risk culture into the Bank's strategic planning and the business reform process, so as to assist in the Bank's high-quality development.

XVI. DEVELOPMENT STRATEGY, INVESTMENT VALUE AND CORE COMPETITIVENESS

Deeply rooted in the Greater Bay Area, we jointly forge new growth landscape. Firmly anchored in Guangzhou and deeply engaged locally, the Group proactively integrates into major national and regional strategic initiatives. We focus on diligently advancing the "Five Key Tasks" actively supporting Guangdong Province's "Hundred, Thousand, and Ten Thousand Project" and Guangzhou's "12218" modern industrial system development. We lead by example in bolstering the real economy, empowering industrial upgrading, and fostering urban-rural integration. As a national central city, the core engine of the Guangdong-Hong Kong-Macao Greater Bay Area, and a key hub along the Belt and Road initiative, Guangzhou is accelerating the development of a modern industrial system underpinned by advanced manufacturing with modern service. Advanced manufacturing sectors such as high-end equipment, intelligent connected vehicles, and biopharmaceuticals are advancing toward intelligent and clustered development, while modern services like fintech, digital trade, and professional services are flourishing. The accelerated formation of new productive forces provides a solid foundation and vast opportunities for the Group to expand its high-quality customer base, enhance asset quality, and achieve sustainable growth.

The 14th Five-Year Plan has been successfully concluded, and the 15th Five-Year Plan charts a new chapter. Guided by strategic vision, the Group has steadfastly pursued its long-term goal of becoming a premier domestic commercial bank. By uniting our efforts and overcoming challenges, we have systematically advanced the "Four Reforms" and concentrating efforts on winning the "Four Battles." This has enabled restructuring in key operational areas such as historical risk resolution, risk prevention and governance, talent pipeline development, and branch model optimization. The Group achieved stable overall operations, improved asset quality, and optimized business structure during the 14th Five-Year Plan period. For the 15th Five-Year Plan period, the Group will remain committed to its long-term strategic vision, anchoring the strategic goal of "national pioneer in high-quality development among small and medium-sized banks nationwide." Driven by reform and innovation, it will comprehensively advance systematic reforms in key areas such as corporate governance, business structure, risk management, digital transformation, and institutional mechanisms. The Group will persist in building distinctive competitive advantages, balancing development and security, and pursuing high-quality development. It aims to achieve more significant results in serving the real economy, optimizing asset-liability structures, and promoting high-quality sustainable development.

Core capabilities continue to strengthen, with development quality and efficiency steadily improving. The Group has deepened the implementation of the "300 Billion Project" for small and micro-asset businesses, continuously enhancing four core capabilities: product innovation, customer service, technological support, and profit generation. The product system for small and micro-asset businesses has

CORPORATE GOVERNANCE REPORT

been largely established, with solid progress in digital transformation and ongoing optimization of online service models. By 2025, the asset scale of small and micro corporate loans, inclusive universal small and micro loans, and retail loans will achieve steady growth with significantly increased proportions. The core competitiveness of the small-to-medium asset business has steadily improved. With the steady improvement in our ability to keenly discern and precisely address the needs of SMEs and individual customers, the Bank can rapidly respond with tailored financial solutions, effectively mitigate risks, and achieve steady business growth. This segment is poised to become a key profit contributor and investment highlight for the Group.

The service network is being meticulously cultivated, with synergistic enhancement of comprehensive strengths. The Group is advancing its “114” business outlet development model in depth, comprehensively promoting operational decentralization and localized marketing. We are continuously optimizing branch layouts, accelerating the construction of specialized outlets, and steadily extending our service radius into key development regions. We are clarifying the strategic positioning and operational objectives of outlets, refining target customer lists, and driving the implementation of integrated marketing services. Continuously strengthening support across four key elements – personnel, products, processes, and performance evaluation. Guiding personnel allocation toward frontline and market-facing roles, empowering frontline staff through tiered training to enhance their integrated marketing capabilities. Optimizing the evaluation system and strengthening performance guidance, adopting multiple approaches such as resource incentives and honor systems to activate frontline marketing initiative. Branch operational efficiency has achieved steady improvement.

Risk control Systems Fortify the Bottom Line, Compliance and Internal Controls Ensure Steady Progress. The Group continuously enhanced its comprehensive risk management system, reinforcing its institutional framework and strengthening credit risk prevention mechanisms. It upheld strict compliance standards for employee operations and adopted a multi-faceted approach to risk management, including refining the classification of risk assets, optimizing the credit approval and accountability mechanisms and enhancing the review and approval capabilities for credit granting operations, incorporating advanced risk management technologies. These efforts bolstered the Group’s risk control capabilities and improved internal governance effectiveness. The Group has also established a “three-board and one-management” governance structure, with clearly defined roles and responsibilities across all governance bodies, ensuring efficient and orderly operations. Upholding its corporate mission of “Creating a Better Life With You,” the Group fostered a strong corporate culture rooted in the core values of “Stability, Efficiency, Innovation, Integrity, Equality, and Integrity.” By adhering to ten key management principles, it united efforts toward its goal of becoming a first-class commercial bank in China.

CORPORATE GOVERNANCE REPORT

XVII. STATEMENT OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE OF THE LISTING RULES OF HONG KONG

During the Reporting Period, the Bank consistently complied with the principles and provisions of the Corporate Governance Code.

XVIII. OVERALL ASSESSMENT OF THE BANK'S CORPORATE GOVERNANCE

During the Reporting Period, the Bank established a “three-board and one-management” governance structure composed of the general meeting of shareholders, the Board of Directors, the Board of Supervisors and the senior management. It standardized the governance operation mechanism in the principle of clear authorities and responsibilities and effective check and balance, improved the ability of the governance subject to perform its duties, promoted information disclosure according to laws and regulations, tried to improve the corporate governance level of listed companies, and protected the rights and interests of stakeholders and enhanced enterprise value effectively. During the Reporting Period, it continued to comply with relevant provisions of laws and regulations, regulatory rules, the Articles of Association of the Bank and other domestic and foreign systems. Generally, the Bank maintained a sound corporate governance.

REPORT OF THE BOARD OF DIRECTORS

I. PERFORMANCE OF THE BOARD OF DIRECTORS

In 2025, the Board of Directors of the Bank performed its duties and powers in strict accordance with the duties and responsibilities entrusted to it by laws, regulations, regulatory rules and Articles of Association of the Bank. The main work is as follows:

(I) Strengthening the Party's leadership and improving the efficiency of governance

The Board of Directors consistently integrates Party leadership throughout all aspects of corporate governance, continuously advancing the deep integration and organic unity of Party leadership with corporate governance. Firstly, we strengthen the integration of the effectiveness of Party integration with corporate governance. We strictly implement the Party Committee's mechanism for prior review of major decision-making matters, conduct solid Party discipline education, deepen the special campaign on improving the Party construction of working style, and continuously empower corporate governance effectiveness and operational management through Party building. Secondly, we solidify the foundation of Board governance. We steadily advance the development of the Board diversity, successfully completed the Board transition, and continuously optimize the Board structure and member rotation mechanism characterized by "professional diversity and complementary strengths." Thirdly, we improve the governance system. We dynamically align the operational framework of governance systems, address shortcomings and weaknesses in mechanism implementation, and revise core governance systems in accordance with laws and regulations. We resolutely pursue the path of law-based governance and regulation-driven enterprise management. Fourthly, we ensure the efficient operation of governance mechanisms. Upholding the principles of "legal compliance and efficient coordination," promoting the stable functioning of governance mechanisms. Throughout the year, conduct all major governance meetings in a standardized manner, laying a solid foundation for the implementation of the Bank's major reform and development decisions. Fifthly, we reinforced the accountability of governance entities. We strengthened the capacity-building of governance entities, improved the closed-loop supervision of decision-making and resolution implementation, enhanced coordination and synergy among the Board of Directors and all governance levels, and established a collaborative and efficient governance structure featuring strong Party committee leadership, lawful exercise of authority by the shareholders' meeting, scientific decision-making by the Board of Directors, effective supervision by the Board of Supervisors, and steady execution by senior management.

REPORT OF THE BOARD OF DIRECTORS

(II) Consolidating the capital foundation and improving management quality and efficiency

The Board has consistently regarded prudent and compliant capital management as a vital safeguard for promoting sustainable development. First, in strict accordance with regulatory requirements, the Bank successfully completed the registration of changes in registered capital and the renewal of its business license, further enhancing compliance in capital management. Second, it successfully completed the 2024 dividend distribution, effectively addressing shareholders' concerns and strengthening market confidence.

Third, the Bank maintained full-cycle management over the duration of its outstanding bonds, orderly completed the annual follow-up ratings for subordinated and perpetual bonds, and kept both the issuer and bond ratings stable. These efforts have reinforced the capital market's recognition of the Bank's value and laid a solid foundation for future low-cost, diversified capital replenishment.

(III) Anchoring strategic direction and deepening core responsibilities

The Board of Directors consistently align with national and local development strategies, maintaining strategic resolve and concerted efforts. Adhering to the principle of seeking progress while ensuring stability and consolidating stability through progress, it comprehensively advance the "Asset Efficiency Year" initiative centered on "strengthening assets, enhancing efficiency, optimizing structure, and controlling risks." This has propelled the Bank's overall operations to maintain a sound situation characterized by stable operation, optimized structure, advance quality. Firstly, the key financial force has continuously play a major role. The Bank resolutely implements higher-level decisions and deployments, continuously increasing financial resource allocation to major strategic initiatives, key sectors, and weak part in economic and social development, effectively demonstrating the financial commitment and state-owned enterprise responsibility of rural commercial banks. Secondly, the results of specialized operations are steadily emerging. The Bank has deepened its development model for small-to-medium asset businesses, advanced the standardization and normalization of branch networks, and accelerated the formation of a specialized development pattern centered on business outlets as core strongholds and small-to-medium asset businesses as core competitive strengths, continuously stimulating new growth momentum. By 2025, the Bank's asset and liability operations will achieve reasonable scale growth alongside simultaneous quality improvement, with overall business development remaining stable and positive.

REPORT OF THE BOARD OF DIRECTORS

(IV) Strengthening internal control supervision by closely monitoring risk control quality and effectiveness

The Board of Directors consistently prioritizes internal control oversight and risk compliance, adhering to risk prevention as a prerequisite for development and upholding the core principles of compliance first and risk control foremost. It actively explores new approaches and optimizes management mechanisms to build a robust risk prevention barrier for high-quality development. Firstly, the credit risk management system continues to be iteratively refined. Focusing on key areas with targeted efforts, we have refined responsibility assignments and performance requirements, driving business units to routinely conduct risk assessments and analyses. This enhances the foresight and predictive capabilities of risk management, enabling early detection, early warning, and early handling of risks. Secondly, the quality and effectiveness of internal control management have achieved comprehensive improvement. We adhere to proactive prevention and source-based governance of all types of risks, improve the comprehensive risk management system and mechanisms, strengthen dynamic risk monitoring and upfront prevention, and clearly establish a work orientation of due diligence exemption for small and micro-credit business. We rigorously enforce closed-loop implementation of supervision and rectification, fully unleashing the efficacy of the “comprehensive governance” (“大治理”) framework. By coordinating oversight forces including the Board of Supervisors, Audit Department, and regulators, we have built a synergistic and efficient “comprehensive supervision” system, fostering a virtuous cycle where supervision drives rectification, rectification promotes development, and development drives optimization. By 2025, the Bank’s overall risk prevention and control will remain stable and orderly.

(V) Deepening the management of shareholders’ equity rights and strengthening the market’s value recognition

The Board has consistently ensured that shareholders’ equity management aligns closely with regulatory requirements, advancing both in a coordinated manner. It has taken a holistic approach to promoting the standardization of equity management while enhancing synergy among stakeholders, and has continued to strengthen close connections with the market to improve the quality and efficiency of investor relations management. First, the Bank focused on establishing a long-term mechanism for equity management by strictly implementing regulatory requirements such as transparent ownership identification, dynamic evaluation, and risk isolation. It solidly carried out assessments of major and substantial shareholders, qualification reviews, and updates to the list of related parties, strengthening the foundation of equity management through end-to-end compliance control. Second, to improve the quality and efficiency of investor relations management, the Bank adhered to laws and regulations to ensure sufficient and accurate information disclosure. It proactively communicated its strategic direction, governance achievements, and business highlights to the market, actively responded to capital market concerns, and worked to build a mutually trusting and beneficial communication bridge with investors, effectively enhancing the Bank’s market recognition and brand influence.

REPORT OF THE BOARD OF DIRECTORS

II. BUSINESS REVIEW

(I) Business Review

The Bank is primarily engaged in PRC banking and related financial services, primarily including corporate banking, retail banking and financial market business. Further discussions and analyses of the business review are set out in the sections headed “Management Discussion and Analysis” and “Directors, Supervisors and Senior Management and Employees” in this report, including an overview of the major risks and uncertainties of the Group and possible future plans for the business of the Group. Such discussions also form part of this Report of the Board of Directors.

(II) Employment Relationship

As of the end of the Reporting Period, the Bank’s ratio of male to female employees remains at a reasonable and stable level. The Bank attaches great importance to the gender diversity of its staff and fully respects the decision-making opinions of female staff. In terms of staff promotion, remuneration and benefits and other aspects, the Bank is committed to creating a fair and friendly career development environment for female, realizing gender equality of employees and ensuring that gender diversity plays a positive role in promoting its operation.

(III) Relationship with Customers and Suppliers

The Bank adheres to the principles of fairness, impartiality and openness in the procurement process, adopts various forms of selection of suppliers such as open bidding, invitation to tender, competitive negotiation/consultation, and price quotation, and maintained good communication and cooperation with various suppliers.

(IV) The Environmental Policy and Performance of the Bank

The Bank attaches significance to environmental impact of its business activities and actively promoted the innovative development of green finance business. In terms of policy formulation, the Bank has developed a special work plan for the development of green finance in 2020, and on this basis, the Bank has further formulated the Green Finance Development Plan and Implementation Program of Guangzhou Rural Commercial Banks (2023-2026) in 2023 to lead the innovative development of green finance for the Bank with the top-level design. Under strategic guidance, the Bank actively broaden our sources of funding and increase support for green and low-carbon industries. We contribute to the ecological construction of Green Guangdong and the low-carbon transformation of the industrial economy in the Greater Bay Area.

REPORT OF THE BOARD OF DIRECTORS

III. PROFITS AND DIVIDENDS

(I) Dividends

The revenue for the year ended 31 December 2025 and the Bank's financial position on that date are set out in the consolidated financial Statements of this annual report.

Pursuant to the resolution passed at the 2024 Annual General Meeting held on 13 June 2025, the Bank paid a dividend of RMB0.45 per 10 shares (tax inclusive) to all shareholders for 2024, amounting to approximately RMB0.648 billion (tax inclusive). The dividend was payable to shareholders whose names appeared on the register of members after the close of market on 25 June 2025. The above dividends were denominated in Renminbi, and paid to holders of Domestic Shares in Renminbi and to holders of H-shares in Hong Kong dollars. The exchange rate for dividend paid in Hong Kong dollars was the average middle rate of Renminbi against Hong Kong dollars for the five business days preceding the date of declaration of such dividend at the 2024 Annual General Meeting (i.e. 13 June 2025, inclusive) as announced by the PBOC (i.e. HK\$1.00 to RMB0.91506), and the final dividend per 10 H Share was HK\$0.49177 (tax inclusive). Such dividend was paid on 25 July 2025.

The Bank has not made any plan for converting the capital reserve to increase the share capital in the past three years. The cash dividend distribution for ordinary shareholders of the Bank for the past three years is as follows:

Item	2024	2023	2022
Distribution amount per share (tax inclusive, RMB)	0.045	0.04	0.105
Cash dividend (tax inclusive, RMB100 million)	6.48	5.76	12.02
Percentage of net profit attributable to the parent company (%)	31.16	21.87	34.42

(II) Tax on Dividends

According to the applicable provisions of the "Enterprise Income Tax Law of the People's Republic of China" and the "Individual Income Tax Law of the People's Republic of China" and its implementation rules, for the non-overseas listed shares and the holding of the Bank's shares via Hong Kong Stock Connect, the Bank shall withhold and pay the individual income tax at the rate of 20% pursuant to the national tax law for the dividends of natural person shareholders, while corporate shareholders shall make its own declaration in accordance with the requirements of the national tax law.

Taxes on dividend of H Shares are subject to the Hong Kong tax law.

According to the Enterprise Income Tax Law and its implementation rules, and Guo Shui Han [2008] No. 897, before distribution of dividends, the Bank shall withhold and pay the enterprise income tax at the rate of 10% for non-resident enterprise shareholders (including HKSCC Nominees Limited (agent), other enterprise agents or trustees, or other organizations and groups) whose names appear on the Bank's register of members for H Shares.

REPORT OF THE BOARD OF DIRECTORS

Pursuant to the Notice on Issues Concerning Taxation and Administration of Individual Income Tax after the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348), the Bank shall withhold and pay individual income tax for individual holders of H Shares.

If the individual holders of H Shares are Hong Kong or Macau residents or residents of the countries or regions which have an agreed tax rate of 10% under the relevant tax treaties with the PRC, the Bank shall withhold and pay individual income tax at the rate of 10% on behalf of such shareholders.

If the individual holders of H Shares are residents of the countries or regions that have a tax rate lower than 10% under the tax treaties with the PRC, the Bank shall withhold and pay individual income tax at the rate of 10% on behalf of such shareholders. If such shareholders claim refund of the amount in excess of the individual income tax payable under the tax treaties, the Bank can apply on behalf of such shareholders according to the relevant tax treaties for the relevant agreed preferential tax treatment, provided that the relevant shareholders submit the relevant documents and information in a timely manner required by the Administrative Rules on Enjoying Treatment under Taxation Treaties by Non-resident Taxpayers (State Administration of Taxation Announcement, 2019, No. 35) and the provisions of the relevant tax treaties. The Bank shall assist with the tax refund subject to approval of the competent tax authority.

If the individual holders of H Shares are residents of the countries or regions that have a tax rate higher than 10% but lower than 20% under the tax treaties with the PRC, the Bank shall withhold and pay individual income tax at the applicable tax rates stated in such tax treaties on behalf of such shareholders.

If the individual holders of H shares are residents of the countries or regions that have a tax rate of 20% under the tax treaties with the PRC, or that have not entered into any tax treaties with the PRC, or otherwise, the Bank shall withhold and pay individual income tax at the rate of 20% on behalf of such shareholders.

(III) Tax Relief

1. Non-resident shareholders

According to the relevant provisions of the Enterprise Income Tax Law of PRC and the relevant implementing rules, and the Notice of the State Administration of Taxation on Issues concerning the Withholding and Payment of Enterprise Income Tax on Dividends Paid by Chinese Resident Enterprises to the Shareholders of Overseas H-Share Non-resident Enterprises (Guo Shui Han [2008] No. 897), the Bank shall temporarily withhold and pay corporate income tax at the tax rate of 10% for non-resident enterprise shareholders whose names appear on the Bank's register of members for H-shares, and the actual tax rate shall be applied in accordance with the provisions of the tax agreement.

REPORT OF THE BOARD OF DIRECTORS

2. Non-resident individual shareholders

Pursuant to the Document No. 348 [2011] of the State Administration of Taxation, the Bank shall apply for the relevant tax benefits for non-resident H-share individual shareholders according to the tax agreements signed by their countries with China and the tax arrangement between the Mainland and Hong Kong (Macao).

- (1) For non-resident individual H-share shareholders whose countries have signed the tax rate agreements of less than 10% with China, the Bank shall apply for the relevant tax benefits under the agreement on their behalf;
- (2) For individual non-resident H-share shareholders whose countries have signed a 10% tax rate agreement with China, the Bank shall withhold and pay individual income tax at the tax rate of 10%;
- (3) For non-resident H-share individual shareholders whose countries have signed the tax rate agreement of more than 10% but less than 20%, the Bank shall withhold and pay individual income tax at the agreed effective tax rate;
- (4) For non-resident H-share individual shareholders whose countries have signed no tax agreements with China or under other circumstances, the Bank shall withhold and pay individual income tax at the tax rate of 20%.

(IV) Dividend Distribution Policy

The Bank takes into account the interests of all shareholders as a whole and the sustainable development of the Bank in regard to its profit distribution, and emphasizes reasonable investment return to investors. The remaining after-tax profits of the Bank after making up losses, contributing to the statutory reserve fund and general reserve and payment of dividends of preference shareholders may be distributed based on the proportion of shares held by the shareholders according to the profit distribution plan approved by the shareholders' general meeting. The dividends on preference shares shall be paid in accordance with laws, administrative regulations, departmental rules, relevant provisions of the securities regulatory authority of the place where the shares of the Bank are listed and the place where the preference shares are issued or the place where the shares of the Bank are listed, and the Articles of Association of the Bank. The Bank's cash dividend policy, which has been commented by the Independent Non-executive Directors, complies with the provisions stipulated in the Articles of Association and the requirements provided in the resolutions of the shareholders' general meeting. The dividend distribution standards and proportions are clear and explicit, and the decision-making procedure and mechanism are complete. Minority shareholders can fully express their opinions and appeals, to adequately safeguard their legitimate rights and interests.

REPORT OF THE BOARD OF DIRECTORS

IV. ANNUAL GENERAL MEETING AND BOOK CLOSURE DATE

For details of the 2025 Annual General Meeting and closure of register of members, will be disclosed separately in the notice of the 2025 Annual General Meeting and the circular of the Bank.

V. DISTRIBUTABLE RESERVES

The movements of the Group's reserves available for distribution to shareholders are set out in "Retained earnings" in the "Consolidated Statement of Changes in Equity" of this report for the year ended 31 December 2025.

VI. SUMMARY OF FINANCIAL INFORMATION

A summary of the Group's operating results, assets and liabilities for the year ended 31 December 2025 is set out in the summary of financial data in this report.

VII. DONATIONS

As of the end of the Reporting Period, the Group's total external donations amounted to RMB2.04 million.

VIII. PROPERTY AND EQUIPMENT

Details of the changes in the Group's property and equipment throughout the year ended 31 December 2025 are set out in note 24 "Property and Equipment" to the "Financial Statements" in this Report.

IX. RETIREMENT BENEFITS (PENSION PLAN)

Details of the retirement benefits provided for employees of the Group are set out in note "Salaries, bonuses, allowances and subsidies payable" to the "Financial Statements" of this report.

X. ULTIMATE PARENT AND ITS SUBSIDIARIES

Details of the Bank's ultimate parent and its subsidiaries as at 31 December 2025 are set out in the relevant sections of "Changes in Share Capital and Shareholders" and notes to the "Financial Statements" of this annual report, respectively.

XI. ARRANGEMENTS TO PURCHASE AND SALE OF SHARES OR DEBENTURES OF THE BANK

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

REPORT OF THE BOARD OF DIRECTORS

XII. PRE-EMPTIVE RIGHTS

The relevant PRC laws and Articles of Association of the Bank have not granted the shareholders of the Bank the terms of pre-emptive rights. The Articles of Association stipulate that based on the requirements for operation and development and in accordance with laws and regulations and the Articles of Association, after the Shareholders' general meeting has made its resolution and the approval has been obtained from the banking regulatory authorities of the State Council, the Bank may increase its registered capital in the following ways: offering new shares to non-specific investors; issuing new shares to specific investors; allotting new shares to existing Shareholders; distributing new shares to existing Shareholders; converting capital reserve into share capital; or any other methods approved by laws and administrative regulations.

XIII. MAJOR CUSTOMERS

As of the end of December 2025, there was no circumstance where the loan balance of a single non-interbank customer of the Bank accounted for more than 10% of the net capital. The Bank's five largest customers did not account for more than 30% of the Bank's total annual interest income and other operating income.

REPORT OF THE BOARD OF DIRECTORS

XIV. CONFIRMATION OF INDEPENDENCE FROM INDEPENDENT NON-EXECUTIVE DIRECTORS

The Bank has received from each of its independent non-executive Directors the annual confirmation of his/her independence. The Bank considers that all independent non-executive Directors are in compliance with the relevant guidelines set out in Rule 3.13 of the Listing Rules, and are accordingly independent.

XV. PENALTIES IMPOSED ON DIRECTORS AND SUPERVISORS OF THE BANK

During the Reporting Period, the Bank's directors and supervisors were not subject to inspections, administrative punishments, public criticisms by the China Securities Regulatory Commission, or public condemnation by the Hong Kong Stock Exchange.

XVI. DIRECTORS' AND SUPERVISORS' INTERESTS IN MATERIAL TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

Save for those continuing related party transactions which can be exempted from the reporting, annual review, announcement and independent shareholder's approval requirements under Chapter 14A of the Listing Rules, no director or supervisor of the Bank or connected entities of such persons had a material interest, whether directly or indirectly, in material transactions, arrangements and contracts in relation to the Group's businesses to which the Bank, its holding company, any of its subsidiaries or fellow subsidiaries was a party during the Reporting Period.

XVII. SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

During the Reporting Period, none of the Directors and Supervisors entered into service contracts with the Bank that cannot be terminated by the Bank within one year without payment of compensation (other than statutory compensation).

REPORT OF THE BOARD OF DIRECTORS

XVIII. PERMITTED INDEMNITY PROVISION

The Bank has taken out appropriate insurance against the liability of its directors, supervisors and senior management in respect of legal proceedings arising out of their performance of the Bank's business activities and reviews its coverage on an annual basis.

No permitted indemnity provision previously or currently in effect benefited the directors of the Bank (whether entered into by the Bank or by others) or the directors of the Bank's associates (if entered into by the Bank) at any time during the financial year and up to the date of the report of the Board of Directors.

XIX. MANAGEMENT CONTRACTS

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

XX. DIRECTORS' AND SUPERVISORS' INTERESTS IN COMPETING BUSINESSES

During the Reporting Period, none of the Directors and Supervisors had any interest in businesses that constitute or may constitute competition, directly or indirectly, with the business of the Bank.

XXI. SUFFICIENT PUBLIC FLOAT

As of the Latest Practicable Date, on the basis of publicly available information and to the best knowledge of the Directors, the Bank maintained the sufficient public float to meet the minimum public float requirements under the Listing Rules and the relevant waivers granted by the Hong Kong Stock Exchange at the time of the Bank's listing.

XXII. EQUITY-LINKED AGREEMENTS

During the Reporting Period, the Bank did not enter into or maintain any equity-linked agreements in respect of shares.

XXIII. RELATED PARTY/CONNECTED TRANSACTIONS

(I) Connected Transactions under Supervision

As of the end of the Reporting Period, the Bank had a total credit balance of RMB29,794 million with all related parties in accordance with the state administration of financial supervision. A transaction between the Bank and a single related party that amounts to more than 1% of the Bank's net capital at the end of the previous quarter, or 5% of the Bank's net capital at the end of the previous quarter in aggregate, is considered to be a material related party transaction; after the cumulative amount of a transactions between the Bank and a single related party reaches the criteria in the preceding standard, any subsequent related party transaction will be re-designated as significant related party transaction for every cumulative amount of more than 1% of the Bank's net capital at the end of the previous quarter.

REPORT OF THE BOARD OF DIRECTORS

(II) Connected Transactions under the Listing Rules

The transactions entered into among the Bank and its connected persons (as defined in the Listing Rules) constitute connected transactions of the Bank under Chapter 14A of the Listing Rules and such connected transactions are exempted from complying with the reporting, annual review, announcement, and independent shareholder approval requirements in accordance with Chapter 14A of the Listing Rules. During the Reporting Period, the connected transactions of the Bank were entered into in the ordinary course of business on normal or better commercial terms, and were in compliance with the disclosure exemption requirement under the Listing Rules.

The definition of connected persons in Chapter 14A of the Listing Rules differs from the definition of related parties in IAS 24 Related Party Disclosures and its interpretation by the IASB. Certain related party transactions set out in Note 46 to the consolidated financial statements in the section headed "Financial Reporting" of this report also constitute connected transactions or continuing connected transactions under the Listing Rules, but none of them constitutes a discloseable connected transaction under Chapter 14A of the Listing Rules. The Bank confirms that it has complied with disclosure requirements in accordance with Chapter 14A of the Listing Rules.

XXIV. MATERIAL LEGAL PROCEEDINGS AND ARBITRATIONS

As of the end of the Reporting Period, there were four pending litigation cases with amount exceeding RMB10 million in which the Bank was a defendant, which involved an amount of approximately RMB208 million.

XXV. THE USE OF FUNDS RAISED

The Bank completed the issuance of 305 million H-shares and 1.338 billion Domestic Shares on 1 December and 21 December 2021, respectively, which increased the total number of the Bank's shares to 11,451,268,539. The net amount from this offering, after deducting related issuance costs, amounted to approximately RMB9,663 million, which was fully used to supplement the Bank's core Tier 1 capital.

On 3 April 2023, the Bank completed the issuance and listing of the tier-two capital bonds with a total amount of RMB15 billion in the national interbank bond market. The proceeds raised from the issuance of the tier-two capital bonds, after deducting the issuance expense, have all been used to replenish the tier-two capital of the Bank.

The Bank completed the issuance of 550 million H-shares and 2.409 billion Domestic Shares, respectively, on 29 December 2023, which increased the total number of the Bank's shares to 14,409,789,327. The net amount from this offering, after deducting related issuance costs, amounted to approximately RMB6,433 million, which was fully used to supplement the Bank's core Tier 1 capital.

REPORT OF THE BOARD OF DIRECTORS

On 29 May 2024, the Bank successfully completed the issuance and listing of undated capital bonds with a total amount of RMB12 billion in the national interbank bond market. The funds raised from the undated capital bonds have been used to supplement the Bank's other Tier 1 capital, after deducting issuance costs.

On 25 November 2025, the Bank completed the issuance and listing of ordinary financial bonds, with a total issuance amount of RMB5 billion, a three-year fixed-rate bond with a coupon rate of 1.85% which are used to optimize the maturity matching structure of assets and liabilities, increase the sources of medium – and long-term stable liabilities and support the development of medium – and long-term asset business.

All the funds raised by the Bank are used according to the purposes disclosed in the prospectus and other relevant documents, that is, to supplement the Bank's capital to support the development of its business in the future.

XXVI. CORPORATE GOVERNANCE

During the Reporting Period, the Bank continued to refine its corporate governance mechanism and improve its corporate governance in strict compliance with laws and regulations such as the Company Law, the Commercial Banking Law as well as the Listing Rules and in line with actual conditions of the Bank. The Bank adheres to the principles of clarity of authority and responsibility, effective checks and balances in building the corporate governance structure, standardizing the governance operation mechanism, and improving the quality and effectiveness of the governance body's ability to perform its duties. The Bank clarifies and promotes the performance of the respective powers and responsibilities of the general meeting, the Board of Directors, the Board of Supervisors and the senior management in accordance with the law, and promotes the operation of each of governance mechanism of the Bank in compliance with the requirements of laws and regulations, regulatory rules, the Articles of Association of the Bank and other rules. The Bank's corporate governance has remained sound and stable.

REPORT OF THE BOARD OF DIRECTORS

XXVII. OTHERS

As far as the Board of Directors is aware, the Bank has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Bank.

During the Reporting Period, the Bank was not aware that any Shareholder had waived or agreed to any arrangement to waive dividends.

The Bank held the 2024 first extraordinary general meeting on 13 December 2024 to consider and approve the absorption and merger of Zhongshan Dongfeng Zhujiang County Bank Company Limited and Dongguan Huangjiang Zhujiang County Bank Co., Ltd. The absorption and merger was approved by the regulatory authorities on 30 May 2025. As of 31 December 2025, the absorption and merger has been completed, and the former Zhongshan Dongfeng Zhujiang County Bank Company Limited and Dongguan Huangjiang Zhujiang County Bank Co., Ltd. were restructured into Zhongshan Dongfeng Sub-branch and Dongguan Huangjiang Sub-branch, respectively; the Bank held the 2024 annual general meeting on 13 June 2025 to consider and approve the absorption and merger of Xingning Zhujiang County Bank Co., Ltd., Heshan Zhujiang County Bank Co., Ltd. and Shenzhen Pingshan Zhujiang County Bank Co., Ltd. During the Reporting Period, the Bank obtained regulatory approvals for the absorption and merger matters on 8 September 2025, 31 December 2025 and 29 December 2025, respectively. As of the Latest Practicable Date, the relevant absorption and merger matters are continuing to proceed.

During the Reporting Period, the Bank disposed of its 33.40% equity interest in Sanshui Zhujiang County Bank Company Limited to Guangdong Shunde Rural Commercial Bank Company Limited.

During the Reporting Period, the Bank held the 2025 first extraordinary general meeting on 21 November 2025 to consider and approve the transfer of the relevant assets and completed the transaction on 29 November 2025. For details of the matters relating to the transfer of assets, please refer to the circular dated 6 November 2025, the announcement of the poll results of the 2025 first extraordinary general meeting dated 21 November 2025 and the announcement dated 9 October 2025 and 1 December 2025 published by the Bank. Save as disclosed above, there were no other significant asset acquisitions, disposal, or corporate mergers during the Reporting Period.

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

As of the end of the Reporting Period, the Bank had no stock option plan, equity incentive plan or employee stock ownership plan.

XXVIII. SUBSEQUENT EVENTS

Nil.

REPORT OF THE BOARD OF SUPERVISORS

In 2025, the Board of Supervisors of Guangzhou Rural Commercial Bank Co., Ltd. remained steadfastly guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era. It firmly adheres to the fundamental requirements of China's distinctive financial development path, closely aligned with the political and people-centered nature of financial work. Under the strong leadership of the higher-level Party organizations and the Party Committee of the Head Office, it resolutely implemented the financial policies and directives of the Party Central Committee, strictly adhered to national laws and regulations, regulatory requirements, and the provisions of the Bank's Articles of Association. It deeply integrated supervisory work into the overall reform and development of the Bank, particularly focusing on key initiatives such as the Bank-wide "Asset Efficiency Year" campaign. Through robust oversight, it safeguarded the Bank's steady operations and high-quality development. Through a series of precise, in-depth, and pragmatic supervisory practices, we have comprehensively fulfilled our oversight responsibilities in key areas including strategic management, performance of the directors and senior management, risk management, internal controls, and financial activities. This has effectively leveraged the role of the Board of Supervisors in enhancing corporate governance, preventing financial risks, and ensuring steady development. The relevant work is hereby reported as follows:

I. KEY ACHIEVEMENTS SINCE 2025

(I) Serving the bigger picture of development, fortifying the foundation for high-quality growth through strategic oversight

Strategy serves as the beacon and compass guiding the Bank's development. The Board of Supervisors proactively extends its oversight across the entire chain of strategy formulation, implementation, and evaluation. This shift from post-event assessment to end-to-end monitoring provides robust assurance for the successful execution of strategic initiatives.

Firstly, strengthen oversight throughout the strategic process. Grounded in our supervisory responsibilities, we will routinely focus on national economic and financial policies and major strategies. We will closely monitor the implementation of policies within the Bank that support key national priorities, including services for the issue of agriculture, farmer and rural area (三農), inclusive micro and small enterprises, the real economy, and green and low-carbon initiatives. We will provide timely recommendations to ensure the Bank fully leverages its strengths as a local financial institution to bolster the real economy. We closely monitor the formulation and implementation of the Bank's 15th Five-Year Development Strategy and 2025 Strategic Plan. Quarterly reviews are conducted on self-assessment reports regarding the execution of the strategic implementation outline. We apply In-depth analysis to the project work plans under the 15th Five-Year Development Strategy, pay particular attention to the depth and effectiveness of the self-assessment of the strategic implementation outline, as well as the scientific and rational nature of the 15th Five-Year Development Strategy and the annual implementation outline and provide targeted suggestions for improvement to enhance the strategic guidance role.

REPORT OF THE BOARD OF SUPERVISORS

Secondly, we steadily advance the annual strategic assessment. Strictly adhering to regulatory requirements, we comprehensively reviewed key tasks outlined in the 2024 Strategic Implementation Outline. We conducted an in-depth summary of strategic execution, verified outcomes through multiple channels, and strengthened benchmarking analysis with over 10 peer banks. Focus areas included profit enhancement, specialized business transformation, asset quality control, comprehensive marketing reforms at branch networks, digital transformation, and compliance of internal control management. Targeted management optimization recommendations were formulated. Through this specialized assessment, we further solidified strategic execution accountability, addressed implementation bottlenecks and challenges, and advanced the deep and substantive implementation of the strategy, providing a robust foundation for the bank's high-quality development.

(II) Focusing on governance core, strengthening the foundation of corporate governance through duty supervision

A sound corporate governance system is a key pillar for the bank's steady and sustainable development. The Board of Supervisors focuses its oversight on ensuring the management team performs its duties lawfully, compliantly, diligently, and efficiently. It continuously refines the performance evaluation system, which is grounded in daily oversight, centered on annual performance assessments, and supplemented by mid-year performance reviews. The Board also strengthens the performance evaluation of supervisors at subsidiaries, driving the formation of a governance ecosystem characterized by scientific decision-making, robust execution, and effective oversight.

Firstly, we continuously strengthened oversight of the performance process. Throughout the year, we convened a total of 11 meetings of the Board of Supervisors, the Nomination Committee, and the Audit and Supervision Committee, cumulatively reviewing 30 proposals and 22 items for notification. Meeting decision-making procedures were standardized, and content was legally valid and effective, fully leveraging the collective oversight and decision-making role of these meetings. Supervisors participated in or attended over 100 key meetings, including Party Committee meetings, Board meetings, and Executive Office meetings. They conducted dynamic oversight of the Board of Directors, senior management, and their members regarding their performance of duties in areas such as capital management, comprehensive risk management, market risk management, operational risk management, anti-money laundering risk management, reputation risk management, case prevention and control, and consumer rights protection. They closely monitor the compliance of decision-making processes in the Board and senior management meetings, independently and objectively offering oversight opinions and recommendations. This effectively promotes more standardized, diligent, and efficient performance by the Board, senior management, and their members, ensuring the proper functioning of corporate governance.

REPORT OF THE BOARD OF SUPERVISORS

Secondly, we conduct governance-level performance evaluations in an orderly manner. In accordance with regulatory requirements and the Bank's governance-level performance evaluation guidelines, organize the 2024 performance evaluations for the Board of Directors and its members, supervisors, and senior management. Based on key evaluation criteria, comprehensively review the fundamental performance of governance-level personnel. Strictly adhere to the prescribed timeline for self-evaluation, mutual evaluation, and review by authorized meetings. We will conduct independent and objective assessments of performance outcomes, compile evaluation results, and promptly report them to regulatory authorities and the shareholders' meeting as required. This process aims to enhance the governance team's capabilities and effectiveness in fulfilling their duties. Effectively implement the performance management responsibilities of the Board of Supervisors of the subsidiary. Conduct performance evaluations for 2024 for the chairman of the Board of Supervisors of subsidiaries who have served for over six months. Apply the grading results to performance-based compensation, commendations, and other recognition programs. Fully leverage the motivational and regulatory functions of performance assessments to promote standardized performance by the chairman of the Board of Supervisors of subsidiaries.

Thirdly, we conducted thorough mid-year oversight of directors and senior management performance. By systematically studying regulatory requirements concerning the responsibilities of the Board of Directors of commercial bank and senior management, and integrating insights from the Board of Supervisors routine oversight, we focused on the Board's fulfillment of statutory obligations, senior management's execution of Board resolutions, and the standardized operation of governance meetings. Timely oversight reminders were issued to urge relevant departments to promptly address deficiencies, fulfill their primary responsibilities, and promote efficient and standardized governance operations.

(III) Focusing on key risk control areas to weave a tight security net across the bank

Risk prevention and mitigation remain the eternal theme of financial work. The Board of Supervisors adheres to a risk-oriented approach, closely monitoring the Bank's potential risks and vulnerabilities. It continuously strengthens routine oversight of risk management and targeted special supervision, empowering risk prevention and control through precise supervision.

Firstly, we conduct targeted supervision by focusing on critical risk areas. Anchoring our efforts on key risk points in credit business, we organized a special investigation into collateral management. We conduct a comprehensive review of the Bank's overall collateral management practices, relevant regulatory requirements, and internal policy standards. We extensively researched advanced practices from peer institutions, focusing on examining the effectiveness and completeness of collateral management across key areas: establishment and modification of mortgage (pledge) rights, collateral valuation management, custody of title documents, and development of collateral information systems. This effort yielded targeted management recommendations to further refine the end-to-end collateral management mechanism, substantially enhance collateral risk mitigation effectiveness, and provide robust support for the stable development of the Bank's credit operations.

REPORT OF THE BOARD OF SUPERVISORS

Secondly, we strengthen oversight of key business risks. To prevent and control financial risks while enhancing the effectiveness of financial support for the real economy, a targeted investigation was conducted in the area of rollover loans without principal repayment. This initiative comprehensively assessed the current status of business system development, operational processes, risk prevention and control, and system construction. Focusing on the management mechanisms for rollover loans without principal repayment, the “three checks” for loans, and other aspects. This promotes the refinement of end-to-end risk control mechanisms for the business, effectively leveraging supervision’s pivotal role in preventing and mitigating risks to fortify the risk defense line for stable business development. Proactively assess changes in domestic and international anti-money laundering (AML) landscapes. Based on the Bank’s current AML risk management status, we provide oversight guidance on implementing the new Anti-Money Laundering Law, preparing for enforcement inspections, and conducting AML training and urge enhanced AML governance capabilities.

Thirdly, we closely monitor the resolution and disposal of risk assets. We strengthened full-process oversight of risk assets, track regulatory indicators and asset quality changes on a monthly basis, urge relevant departments to fulfill their resolution responsibilities and optimize disposal strategies, and drive improvements in the quality and efficiency of risk resolution and disposal. These efforts are aimed at safeguarding the Bank’s overall asset security and stable operations. We proactively extend the oversight chain by continuously strengthening risk supervision of subsidiaries. Based on the current status of the 2024 risk supervision priorities for subsidiary supervisory boards, prepare a dedicated risk information supervision report for subsidiaries. Submit this report to bank leadership for review and distribute it to relevant departments to promote enhanced risk management and control within subsidiaries.

(IV) Strengthening compliance foundations and enhancing management efficiency through internal control oversight

A sound and effective internal control system is the cornerstone of the Bank’s secure operations. Leveraging the “1+2+3” bank-wide oversight framework, the Board of Supervisors focuses on critical internal control checkpoints, rigorously conducting internal control oversight to support the optimization of the Bank’s internal control system and the enhancement of management capabilities.

Firstly, we continuously monitor the operational effectiveness of the oversight system. Daily oversight of the three lines of defense is strengthened, with rigorous review of compliance and audit department reports on implementing oversight system directives, as well as operational units’ internal control self-assessment reports. This ensures dynamic monitoring of duty fulfillment across all three lines. Supervision prompts are issued to relevant departments regarding internal control inspections, policy management, and policy repository development, compelling all levels to solidify responsibilities and reinforce the oversight system’s operational foundation. Simultaneously, we strengthen the coordinated guidance of audit work. Carefully review materials such as annual audit work plans, annual internal control evaluation reports, key audit systems, and special audit reports. Leverage the deep integration of supervision and audit to effectively fulfill the role of the third line of defense, comprehensively enhancing the overall operational effectiveness of the supervision system.

REPORT OF THE BOARD OF SUPERVISORS

Secondly, we deepen the compliance framework of institutional systems. We consistently prioritize the standardization and normalization of institutional frameworks as a key driver for enhancing internal control management and governance capabilities. Daily oversight focuses on critical internal control management aspects such as refining the Bank's institutional framework, formulating policies, and ensuring their implementation. We focus on developing core systems for internal control risks and business products, rigorously supervising the entire process from system formulation to implementation. We propose optimization recommendations across dimensions such as system refinement, responsibility implementation, process optimization, and internalization of external regulations. This ensures our system aligns with regulatory requirements and adapts to business development, driving rigorous system execution and tangible results. These efforts lay the foundation for internal control compliance, supporting the Bank's stable operations.

Thirdly, we intensified follow-up oversight on the implementation of corrective measures. We persist in treating long-term governance of issue rectification as a crucial measure to prevent internal control management deficiencies. We conduct targeted spot checks and verification on the rectification of issues raised by external regulators, closely monitoring the implementation of rectification responsibilities, the execution of measures, and the consolidation of results. Upon identifying issues, we promptly issue supervisory reminders, urging responsible departments to draw lessons from similar cases, address both symptoms and root causes, effectively fortify regulatory compliance defenses, and comprehensively enhance the quality and efficiency of rectification work. We will routinely conduct follow-up supervision on issues identified during the 2024 post-loan management system implementation inspection. This includes closely monitoring the effectiveness of rectification in key post-loan management areas, promptly issuing reminder letters to business units, reinforcing end-to-end management responsibilities for credit operations, promoting the establishment of long-term rectification mechanisms, strengthening internal control foundations, and safeguarding the sustained and healthy development of our bank's operations.

(V) Grounded in prudent management, we enhance the quality and effectiveness of financial control through oversight

The authenticity, compliance, and efficiency of financial activities directly impact the Bank's operational outcomes and shareholder equity. The Board of Supervisors consistently prioritizes financial oversight as central to safeguarding capital security and improving resource allocation efficiency. It focuses its supervision on major financial decisions, financial reporting, and key financial activities, fully committed to protecting the fundamental interests of state-owned assets and shareholders.

Firstly, we intensified specialized financial oversight. Based on the Bank's operational status and internal and external inspection findings, we focused financial supervision on critical areas such as financial asset risk classification, expected credit loss models, budget execution, and the applicability of financial systems. Timely oversight reminders were issued to relevant departments to drive continuous improvements in standardized and refined financial management. Simultaneously, supervision and inspection will be conducted in key areas such as physical asset valuation and county bank equity valuation. Focus will be placed on the effectiveness of asset valuation systems and the standardization of valuation processes. Reminders and suggestions will be sent to relevant departments to urge improvements in the valuation management system, strengthen process management and risk prevention, fully implement regulatory and internal control requirements, and ensure the standardized and orderly operation of state-owned asset valuation work.

REPORT OF THE BOARD OF SUPERVISORS

Secondly, we deepen the routine oversight of financial operations. Focus on key financial management and operational matters within the Bank, track monthly financial data across the Group and performance metrics of each business unit, and prudently review important proposals such as periodic financial reports, budget and final accounts, and profit distribution plans, while offering targeted recommendations. We strengthen the supervision of major financial decisions. For critical matters such as equity acquisitions and restructuring of county banks, provide opinions and recommendations from perspectives including corporate governance decision-making procedures, adequacy and rationality of pricing bases, feasibility of proposals, and potential reputational risks, thus ensuring the standardized and efficient advancement of county bank reforms.

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

Legal operation of the Bank: During the Reporting Period, the Board of Directors and senior management of the Bank adhered to the operation in accordance with the laws, and the decision-making procedures complied with laws, regulations and the relevant provisions of the Articles of Association of the Bank. In the performance process, no behaviors were found in breach of the laws, regulations and the Articles of Association of the Bank, or jeopardized the interest of the Bank.

Preparation of regular reports: During the Reporting Period, the Board of Supervisors reviewed the 2024 annual report and 2025 interim report of the Bank, and considered that its procedures of preparation and approval were in compliance with relevant laws, regulations and regulatory requirements, and these reports give a true, accurate and complete view of the financial positions and operating results of the Bank.

Profit distribution plan: During the Reporting Period, the Board of Supervisors reviewed the 2024 Profit Distribution Plan of the Bank, and considered that the profit distribution plan complied with the relevant provisions of laws, regulations and the Articles of Association, and was in the interests of all the shareholders, which was beneficial to the long-term development of the Bank.

Use of Proceeds: During the Reporting Period, the Bank's use of proceeds was consistent with the purposes as stated in the Prospectus.

Formulation and implementation of strategy: During the Reporting Period, after its assessment on the development strategy in terms of scientific standard, rationality and soundness, the Board of Supervisors considered that the strategy outline of the Bank was comprehensive and scientific and was already implemented well, allowing the Bank to make progress in key areas effectively.

Implementation of resolutions adopted at general meeting(s): During the Reporting Period, the Board of Supervisors supervised the implementation of resolutions passed at general meeting(s), and concluded that the Board of Directors and the senior management were able to duly implement such resolutions.

Performance of the Board of Directors and senior management and their members: During the Reporting Period, the Board of Supervisors appraised the performance of the Board of Directors and senior management and their members for 2024 pursuant to the supervisory regulations, and reported the performance appraisal results to the general meeting and the regulator. The performance appraisal results were competence.

REPORT OF THE BOARD OF SUPERVISORS

Internal control and risk management: During the Reporting Period, the Board of Supervisors supervised the internal control and risk management of the Bank, and reviewed the 2024 Internal Control Assessment Report and 2024 Work Report on Comprehensive Risk Management. No material defects were found in the internal control and risk management of the Bank.

Performance of social responsibility: During the Reporting Period, the Bank performed its social responsibility in a proactive manner, and the Board of Supervisors had no objections to the 2024 Corporate Social Responsibility Report of the Bank.

Related party transactions: During the Reporting Period, the Bank entered into related party transactions in accordance with the laws and regulations of PRC and the relevant requirements of the Articles of Association. The Board of Supervisors confirmed that no activities were in breach of the principles of honest and fair or jeopardized the interest of the Bank and its shareholders.



**TO THE SHAREHOLDERS OF
GUANGZHOU RURAL COMMERCIAL BANK CO., LTD.**

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

OPINION

We have audited the consolidated financial statements of Guangzhou Rural Commercial Bank Co., Ltd. (the "Bank") and its subsidiaries (collectively referred to as the "Group") set out on pages 168 to 320, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

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

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). 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 Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("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.

INDEPENDENT AUDITOR'S REPORT

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.

Key audit matter	How our audit addressed the key audit matter
<p>Measurement of expected credit losses ("ECL") for loans and advances to customers measured at amortised cost and financial investments measured at amortised cost</p>	
<p>The Group uses the expected credit loss ("ECL") model to calculate the loss allowance in accordance with International Financial Reporting Standard 9, Financial instruments ("IFRS 9").</p> <p>The Group classifies loans and advances to customers measured at amortised cost and financial investments measured at amortised cost into three stages, based on whether credit risk of financial assets has increased significantly since initial recognition or whether the financial assets are credit-impaired.</p> <p>Other than credit-impaired corporate loans and advances to customers measured at amortised cost and financial investments measured at amortised cost, the loss allowance are measured using the risk parameter modelling approach based on probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD"), discount rate and forward-looking information which take into account the historical overdue data, historical loss ratios, internal credit gradings and other adjustment factors.</p>	<p>Our audit procedures for the loss allowances of loans and advances to customers measured at amortised cost and financial investments measured at amortised cost mainly included the following:</p> <ul style="list-style-type: none"> • Design, implementation and operating effectiveness of key internal controls <ul style="list-style-type: none"> – Understood and assessed key internal controls of ECL model, including the selection, approval, and application of ECL model methodology, parameter updates, input of underlying data and parameters, and loan staging based on customer asset quality, cash flow projection used in the discounted cash flow method, and the review and approval of forward-looking information, and tested the operating effectiveness; – Understood and assessed the information technology system and the related controls, including general information technology controls, data transmission between systems, and tested the operating effectiveness.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Measurement of expected credit losses ("ECL") for loans and advances to customers measured at amortised cost and financial investments measured at amortised cost (continued)	
<p>The loss allowance for credit-impaired corporate loans and advances to customers measured at amortised cost and financial investments measured at amortised cost are principally measured using the discounted cash flow method. Management exercises judgement in determining recoverable cash flows based on a range of factors. These factors include available remedies for recovery, the financial situation of the borrowers, collateral valuation, the seniority of the claim, the existence of other creditors, and disposals.</p> <p>ECL for loans and advances to customers and financial investments measured at amortised cost is a subjective area due to the degree of judgement applied by management in determining loss allowances. From the Group's perspective, the determination of the loss allowances for loans and advances to customers and financial investments is heavily dependent on the external macroeconomy and the Group's internal credit risk management strategy.</p> <p>We identified the measurement of ECL for loans and advances to customers and financial investments measured at amortised costs as a key audit matter because of the inherent uncertainty and management judgements involved, and because the loss allowance is significant to the financial results of the Group.</p>	<ul style="list-style-type: none"> • Procedures on ECL model <ul style="list-style-type: none"> – assessed the reliability and appropriateness of the ECL model and the reasonableness of key parameters used in the model, including: PD, LGD, EAD, discount rate, forward-looking information, and evaluated the rationality of the key management judgements on those key parameters; – verified, on a sample basis, the calculation logic of ECL model and the accuracy of ECL model data input such as loan agreement amount, due date, interest rate, guarantee method. • Credit review and other substantive procedures performed on corporate loans and financial investments measured at amortised cost <ul style="list-style-type: none"> – selected samples for credit review by focusing on industries that are significantly affected by fluctuations of economic cycle and policy regulations, and loans with other high-risk characteristics;

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Measurement of expected credit losses ("ECL") for loans and advances to customers measured at amortised cost and financial investments measured at amortised cost (continued)	
<p>As at 31 December 2025, the gross amount of Group's loans and advances to customers was RMB706,058 million, of which RMB617,230 million were measured at amortised cost. A loss allowance of RMB21,177 million was recognised for loans and advances to customers measured at amortised cost in the Group's consolidated statement of financial position.</p> <p>As at 31 December 2025, the gross balance of financial investments measured at amortised costs amounted to RMB188,685 million, with a loss allowance of RMB2,062 million.</p> <p>Refer to Note 2, Note 3, Note 20 and Note 23 to the consolidated financial statements for relevant disclosures.</p>	<ul style="list-style-type: none"> - analysed the borrower's or the debtor's financial and non-financial information, and other available information, and evaluated the reasonableness of management's judgement on staging, including whether credit risk has increased significantly since initial recognition and whether credit impairment events have occurred by reviewing the credit files, interviewing management, independently searching for publicly available information and exercising professional judgement; - performed credit assessments on borrower's or debtor's and guarantor's financial information, collateral valuation and other sources of repayment for the selected stage 3 credit-impaired corporate loans and advances and financial investments measured at amortised cost, tested the recalculation of impairment provision based on the recoverable cash flows and discount rates, and evaluated whether there was any material misstatement.

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION

The directors of the Bank are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

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 solely to you, as a body, in accordance with our agreed terms of engagements, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism 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 of the Bank.
- Conclude on the appropriateness of the directors of the Bank's 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.

INDEPENDENT AUDITOR'S REPORT

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

- 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 those charged with governance 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 governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Chong Kwok Shing (practising certificate number: P05139).

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong
27 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 December 2025

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

	Notes	Year ended 31 December	
		2025	2024
Interest income	5	35,136,755	37,959,981
Interest expense	5	(21,448,084)	(24,345,234)
Net interest income		13,688,671	13,614,747
Fee and commission income	6	1,125,233	1,020,985
Fee and commission expense	6	(441,029)	(459,420)
Net fee and commission income		684,204	561,565
Net trading (losses)/gains	7	(730,147)	383,555
Net gains on financial investments	8	1,577,938	1,226,420
Net gain on disposal of a subsidiary		13,046	–
Other income, gains or losses, net	9	156,291	45,396
Operating income		15,390,003	15,831,683
Operating expenses	10	(6,447,692)	(6,546,413)
Credit impairment losses	12	(7,275,842)	(7,768,944)
Impairment losses on other assets		(138,144)	(41,846)
Profit before income tax		1,528,325	1,474,480
Income tax credit	13	935,607	941,064
Profit for the year		2,463,932	2,415,544
Attributable to:			
Shareholders of the Bank		2,121,879	2,080,674
Non-controlling interests		342,053	334,870
		2,463,932	2,415,544
Earnings per share (RMB yuan)			
– basic and diluted	15	0.12	0.10

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 December 2025

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

	Year ended 31 December	
	2025	2024
Profit for the year	2,463,932	2,415,544
Other comprehensive income (after tax, net)		
Items that may be reclassified subsequently to profit or loss		
Changes in fair value of financial investments at fair value through other comprehensive income	(2,916,552)	3,698,316
Changes in the expected credit losses of financial investments at fair value through other comprehensive income	321,858	(57,104)
Items that will not be reclassified to profit or loss		
Remeasurement gains/(losses) on defined benefit plans	605	(69,224)
Subtotal of other comprehensive income	(2,594,089)	3,571,988
Total comprehensive income for the year	(130,157)	5,987,532
Total comprehensive income attributable to:		
Shareholders of the Bank	(168,260)	5,433,367
Non-controlling interests	38,103	554,165
	(130,157)	5,987,532

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

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

	Notes	31 December 2025	31 December 2024
ASSETS			
Cash and deposits with central bank	16	87,488,460	74,750,057
Deposits with banks and other financial institutions	17	21,831,800	15,634,038
Placements with banks and other financial institutions	18	77,976,037	70,803,135
Financial assets held under resale agreements	19	54,717,626	30,054,622
Loans and advances to customers	20	684,881,611	698,208,449
Financial investments			
– Financial investments at fair value through profit or loss	21	57,149,463	75,073,415
– Financial investments at fair value through other comprehensive income	22	173,835,580	171,042,104
– Financial investments at amortised cost	23	186,622,824	199,810,694
Property and equipment	24	3,183,345	3,295,702
Goodwill	25	634,637	734,237
Deferred tax assets	26	14,633,333	12,126,897
Other assets	27	17,053,755	10,874,571
Total assets		1,380,008,471	1,362,407,921
LIABILITIES			
Due to central bank		48,894,247	15,143,552
Deposits from banks and other financial institutions	28	20,049,747	37,200,835
Placements from banks and other financial institutions	29	5,604,217	5,462,878
Financial liabilities at fair value through profit or loss	30	4,704,858	5,271,864
Financial assets sold under repurchase agreements	31	24,717,633	29,623,563
Customer deposits	32	1,008,267,060	979,458,777
Income tax payable		1,096,439	1,296,636
Debt securities issued	33	147,001,712	162,100,456
Other liabilities	34	18,576,729	23,931,219
Total liabilities		1,278,912,642	1,259,489,780

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

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

	Notes	31 December 2025	31 December 2024
EQUITY			
Share capital	35	14,409,789	14,409,789
Other equity instruments	36	12,000,000	12,000,000
Reserves	37	47,545,437	49,577,085
Retained earnings		19,774,899	18,871,033
Equity attributable to shareholders of the Bank		93,730,125	94,857,907
Non-controlling interests		7,365,704	8,060,234
Total equity		101,095,829	102,918,141
Total liabilities and equity		1,380,008,471	1,362,407,921

The consolidated financial statements were approved by the Board of Directors on 27 March 2026 and were signed on its behalf by:

Cai Jian
Chairman

Li Yaguang
Chief Financial Officer

Huang Sunan
Head of Financial Department

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 December 2025

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

	Attributable to shareholders of the Bank							Non-controlling interests	Total		
	Reserves										
	Share capital	Other equity instruments	Capital reserve	Surplus reserve	General reserve	Other reserves	Subtotal			Retained earnings	Subtotal
At 1 January 2025	14,409,789	12,000,000	22,082,578	6,020,835	18,148,089	3,325,583	49,577,085	18,871,033	94,857,907	8,060,234	102,918,141
Net profit for the year	-	-	-	-	-	-	-	2,121,879	2,121,879	342,053	2,463,932
Other comprehensive income for the year	-	-	-	-	-	(2,290,139)	(2,290,139)	-	(2,290,139)	(303,950)	(2,594,089)
Total comprehensive income for the year	-	-	-	-	-	(2,290,139)	(2,290,139)	2,121,879	(168,260)	38,103	(130,157)
Disposal of a subsidiary	-	-	-	-	-	-	-	-	-	(211,082)	(211,082)
Transactions with non-controlling interests	-	-	6,151	-	-	-	6,151	-	6,151	(306,375)	(300,224)
Repurchase of shares by subsidiary	-	-	1,881	-	-	-	1,881	-	1,881	(5,877)	(3,996)
Shareholders' donation	-	-	14,487	-	-	-	14,487	-	14,487	10,931	25,418
Appropriation to surplus reserve	-	-	-	180,350	-	-	180,350	(180,350)	-	-	-
Appropriation to general reserve	-	-	-	-	55,622	-	55,622	(55,622)	-	-	-
Dividends declared and paid to ordinary shareholders	-	-	-	-	-	-	-	(648,441)	(648,441)	-	(648,441)
Distributions to other equity instrument holders	-	-	-	-	-	-	-	(333,600)	(333,600)	-	(333,600)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	(220,230)	(220,230)
At 31 December 2025	14,409,789	12,000,000	22,105,097	6,201,185	18,203,711	1,035,444	47,545,437	19,774,899	93,730,125	7,365,704	101,095,829

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 December 2025

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

	Attributable to shareholders of the Bank								Non-controlling interests	Total	
	Reserves							Subtotal			
	Share capital	Other equity instruments	Capital reserve	Surplus reserve	General reserve	Other reserves	Subtotal				Retained earnings
At 1 January 2024	14,409,789	9,820,734	22,420,958	5,844,020	16,835,889	(27,110)	45,073,757	19,521,895	88,826,175	7,714,702	96,540,877
Net profit for the year	-	-	-	-	-	-	-	2,080,674	2,080,674	334,870	2,415,544
Other comprehensive income for the year	-	-	-	-	-	3,352,693	3,352,693	-	3,352,693	219,295	3,571,988
Total comprehensive income for the year	-	-	-	-	-	3,352,693	3,352,693	2,080,674	5,433,367	554,165	5,987,532
Transactions with non-controlling interests	-	-	2,112	-	-	-	2,112	-	2,112	(3,554)	(1,442)
Redemption of preference shares	-	(9,820,734)	(351,285)	-	-	-	(351,285)	-	(10,172,019)	-	(10,172,019)
Issuance of perpetual bonds	36	12,000,000	(226)	-	-	-	(226)	-	11,999,774	-	11,999,774
Shareholders' donation	-	-	11,019	-	-	-	11,019	-	11,019	4,364	15,383
Appropriation to surplus reserve	-	-	-	176,815	-	-	176,815	(176,815)	-	-	-
Appropriation to general reserve	-	-	-	-	1,312,200	-	1,312,200	(1,312,200)	-	-	-
Dividends declared and paid to ordinary shareholders	14	-	-	-	-	-	-	(576,392)	(576,392)	-	(576,392)
Distributions to other equity instrument holders	14	-	-	-	-	-	-	(666,129)	(666,129)	-	(666,129)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	(209,443)	(209,443)
At 31 December 2024	14,409,789	12,000,000	22,082,578	6,020,835	18,148,089	3,325,583	49,577,085	18,871,033	94,857,907	8,060,234	102,918,141

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

	Notes	Year ended 31 December	
		2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		1,528,325	1,474,480
Adjustments for:			
Interest income on financial investments	5	(9,176,195)	(8,951,831)
Interest income accrued on impaired financial assets		(540,809)	(692,645)
Interest expense on debt securities	5	3,297,638	3,653,506
Net trading losses/(gains)		1,436,892	(224,842)
Net gain on disposal of a subsidiary		(13,046)	–
Net gains on financial investments	8	(1,577,938)	(1,226,420)
Net foreign exchange losses	9	29,364	167,042
Net gains on disposal of property and equipment, foreclosed assets and lease assets		(95,102)	(38,337)
Depreciation and amortisation	10	646,756	604,797
Depreciation of investment properties		3,784	7,918
Interest expense on lease liabilities	5	23,537	45,714
Impairment losses		7,413,986	7,810,790
Others		333,060	412,032
		3,310,252	3,042,204
Net (increase)/decrease in operating assets:			
Balances with central bank		(1,889,309)	1,646,498
Deposits with banks and other financial institutions		2,557,018	(4,167,093)
Placements with banks and other financial institutions		(7,506,351)	(16,882,362)
Financial assets held under resale agreements		(24,664,152)	(8,633,736)
Loans and advances to customers		6,380,747	4,636,068
Financial investments at fair value through profit or loss		(1,050,778)	(4,921,209)
Other assets		(6,341,667)	(6,390,634)
		(32,514,492)	(34,712,468)
Net increase/(decrease) in operating liabilities:			
Due to central bank		33,750,695	(12,332,299)
Deposits from banks and other financial institutions		(17,151,088)	(5,349,087)
Placements from banks and other financial institutions		402,267	–
Financial liabilities at fair value through profit or loss		(410,176)	5,095,601
Financial assets sold under repurchase agreements		(4,905,930)	(22,077,556)
Customer deposits		30,275,659	32,267,677
Other liabilities		528,538	(1,170,877)
		42,489,965	(3,566,541)
Net cash flows from/(used in) operating activities before tax		13,285,725	(35,236,805)
Income tax paid		(913,111)	(816,690)
Net cash flows from/(used in) operating activities		12,372,614	(36,053,495)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

	Notes	Year ended 31 December	
		2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property and equipment and other long-term assets		(339,848)	(866,013)
Net cash outflow on disposal of a subsidiary		(521,097)	–
Proceeds from disposal of property and equipment and other long-term assets		107,194	50,486
Cash paid for investments		(90,273,799)	(136,408,565)
Proceeds from sale and redemption of investments		109,018,006	109,587,232
Investment returns received		15,529,598	11,786,397
Net cash flows from/(used in) investing activities		33,520,054	(15,850,463)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from other financing activities	44	–	10,404,354
Shareholders' donation		25,418	15,383
Proceeds from issuance of other equity instrument		–	12,000,000
Proceeds from debt securities issued	44	211,790,000	256,020,000
Acquisition of partial non-controlling interest of subsidiaries		(304,220)	(1,442)
Cash paid for redemption of preference shares		–	(10,172,019)
Repayment of debt securities issued	44	(227,220,000)	(221,640,000)
Interest paid on debt securities	44	(2,966,382)	(3,796,563)
Dividends paid to ordinary shareholders	44	(648,441)	(576,392)
Distributions to other equity instrument holders		(333,600)	(666,129)
Repayment of lease liabilities		(224,376)	(189,648)
Dividends paid to non-controlling shareholders	44	(220,183)	(210,781)
Interest paid on other financing activities	44	(708,733)	(412,573)
Repayment on other financing activities	44	(5,439,000)	–
Others		4,753	(9,333)
Net cash flows (used in)/ from financing activities		(26,244,764)	40,764,857
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		19,647,904	(11,139,101)
Cash and cash equivalents at the beginning of the year		35,606,902	46,700,943
Effect of exchange rate changes on cash and cash equivalents		(51,654)	45,060
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	39	55,203,152	35,606,902
Net cash flow from operating activities include:			
Interest received		27,471,500	30,715,898
Interest paid		(19,882,647)	(20,188,891)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

1. CORPORATE INFORMATION

Guangzhou Rural Commercial Bank Co., Ltd. (the “**Bank**”), whose predecessor was established in 1952, underwent a series of reforms in subsequent years. Under the “Approval Regarding the Opening of Guangzhou Rural Commercial Bank Co., Ltd.” (Yinjianfu No. [2009]484) issued by the China Banking Regulatory Commission (the “**CBRC**”, which is now the National Financial Regulatory Administration (“**NFRA**”)), Guangzhou Rural Commercial Bank Co., Ltd. was incorporated on 9 December 2009.

The Bank obtained its finance permit No. B1048H244010001 from the Guangdong Bureau of China Banking Insurance Regulatory Commission (the “**CBIRC**” which is now the NFRA) and its business license of Unified Social Credit code No. 914401017083429628 from Guangzhou Market Supervision and Administration Bureau. The registered office is located at No. 9 Yingri Road, Huangpu District, Guangzhou, China. On 20 June 2017, the Bank was listed on The Stock Exchange of Hong Kong Limited.

The Bank and its subsidiaries (the “**Group**”) conduct their operating activities in China.

The principal activities of the Bank and its subsidiaries comprise taking deposits from the general public (including domestic and foreign currencies), granting short, medium and long-term loans (including domestic and foreign currencies), domestic and international settlements, bills acceptance and discounting, providing agency services for issuing/redemption and underwriting of government bonds, trading government bonds, trading and issuing financial bonds, inter-bank placements (including domestic and foreign currency), bank cards (including debit cards and credit cards) business, providing agency services of payment collection and insurance agency service, providing safe locker service, foreign currency remittance, foreign currency exchange, settlement and sale of foreign exchange, foreign credit investigations, advisory and attestation service, securities investment fund and insurance assets trusteeship, financing services, securities investment fund sales business, e-bank services, securitisation of credit assets, financial leasing related business and other financial business activities approved by the CBIRC or other relevant regulators.

The consolidated financial statements were authorised for issue by the Board of Directors of the Bank on 27 March 2026.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“**IFRS Accounting Standards**”) and include applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the Hong Kong Companies Ordinance. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users.

These consolidated financial statements have been prepared on an accrual basis and under the historical cost convention except for financial assets/liabilities at fair value through profit or loss and other comprehensive income that have been measured at fair value. These financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

2.1 New and amendments to IFRS Accounting Standards that are mandatorily effective in current year

In the current year, the Group has applied, for the first time, the following amendments to IFRS Accounting Standards issued by the IASB which are mandatorily effective for the annual period beginning on or after 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21

Lack of exchangeability

The application of the above amendments has no material impact on the Group’s financial positions and the financial performance for the current and prior years and the disclosures set out in these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

		Effective for annual periods beginning on or after
Amendments to IFRS 9 and IFRS 7	Amendments to the classification and measurement of financial instruments	1 January 2026
Amendments to IFRS 9 and IFRS 7	Contracts referencing nature - dependent electricity	1 January 2026
Amendments to IFRS Accounting Standards	Annual improvements to IFRS accounting standards – Volume 11	1 January 2026
IFRS 19	Subsidiaries without public accountability: disclosures	1 January 2027
IFRS 18	Presentation and disclosure in financial statements	1 January 2027
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements.

The Group is assessing the impact of adopting the above new standards and amendments. Currently except for IFRS 18, the adoption of the above is expected not to have a material impact on the Group's consolidated financial statements. The application of the IFRS 18 is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group's consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policy information

(1) Basis of consolidation

Control is achieved when the Bank is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Bank controls an investee if and only if the Bank has:

- (a) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (b) Exposure, or rights, to variable returns from its involvement with the investee; and
- (c) The ability to use its power over the investee to affect its returns.

When the Bank has less than majority of the voting or similar rights of an investee, the Bank considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) The contractual arrangement with the other voting right holders of the investee;
- (b) Rights arising from other contractual arrangements; and
- (c) The Group's voting rights and potential voting rights.

The Bank re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership of a subsidiary without a loss of control, is accounted for as equity transaction. Consolidation of a subsidiary begins when the Bank obtains control over the subsidiary and ceases when the Bank loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the financial statements from the date the Bank gains control until the date the Bank ceases to control the subsidiary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policy information (continued)

(1) Basis of consolidation (continued)

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

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.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, and within equity in the consolidated statement of financial position separately from the equity attributable to equity holders of the parent company. An acquisition of non-controlling interests is accounted for as an equity transaction.

(2) Foreign currency translation

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

Foreign currency transactions are initially recorded at the functional currency using the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the applicable exchange rates ruling at the end of the reporting period. Exchange differences arising on the settlement of monetary items or on translating monetary items at period end rates are recognised in the consolidated statement of profit or loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates as at the date when the fair value is determined.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policy information (continued)

(3) *Financial instruments*

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15 Revenue from Contracts with Customers ("**IFRS 15**"). Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("**FVTPL**")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Credit adjusted effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial asset to the amortised cost of a financial asset that is a purchased or originated credit-impaired financial asset. When calculating the credit adjusted effective interest rate, an entity shall estimate the expected cash flows by considering all contractual terms of the financial asset (for example, prepayment, extension, call and similar options) and initial expected credit losses.

Interest/dividend income which are derived from the Group's ordinary course of business are presented as revenue.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policy information (continued)

(3) Financial instruments (continued)

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (“**FVTOCI**”):

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 Business Combinations applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not a designated and effective hedging instrument.

In addition, the Group may irrevocably designate a financial asset that is required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policy information (continued)

(3) Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained profits.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "Other income" line item in profit or loss.

(iii) Financial investments at FVTPL

Financial investments that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial investments at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "Other income" line item.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policy information (continued)

(3) Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9

The Group performs impairment assessment under expected credit loss (“**ECL**”) model on financial assets including financial assets measured at amortised cost, loans and receivables and credit commitments which are subject to impairment assessment under IFRS 9 Financial Instruments (“**IFRS 9**”). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“**12m ECL**”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policy information (continued)

(3) Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (continued)

(i) Significant increase in credit risk (continued)

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of “investment grade” as per globally understood definitions.

For loan commitments, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a loan commitment, the Group considers changes in the risk of a default occurring on the loan to which a loan commitment relates.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

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

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policy information (continued)

(3) Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lenders of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower concessions that the lenders would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties;
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policy information (continued)

(3) Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (continued)

(iv) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience and forward looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. For a lease receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16 Leases (“**IFRS 16**”).

(v) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group’s recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

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

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policy information (continued)

(3) Financial instruments (continued)

Financial assets (continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is not reclassified to profit or loss, but is transferred to retained profits.

Financial liabilities and equity

Classification and subsequent measurement of financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(i) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Perpetual instruments, which include no contractual obligation for the Group to deliver cash or other financial assets or the Group has the sole discretion to defer payment of distribution and redemption of principal amount indefinitely are classified as equity instruments. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policy information (continued)

(3) Financial instruments (continued)

Financial liabilities and equity (continued)

Classification and subsequent measurement of financial liabilities and equity (continued)

(ii) Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

(a) Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which IFRS 3 applies, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policy information (continued)

(3) Financial instruments (continued)

Financial liabilities and equity (continued)

Classification and subsequent measurement of financial liabilities and equity (continued)

(ii) Financial liabilities (continued)

(a) Financial liabilities at FVTPL (continued)

For financial liabilities that are designated as at FVTPL, the amount of changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained profits upon derecognition of the financial liability.

(b) Financial liabilities at amortised cost

Financial liabilities other than at FVTPL are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policy information (continued)

(3) Financial instruments (continued)

Financial guarantee contracts and loan commitments

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- The amount of expected credit loss allowance; and
- The premium received on initial recognition less income recognised in accordance with the principles of IFRS 15.

Loan commitments provided by the Group are measured as the amount of the ECL allowance. The Group has not provided any commitment to provide loans at a below-market interest rate, or that can be settled net in cash or by delivering or issuing another financial instrument.

For loan commitments and financial guarantee contracts, the ECL allowance is recognised as a provision. ECL is the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party. For undrawn loan commitments, the ECL is the present value of the difference between the contractual cash flows that are due to the Group if the holder of the loan commitments draws down the loan, and the cash flows that the Group expects to receive if the loan is drawn down. However, for contracts that include both a loan and an unused commitment and the Group cannot separately identify provision of unused commitment component from the loan component, the ECL on the unused commitment are recognised together with the ECL allowance for the loan. Provided that the combined ECL exceed the gross carrying amount of the loan, the ECL are recognised as provisions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policy information (continued)

(4) *Derivative financial instruments*

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss.

(5) *Reverse repurchase and repurchase transactions*

Assets sold under agreements to repurchase at a specified future date (“**repos**”) are not derecognised from the statement of financial position. The corresponding cash received, including accrued interest, is recognised on the statement of financial position as a “repurchase agreement”, reflecting its economic substance as a loan to the Group. The difference between the sale and repurchase prices is treated as an interest expense and is accrued over the life of the agreement using the effective interest rate method.

Conversely, assets purchased under agreements to resell at a specified future date (“**reverse repos**”) are not recognised on the statement of financial position. The corresponding cash paid, including accrued interest, is recognised on the statement of financial position as a “reverse repurchase agreement”. The difference between the purchase and resale prices is treated as an interest income and is accrued over the life of the agreement using the effective interest rate method.

(6) *Property and equipment*

Property and equipment, other than construction in progress are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property and equipment comprises its purchase price, tax and any directly attributable costs of bringing the asset to its present working condition and location for its intended use. Expenditure incurred after items of property and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement.

Construction in progress comprises the actual costs of construction. These costs comprise various direct construction costs during the period of construction and other related expenditures. When an asset under construction is ready for its intended use, it is reclassified to fixed assets, intangible assets or other assets, and depreciation or amortisation is provided for according to corresponding policies. Construction in progress is not depreciated until the construction is completed and the asset is ready for its intended use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policy information (continued)

(6) Property and equipment (continued)

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property and equipment, less any estimated residual value, over the estimated useful life. The estimated useful life, estimated residual value and annual depreciation rate of each item of property and equipment are as follows:

	Estimated useful life	Estimated residual value	Annual depreciation rate
Properties and buildings	10 to 40 years	0% – 5%	2.38% – 9.50%
Leasehold improvements	Over the shorter of the useful economic lives and remaining lease terms		
Equipment	3 to 5 years	0% – 5%	19.00% – 31.67%
Machinery	18 years	0%	5.56%
Motor vehicles	3 to 5 years	0% – 5%	19.00% – 31.67%

Where parts of an item of property and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year the asset is derecognised.

(7) Land use rights

Land use rights are right-of-use assets and are recognised at cost, which is the consideration paid. The rights are amortised using the straight-line basis over the period of the leases.

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

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policy information (continued)

(8) Foreclosed assets

Foreclosed assets are initially recognised at fair value and subsequently measured at the lower of their carrying amount and fair value less costs to sell, at the end of each reporting period. When the fair value less costs to sell is lower than a foreclosed asset's carrying amount, an impairment loss is recognised in the consolidated statement of profit or loss.

Any gain or loss arising on the disposal of the foreclosed asset is included in the consolidated statements of profit or loss in the period in which the item is disposed.

The Group disposes of foreclosed assets through various means. In principle, foreclosed assets should not be transferred for own use, but, in the event that they are needed for the Group's own business or management purposes, they are transferred at their net carrying amounts and managed as newly acquired property and equipment.

(9) Intangible assets (other than goodwill)

The Group's intangible assets mainly comprise computer software.

Intangible assets are initially measured at cost and recognised only when it is probable that economic benefits associated with the asset will flow to the Group and the cost can be reliably measured. Otherwise, they are recognised in the consolidated statement of profit or loss in the period in which they occur.

Upon an intangible asset becoming ready for its intended use, the costs less estimated residual value and any impairment losses are amortised over its estimated useful life on the straight-line basis.

The useful lives of the Group's intangible assets are from 2 years to 10 years. The amortisation rates of the Group's intangible assets are between 10% and 50%.

The useful life and the amortisation method for intangible assets with finite useful lives are reviewed at the end of each reporting period. If the expected useful life of the asset or the amortisation method differs significantly from previous assessments, the amortisation period or amortisation method is adjusted accordingly as change of accounting estimate.

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2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policy information (continued)

(10) Business combination and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition costs incurred are expensed.

For each business combination, the Group measures at the acquisition date components of non – controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity’s net assets in the event of liquidation at either: (a) fair value; or (b) the present ownership instruments’ proportionate share in the recognised amounts of the acquiree’s identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair values, unless another measurement basis is required by IFRS Accounting Standards.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group’s previously held equity interests in the acquiree over the net identifiable assets acquired and liabilities assumed. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill at the end of the reporting period. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (or group of cash generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

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2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policy information (continued)

(10) Business combination and goodwill (continued)

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

(11) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the consolidated statement of profit or loss net of any reimbursement.

(12) Asset impairment

Impairment losses on assets except for deferred tax assets and financial assets are determined based on the following:

The Group assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, or when impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined on an individual basis, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered to be impaired and is written down to its recoverable amount. In assessing value in use of an asset, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policy information (continued)

(12) Asset impairment (continued)

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of any depreciation/amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss. After such a reversal, the depreciation/amortisation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(13) Cash and cash equivalents

Cash and cash equivalents refer to short-term highly liquid assets, which are readily convertible into known amounts of cash and subject to an insignificant risk of changes in value. Cash and cash equivalents comprise cash, unrestricted balances with the central bank, amounts due from banks and other financial institutions, financial assets held under resale agreements and debt investments with original maturity of less than three months.

(14) 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 each year is significant, the Group will present them at their present value.

(a) Statutory defined contribution plans

In accordance with the relevant laws and regulations, the employees of the Group participate in basic pension insurance and unemployment insurance schemes administered by the local government authorities. The Group calculates and contributes to the local government agencies under the above pension and insurance schemes using applicable contribution bases and rates stipulated in the relevant local regulations in the period the employees provide their services to the Group. Contributions to these plans are recognised in the statement of profit or loss as incurred.

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2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policy information (continued)

(14) Employee benefits (continued)

(b) Retirement benefit annuity plan

In addition to the basic pension insurance scheme, employees and early retirees of the Group also participate in a defined contribution 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 the consolidated statement of profit or loss when it incurs. 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.

(c) Supplemental retirement benefits

The Group pays supplemental retirement benefits to the retirees, including supplemental pension payments and medical expense coverage. The liability related to the supplemental retirement benefit obligations as at each financial reporting date is calculated by the Group using the projected unit credit method and is recorded as a liability under "Employee benefit obligations" in the consolidated statement of financial position. The present value of the liability is determined by discounting the estimated future cash outflows using interest rates of RMB treasury bonds which have terms to maturity approximating the terms of the related liability. The actuarial gains or losses of supplemental retirement benefits are recognised in "Other comprehensive income" in the period when they occur. The gains or losses arising from amendments to supplemental retirement benefit obligations are recognised in the consolidated statement of profit or loss in the period when they occur.

(d) Early retirement benefits

According to the Group's policy on early retirement benefits, certain employees are entitled to take leave of absence and in return receive a certain level of staff salaries and related benefits from the Group. The salaries and benefit payments are made from the date of early retirement to the normal retirement date. The amounts of retirement benefit expense and present value of these liabilities are dependent on assumptions used in calculating such amounts. These assumptions include discount rates, retirement benefit growth rates and other factors. Gains and losses arising from the changes in assumptions and amendments to pension plans are recognised in the consolidated statement of profit or loss as they occur.

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2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policy information (continued)

(15) *Fiduciary activities*

Where the Group acts in a fiduciary capacity such as custodian or agent, assets arising thereon together with related undertakings to return such assets to customers are excluded from the consolidated statement of financial position.

The asset custody services of the Group refer to the business that the Group as trustee approved by regulatory authorities, signs custody agreements with clients and takes the responsibility of trustee in accordance with relevant laws and regulations. The assets under custody are recorded as off-balance sheet items as the Group merely fulfils the responsibility as trustee and charges fees in accordance with these agreements without retaining any risks or rewards of the assets under custody.

The Group grants the entrusted loans on behalf of the trustors, which are recorded off-balance sheet. The Group, as a trustee, grants such entrusted loans to borrowers under the direction of those trustors who fund these loans. The Group has been contracted by those trustors to manage the administration and collection of these loans on their behalf. Those trustors determine both the underwriting criteria for and the terms of all entrusted loans including their purposes, amounts, interest rates, and repayment schedules. The risk of loss is borne by those trustors. The Group charges a commission related to its activities in connection with entrusted loans which is recognised ratably over the period in which the service is provided.

(16) *Recognition of income and expense*

(a) *Interest income*

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets measured at amortised cost or fair value through other comprehensive income, except for:

- Purchased or originated credit-impaired (“**POCI**”) financial assets, for which the original credit adjusted effective interest rate is applied to the amortised cost of the financial asset.
- Financial assets that are not ‘POCI’ but have subsequently become credit impaired (or ‘Stage 3’), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit losses allowance).

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2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policy information (continued)

(16) Recognition of income and expense (continued)

(a) Interest income (continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income or expense over the period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount on initial recognition. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instruments but does not consider future credit losses. The calculation includes all fees and interest paid or received that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

(b) Fee and commission income

The Group earns fee and commission income from a diverse range of services it provides to its customers.

The Group recognises revenue when a performance obligation is satisfied by transferring a promised good or service to a customer (thus the customer obtains control of that good or service).

(c) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

(d) Net trading income

Net trading income arising from trading activities include gains and losses from changes in fair value for financial assets and liabilities at fair value through profit or loss.

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2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policy information (continued)

(17) Income tax

Income tax comprises current and deferred income tax. Income tax is recognised in the consolidated statement of profit or loss except that it relates to items recognised directly in equity, in which case it is recognised in equity.

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of each year.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of each year between the tax bases of assets and liabilities and their carrying amounts.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- (i) Where the deferred tax liability arises from the initial recognition of goodwill or 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 income or deductible expenses; and
- (ii) In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

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2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policy information (continued)

(17) Income tax (continued)

(b) Deferred tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- (i) Where 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 income or deductible expenses; and
- (ii) In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will be reversed in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and deferred tax 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 each reporting period and reflect the corresponding tax effect.

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 income will be available to allow all or part of the deferred tax assets to be utilised. When it is virtually probable that sufficient taxable income will be available, the reduced amount can be reversed accordingly.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current income tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policy information (continued)

(18) Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

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2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policy information (continued)

(18) Leases (continued)

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

(19) Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person,
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group; or

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2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policy information (continued)

(19) Related parties (continued)

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

(20) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably. Contingent liabilities are disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable and can be reliably estimated, it will then be recognised as a provision.

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2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policy information (continued)

(21) Dividends

Dividends are recognised as a liability and deducted from equity when they are approved by the Group's shareholders in general meetings and declared. Interim dividends are deducted from equity when they are approved and declared, and no longer at the discretion of the Group. Dividends approved after the end of the year are disclosed as a post year-end event after the year. As authorised by the ordinary equity holders in the annual general meeting, the Board of Directors has the sole discretion to declare and distribute dividends on preference shares. Preference share dividend distribution is recognised as a liability in the Group's and the Bank's financial statements in the period in which the dividends are approved by the Board of Directors of the Bank.

(22) Structured entities

Structured entities are entities that have been designed so that voting or similar rights are not the dominant factor in deciding who controls the entities, for example when any voting rights relate to administrative tasks only, and key activities are directed by contractual agreement. Structured entities often have restricted activities and a narrow and well defined objective. Examples of structured entities include asset-backed securities, funds, wealth management products, trust plans and asset management plans. The Group's unconsolidated structured entities mainly include off-balance sheet non-guaranteed wealth management products managed by the Group and the structured entities invested by the Group (Note 41).

(23) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the Group receives the grants of monetary assets, the grants are recorded at the amount received or receivable. Where the Group receives the grants of non-monetary assets, the grants are recorded at the fair value of the non-monetary assets. If the fair value cannot be measured reliably, the grants are recorded at the nominal amount of the non-monetary assets. When the grant relates to an expense item, where the grant is intended to compensate the expenses or costs to be incurred in the subsequent period, it is recognised as deferred income and is released to the statement of profit or loss over the periods that the costs, which it is intended to compensate, are expensed; while where the grant is intended to compensate the incurred expenses or costs, the grant is recognised in the consolidated statement of profit or loss in the current period. When the grant relates to an asset, the fair value is credited to a deferred income account and is released to the consolidated statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments. Grants recorded at nominal amount shall be recognised in the consolidated statement of profit or loss in the current period.

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2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Summary of material accounting policy information (continued)

(24) 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. Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of services, the type or class of customers, the methods used to provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated as "others" segment if they share a majority of these criteria.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

In the process of applying the Group's accounting policies, management has used its judgments and made assumptions of the effects of uncertain future events on the financial statements. The most significant judgments and key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that had a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are described below.

(1) Expected credit losses measurement

The measurement of the expected credit losses allowance for financial assets measured at amortised cost and FVTOCI, financial guarantee contracts and loan commitments is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers' defaulting and the resulting losses).

The measurement models of expected credit losses involves significant management judgments and estimations, primarily including the following:

- Segmentation of business operations sharing similar credit risk characteristics, selection of appropriate models and determination of relevant key measurement parameters;
- Criteria for determining whether or not there is a significant increase in credit risk, or a default or impairment loss incurred;
- Economic indicators for forward-looking measurement, and the application of economic scenarios and weightings; and
- The estimated future cash flows for corporate loans and financial investments measured at amortised costs in stage 3.

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3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONTINUED)

(2) Fair value of financial instruments

The Group uses valuation techniques to estimate the fair value of financial instruments that are not quoted in an active market. These valuation techniques include the use of observable inputs and data with consistent characteristics of assets or liabilities in the transaction of related assets or liabilities. To the extent practical market observable inputs and data, such as interest rate yield curves, foreign currency rates, commodity price and implied option volatilities, are prioritised to use when estimating fair value through a valuation technique. Where market observable inputs are not available, they are estimated using unobservable inputs and data, such as assumption on the credit risk and volatilities of risk of the counterparty. Changes in assumptions about these factors could affect the estimated fair value of financial instruments.

(3) Income taxes

Significant estimates are required in determining the provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues arising from new tax regulations or other uncertain tax arrangements based on estimates of whether additional taxes will be due. The deductibility of certain items is subject to tax authority's final approval. Where the final tax outcome of these matters is different from the amounts that were initially estimated, such differences will affect the current income taxes and levies and/or deferred tax provisions in the period in which such determination is made.

(4) Early retirement benefits and supplementary retirement benefits

The amount of expenses and liabilities of early retirement benefits and supplementary retirement benefits shall be determined based on various assumptions. These assumptions include the discount rate, the growth rate of average medical expenses, the growth rate of benefits for retirees and other factors. Although the management believes that the assumptions which have been adopted are reasonable, the actual empirical values and the changes in the assumptions will still affect the costs and liabilities of the early retirement benefits and supplementary retirement benefits of the Bank.

(5) Goodwill impairment

Goodwill impairment reviews are undertaken annually or more frequently if events or changes indicate a potential impairment. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating unit (the "CGU"), or groups of CGUs. The Group forecasts future cash flow of the CGU or group of CGUs, and applies appropriate discount rate for the calculation of the present value of future cash flow.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONTINUED)

(6) Consolidation of structured entities

Where the Group acts as asset manager of or investor in structured entities, the Group makes significant judgment on whether the Group controls and should consolidate these structured entities. When performing this assessment, the Group assesses the Group's contractual rights and obligations in light of the transaction structures, and evaluates the Group's power over the structured entities, performs analysis and tests on the variable returns from the structured entities, including but not limited to commission income and asset management fees earned as the asset manager, the retention of residual income, and, if any, the liquidity and other support provided to the structured entities. The Group also assesses whether it acts as a principal or an agent through analysis of the scope of its decision-making authority over the structured entities, the remuneration to which it is entitled for asset management services, the Group's exposure to variability of returns from its other interests in the structured entities, and the rights held by other parties in the structured entities.

4. OPERATING SEGMENT INFORMATION

4.1 Operating segments

For management purposes, the Group is organised into four different operating segments as follows:

Corporate banking

The corporate banking segment covers financial products and services for corporate customers including deposits, loans, settlement, clearing and other trade-related services.

Retail banking

The retail banking segment covers financial products and services for individual customers including deposits, debit and credit cards, personal and collateral loans and personal wealth management services.

Financial market business

The financial market business segment covers proprietary trading and agent services including money market placements, investments, repurchases and foreign exchange transactions.

Others

This segment covers businesses other than corporate banking, retail banking and financial market business, of which the assets, liabilities, income and expenses cannot be directly attributable or allocated to certain segment on a reasonable basis.

Inter-segment transfer pricing is made in accordance with the sources, funding periods and interest rates announced by the People's Bank of China (the "PBOC") and the interbank market rates. The allocation of expenses between segments above is based on the benefits received.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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4. OPERATING SEGMENT INFORMATION (CONTINUED)

4.1 Operating segments (continued)

Others (continued)

	Corporate banking	Retail banking	Financial market business	Others	Total
Year ended 31 December 2025					
Interest income	13,759,075	7,358,979	14,018,701	-	35,136,755
Interest expense	(6,301,168)	(10,334,826)	(4,812,090)	-	(21,448,084)
Inter-segments interest (expense)/income	(872,107)	8,744,849	(7,872,742)	-	-
Net interest income	6,585,800	5,769,002	1,333,869	-	13,688,671
Fee and commission income	400,575	390,175	334,483	-	1,125,233
Fee and commission expense	(59,195)	(162,806)	(219,028)	-	(441,029)
Net fee and commission income	341,380	227,369	115,455	-	684,204
Net trading losses	-	-	(730,147)	-	(730,147)
Net gains on financial investments	-	-	1,577,938	-	1,577,938
Net gain on disposal of a subsidiary	-	-	-	13,046	13,046
Other income, gains or losses, net	(4,943)	(23,919)	(1,992)	187,145	156,291
Operating income	6,922,237	5,972,452	2,295,123	200,191	15,390,003
Operating expenses	(2,086,245)	(3,839,234)	(407,799)	(114,414)	(6,447,692)
Credit impairment losses	(4,653,009)	(1,971,316)	(637,365)	(14,152)	(7,275,842)
Impairment losses on other assets	(88,346)	(37,429)	(12,101)	(268)	(138,144)
Profit before tax	94,637	124,473	1,237,858	71,357	1,528,325
Income tax credit					935,607
Profit for the year					2,463,932
Other segment information:					
Depreciation and amortisation	211,014	396,854	33,587	5,301	646,756
Capital expenditure	110,881	208,533	17,649	2,785	339,848
As at 31 December 2025					
Segment assets	443,034,892	197,891,100	724,348,513	100,633	1,365,375,138
Segment liabilities	(407,115,966)	(639,711,175)	(232,024,327)	(61,174)	(1,278,912,642)
Other segment information:					
Credit commitments	149,089,970	32,128,264	-	-	181,218,234

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4. OPERATING SEGMENT INFORMATION (CONTINUED)

4.1 Operating segments (continued)

Others (continued)

	Corporate banking	Retail banking	Financial market business	Others	Total
Year ended 31 December 2024					
Interest income	15,441,412	8,221,591	14,296,978	–	37,959,981
Interest expense	(7,149,020)	(11,685,269)	(5,510,945)	–	(24,345,234)
Inter-segments interest (expense)/income	(1,200,583)	9,798,571	(8,597,988)	–	–
Net interest income	7,091,809	6,334,893	188,045	–	13,614,747
Fee and commission income	530,244	389,358	101,383	–	1,020,985
Fee and commission expense	(172,466)	(217,020)	(69,934)	–	(459,420)
Net fee and commission income	357,778	172,338	31,449	–	561,565
Net trading gains	–	–	383,555	–	383,555
Net gains on financial investments	–	–	1,226,420	–	1,226,420
Other income, gains or losses, net	(192,895)	20,438	2,366	215,487	45,396
Operating income	7,256,692	6,527,669	1,831,835	215,487	15,831,683
Operating expenses	(2,028,215)	(3,851,840)	(528,051)	(138,307)	(6,546,413)
Credit impairment losses	(5,091,750)	(1,978,706)	(95,571)	(602,917)	(7,768,944)
Impairment losses on other assets	(27,426)	(10,658)	(515)	(3,247)	(41,846)
Profit/(loss) before tax	109,301	686,465	1,207,698	(528,984)	1,474,480
Income tax credit					941,064
Profit for the year					2,415,544
Other segment information:					
Depreciation and amortisation	196,675	359,721	41,077	7,324	604,797
Capital expenditure	281,621	515,087	58,818	10,487	866,013
As at 31 December 2024					
Segment assets	430,718,524	189,275,900	730,245,765	40,835	1,350,281,024
Segment liabilities	(393,879,804)	(618,830,559)	(246,742,063)	(37,354)	(1,259,489,780)
Other segment information:					
Credit commitments	143,155,432	32,541,261	–	–	175,696,693

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FOR THE YEAR ENDED 31 DECEMBER 2025

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

4. OPERATING SEGMENT INFORMATION (CONTINUED)

4.2 Geographic information

The Bank mainly operates in Guangdong Province, China. The major customers and non-current assets are located in Guangdong Province, China.

5. NET INTEREST INCOME

	Year ended 31 December	
	2025	2024
Interest income		
Loans and advances to customers	22,411,471	25,683,242
Financial investments		
– Financial investments at amortised cost	5,446,365	5,923,465
– Financial investments at fair value through other comprehensive income	3,729,830	3,028,366
Due from banks and other financial institutions	2,026,048	1,974,928
Due from central bank	843,824	835,160
Financial assets held under resale agreements	679,217	514,820
Subtotal	35,136,755	37,959,981
Interest expense		
Customer deposits	(16,487,142)	(18,721,304)
Debt securities issued	(3,297,638)	(3,653,506)
Deposits from banks and other financial institutions	(504,992)	(880,405)
Due to central bank	(408,381)	(362,842)
Financial assets sold under repurchase agreements	(386,997)	(297,042)
Borrowings from other banks (i)	(339,397)	(384,421)
Lease liabilities	(23,537)	(45,714)
Subtotal	(21,448,084)	(24,345,234)
Net interest income	13,688,671	13,614,747

(i) This represents interest expense on bank borrowing by a non-bank subsidiary of the Bank.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

6. NET FEE AND COMMISSION INCOME

	Year ended 31 December	
	2025	2024
Fee and commission income		
Agency and custodian service fees	278,685	256,511
Settlement and electronic channel business fees	177,415	170,109
Wealth management products related fees	120,169	103,635
Bank card fees	114,476	143,405
Syndicated loan fees	94,492	97,765
Guarantee and commitment service fees	60,958	86,945
Acceptance fees	32,569	35,442
Others	246,469	127,173
Subtotal	1,125,233	1,020,985
Fee and commission expense	(441,029)	(459,420)
Net fee and commission income	684,204	561,565

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

7. NET TRADING (LOSSES)/GAINS

	Year ended 31 December	
	2025	2024
Debt investments:		
Unrealised losses from debt investments	(1,800,371)	(246,318)
Realised gains/(losses) from debt investments	706,233	(401,852)
Subtotal	(1,094,138)	(648,170)
Fund investments:		
Unrealised (losses)/gains from funds	(261,569)	260,325
Realised gains from funds	483,539	1,036,782
Subtotal	221,970	1,297,107
Others	142,021	(265,382)
Total	(730,147)	383,555

The above amounts include gains and losses arising from the buying and selling of, interest income on, changes in fair value of financial assets and liabilities at fair value through profit or loss.

8. NET GAINS ON FINANCIAL INVESTMENTS

	Year ended 31 December	
	2025	2024
Net gains on disposal of financial investments at fair value through other comprehensive income	1,103,392	657,478
Net gains on disposal of financial investments measured at amortised cost	474,546	568,942
Total	1,577,938	1,226,420

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FOR THE YEAR ENDED 31 DECEMBER 2025

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9. OTHER INCOME, GAINS OR LOSSES, NET

	Year ended 31 December	
	2025	2024
Government grants and subsidies	37,589	97,623
Net foreign exchange losses	(29,364)	(167,042)
Net gains on disposal of property and equipment	84,120	33,096
Others	63,946	81,719
Total	156,291	45,396

10. OPERATING EXPENSES

	Year ended 31 December	
	2025	2024
Staff costs (i)	4,003,841	4,074,089
Depreciation and amortisation	646,756	604,797
Tax and surcharges	292,062	320,148
Advertising and promotional expenses	204,331	223,295
Others	1,300,702	1,324,084
Total	6,447,692	6,546,413

(i) Staff costs

	Year ended 31 December	
	2025	2024
Salaries, bonuses and allowances (including early retirement)	2,631,267	2,648,788
Social insurance and employee benefits	1,282,619	1,308,503
Labour union expenditure and education costs	89,955	116,798
Total	4,003,841	4,074,089

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

11. EMOLUMENTS OF DIRECTORS, SUPERVISORS AND THE FIVE HIGHEST PAID INDIVIDUALS

(a) Details of the directors' and supervisors' remunerations are as follows:

Name	Year ended 31 December 2025			Total
	Fees	Salaries and bonuses	Allowances, benefits and contribution to pension schemes	
Chairman				
Cai Jian	–	837	162	999
Vice Chairman				
Deng Xiaoyun (i)	–	833	162	995
Executive Director				
Tan Bo (ii)	–	188	38	226
Independent Non-executive Directors				
Zhang Hua	386	–	–	386
Liao Wenyi	385	–	–	385
Ma Hok Ming	289	–	–	289
Du Jinmin	385	–	–	385
Zheng Guojian (vii)	308	–	–	308
Non-executive Directors				
Feng Yaoliang	135	–	–	135
Zuo Liang (iii)	–	–	–	–
Wang Xiaobin	135	–	–	135
Ni Kai (vii)	135	–	–	135
Zhang Yan (vii)	135	–	–	135
Xing Qiuyu (vii)	135	–	–	135
Hu Geyou (vii)	135	–	–	135
Chairman of the Board of Supervisors				
Wang Xigui	–	755	162	917
Supervisors				
Liang Bingtian	133	–	–	133
Yu Qing (viii)	102	–	–	102
Li Zhiquan (viii)	127	–	–	127
Zeng Weixue (v)	–	1,001	157	1,158
Bao Chen (v)	–	785	116	901
External Supervisors				
Han Zhenping	118	–	–	118
Shi Shuiping	136	–	–	136
Huang Tianshun	130	–	–	130
Total	3,309	4,399	797	8,505

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

11. EMOLUMENTS OF DIRECTORS, SUPERVISORS AND THE FIVE HIGHEST PAID INDIVIDUALS (CONTINUED)

(a) Details of the directors' and supervisors' remunerations are as follows: (continued)

Name	Year ended 31 December 2024			Total
	Fees	Salaries and bonuses	Allowances, benefits and contribution to pension schemes	
Chairman				
Cai Jian	–	892	163	1,055
Vice Chairman				
Deng Xiaoyun (i)	–	853	163	1,016
Independent Non-executive Directors				
Zhang Hua	379	–	–	379
Liao Wenyi	379	–	–	379
Tan Jinsong (x)	47	–	–	47
Ma Hok Ming	360	–	–	360
Du Jinmin	379	–	–	379
Zhang Weiguo (vi)	215	–	–	215
Zheng Guojian (vii)	64	–	–	64
Non-executive Directors				
Zhang Junzhou (vi)	120	–	–	120
Feng Yaoliang	145	–	–	145
Lai Zhiguang (vi)	120	–	–	120
Da Hengcheng (vi)	114	–	–	114
Zuo Liang (iii)	–	–	–	–
Liu Wensheng (vi)	103	–	–	103
Wang Xiaobin	145	–	–	145
Meng Sen (vi)	120	–	–	120
Ni Kai (vii)	40	–	–	40
Zhang Yan (vii)	40	–	–	40
Xing Qiuyu (vii)	40	–	–	40
Hu Geyou (vii)	40	–	–	40
Chairman of the Board of Supervisors				
Wang Xigui	–	803	163	966

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

11. EMOLUMENTS OF DIRECTORS, SUPERVISORS AND THE FIVE HIGHEST PAID INDIVIDUALS (CONTINUED)

(a) Details of the directors' and supervisors' remunerations are as follows: (continued)

Name	Year ended 31 December 2024			Total
	Fees	Salaries and bonuses	Allowances, benefits and contribution to pension schemes	
Supervisors				
He Heng (iv)	–	310	52	362
Lai Jiaxiong (iv)	–	342	43	385
Chen Jianliang (ix)	42	–	–	42
Liang Bingtian	155	–	–	155
Feng Jintang (ix)	47	–	–	47
Yu Qing (viii)	63	–	–	63
Li Zhiquan (viii)	84	–	–	84
Zeng Weixue (v)	–	703	105	808
Bao Chen (v)	–	511	75	586
External Supervisors				
Han Zhenping	131	–	–	131
Shi Shuiping	140	–	–	140
Huang Tianshun	155	–	–	155
Total	3,667	4,414	764	8,845

- (i) Deng Xiaoyun was appointed as Vice Chairman of the Bank on 25 December 2024.
- (ii) Tan Bo was appointed as director of the Bank on 23 September 2025.
- (iii) Zuo Liang voluntarily gives up receiving his remuneration.
- (iv) He Heng and Lai Jiaxiong ceased to act as supervisors of the Bank on 9 May 2024.
- (v) Zeng Weixue and Bao Chen were appointed as supervisors of the Bank on 9 May 2024.
- (vi) Zhang Weiguo, Zhang Junzhou, Lai Zhiguang, Da Hengcheng, Liu Wensheng and Meng Sen retired on 6 November 2024.
- (vii) Zheng Guojian, Ni Kai, Zhang Yan, Xing Qiuyu, and Hu Geyou were appointed as directors of the Bank on 6 November 2024.
- (viii) Yu Qing and Li Zhiquan were appointed as supervisors of the Bank on 13 June 2024.
- (ix) Chen Jianliang and Feng Jintang ceased to act as supervisors of the Bank on 13 June 2024.
- (x) Tan Jinsong ceased to act as independent non-executive director of the Bank on 15 March 2024.

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11. EMOLUMENTS OF DIRECTORS, SUPERVISORS AND THE FIVE HIGHEST PAID INDIVIDUALS (CONTINUED)

(b) Five highest paid individuals

For the twelve-month period ended 31 December 2025, the five highest paid individuals of the Group comprised no directors nor supervisors (31 December 2024: no directors nor supervisors).

The remunerations of the five highest paid individuals for the years are as follows:

	Year ended 31 December	
	2025	2024
Basic salaries, housing allowances, bonuses, other allowances and benefits in kind	6,116	7,387
Contribution to pension scheme	501	536
Total	6,617	7,923

The number of the highest paid individuals of those remunerations fall within the following bands is as follows:

	Number of Individuals Year ended 31 December	
	2025	2024
RMB1,000,001 – RMB1,500,000	5	1
RMB1,500,001 – RMB2,000,000	–	4
Total	5	5

For the years ended 31 December 2025 and 31 December 2024, no emoluments had been paid or payable by the Group to any of the directors, supervisors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

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FOR THE YEAR ENDED 31 DECEMBER 2025

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12. CREDIT IMPAIRMENT LOSSES

	Year ended 31 December	
	2025	2024
Loans and advances to customers		
– Loans and advances to customers at amortised cost	6,606,866	6,996,375
– Loans and advances to customers at fair value through other comprehensive income	21,477	(62,760)
Financial investments at fair value through other comprehensive income	406,842	86,622
Financial investments at amortised cost	390,501	91,010
Placements with banks and other financial institutions	68,019	(6,127)
Credit commitments	(106,511)	117,264
Others	(111,352)	546,560
Total	7,275,842	7,768,944

13. INCOME TAX CREDIT

	Year ended 31 December	
	2025	2024
Current income tax	715,094	1,244,702
Deferred income tax	(1,650,701)	(2,185,766)
Total	(935,607)	(941,064)

Current income tax is calculated based on the statutory rate of 25% of the taxable income of the group entities for the respective periods.

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13. INCOME TAX CREDIT (CONTINUED)

The difference between the actual income tax charged in the profit or loss and the amounts which would result from applying the enacted tax rate to profit before income tax can be reconciled as follows:

	Year ended 31 December	
	2025	2024
Profit before income tax	1,528,325	1,474,480
Tax calculated at a tax rate of 25%	382,081	368,620
Tax effect arising from income not subject to tax (i)	(1,705,277)	(1,596,578)
Tax effect of expenses that are not deductible for tax purposes (ii)	127,897	110,146
Tax effect of interest expense on perpetual bonds	(83,400)	–
Effect of deductible temporary differences or tax losses with no deferred tax asset recognised	72,981	138,541
Reversal of deductible temporary differences recognized in previous years	239,919	–
Adjustments on income tax for prior years	30,192	38,207
Income tax credit	(935,607)	(941,064)

- (i) The income not subject to tax mainly represents interest income arising from treasury bonds, municipal debts, and dividend income from monetary funds which are income tax free in accordance with the PRC tax regulations.
- (ii) The expenses that are not tax deductible for tax purposes mainly represent certain expenditures, such as entertainment expenses, deposit insurance premium and so forth, which are in excess of deductible limits for tax purposes according to PRC tax regulations.

14. DIVIDENDS

	Year ended 31 December	
	2025	2024
Dividends on ordinary shares declared and paid (i)	648,441	576,392
Dividend per share (in RMB yuan)	0.045	0.040
Dividends on perpetual bonds declared and paid (ii)	333,600	–
Dividends on preference shares declared and paid (iii)	–	666,129

(i) Distribution of final dividend for 2024 and 2023

A cash dividend of RMB0.045 per ordinary share related to 2024 (RMB0.040 per ordinary share related to 2023), amounting to RMB648,441 thousand (RMB576,392 thousand related to 2023) in total was approved in the annual general meeting held on 13 June 2025.

(ii) Distribution of perpetual bonds

Interest related to perpetual bonds for 2024, amounting to RMB333,600 thousand in total was paid on 28 May 2025.

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14. DIVIDENDS (CONTINUED)

(iii) Distribution of preference shares

The Board of Directors approved a cash dividend on preference shares, totaling RMB666,129 thousand on 25 April 2024. These preference shares were fully redeemed by the Bank on 20 June 2024.

15. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the year attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding in issue during the years.

	Year ended 31 December	
	2025	2024
Net profit attributable to shareholders of the Bank (in RMB thousand)	2,121,879	2,080,674
Less: Distribution to other equity instrument holders of the Bank	(333,600)	(666,129)
Net profit attributable to ordinary shareholders of the Bank	1,788,279	1,414,545
Weighted average number of ordinary shares in issue (in thousand)	14,409,789	14,409,789
Basic and diluted earnings per share (in RMB yuan)	0.12	0.10

During the years 2025 and 2024, there were no dilutive potential ordinary shares, so the diluted earnings per share were the same as the basic earnings per share.

The conversion feature of preference shares is considered to fall within contingently issuable ordinary shares. The triggering events of conversion did not occur during the year ended 31 December 2024, and therefore the conversion feature of preference shares has no dilutive effect on earnings per share calculation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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16. CASH AND DEPOSITS WITH CENTRAL BANK

	Year ended 31 December	
	2025	2024
Cash on hand	2,515,505	2,865,931
Mandatory reserves with central bank (a)	49,125,331	47,232,288
Surplus reserves with central bank (b)	35,697,224	24,410,701
Fiscal deposits with central bank	126,043	215,573
Interest receivable	24,357	25,564
Total	87,488,460	74,750,057

(a) The Group is required to place mandatory reserve deposits with the PBOC, and these mandatory reserve deposits with the central bank are not available for use in the Group's daily operations. As at 31 December 2025, the reserve ratio of the Bank for RMB deposits statutory reserve was 5.00% (31 December 2024: 5.00%), and different ratios are applicable to the subsidiaries based on their respective locations. The reserve ratio for foreign currency deposits was 4.00% (31 December 2024: 4.00%). The reserves for RMB is interest bearing based on the rules of the PBOC.

(b) Surplus reserves are mainly for settlement purpose.

17. DEPOSITS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	Year ended 31 December	
	2025	2024
Deposits with banks operating in Chinese mainland	20,790,041	14,304,816
Deposits with other financial institutions operating in Chinese mainland	490,188	638,067
Deposits with banks operating outside Chinese mainland	509,256	638,567
Interest receivable	42,877	53,203
Subtotal	21,832,362	15,634,653
Less: Allowance for impairment loss	(562)	(615)
Total	21,831,800	15,634,038

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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18. PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	Year ended 31 December	
	2025	2024
Placements with banks operating in Chinese mainland	340,576	129,391
Placements with other financial institutions operating in Chinese mainland	77,669,720	70,039,720
Placements with banks operating outside Chinese mainland	421,728	992,405
Interest receivable	74,955	104,542
Subtotal	78,506,979	71,266,058
Less: Allowance for impairment loss	(530,942)	(462,923)
Total	77,976,037	70,803,135

19. FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS

	Year ended 31 December	
	2025	2024
Analysed by type of underlying collateral		
– Bonds	45,542,837	30,050,824
– Bills	9,156,622	–
Interest receivable	19,361	3,844
Subtotal	54,718,820	30,054,668
Less: Allowance for impairment loss	(1,194)	(46)
Total	54,717,626	30,054,622

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

20. LOANS AND ADVANCES TO CUSTOMERS

(a) Loans and advances to customers:

	Year ended 31 December	
	2025	2024
Loans and advances at amortised cost		
Corporate loans and advances		
– Corporate loans	422,571,702	421,552,001
– Discounted bills	1,986	89,393
	422,573,688	421,641,394
Personal loans and advances		
– Personal residential mortgages	86,302,358	78,730,779
– Personal business loans	73,824,996	73,723,714
– Personal consumption loans	21,304,682	22,200,064
– Credit cards overdraft	13,224,154	13,310,014
	194,656,190	187,964,571
Gross amount of loans and advances at amortised cost	617,229,878	609,605,965
Less: Allowance for impairment loss	(21,176,711)	(22,025,777)
Net amount of loans and advances at amortised cost	596,053,167	587,580,188
Loans and advances at fair value through other comprehensive income		
Corporate loans and advances		
– Discounted bills and forfaiting	88,828,444	110,628,261
Net amount of loans and advance to customers	684,881,611	698,208,449

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

20. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(b) Loans and advances analysed by staging:

	As at 31 December 2025				
	Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired	Total
Gross amount of loans and advances to customers at amortised cost					
– Corporate loans	323,686,961	83,778,726	15,103,218	4,783	422,573,688
– Personal loans	182,101,405	4,508,267	8,024,012	22,506	194,656,190
	505,788,366	88,286,993	23,127,230	27,289	617,229,878
Less: Allowance for impairment loss					
– Corporate loans	(2,823,096)	(5,845,231)	(5,796,594)	(314)	(14,465,235)
– Personal loans	(1,501,279)	(936,965)	(4,273,122)	(110)	(6,711,476)
	(4,324,375)	(6,782,196)	(10,069,716)	(424)	(21,176,711)
Net amount of loans and advances to customers at amortised cost	501,463,991	81,504,797	13,057,514	26,865	596,053,167
Loans and advances at FVTOCI					
Corporate loans	88,828,444	–	–	–	88,828,444

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

20. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(b) Loans and advances analysed by staging: (continued)

	As at 31 December 2024				Total
	Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired	
Gross amount of loans and advances to customers at amortised cost					
– Corporate loans	318,790,121	77,629,796	25,205,752	15,725	421,641,394
– Personal loans	178,487,102	3,963,192	5,462,190	52,087	187,964,571
	497,277,223	81,592,988	30,667,942	67,812	609,605,965
Less: Allowance for impairment loss					
– Corporate loans	(2,844,850)	(5,012,176)	(8,542,001)	(794)	(16,399,821)
– Personal loans	(1,716,672)	(813,547)	(3,095,514)	(223)	(5,625,956)
	(4,561,522)	(5,825,723)	(11,637,515)	(1,017)	(22,025,777)
Net amount of loans and advances to customers at amortised cost	492,715,701	75,767,265	19,030,427	66,795	587,580,188
Loans and advances at FVTOCI					
Corporate loans	110,628,261	–	–	–	110,628,261

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

20. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(c) Movements in ECL allowance

Movements in ECL allowance on loans and advances to customers at amortised cost:

	Year ended 31 December 2025				Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased or originated credit- impaired	
As at 1 January 2025	4,561,522	5,825,723	11,637,515	1,017	22,025,777
Charge/(reversal) for the year	68,564	1,795,989	4,742,906	(593)	6,606,866
Write-offs or disposals	-	-	(8,250,688)	-	(8,250,688)
Recoveries of loans and advances previously written off	-	-	1,335,565	-	1,335,565
Transfers	(305,711)	(839,516)	1,145,227	-	-
Transfer to Stage 1	380,779	(294,397)	(86,382)	-	-
Transfer to Stage 2	(536,036)	574,297	(38,261)	-	-
Transfer to Stage 3	(150,454)	(1,119,416)	1,269,870	-	-
Others	-	-	(540,809)	-	(540,809)
As at 31 December 2025	4,324,375	6,782,196	10,069,716	424	21,176,711

	Year ended 31 December 2024				Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased or originated credit- impaired	
As at 1 January 2024	4,628,037	5,616,679	12,163,780	1,175	22,409,671
Charge/(reversal) for the year	210,490	1,048,927	5,737,116	(158)	6,996,375
Write-offs or disposals	-	-	(7,468,976)	-	(7,468,976)
Recoveries of loans and advances previously written off	-	-	781,352	-	781,352
Transfers	(277,005)	(839,883)	1,116,888	-	-
Transfer to Stage 1	277,019	(229,009)	(48,010)	-	-
Transfer to Stage 2	(412,760)	504,263	(91,503)	-	-
Transfer to Stage 3	(141,264)	(1,115,137)	1,256,401	-	-
Others	-	-	(692,645)	-	(692,645)
As at 31 December 2024	4,561,522	5,825,723	11,637,515	1,017	22,025,777

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

20. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(c) Movements in ECL allowance (continued)

Movements in ECL allowance on loans and advances to customers at fair value through other comprehensive income:

	Year ended 31 December 2025			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
As at 1 January 2025	2,921	–	–	2,921
Charge of the year	21,477	–	–	21,477
As at 31 December 2025	24,398	–	–	24,398

	Year ended 31 December 2024			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
As at 1 January 2024	65,681	–	–	65,681
Reversal for the year	(62,760)	–	–	(62,760)
As at 31 December 2024	2,921	–	–	2,921

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

20. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(d) Movements in gross carrying amounts of loans and advances

The movements in gross carrying amounts of loans and advances to customers at amortised cost:

	Year ended 31 December 2025				
	Stage 1	Stage 2	Stage 3	Purchased or	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	originated credit- impaired	
As at 1 January 2025	497,277,223	81,592,988	30,667,942	67,812	609,605,965
Additions	216,332,772	–	–	–	216,332,772
Reductions	(186,172,536)	(2,071,266)	(924,710)	(40,523)	(189,209,035)
Write-offs or disposals	–	–	(19,499,824)	–	(19,499,824)
Transfers	(21,649,093)	8,765,271	12,883,822	–	–
Transfer to Stage 1	2,206,786	(1,989,268)	(217,518)	–	–
Transfer to Stage 2	(19,086,673)	19,175,453	(88,780)	–	–
Transfer to Stage 3	(4,769,206)	(8,420,914)	13,190,120	–	–
As at 31 December 2025	505,788,366	88,286,993	23,127,230	27,289	617,229,878

	Year ended 31 December 2024				
	Stage 1	Stage 2	Stage 3	Purchased or	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	originated credit- impaired	
As at 1 January 2024	500,072,484	71,673,529	32,435,663	73,861	604,255,537
Additions	216,428,262	–	–	–	216,428,262
Reductions	(190,648,333)	(2,460,035)	(1,324,103)	(6,049)	(194,438,520)
Write-offs or disposals	–	–	(16,639,314)	–	(16,639,314)
Transfers	(28,575,190)	12,379,494	16,195,696	–	–
Transfer to Stage 1	2,889,589	(2,796,375)	(93,214)	–	–
Transfer to Stage 2	(26,790,497)	26,957,782	(167,285)	–	–
Transfer to Stage 3	(4,674,282)	(11,781,913)	16,456,195	–	–
As at 31 December 2024	497,277,223	81,592,988	30,667,942	67,812	609,605,965

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

20. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(d) Movements in gross carrying amounts of loans and advances (continued)

The movements in carrying amounts of loans and advances to customers at fair value through other comprehensive income:

	Year ended 31 December 2025			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
As at 1 January 2025	110,628,261	–	–	110,628,261
Additions	88,828,444	–	–	88,828,444
Reductions	(110,628,261)	–	–	(110,628,261)
As at 31 December 2025	88,828,444	–	–	88,828,444

	Year ended 31 December 2024			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
As at 1 January 2024	127,062,711	–	–	127,062,711
Additions	110,628,261	–	–	110,628,261
Reductions	(127,062,711)	–	–	(127,062,711)
As at 31 December 2024	110,628,261	–	–	110,628,261

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

21. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December	
	2025	2024
Unlisted financial investments held for trading		
Debt investments		
– Government bonds	28,032,804	18,174,698
– Bonds issued by policy banks	4,114,367	6,814,016
– Bonds issued by financial institutions	883,963	1,405,661
– Corporate bonds	69,962	143,541
Interbank certificates of deposit	–	6,897,186
Assets backed securities issued by other banks and non-bank financial institutions	–	11,662
Subtotal	33,101,096	33,446,764
Other financial investments measured at fair value through profit or loss		
Listed – Other investments	369,293	310,169
Unlisted		
– Fund investments	18,311,628	35,322,630
– Trust and asset management plans	2,899,149	3,420,534
– Other investments	2,468,297	2,573,318
Subtotal	24,048,367	41,626,651
Total	57,149,463	75,073,415

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

22. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 31 December	
	2025	2024
Unlisted financial instruments		
Debt investments		
– Government bonds	108,476,215	99,290,126
– Bonds issued by policy banks	53,127,730	56,990,808
– Corporate bonds	1,696,541	736,363
– Bonds issued by financial institutions	1,238,058	3,046,516
Trust and asset management plans (i)	4,224,652	4,321,331
Interbank certificates of deposit	2,296,476	3,861,836
Assets backed securities issued by other banks and non-bank financial institutions	–	10
Interest receivable	2,775,908	2,795,114
Total	173,835,580	171,042,104

- (i) Trust and asset management plans as at 31 December 2025 and 2024 mainly invested in credit assets, and were classified in stage 2 or stage 3.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

22. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

(a) Movements in ECL allowance

	Year ended 31 December 2025			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
As at 1 January 2025	8,655	81,892	2,390,206	2,480,753
Charge for the year	6,082	21,028	379,732	406,842
Recoveries of previously written off	–	–	9,089	9,089
As at 31 December 2025	14,737	102,920	2,779,027	2,896,684

	Year ended 31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
As at 1 January 2024	11,528	78,885	2,403,718	2,494,131
(Reversal)/charge for the year	(2,873)	3,007	86,488	86,622
Write-offs or disposals	–	–	(100,000)	(100,000)
As at 31 December 2024	8,655	81,892	2,390,206	2,480,753

Allowances for impairment on financial investments measured at fair value through other comprehensive income is recognised in other comprehensive income without decreasing the carrying amount of financial investments presented in the consolidated statement of financial position as the carrying amount is at fair value, and impairment loss or reversal is recognised in the profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

23. FINANCIAL INVESTMENTS AT AMORTISED COST

	As at 31 December	
	2025	2024
Unlisted financial instruments		
Debt investments		
– Government bonds	126,054,224	113,611,189
– Bonds issued by policy banks	51,933,334	70,261,926
– Bonds issued by financial institutions	343,578	4,642,325
– Corporate bonds	358,779	558,779
Trust and asset management plans (i)	6,990,859	7,120,963
Interbank certificates of deposit	397,283	1,287,819
Interest receivable	2,607,192	3,967,532
Subtotal	188,685,249	201,450,533
Less: Allowance for impairment loss	(2,062,425)	(1,639,839)
Total	186,622,824	199,810,694

- (i) Trust and asset management plans as at 31 December 2025 and 2024 mainly invested in credit assets, and were classified in stage 2 or stage 3.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

23. FINANCIAL INVESTMENTS AT AMORTISED COST (CONTINUED)

(a) Movements in ECL allowance

	Year ended 31 December 2025			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
As at 1 January 2025	7,526	11,547	1,620,766	1,639,839
Charge for the year	9,980	7,532	372,989	390,501
Recoveries of previously written off	–	–	32,085	32,085
As at 31 December 2025	17,506	19,079	2,025,840	2,062,425

	Year ended 31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
As at 1 January 2024	16,361	31,453	1,900,685	1,948,499
(Reversal)/charge for the year	(8,835)	654	99,191	91,010
Write-offs or disposals	–	–	(429,670)	(429,670)
Recoveries of previously written off	–	–	30,000	30,000
Transfer to Stage 3	–	(20,560)	20,560	–
As at 31 December 2024	7,526	11,547	1,620,766	1,639,839

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

24. PROPERTY AND EQUIPMENT

	Properties and buildings	Construction in progress	Leasehold improvements	Machinery and equipment	Motor vehicles	Total
Cost						
At 1 January 2025	6,153,515	1,053,116	616,964	1,412,653	20,057	9,256,305
Additions	45,346	127,051	–	30,698	552	203,647
Transfer from investment properties	714	–	–	–	–	714
Transfer from construction in progress	754,628	(808,634)	–	54,006	–	–
Disposals and others	(48,398)	–	–	(155,134)	(4,358)	(207,890)
Other transfer – out	(28,503)	(65,125)	–	–	–	(93,628)
At 31 December 2025	6,877,302	306,408	616,964	1,342,223	16,251	9,159,148
Accumulated depreciation						
At 1 January 2025	4,174,098	–	597,159	1,172,900	16,446	5,960,603
Charge for the year	133,868	–	3,451	97,065	2,681	237,065
Transfer from investment properties	714	–	–	–	–	714
Disposals and others	(45,800)	–	–	(145,671)	(4,175)	(195,646)
Other transfer – out	(26,933)	–	–	–	–	(26,933)
At 31 December 2025	4,235,947	–	600,610	1,124,294	14,952	5,975,803
Net book value						
At 31 December 2025	2,641,355	306,408	16,354	217,929	1,299	3,183,345
At 1 January 2025	1,979,417	1,053,116	19,805	239,753	3,611	3,295,702

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

24. PROPERTY AND EQUIPMENT (CONTINUED)

	Properties and buildings	Construction in progress	Leasehold improvements	Machinery and equipment	Motor vehicles	Total
Cost						
At 1 January 2024	5,873,629	810,390	616,455	1,389,973	25,788	8,716,235
Additions	37,971	648,026	509	21,887	1,131	709,524
Transfer from Investment properties	12,852	–	–	–	–	12,852
Transfer from construction in progress	265,837	(331,346)	–	65,509	–	–
Disposals and others	(18,361)	–	–	(64,716)	(6,862)	(89,939)
Other transfer – out	(18,413)	(73,954)	–	–	–	(92,367)
At 31 December 2024	6,153,515	1,053,116	616,964	1,412,653	20,057	9,256,305
Accumulated depreciation						
At 1 January 2024	4,070,712	–	583,878	1,133,511	19,707	5,807,808
Charge for the year	115,005	–	13,281	99,106	3,132	230,524
Transfer from Investment properties	12,148	–	–	–	–	12,148
Disposals and others	(12,061)	–	–	(59,717)	(6,393)	(78,171)
Other transfer – out	(11,706)	–	–	–	–	(11,706)
At 31 December 2024	4,174,098	–	597,159	1,172,900	16,446	5,960,603
Net book value						
At 31 December 2024	1,979,417	1,053,116	19,805	239,753	3,611	3,295,702
At 1 January 2024	1,802,917	810,390	32,577	256,462	6,081	2,908,427

As at 31 December 2025, the process of obtaining the registration certificate for the Group's properties with an aggregate net book value of RMB400 million was still in progress. Management is of the view that the aforesaid matter would neither affect the rights of the Group to these assets nor have any significant impact on the business operation of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

25. GOODWILL

	At 31 December 2025	At 31 December 2024
Hunan Zhuzhou Zhujiang Rural Commercial Bank Company Limited (“ZZRCB”)	382,216	382,216
Chaozhou Rural Commercial Bank Company Limited (“CZRCB”)	476,181	476,181
Less: Allowance for impairment loss		
– ZZRCB	(223,760)	(124,160)
– CZRCB	–	–
	634,637	734,237

As at 31 December 2025, the recoverable amounts of the asset groups were estimated based on cash flows extracted from five-year budget approved by the management, and a fixed growth rate beyond five years and discounted to present value at pre-tax discount rates for ZZRCB and CZRCB, respectively. These assumptions reflected the specific risks associated with the relevant asset groups and their respective portfolios.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

26. DEFERRED TAXES

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset income tax assets against income tax liabilities and when the deferred taxes are related to income taxes levied by the same taxation authority. The deferred tax assets and liabilities recognised are as follows:

	31 December 2025		31 December 2024	
	Deductible/ (taxable) temporary difference	Deferred tax assets/ (liabilities)	Deductible/ (taxable) temporary difference	Deferred tax assets/ (liabilities)
Deferred tax assets:				
Impairment allowances for assets	40,913,771	10,228,443	36,820,064	9,205,016
Provisions	3,218,226	804,557	4,828,913	1,207,228
Changes in fair value of financial investments at FVTOCI	1,157,026	289,257	–	–
Changes in fair value of loans and advances to customers at FVTOCI	217,124	54,281	194,446	48,612
Changes in fair value of financial instruments at FVTPL	5,561,647	1,390,412	3,633,380	908,345
Others	8,424,081	2,106,020	6,801,681	1,700,421
Subtotal	59,491,875	14,872,970	52,278,484	13,069,622

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

26. DEFERRED TAXES (CONTINUED)

	31 December 2025		31 December 2024	
	Deductible/ (taxable) temporary difference	Deferred tax assets/ (liabilities)	Deductible/ (taxable) temporary difference	Deferred tax assets/ (liabilities)
Deferred tax liabilities:				
Changes in fair value of financial investments at FVTOCI	–	–	(2,717,292)	(679,323)
Changes in fair value of financial instruments at FVTPL	(10,538)	(2,635)	(12,337)	(3,084)
Others	(948,009)	(237,002)	(1,041,270)	(260,318)
Subtotal	(958,547)	(239,637)	(3,770,899)	(942,725)
Net deferred tax assets	58,533,328	14,633,333	48,507,585	12,126,897

The movements for deferred tax assets and liabilities recognised are as follows:

	As at 31 December	
	2025	2024
Balance at beginning of the year	12,126,897	11,154,869
Credited to profit or loss	1,650,701	2,185,766
Credited/(charged) to other comprehensive income	864,897	(1,213,738)
Others	(9,162)	–
Balance at end of the year	14,633,333	12,126,897

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

27. OTHER ASSETS

	As at 31 December	
	2025	2024
Receivables from transfer of credit assets (a)	13,270,576	6,211,140
Right-of-use assets (b)	1,447,523	1,571,849
Other receivables and prepayments	682,776	887,820
Interest receivable	653,188	1,035,401
Settlement and clearing accounts	578,351	1,009,940
Foreclosed assets (c)	547,344	514,683
Intangible assets (d)	468,024	440,719
Long-term deferred expenses	66,902	76,025
Investment properties	20,754	22,968
Others	300,814	454,170
Subtotal	18,036,252	12,224,715
Less: Allowance for impairment losses	(982,497)	(1,350,144)
Total	17,053,755	10,874,571

- (a) This arises from the disposal of credit assets (Note 40 (b)) in 2024 and 2025. Part of the consideration was in the form of receivables. The carrying amount represents the present value of the consideration when the time value of money is considered.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

27. OTHER ASSETS (CONTINUED)

(b) Right-of-use assets

	Properties and equipment	Land use rights	Total
Cost			
As at 1 January 2025	1,328,539	1,091,966	2,420,505
Additions	169,201	398	169,599
Disposals and others	(370,373)	–	(370,373)
As at 31 December 2025	1,127,367	1,092,364	2,219,731
Accumulated depreciation			
As at 1 January 2025	676,449	172,207	848,656
Charge for the year	213,237	26,079	239,316
Disposals and others	(315,764)	–	(315,764)
As at 31 December 2025	573,922	198,286	772,208
Net book value			
As at 31 December 2025	553,445	894,078	1,447,523
As at 31 December 2024	652,090	919,759	1,571,849

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

27. OTHER ASSETS (CONTINUED)

(b) Right-of-use assets (continued)

	Properties and equipment	Land use rights	Total
Cost			
As at 1 January 2024	1,307,058	1,125,367	2,432,425
Additions	214,082	–	214,082
Disposals	(192,601)	(33,401)	(226,002)
As at 31 December 2024	1,328,539	1,091,966	2,420,505
Accumulated depreciation			
As at 1 January 2024	642,544	146,398	788,942
Charge for the year	198,919	26,084	225,003
Disposals	(165,014)	(275)	(165,289)
As at 31 December 2024	676,449	172,207	848,656
Net book value			
As at 31 December 2024	652,090	919,759	1,571,849
As at 31 December 2023	664,514	978,969	1,643,483

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FOR THE YEAR ENDED 31 DECEMBER 2025

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

27. OTHER ASSETS (CONTINUED)

(c) Foreclosed assets

	As at 31 December	
	2025	2024
Houses and buildings	534,244	501,583
Others	13,100	13,100
Subtotal	547,344	514,683
Less: Allowance for impairment losses	(97,684)	(110,035)
Total	449,660	404,648

Movements of allowance for impairment loss:

	Houses and buildings	Others	Total
At 1 January 2024	94,374	28	94,402
Charge for the year	41,846	–	41,846
Disposals	(26,213)	–	(26,213)
At 31 December 2024	110,007	28	110,035
Charge for the year	37,172	1,372	38,544
Disposals	(50,895)	–	(50,895)
At 31 December 2025	96,284	1,400	97,684

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

27. OTHER ASSETS (CONTINUED)

(d) Intangible assets

	Software
Cost	
At 1 January 2025	1,215,925
Additions	168,886
Disposals	(87,630)
At 31 December 2025	1,297,181
Accumulated amortisation	
At 1 January 2025	775,206
Charge for the year	141,446
Disposals	(87,495)
At 31 December 2025	829,157
Net book value	
At 31 December 2025	468,024
At 31 December 2024	440,719

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

27. OTHER ASSETS (CONTINUED)

(d) Intangible assets (continued)

	Software
Cost	
At 1 January 2024	1,149,299
Additions	203,738
Disposals	(137,112)
<hr/>	
At 31 December 2024	1,215,925
Accumulated amortisation	
At 1 January 2024	795,962
Charge for the year	116,356
Disposals	(137,112)
<hr/>	
At 31 December 2024	775,206
Net book value	
At 31 December 2024	440,719
<hr/>	
At 31 December 2023	353,337
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

28. DEPOSITS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	As at 31 December	
	2025	2024
Deposits from banks operating in Chinese mainland	1,137,656	1,051,312
Deposits from other financial institutions operating in Chinese mainland	18,792,818	35,979,861
Interest payable	119,273	169,662
Total	20,049,747	37,200,835

29. PLACEMENTS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	As at 31 December	
	2025	2024
Placements from banks operating in Chinese mainland	5,600,000	5,460,000
Interest payable	4,217	2,878
Total	5,604,217	5,462,878

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

30. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December 2025	2024
Financial liabilities held for trading		
Financial liabilities related to precious metal	119,026	18,911
Short position on bonds	4,585,832	5,252,953
Total	4,704,858	5,271,864

31. FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS

	As at 31 December 2025	2024
Analysed by type of underlying collateral		
– Bonds	24,715,209	29,622,955
Interest payable	2,424	608
Total	24,717,633	29,623,563

32. CUSTOMER DEPOSITS

	As at 31 December 2025	2024
Demand deposits		
– Corporate customers	132,686,693	135,917,030
– Personal customers	134,106,516	127,903,928
	266,793,209	263,820,958
Time deposits		
– Corporate customers	176,829,831	175,894,836
– Personal customers	481,362,526	461,423,509
	658,192,357	637,318,345
Other deposits	65,034,527	57,510,690
Interest payable	18,246,967	20,808,784
Total	1,008,267,060	979,458,777

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

33. DEBT SECURITIES ISSUED

	As at 31 December	
	2025	2024
Tier 2 capital bonds (a)	15,527,970	15,527,882
Interbank certificates of deposit issued (b)	126,465,367	143,514,872
Financial bonds (c)	5,008,375	3,057,702
Total	147,001,712	162,100,456

(a) Tier 2 capital bonds

Pursuant to the approval of the PBOC and the CBIRC, the Bank issued Tier 2 capital bonds in an amount of RMB15 billion in the domestic interbank bond market on 31 March 2023. The bonds have a maturity of 10 years, with a fixed coupon rate of 4.70%. The Bank has the option to early redeem the bonds at the end of the fifth year. These eligible Tier 2 capital bonds have the write-down feature of a Tier 2 capital instrument, which allows the Bank to write down the entire principal of the bonds when a regulatory trigger event occurs. Any accumulated unpaid interest will not need to be paid.

(b) Interbank certificates of deposit issued

As at 31 December 2025, the outstanding balance was RMB126,465 million (31 December 2024: RMB143,515 million), with interest rates ranging from 1.61% to 2.08% (31 December 2024: from 1.66% to 2.52%), and is maturing in 2026.

(c) Financial bonds

Pursuant to the approval of the PBOC, the Bank issued financial bonds in an amount of RMB5 billion in the domestic interbank bond market on 24 November 2025. The bonds have a maturity of 3 years, with a fixed coupon rate of 1.85% and annual interest payment on 24 November every year from 2026 to 2028.

Pursuant to the approval of the PBOC and the CBIRC, the Bank issued financial bonds in an amount of RMB3 billion in the domestic interbank bond market on 5 May 2022. The bonds have a maturity of 3 years, with a fixed coupon rate of 2.89% and annual interest payment on 5 May every year from 2023 to 2025. The aforesaid financial bonds of the Bank was fully repaid on 5 May 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

34. OTHER LIABILITIES

	As at 31 December	
	2025	2024
Borrowings from other banks (a)	11,709,220	17,238,249
Salaries, bonuses, allowances and subsidies payable (b)	2,526,082	2,203,441
Provisions (c)	779,511	910,738
Bill rediscounting liabilities	786,411	861,024
Lease liabilities	578,763	679,278
Settlement and clearing accounts	90,960	352,890
Sundry tax payables	296,864	545,014
Deposits and guarantees received	79,459	55,945
Deposit insurance Liability	223,456	203,491
Guarantee deposits from lessees (d)	183,591	338,815
Dividend payable	2,307	2,260
Others	1,320,105	540,074
Total	18,576,729	23,931,219

(a) Borrowings from other banks

As at 31 December 2025, the wholly-owned subsidiary of the Bank, Zhujiang Financial Leasing Co., Ltd., borrowed long-term and short-term loans from other banks for its leasing operation business, with original maturity ranging from 3 to 60 months (31 December 2024: from 3 to 60 months) and interest rates ranging from 1.68% to 2.48% (31 December 2024: from 2.05% to 3.18%).

(b) Salaries, bonuses, allowances and subsidies payable

	As at 31 December	
	2025	2024
Salaries, bonuses and allowances	1,483,524	1,122,295
Social insurance	6,573	5,475
Housing fund	249	281
Employee benefits	145,740	194,004
Defined contribution plans	1,388	3,692
Defined benefit plans		
– Supplementary retirement benefits (i)	781,303	781,608
Early retirement benefits	107,305	96,086
Total	2,526,082	2,203,441

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

34. OTHER LIABILITIES (CONTINUED)

(b) Salaries, bonuses, allowances and subsidies payable (continued)

(i) Supplementary retirement benefits

During the twelve-month period ended 31 December 2025, no forfeited contributions were utilised by the Group to reduce its contributions for the current period (year ended 31 December 2024: None).

The movement of supplementary retirement benefits of the Group are as follows:

	As at 31 December	
	2025	2024
At 1 January	781,608	685,134
Defined benefit cost recognised in profit or loss	60,495	81,054
Defined benefit cost recognised in other comprehensive income	(605)	69,224
Benefits paid during the year	(60,195)	(53,804)
At 31 December	781,303	781,608

	As at 31 December	
	2025	2024
Discount rate	2.25%	1.97%

Assumptions regarding future mortality are based on the China Life Insurance Mortality table published in Chinese mainland.

The sensitivity of the present value of supplementary retirement benefit obligations to changes in the principal assumption is immaterial.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

34. OTHER LIABILITIES (CONTINUED)

(c) Provisions

	As at 31 December	
	2025	2024
Expected credit loss on loan commitments and financial guarantee contracts	714,174	820,685
Provision for litigation	65,337	90,053
Total	779,511	910,738

The expected credit loss for loan commitments and financial guarantee contracts by stages are as follows:

	As at 31 December	
	2025	2024
Stage 1	440,685	592,448
Stage 2	272,894	227,918
Stage 3	595	319
Total	714,174	820,685

(d) Guarantee deposits from lessees

The wholly-owned subsidiary of the Bank, Zhujiang Financial Leasing Co., Ltd., received deposits from lessees when entering into the finance lease contracts. These deposits are interest-free and will be repaid upon maturity of the lease contracts.

35. SHARE CAPITAL

All shares of the Bank issued are fully paid ordinary shares, with par value of RMB1 per share. The Bank's number of shares is as follows:

	2025		2024	
	Number of shares '000	Nominal value	Number of shares '000	Nominal value
At the beginning and end of the year	14,409,789	14,409,789	14,409,789	14,409,789

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

36. OTHER EQUITY INSTRUMENTS

(a) Perpetual bonds

	Issue date	Accounting classification	Dividend rate	Issue price	Number	In RMB (thousands)	Maturity	Conditional redemption rights
Perpetual bonds	29 May 2024	Equity	First five years is 2.78% (reset every 5 years)	RMB100	120,000,000	12,000,000	No maturity date	May redeem by the issuer under certain conditions

With the approvals of the relevant regulatory authorities in China, the Bank issued RMB12,000 million undated capital bonds in the domestic interbank bond market and completed the issuance and listing on 29 May 2024. The denomination of the bonds is RMB100 each, and the annual interest rate of the bonds for the first five years is 2.78%, which is reset every 5 years.

The bonds issuance sets conditional redemption rights for the Bank. From the fifth anniversary since the issuance of the Bonds, the Bank may redeem the bonds in whole or in part on each interest payment date (including the fifth interest payment date since the issuance). If, after the issuance, the bonds no longer qualify as Additional Tier 1 Capital as a result of an unforeseeable change or amendment to relevant provisions of supervisory regulations, the Bank may redeem all but not part of the bonds.

The claims in respect of the bonds, in the event of the liquidation of the Bank, will be subordinated to claims of depositors, general creditors, and subordinated indebtedness that rank senior to the bonds; shall rank in priority to all classes of shares held by the Bank's shareholders and rank pari passu with the claims in respect of any other Additional Tier 1 Capital instruments of the Bank that rank pari passu with the bonds.

The Bank shall have the right to cancel, in whole or in part, interests on the bonds and any such cancellation shall not constitute an event of default. Cancellation of any interests on the bonds, no matter in whole or in part, will not impose any other restriction on the Bank, except in relation to dividend distributions to ordinary shares.

Upon the occurrence of a non-viability trigger event, the Bank has the right to write off in whole or in part, without the need for the consent of the bond holders, the principal amount of the perpetual bonds. A non-viability trigger event refers to the earlier of a) NFRA having concluded that without a write-off, the Bank would become non-viable; b) the relevant authorities having concluded that without a public sector injection of capital or equivalent support, the Bank would become non-viable.

(b) Preference shares

With the approvals of the relevant regulatory authorities in China, the Bank fully redeemed all 71,500,000 offshore preference shares on 20 June 2024 in the amount of the nominal value of USD1.43 billion (equivalent to RMB10,172,019 thousand).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

37. RESERVES

(a) Capital reserve

Capital reserve mainly includes share premium arising from the issuance of new shares at prices in excess of par value and shareholders' donation.

(b) Surplus reserve

The Bank is required to appropriate 10% of its profit for the year pursuant to the Company Law of the People's Republic of China and the Articles of association to the statutory surplus reserve until the reserve balance reaches 50% of its registered capital.

Subject to the approval of the shareholders, the statutory surplus reserve may be used to offset accumulated losses of the Bank, if any, and may also be converted into capital of the Bank, provided that the balance of the statutory surplus reserve after such capitalisation is not less than 25% of the registered capital immediately before capitalisation.

For the year ended 2025, an appropriation of 10% of the profit of the Bank determined under generally accepted accounting principles of the PRC ("PRC GAAP") was made to the statutory surplus reserve, in the amount of RMB180 million (31 December 2024: RMB177 million).

(c) General reserve

Pursuant to the relevant regulations issued by the Ministry of Finance (the "MOF"), the Bank and its subsidiaries are required to maintain a general reserve within equity, through the appropriation of net profit, starting from 1 July 2012, which should not be less than 1.5% of the year-end balance of their respective risk assets as defined by the regulations.

During the year ended 31 December 2025, the Group transferred RMB56 million (31 December 2024: RMB1,312 million) to the general reserve pursuant to the regulatory requirements in the PRC and the reserve has reached 1.5% of the year-end balance of its risk assets as required on 31 December 2025 and 31 December 2024.

(d) Other reserves

Other reserves included financial assets revaluation reserve and remeasurement losses on defined benefit plans. The financial assets revaluation reserve records the fair value changes and expected credit losses of financial investments at fair value through other comprehensive income. Remeasurement losses on defined benefit plans are the actuarial gains or losses of supplementary retirement benefits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

38. COMPONENTS OF OTHER COMPREHENSIVE INCOME

	Attributable to shareholders of the Bank		Movement during the year				Attributable to shareholders of the Bank
	As at 31 December 2024	Amount before tax	Net amount transferred to the profit or loss	Tax expense	Attributable to the shareholders of the Bank, after tax	Attributable to the non-controlling interests, after tax	As at 31 December 2025
Other comprehensive income that will not be reclassified to profit or loss in subsequent years:							
Remeasurement losses on defined benefit plans	(146,506)	605	-	-	448	157	(146,058)
Other comprehensive income that may be reclassified to profit or loss in subsequent years:							
Changes in fair value of financial investments at FVTOCI	1,606,806	(2,785,357)	(1,103,379)	972,184	(2,615,218)	(301,334)	(1,008,412)
Changes in the expected credit losses of financial investments at FVTOCI	1,865,283	429,145	-	(107,287)	324,631	(2,773)	2,189,914
Total	3,325,583	(2,355,607)	(1,103,379)	864,897	(2,290,139)	(303,950)	1,035,444

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

38. COMPONENTS OF OTHER COMPREHENSIVE INCOME (CONTINUED)

	Attributable to shareholders of the Bank		Movement during the year				Attributable to shareholders of the Bank	
	As at 31 December 2023	Amount before tax	Net amount transferred to the profit or loss	Tax expense	Attributable to the shareholders of the Bank, after tax	Attributable to the non-controlling interests, after tax	As at 31 December 2024	
Other comprehensive income that will not be reclassified to profit or loss in subsequent years:								
Remeasurement losses on defined benefit plans	(78,013)	(69,224)	-	-	(68,493)	(731)	(146,506)	
Other comprehensive income that may be reclassified to profit or loss in subsequent years:								
Changes in fair value of financial investments at FVTOCI	(1,871,088)	5,588,566	(657,478)	(1,232,772)	3,477,894	220,422	1,606,806	
Changes in the expected credit losses of financial investments at FVTOCI	1,921,991	(76,138)	-	19,034	(56,708)	(396)	1,865,283	
Total	(27,110)	5,443,204	(657,478)	(1,213,738)	3,352,693	219,295	3,325,583	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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39. ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS

On the consolidated statement of cash flows, cash and cash equivalents have an original maturity of less than three months and include the following:

	As at 31 December	
	2025	2024
Cash on hand	2,515,505	2,865,931
Surplus reserves with central bank	35,697,224	24,427,969
Deposits with banks and other financial institutions	16,228,119	7,309,814
Placements with banks and other financial institutions	762,304	1,003,188
Total	55,203,152	35,606,902

40. TRANSFERS OF FINANCIAL ASSETS

The Group enters into transactions in the normal course of business by which it transfers financial assets to third parties or to special purpose entities. In some cases where these transferred financial assets qualify for derecognition, the transfers may give rise to full or partial derecognition of the financial assets concerned. In other cases where the transferred assets do not qualify for derecognition as the Group has retained substantially all the risks and rewards of these assets, the Group continues to recognise the transferred assets in the consolidated statement of financial position.

(a) Bond lending arrangements

The Group entered into bond lending agreements with securities borrowers to lend out its bond securities classified as financial investments at FVTPL, financial investments at FVTOCI or financial investments at amortised cost amounting to RMB46 million, RMB2,233 million and RMB2,044 million respectively, as at 31 December 2025 (31 December 2024: RMB1,086 million, RMB6,809 million and RMB14,863 million respectively). The counterparties are allowed to resell or repledge these securities in the absence of default by the Group but have an obligation to return the securities at the maturity of the contract. The Group has determined that it retains substantially all the risks and rewards of these securities and therefore has not derecognised them in the consolidated financial statements.

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

40. TRANSFERS OF FINANCIAL ASSETS (CONTINUED)

(b) Transfer of credit assets

During the year ended 31 December 2025, with the approval of the Board of Directors and the General Meeting of Shareholders of the Bank, the Bank transferred credit assets held by the Bank amounting to RMB18,928 million in total, representing the principal, corresponding interest and penalty interest, and advanced judicial fees of the credit assets, to an independent third party (Guangzhou Asset Management Co., Ltd.) at a consideration of RMB12,250 million. Part of the consideration is in the form of receivables (Note 27). As the rights and obligations related to these credit assets have been transferred, the Bank has transferred substantially all the risks and rewards of the credit assets to the counterparty and therefore fully derecognised the transferred assets.

During the year ended 31 December 2024, with the approval of the Board of Directors and the General Meeting of Shareholders of the Bank, the Bank transferred credit assets held by the Bank amounting to RMB14,592 million in total, representing the principal, corresponding interest and penalty interest, and advanced judicial fees of the credit assets, to an independent third party (Guangzhou Asset Management Co., Ltd.) at a consideration of RMB9,993 million. Part of the consideration is in the form of receivables (Note 27). As the rights and obligations related to these credit assets have been transferred, the Bank has transferred substantially all the risks and rewards of the credit assets to the counterparty and therefore fully derecognised the transferred assets.

As at 31 December 2025, the carrying amounts of receivables arising from the transfers in 2025 and 2024 were RMB7,685 million and RMB5,586 million respectively (31 December 2024: RMB6,211 million). The carrying amount represents the present value of the consideration when the time value of money is considered.

41. STRUCTURED ENTITIES

The Group is principally involved with structured entities through wealth management products, financial investments in asset management plans, trust plans and assets backed securities. The Group determines whether or not to consolidate these structured entities depending on whether the Group has control over them.

(a) Consolidated structured entities

Structured entities consolidated by the Group include certain asset management plans and trust plans invested by the Group. The Group controls structured entities because the Group has power over, is exposed to, or has rights to, variable returns from its involvement with structured entities and has the ability to use its power over structured entities to affect the amount of the Group's returns.

As at 31 December 2025, the net assets value of these consolidated structured entities was RMB46,615 million (31 December 2024: RMB66,430 million).

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FOR THE YEAR ENDED 31 DECEMBER 2025

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41. STRUCTURED ENTITIES (CONTINUED)

(b) Unconsolidated structured entities

(i) *Unconsolidated structured entities managed by the Group*

Unconsolidated structured entities managed by the Group mainly include non-principal guaranteed wealth management products issued and managed by the Group as an agent. Based on the analysis and research of potential target customer groups, the Group designs and sells wealth management products to specific target customers. The Group acting as the manager invests the funds raised by the structured entities and distributes investment income to investors in accordance with the contracts.

During the twelve-month period ended 31 December 2025, the Group recorded commission income as the manager of these wealth management products amounting to RMB120 million (31 December 2024: RMB104 million). The fee income from the unconsolidated non-guaranteed wealth management products of the Group represents the Bank's maximum exposure to such business. The Group considered its variable returns from its involvement with the structured entities are not significant and hence it does not consolidate these structured entities.

For the purpose of asset-liability management, the Group's unconsolidated structured entities may raise short-term financing from the Group and other banks. The Group is not contractually obliged to provide financing. The Group may enter into repurchase and placement transactions with these unconsolidated structured entities in accordance with market principles. As at 31 December 2025, there was no balance of the above repurchase and placement transactions (31 December 2024: nil).

As at 31 December 2025, the balance of the unconsolidated non-guaranteed wealth management products managed by the Group amounted to RMB32,542 million (31 December 2024: RMB45,935 million).

(ii) *Unconsolidated structured entities invested by the Group*

The Group invests in a number of unconsolidated structured entities mainly consisting of asset-backed securities, funds, wealth management products, trust plans and asset management plans sponsored and managed by other independent third parties.

The table below sets out the carrying value and the Group's maximum exposure to these unconsolidated structured entities.

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41. STRUCTURED ENTITIES (CONTINUED)

(b) Unconsolidated structured entities (continued)

(ii) Unconsolidated structured entities invested by the Group (continued)

At 31 December 2025	Carrying value	Maximum exposure to loss
<u>Financial investments at FVTPL</u>		
Fund investments	18,311,628	18,311,628
Trust and asset management plans	2,899,149	2,899,149
Other investments	1,751,376	1,751,376
Subtotal	22,962,153	22,962,153
<u>Financial investments at FVTOCI</u>		
Trust and asset management plans	4,667,799	4,667,799
<u>Financial investments at amortised cost</u>		
Trust and asset management plans	5,435,684	5,435,684

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41. STRUCTURED ENTITIES (CONTINUED)

(b) Unconsolidated structured entities (continued)

(ii) Unconsolidated structured entities invested by the Group (continued)

At 31 December 2024	Carrying value	Maximum exposure to loss
<u>Financial investments at FVTPL</u>		
Fund investments	35,322,630	35,322,630
Trust and asset management plans	3,420,534	3,420,534
Assets backed securities issued by other banks and non-bank financial institutions	11,662	11,662
Other investments	855,492	855,492
Subtotal	39,610,318	39,610,318
<u>Financial investments at FVTOCI</u>		
Trust and asset management plans	4,694,180	4,694,180
Other investments	33	33
Subtotal	4,694,213	4,694,213
<u>Financial investments at amortised cost</u>		
Trust and asset management plans	5,971,298	5,971,298
Subtotal	5,971,298	5,971,298
Total	50,275,829	50,275,829

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42. COMMITMENTS AND CONTINGENT LIABILITIES

(a) Loan and credit card commitments

At any given time, the Group has outstanding commitments to extend credit. These commitments are in the form of approved loans and undrawn credit card limits.

The Group provides letters of credit and financial guarantees to guarantee the performance of customers to third parties.

Bank acceptances comprise undertakings by the Group to pay bills drawn on customers. The Group expects most acceptances to be settled simultaneously with the reimbursement from the customers.

The contractual amounts of credit commitments by category are set out below. The amounts disclosed in respect of loan and credit card commitments are under the assumption that the amounts will be fully advanced. The amounts for bank acceptances, letters of credit and guarantees represent the maximum potential losses that would be recognised at the end of the year had the counterparties failed to perform as contracted.

	As at 31 December	
	2025	2024
Loan commitments (i)	60,655,984	61,555,798
Bank acceptances	47,839,648	64,713,843
Letters of credit issued	30,698,734	3,185,073
Credit card commitments	21,120,580	21,209,075
Guarantees issued	20,903,288	25,032,904
Subtotal	181,218,234	175,696,693
Less: Allowance for credit commitments	(714,174)	(820,685)
Total	180,504,060	174,876,008

(i) Loan commitments of the Group are revocable.

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42. COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

(b) Operating lease commitments

During the year, the Group leased certain of their office properties under lease arrangements, and the total future minimum lease payments in respect of leases not yet commenced to which the Group is committed amounted to RMB11 million (31 December 2024: RMB11 million).

(c) Capital commitments

At the end of the year, the Group had capital commitments as follows:

	As at 31 December	
	2025	2024
Contracted, but not provided for	91,236	173,021
Authorised but not contracted for	330,118	322,953
	421,354	495,974

(d) Credit risk-weighted amount of contingent liabilities and commitments

	As at 31 December	
	2025	2024
Contingent liabilities and commitments	24,216,864	28,044,836

Since 1 January 2024, the Group calculated the credit risk-weighted assets amount of its contingent liabilities and commitments in accordance with the requirements of Rules on Capital Management of Commercial Banks issued by the NFRA. The amount within the scope approved by the former CBIRC in April 2014 is calculated using the Weighted Approach. The credit risk-weighted amount refers to the amount as computed in accordance with the formula promulgated by the CBIRC and depends on the credit worthiness of the counterparty and the maturity characteristics. The risk weights used range from 0% to 100% for contingent liabilities and commitments.

(e) Legal proceedings

The Bank and its subsidiaries are involved in lawsuits and arbitrations during their normal course of operations. In the opinion of management, the Group has made adequate provisions for any probable losses based on the current facts and circumstances, and the ultimate outcome of these lawsuits and arbitrations will not have any significant impact on the financial position or operations of the Group.

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43 FIDUCIARY ACTIVITIES

The Group operates entrusted loans. The entrusted loans represent the loans granted to specific borrowers designated by the trustors on their behalf according to the entrusted agreements signed by the Group and the trustors. The Group only acts on behalf of trustors and assists them to administer the loans. Risks remain to trustors while the Group charges commission fee for the business. Entrusted loans are not included in the Group's consolidated financial statements.

	As at 31 December	
	2025	2024
Entrusted deposits	(5,251,775)	(5,279,930)
Entrusted loans	5,251,775	5,279,930

Entrusted wealth management refers to service that the Group makes investments and manages principal on behalf of customers within agreed investment plans and methods, and earnings will be paid to customers in accordance with terms of agreements and actual earnings. As at 31 December 2025, the size of asset under entrusted wealth management service of the Group amounted to RMB32,542 million (31 December 2024: RMB45,935 million).

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44. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were classified in the Group's consolidated cash flows statement as cash flows from financing activities.

	Debt securities issued	Dividend payable	Lease liabilities	Placements from banks and other financial institutions	Others	Total
As at 1 January 2025	162,100,456	2,260	679,278	1,462,827	17,238,249	181,483,070
Cash changes						
– Proceeds from liabilities	211,790,000	–	–	–	–	211,790,000
– Repayment of liabilities	(227,220,000)	–	(224,376)	(260,000)	(5,179,000)	(232,883,376)
– Interest/dividends paid	(2,966,382)	(1,202,224)	–	(19,307)	(689,426)	(4,877,339)
Non-cash changes						
– New leases entered or lease modified	–	–	100,324	–	–	100,324
– Interest expense	3,297,638	–	23,537	18,379	339,397	3,678,951
– Dividends declared	–	1,202,271	–	–	–	1,202,271
As at 31 December 2025	147,001,712	2,307	578,763	1,201,899	11,709,220	160,493,901

	Debt securities issued	Dividend payable	Lease liabilities	Placements from banks and other financial institutions	Others	Total
As at 1 January 2024	127,863,513	3,598	750,951	1,383,536	6,913,895	136,915,493
Cash changes						
– Proceeds from liabilities	256,020,000	–	–	80,000	10,324,354	266,424,354
– Repayment of liabilities	(221,640,000)	–	(189,648)	–	–	(221,829,648)
– Interest/dividends paid	(3,796,563)	(1,453,302)	–	(28,152)	(384,421)	(5,662,438)
Non-cash changes						
– New leases entered or lease modified	–	–	72,261	–	–	72,261
– Interest expense	3,653,506	–	45,714	27,443	384,421	4,111,084
– Dividends declared	–	1,451,964	–	–	–	1,451,964
As at 31 December 2024	162,100,456	2,260	679,278	1,462,827	17,238,249	181,483,070

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45. ASSETS PLEDGED AS SECURITY

(a) Financial assets which have been pledged

As at 31 December 2025 and 31 December 2024, financial assets of the Group, which refer to debt investments, have been pledged as security for liabilities or contingent liabilities, mainly arising from financial assets sold under repurchase agreements, borrowings from Central Bank, re-lending and fiscal deposits. As at 31 December 2025, the carrying amount of the financial assets of the Group pledged as securities amounted to approximately RMB84,210 million in total (31 December 2024: RMB76,009 million).

(b) Collateral received

The Group received debt investments as collateral in connection with the terms of the financial assets held under resale agreements. The Group did not hold any collateral that can be resold or repledged as at 31 December 2025 and 31 December 2024.

46. RELATED PARTY DISCLOSURES

(a) Related party relationships

(i) Major shareholders

As at 31 December 2025, the following shareholders directly hold 5% or more interest of the Bank or have significant influence on the Bank by having a director in the Board of Directors.

Major shareholders	Number of shares '000	Percentage of shareholding of the Bank %	Main business
Guangzhou Finance Holdings Group Co., Ltd.	1,194,271	8.29	Financial services industry
Guangzhou Metro Group Co., Ltd.	722,950	5.02	Transportation industry
Guangzhou Urban Renewal Group Co., Ltd.	696,289	4.83	Management service industry
Centennial Life Insurance Company Limited	362,266	2.51	Insurance industry
Guangzhou Lingnan Business Travel Investment Group Co., Ltd.	303,443	2.11	Commercial service industry
Guangzhou Huaxin Group Co., Ltd.	100,010	0.69	Management service industry
Guangzhou Industrial Control Capital Management Co., Ltd.	45,313	0.31	Financial services industry

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46. RELATED PARTY DISCLOSURES (CONTINUED)

(a) Related party relationships (continued)

(i) Major shareholders (continued)

As at 31 December 2024, the following shareholders directly hold 5% or more interest of the Bank or have significant influence on the Bank by having a director in the Board of Directors.

Major shareholders	Number of shares '000	Percentage of shareholding of the Bank %	Main business
Guangzhou Finance Holdings Group Co., Ltd.	1,194,271	8.29	Financial services industry
Guangzhou Metro Group Co., Ltd.	722,950	5.02	Transportation industry
Guangzhou Urban Renewal Group Co., Ltd.	696,289	4.83	Management service industry
Centennial Life Insurance Company Limited	362,266	2.51	Insurance industry
Guangzhou Lingnan Business Travel Investment Group Co., Ltd.	303,443	2.11	Commercial service industry
Guangzhou Huaxin Group Co., Ltd.	100,010	0.69	Management service industry
Guangzhou Industrial Control Capital Management Co., Ltd.	45,313	0.31	Financial services industry

- (ii) Other related parties include the companies controlled or jointly controlled by the key management personnel or their close family members, and the companies of which key management personnel or their close family members were appointed as directors or key management personnel.

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46. RELATED PARTY DISCLOSURES (CONTINUED)

(b) Related party transactions

Related party transactions of the Bank mainly include loans, deposits and financial investments. Transactions between the Bank and its related parties follow general business terms and normal procedures and their pricing principle is the same as with independent third parties.

(i) Transactions between the Bank and major shareholders and the companies controlled or jointly controlled by major shareholders

Balances at the end of the year	As at 31 December	
	2025	2024
Loans and advances to customers	6,737,566	8,997,181
Financial investments at amortised cost	101,515	101,515
Deposits from banks and other financial institutions	20,122	503,811
Customer deposits	1,957,521	4,713,104
Credit commitments	375,626	437,109
Deposits with banks and other financial institutions	38,178	–

Transactions during the year	As at 31 December	
	2025	2024
Interest income	233,475	297,905
Interest expense	77,841	99,559
Fee and commission income	206	154
Net trading gains	524	155

(ii) Transactions between the Bank and subsidiaries

There are various related party transactions that occur between the Bank and its subsidiaries. These transactions are equitable and follow regular business procedures. The material balances and transactions with subsidiaries have been eliminated in full in the consolidated financial statements. In the opinion of the management, the transactions between the Bank and subsidiaries have no significant impact on profit or loss.

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46. RELATED PARTY DISCLOSURES (CONTINUED)

(b) Related party transactions (continued)

(iii) Other related parties

During the year, the Group entered into transactions with other related parties in the ordinary course of business. Details are as follows:

Balances at the end of the year	As at 31 December	
	2025	2024
Loans and advances to customers	3,774,723	2,387,120
Placements with banks and other financial institutions	600,000	1,810,000
Financial investments at amortised cost	49,463	–
Deposits from banks and other financial institutions	6,117	43,743
Customer deposits	335,166	520,706
Credit commitments	681,520	681,520

Transactions during the year	As at 31 December	
	2025	2024
Interest income	103,038	126,360
Interest expense	7,220	10,648
Fee and commission income	14	16
Net trading gains	42	895

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46. RELATED PARTY DISCLOSURES (CONTINUED)

(c) Key management personnel

Key management personnel refer to those who have power and are directly or indirectly responsible for planning, instruction and control of the Group.

Total amount of remuneration of key management personnel is listed below:

	As at 31 December	
	2025	2024
Salaries, bonus and benefits	14,576	19,242

Transactions with key management personnel and their closed family members are listed below:

	As at 31 December	
Balances at the end of the year	2025	2024
Loans and advances to customers	489	–
Customer deposits	27,821	42,473

	As at 31 December	
Transactions during the year	2025	2024
Interest income	15	–
Interest expense	489	344
Fee and commission income	1	1

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47. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks and those activities involve analysis, evaluation, acceptance and management of some degree of risks or combination of risks. Managing those risks are crucial to the financial business, and risks are an inevitable consequence of being in business operation. The Group's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Group's financial performance.

The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and control programs, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems.

A description and an analysis of the major risks faced by the Group are as follows:

The major types of risks are credit risk, market risk and liquidity risk. Market risk mainly consists of currency risk, interest rate risk and price risk.

The Board of Directors of the Bank is responsible for determining the Group's overall risk preference. Within this framework, the senior management of the Bank designs risk management policies and procedures for credit risk, market risk and liquidity risk accordingly. After the policies and procedures are approved by the Board of Directors, relevant departments of the headquarters are responsible for their implementation.

The Board of Directors of the Bank is responsible for setting the Group's overall risk tolerance, risk management and internal control strategies, supervising and ensuring that senior management performs risk management duties effectively. The Bank has a Related Party Transactions and Risk Management Committee under the Board of Directors, which is responsible for monitoring the risk management of senior management, evaluating the Group's situation of risk management, risk tolerance ability and level regularly, and taking case precautions, reviewing and controlling the related party transactions. The Board of Supervisors is responsible for inspecting the Group's risk management and taking case precautions, comprehensively evaluating the risk management performance of the directors and senior management. Senior management is responsible for executing the policies of risk management and internal control approved by the Board of Directors and developing the specific rules and regulations of risk management. The Bank has a Risk Management Committee under senior management, which is responsible for reviewing the Group's significant matters of risk management.

The Risk Management Department is the leading department of overall risk management and is responsible for overall planning and coordination of risk management. The Risk Management Department, Legal and Compliance Department (Anti-Money Laundering Center) and Asset Management Department take the lead in managing credit risk, market risk, operation risk and liquidity risk. The Audit Department is responsible for supervising, inspecting, evaluating and reporting the risk management activities' effect independently and objectively.

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47. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk

Credit risk represents the potential loss that may arise from a customer or counterparty's failure to meet its obligations. Credit risk is often greater when counterparties are concentrated in one single industry or geographic location or have comparable economic features. In addition, different industrial sectors and geographic areas have their unique characteristics in terms of economic development and could present a different credit risk.

(i) Credit Risk Management

Loans

The Group exercises standardised credit management procedures, including credit investigation and proposals, credit limit review, loan disbursement, post lending monitoring, and management. The Group enhances its credit risk management by strict compliance with its credit management procedures to identify, measure, monitor and manage the potential credit risk, which includes:

- strengthening customer investigation, lending approval and post lending monitoring;
- setting up authorisation limits over loan review and approval;
- establishing the internal assessment system in respect of the credit rating towards different kinds of customers, as the fundamental procedures for granting credit;
- setting up the authority limit over risk classification of credit assets, reviewing periodically and updating risk classification of credit assets, and carrying out on-site sample review and off-site review to monitor the risk; and
- implementing and continuously upgrading the Credit Management System based on the requirements of risk management, developing and popularising various risk management tools.

In respect of the corporate loans, credit managers of the Group are responsible for accepting application from the applicants, carrying out credit investigation and making recommendations on credit rating through credit risk assessment of the applicants and their business. According to the authority limit over credit review and approval, applications will be assessed and authorised at the branch level or/and head office level. The credit limit will be determined based on assessment of the factors including the applicant's credit rating, financial position, collateral and guarantee, the overall credit risk of the portfolio, macroeconomic policies, and restriction imposed by laws and regulations. The Group minimises losses over credit risk through: (1) collecting; (2) restructuring; (3) repossessing the collateral or resourcing from the guarantor; (4) seeking arbitration or pursuing lawsuits; and (5) write off according to relevant regulations.

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47. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

(i) Credit Risk Management (continued)

Loans (continued)

The Group writes off loans, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation to recover the loan.

Bonds

The Group manages the credit risk exposure of bonds through controlling the investment scale and based on issuer's credit rating and establishing post lending management standards.

Other financial assets carrying at amortised cost

Other financial assets carrying at amortised cost, include wealth management products, trust plans and asset management plans issued and managed by other banks and financial institutions. The Group establishes a risk evaluation system on the trust companies, securities companies and fund management companies, sets up credit limit for issuers of trust beneficial rights, wealth management products, and ultimate borrowers of asset management schemes, and performs ongoing post-lending monitoring on timely basis.

Inter-bank transactions

The Group reviews and monitors the credit risk of financial institutions. Limits are set for each individual bank or non-banking financial institution which has business relationship with the Group.

Credit commitments

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Letters of guarantee issued, acceptances, bill acceptance and letters of credit, which represent irrevocable commitment that the Group will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans. When the amount of credit commitment exceeds the original credit limit, margin deposits are required to mitigate the credit risk. The Group's exposure of credit risk is equivalent to the total amount of credit commitments.

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47. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

(ii) Risk limit control and mitigation policies

The Group manages and limits the concentrations of credit risk, including concentration to individual counterparty, group, industry and region.

The Group continuously optimises the credit risk structure by setting limits on the borrower, group of borrowers, geographical and industry segments. Concentration risks are monitored on an ongoing basis and subject to an annual or more frequent reviews where necessary.

The Group manages the exposure to credit risk through analyses of borrowers and potential borrowers' abilities to fulfil interest and principal repayment obligations and amends the lending limits where appropriate.

The Group has established relevant policies to mitigate credit risk. One of the most important measures is to obtain collateral, pledged assets, guarantee deposits or guarantees from corporates or individuals. The Group provides guidelines on the acceptance of specific classes of collateral. The principal types of collateral for loans and advances are:

- Residential property and land use right;
- Commercial assets, such as commercial property, inventory and accounts receivables;
- Financial instruments, such as debt investments and equity shares.

Fair value of collateral is usually required to be assessed by professional valuers permitted by the Group. When there is objective evidence of impairment, the value of collateral will be reviewed by the Group to assess whether it could sufficiently cover the credit exposure of relevant loans. To mitigate the credit risk, the Group has implemented main loan-to-value ratio requirement based on type of collateral as follows:

Item	Main loan-to-value ratio
Residential properties	70%
Villas	60%
Apartments, office buildings, shops, factories, self-builds, carports, warehouses	50%
Land use rights	50%

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47. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

(ii) Risk limit control and mitigation policies (continued)

Fair value of collateral was determined by management based on the latest available external valuation results, taking into account experience adjustments for current market conditions and estimated expenses to be incurred in the disposal process.

For loans guaranteed by third parties, the Group will review the financial condition and credit history of guarantors and evaluate the ability of the guarantors to meet obligations on regular basis.

(iii) Credit risk impairment

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

Stage 1 (not credit-impaired on initial recognition): 12-month expected credit losses (ECL);

Stage 2 (significant increase in credit risk since initial recognition): lifetime expected credit losses;

Stage 3 (credit – impaired assets): lifetime expected credit losses

The Group developed an impairment model to calculate expected credit losses in accordance with the standards. A top-down development method was used to establish a logistic regression model of macroeconomic indicators and risk parameters.

Classification of Stages

Significant increase in credit risk

The Group considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following criteria have been met:

Quantitative criteria

At the reporting date, the Group assesses the significant increase in credit risk through the relative change of the probability of default. The thresholds was set based on different product type, such as corporate loans, personal loans, securities investments, etc. For the financial instrument without overdue, the Group assesses changes of probability of default over the lifetime to identify increment of the default risk.

If the borrower fails to pay more than 30 days after the contractual payment date, the credit risk of the financial instrument is considered to be increased significantly.

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47. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

(iii) Credit risk impairment (continued)

Classification of Stages (continued)

Significant increase in credit risk (continued)

Qualitative criteria

For corporate loans and bond investment portfolio, the credit risk is considered to be increased significantly, if borrowers were on the watch list or met one or more criteria as follows:

- Significant negative impact appears in business, financing or economic position for borrower;
- Actual or expected extension or restructuring;
- Actual or expected significant adverse change on borrower's operations;
- Collateral's valuation changes which expected to lead the increase of default probability (only for collateralised and pledged loans);
- Indicator for cash flow or liquidity problems, e.g. extension for account payable or loan repayment.

For corporate loans, the Group uses a credit risk early warning monitoring system to assess whether there has been a significant increase in its credit risk. For bond investment, the Group strengthens the management of bond investment and assesses it periodically. For individual loans, the Group assesses at the portfolio level on a quarterly basis whether there has been a significant increase in credit risk. The criteria used to identify significant increases in credit risk are monitored and reviewed by risk management departments on timely basis.

In 2025 and 2024, the Group did not determine any financial instruments as having low credit risk, the credit risk of which did not need to be evaluated on the reporting date, comparing with its initial recognition date.

Definition of default and credit impairment

When a financial instrument meets one or more of the following conditions, the Group defines the financial asset as default which is consistent with the definition of credit impairment:

Quantitative criteria

The borrower is more than 90 days overdue.

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47. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

(iii) Credit risk impairment (continued)

Classification of Stages (continued)

Definition of default and credit impairment (continued)

Qualitative criteria

The borrower meets the “difficulty to repay” criteria, indicating significant financial difficulties experienced by the borrower. Examples include:

- Significant financial difficulty of the issuer or the debtor;
- The creditor, for economic or contractual reasons relating to the debtor’s financial difficulty, 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;
- Debtors are in breach of contract;
- The disappearance of an active market for some financial assets due to the borrower’s financial difficulties;
- A purchased or originated credit-impaired financial asset.

These criteria apply to all financial instruments of the Group and are consistent with the definition of default used in internal credit risk management. The definition of default has been consistently applied to the model of Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD) in the calculation of expected credit losses of the Group.

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47. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

(iii) Credit risk impairment (continued)

Explanation of inputs, assumptions and estimation techniques in the ECL models

The ECL are measured on either a 12-month (12M) or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the PD, EAD and LGD, defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation (as per “Definition of default and credit-impairment” above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.
- EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). For example, for a revolving commitment, the Group includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.
- LGD represents the Group’s expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be incurred if the default occurs in the next 12 months and lifetime LGD is the percentage of loss expected to be incurred if the default occurs over the remaining expected lifetime of the loan.

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month).

Forward-looking information should be considered in determining the 12-month and lifetime PD, EAD and LGD. This varies by product types.

The Group quarterly monitors and reviews the ECL calculation related assumptions, including the changes of PD and LGD for different terms.

The Group has updated the PD, LGD and EAD in the ECL models based on the latest historical information and risk condition.

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47. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

(iii) Credit risk impairment (continued)

Forward – looking information in the ECL models

The assessment of significant increase in credit risk and the calculation of ECL incorporates forward-looking information. Through the analysis of historical data, the Group identifies the macroeconomic indicators that affect the credit risk and ECL of various portfolio. Macroeconomic indicators include Gross Domestic Product (GDP), Consumer Price Index (CPI), Money Supply (M2) and Completed Investment in Real Estate Development, etc. The Group obtained the key macroeconomic factors from the Wind Economic to perform historical analysis on the intertemporal endogenous relationship of the macroeconomic factors. The Group integrates statistical analysis and expert judgments to determine economic forecasts and weighting scheme under various economic scenarios.

The impact of these economic indicators on the PDs and the LGDs varies from one portfolio to another. The Group comprehensively considers internal and external data, expert forecasts and statistical analysis to determine the correlation between these economic indicators and the PDs and LGDs. The Group assesses and forecasts these economic indicators at least on an annual basis, calculates the best estimates for the future, and regularly reviews and assesses the results.

In 2025 and 2024, the Group has taken into account the impact of changes in different economic scenarios to the ECL model. The Group has adopted three economic scenarios (Base, Pessimistic and Optimistic) on the basis of the macro-economic information analysis and expert judgment. The weightings for the three scenarios remain 80%, 10% and 10% respectively for both years.

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Group updates the expected values of macroeconomic indicators periodically. The Group believes that these projections reflect the Group's best estimate of possible outcomes to determine that the scenarios selected are appropriate to represent possible scenarios.

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47. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

(iii) Credit risk impairment (continued)

Sensitivity analysis

The expected credit losses are sensitive to the parameters used in the model, macroeconomic variables for forward-looking prediction, scenarios weightings and other factors considered in the application of expert judgments. The changes in these parameters, assumptions, models and judgments will have an impact on the significant increase in credit risk and the measurement of expected credit losses.

Classification for ECL allowance

The Group classified the credit risk exposures with similar characteristics when assessing the ECL allowance. Credit risk team monitors and reviews the appropriateness of grouping regularly.

The characteristics for classification are as follows:

Personal loans: By product types (for instance, personal business loans, personal consumption loans, personal residential mortgages, credit cards overdraft).

Corporate loans: By industry.

Exposures evaluated by impairment assessment: By corporate loans in Stage 3.

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47. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

(iv) Maximum exposure to credit risk

As at the end of the reporting period, the maximum credit risk exposure of the Group without taking into account any collateral and other credit enhancements is set out below:

	As at 31 December	
	2025	2024
Deposits with central bank	84,972,955	71,884,126
Deposits with banks and other financial institutions	21,831,800	15,634,038
Placements with banks and other financial institutions	77,976,037	70,803,135
Financial assets held under resale agreements	54,717,626	30,054,622
Loans and advances to customers		
– at amortised cost	596,053,167	587,580,188
– at fair value through other comprehensive income	88,828,444	110,628,261
Financial investments at amortised cost	186,622,824	199,810,694
Financial investments at FVTPL	54,311,873	72,189,928
Financial investments at FVTOCI	173,835,580	171,042,104
Other financial assets	14,497,924	8,155,098
Total	1,353,648,230	1,337,782,194
Credit commitments	180,504,060	174,876,008

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47. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

(v) Analysis of loans and advances to customers

By industry	31 December 2025		31 December 2024	
	Amount	(%)	Amount	(%)
Corporate loans				
Lease and commercial service	122,167,288	17.30%	123,298,900	17.12%
Wholesale and retail	58,560,908	8.29%	55,060,738	7.64%
Manufacturing	48,892,099	6.92%	51,191,953	7.11%
Real estate	47,913,487	6.79%	45,120,010	6.26%
Construction	39,887,889	5.65%	39,628,272	5.50%
Resident services, repairing and other services	19,265,147	2.73%	19,887,999	2.76%
Financial services	13,230,894	1.87%	7,800,117	1.08%
Water, environment and public facilities management	10,989,116	1.56%	11,245,579	1.56%
Transportation, warehouse and postal services	9,436,315	1.34%	11,970,409	1.66%
Hotel and catering	8,710,631	1.23%	10,426,058	1.45%
Information transmission, software and IT services	8,156,458	1.16%	7,711,635	1.07%
Agriculture, forestry, farming and fishery	8,007,430	1.13%	9,158,019	1.27%
Education	7,469,428	1.06%	9,931,187	1.38%
Energy and utilities	5,251,872	0.74%	4,917,912	0.68%
Culture, sports and entertainment	4,079,963	0.58%	4,497,903	0.62%
Healthcare and social welfare	2,317,576	0.33%	2,076,210	0.29%
Others	8,235,201	1.17%	7,629,100	1.06%
Subtotal	422,571,702	59.85%	421,552,001	58.51%
Discounted bills and forfaiting	88,830,430	12.58%	110,717,654	15.37%
Personal loans	194,656,190	27.57%	187,964,571	26.12%
Total	706,058,322	100.00%	720,234,226	100.00%

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47. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

(v) Analysis of loans and advances to customers (continued)

By geography	As at 31 December	
	2025	2024
Guangzhou	595,330,936	606,508,911
Rest of the Guangdong Province	46,608,034	44,788,561
Pearl River Delta (except Guangzhou)	39,875,336	41,533,512
Central China	18,000,790	19,389,840
Bohai Rim	2,494,685	3,331,388
Sichuan	1,795,538	2,162,385
Jiangsu	1,503,420	2,002,005
Liaoning	449,583	517,624
Total	706,058,322	720,234,226

The distribution of the geographical areas is as follows.

Central China: including Henan, Hunan and Jiangxi; Bohai Rim: Beijing and Shandong

By collateral type	As at 31 December	
	2025	2024
Unsecured loans	201,944,288	198,182,319
Guaranteed loans	134,733,634	154,725,406
Collateralised loans	335,592,385	330,796,777
Pledged loans	33,788,015	36,529,724
Total	706,058,322	720,234,226

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47. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

(v) Analysis of loans and advances to customers (continued)

31 December 2025	Overdue loans and advances to customers				
	Past due up to 90 days (including 90 days)	Past due 90 days to 1 year (including 1 year)	Past due 1 year to 3 years (including 3 years)	Past due over 3 years	Total
Unsecured loans	801,273	1,140,222	1,626,634	480,992	4,049,121
Guaranteed loans	5,300,488	774,271	911,094	1,470,772	8,456,625
Collateralised loans	10,470,452	2,803,350	3,699,315	619,718	17,592,835
Pledged loans	375,596	8,530	103,343	300,021	787,490
Total	16,947,809	4,726,373	6,340,386	2,871,503	30,886,071

31 December 2024	Overdue loans and advances to customers				
	Past due up to 90 days (including 90 days)	Past due 90 days to 1 year (including 1 year)	Past due 1 year to 3 years (including 3 years)	Past due over 3 years	Total
Unsecured loans	472,507	614,880	934,256	172,169	2,193,812
Guaranteed loans	7,796,308	1,036,182	915,791	1,895,650	11,643,931
Collateralised loans	7,818,359	2,763,994	3,088,224	1,237,249	14,907,826
Pledged loans	2,581,070	388,940	56,471	300,836	3,327,317
Total	18,668,244	4,803,996	4,994,742	3,605,904	32,072,886

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47. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

(vi) Credit quality

As at 31 December 2025, the credit quality analysis of the Group's major financial assets was as follows:

	31 December 2025									
	Carrying amount				Expected credit losses allowance					
	Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired	Total	Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired	Total
Financial assets at amortised cost										
Deposits with central bank	84,972,955	-	-	-	84,972,955	-	-	-	-	-
Deposits with banks and other financial institutions	21,832,362	-	-	-	21,832,362	(562)	-	-	-	(562)
Placements with banks and other financial institutions	78,017,259	-	489,720	-	78,506,979	(41,222)	-	(489,720)	-	(530,942)
Financial assets held under resale agreements	54,718,820	-	-	-	54,718,820	(1,194)	-	-	-	(1,194)
Loans and advances to customers	505,788,366	88,286,993	23,127,230	27,289	617,229,878	(4,324,375)	(6,782,196)	(10,069,716)	(424)	(21,176,711)
Financial investments	181,204,646	2,991,502	4,489,101	-	188,685,249	(17,506)	(19,079)	(2,025,840)	-	(2,062,425)
Other financial assets	14,129,999	234,118	721,368	-	15,085,485	(51,732)	(31,714)	(504,115)	-	(587,561)
Total	940,664,407	91,512,613	28,827,419	27,289	1,061,031,728	(4,436,591)	(6,832,989)	(13,089,391)	(424)	(24,359,395)
Financial assets at fair value through other comprehensive income										
Loans and advances to customers	88,828,444	-	-	-	88,828,444	(24,398)	-	-	-	(24,398)
Financial investments	169,034,995	2,470,089	2,330,496	-	173,835,580	(14,737)	(102,920)	(2,779,027)	-	(2,896,684)
Total	257,863,439	2,470,089	2,330,496	-	262,664,024	(39,135)	(102,920)	(2,779,027)	-	(2,921,082)
Credit commitments	174,779,144	6,362,482	76,608	-	181,218,234	(440,685)	(272,894)	(595)	-	(714,174)

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47. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

(vi) Credit quality (continued)

As at 31 December 2024, the credit quality analysis of the Group's major financial assets was as follows:

	31 December 2024									
	Carrying amount				Expected credit losses allowance					
	Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired	Total	Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired	Total
Financial assets at amortised cost										
Deposits with central bank	71,884,126	-	-	-	71,884,126	-	-	-	-	-
Deposits with banks and other financial institutions	15,634,653	-	-	-	15,634,653	(615)	-	-	-	(615)
Placements with banks and other financial institutions	70,775,619	-	490,439	-	71,266,058	(52,703)	-	(410,220)	-	(462,923)
Financial assets held under resale agreements	30,054,668	-	-	-	30,054,668	(46)	-	-	-	(46)
Loans and advances to customers	497,277,223	81,592,988	30,667,942	67,812	609,605,965	(4,561,522)	(5,825,723)	(11,637,515)	(1,017)	(22,025,777)
Financial investments	193,841,656	3,011,672	4,597,205	-	201,450,533	(7,526)	(11,547)	(1,620,766)	-	(1,639,839)
Other financial assets	7,645,563	589,131	863,262	-	9,097,956	(285,316)	(56,271)	(601,271)	-	(942,858)
Total	887,113,508	85,193,791	36,618,848	67,812	1,008,993,959	(4,907,728)	(5,893,541)	(14,269,772)	(1,017)	(25,072,058)
Financial assets at fair value through other comprehensive income										
Loans and advances to customers	110,628,261	-	-	-	110,628,261	(2,921)	-	-	-	(2,921)
Financial investments	165,954,807	2,431,732	2,655,565	-	171,042,104	(8,655)	(81,892)	(2,390,206)	-	(2,480,753)
Total	276,583,068	2,431,732	2,655,565	-	281,670,365	(11,576)	(81,892)	(2,390,206)	-	(2,483,674)
Credit commitments	170,820,065	4,690,058	186,570	-	175,696,693	(592,448)	(227,918)	(319)	-	(820,685)

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47. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

(vi) Credit quality (continued)

Gross amount of loans and advances at stage 1 and 2

	As at 31 December	
	2025	2024
Not overdue	668,375,518	673,498,306
Overdue		
Within 1 month	9,898,716	12,708,948
1 to 2 months	3,406,988	2,207,698
2 to 3 months	1,222,581	1,083,520
Total	682,903,803	689,498,472

As at 31 December 2025, the fair value of the collateral held by the Group for overdue but still in Stage 1 and 2/unimpaired loans was RMB28,395 million, including land, property, machinery and other assets (31 December 2024: RMB28,326 million).

Carrying amount of loans and advances at stage 3

As at 31 December 2025, the carrying amounts of loans and advances at stage 3 (including purchased or originated credit-impaired loans and advances) was RMB13,084 million (31 December 2024: RMB19,097 million) and the fair value of the collateral held by the Group for the Stage 3/impaired loans were RMB16,695 million, including land, property, machinery and equipment and other assets (31 December 2024: RMB21,839 million).

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47. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

(vi) Credit quality (continued)

Restructuring loans and advances

As at 31 December 2025, the gross amounts of the Group's restructuring loans and advances was RMB30,998 million (31 December 2024: RMB30,328 million).

Bonds investments by credit rating

The RMB bonds investments of the Group are mainly rated by major credit rating agencies in the PRC.

	Financial investments at FVTPL	Financial investments at FVTOCI	Financial investments at amortised cost	Total
31 December 2025				
AAA	6,590,104	53,385,834	58,504,409	118,480,347
A to AA+	645,003	233,367	224,270	1,102,640
C to BB+	89,390	132,786	–	222,176
No rating ⁽¹⁾	25,665,809	111,725,409	121,844,658	259,235,876
Other no rating investments	110,790	3,690,385	499,272	4,300,447
Total	33,101,096	169,167,781	181,072,609	383,341,486

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47. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

(vi) Credit quality (continued)

Bonds investments by credit rating (continued)

	Financial investments at FVTPL	Financial investments at FVTOCI	Financial investments at amortised cost	Total
31 December 2024				
AAA	2,056,574	49,532,673	51,283,165	102,872,412
A to AA+	1,407,019	141,790	304,264	1,853,073
C to BB+	146,755	403,856	–	550,611
No rating ⁽¹⁾	22,932,140	112,191,236	140,864,222	275,987,598
Other no rating investments	6,904,276	4,078,369	1,398,783	12,381,428
Total	33,446,764	166,347,924	193,850,434	393,645,122

(1) No rating debt investments mainly consist of investment and trading securities issued by the MOF, central bank, policy banks and other financial institutions which are creditworthy issuers in the market but are not rated by independent rating agencies.

(b) Liquidity risk

Liquidity risk is the risk that capital will not be sufficient or funds will not be raised at reasonable cost in a timely manner for the repayment of debts due. This may arise from amount or maturity mismatches of assets and liabilities.

The Group manages its liquidity risk through the Asset and Liability Management Department and aims to:

- optimise the structure of assets and liabilities;
- maintain the stability of the deposit base;
- project cash flows and evaluate the level of current assets; and
- in terms of liquidity of the branches, maintain an efficient internal fund transfer mechanism.

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47. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk (continued)

The Group's expected remaining maturity of their financial instruments may vary significantly from the following analysis. For example, demand deposits from customers are expected to maintain a stable or increasing balance although they have been classified as repayable on demand in the following tables.

(i) Analysis of the remaining maturity of the financial assets and financial liabilities is set out below:

31 December 2025	Overdue	Repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	More than five years	Undated	Total
Financial assets:									
Cash and deposits with central bank	-	38,338,772	-	-	-	-	-	49,149,688	87,488,460
Deposits and placements with banks and other financial institutions ⁽¹⁾	-	14,831,705	62,373,331	13,405,081	55,229,470	8,685,876	-	-	154,525,463
Loans and advances to customers	23,774,008	-	38,522,431	66,022,827	229,615,920	206,402,758	120,543,667	-	684,881,611
Financial investments at FVTPL	3,791,966	13,747,389	1,460,164	2,293,506	17,384,250	11,594,304	5,429,404	1,448,480	57,149,463
Financial investments at FVTOCI	2,331,442	-	1,210,112	4,066,524	12,276,597	96,233,011	57,717,894	-	173,835,580
Financial investments at amortised cost	2,463,259	-	2,124,976	12,884,652	29,447,972	62,895,808	76,806,157	-	186,622,824
Other financial assets	453,309	-	538,111	39,199	1,661,306	6,449,179	5,356,820	-	14,497,924
Total financial assets	32,813,984	66,917,866	106,229,125	98,711,789	345,615,515	392,260,936	265,853,942	50,598,168	1,359,001,325
Financial liabilities:									
Due to central bank	-	-	2,861,003	3,720,123	42,313,121	-	-	-	48,894,247
Deposits and placements from banks and other financial institutions ⁽²⁾	-	2,072,197	26,228,125	4,580,500	17,481,145	9,630	-	-	50,371,597
Financial liabilities at FVTPL	-	119,026	4,585,832	-	-	-	-	-	4,704,858
Customer deposits ⁽³⁾	-	271,979,872	54,886,876	131,778,849	324,937,378	224,579,510	104,575	-	1,008,267,060
Debt securities issued	-	-	18,853,808	35,516,044	72,095,515	5,008,375	15,527,970	-	147,001,712
Lease liabilities	-	-	18,718	32,735	133,441	342,326	51,543	-	578,763
Other financial liabilities	9,608	995,949	1,287,334	1,900,038	9,242,867	751,602	13,533	-	14,200,931
Total financial liabilities	9,608	275,167,044	108,721,696	177,528,289	466,203,467	230,691,443	15,697,621	-	1,274,019,168
Net liquidity gap	32,804,376	(208,249,178)	(2,492,571)	(78,816,500)	(120,587,952)	161,569,493	250,156,321	50,598,168	84,982,157

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47. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk (continued)

(i) Analysis of the remaining maturity of the financial assets and financial liabilities is set out below: (continued)

31 December 2024	Overdue	Repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	More than five years	Undated	Total
Financial assets:									
Cash and deposits with central bank	-	27,509,473	-	-	-	-	-	47,240,584	74,750,057
Deposits and placements with banks and other financial institutions ⁽¹⁾	79,500	9,347,924	38,423,268	13,198,068	44,349,400	11,093,635	-	-	116,491,795
Loans and advances to customers	22,918,457	-	48,499,605	62,603,830	249,879,529	206,352,980	107,954,048	-	698,208,449
Financial investments at FVTPL	3,999,760	29,840,892	728,031	2,940,032	19,472,510	8,191,858	8,626,791	1,273,541	75,073,415
Financial investments at FVTOCI	2,654,552	-	1,006,281	4,636,073	6,561,133	104,772,530	51,411,535	-	171,042,104
Financial investments at amortised cost	1,968,723	-	605,494	4,490,222	24,424,752	84,110,891	84,210,612	-	199,810,694
Other financial assets	579,416	-	716,571	194,066	852,936	3,171,270	2,640,839	-	8,155,098
Total financial assets	32,200,408	66,698,289	89,979,250	88,062,291	345,540,260	417,693,164	254,843,825	48,514,125	1,343,531,612
Financial liabilities:									
Due to central bank	-	-	1,449,685	3,355,998	10,337,869	-	-	-	15,143,552
Deposits and placements from banks and other financial institutions ⁽²⁾	-	7,574,857	34,597,294	8,517,350	21,588,386	9,389	-	-	72,287,276
Financial liabilities at FVTPL	-	18,911	5,252,953	-	-	-	-	-	5,271,864
Customer deposits ⁽³⁾	-	271,741,757	53,404,657	105,359,185	308,800,078	240,090,491	62,609	-	979,458,777
Debt securities issued	-	-	10,909,945	39,625,382	96,037,247	-	15,527,882	-	162,100,456
Lease liabilities	-	-	16,820	33,641	144,005	441,362	43,450	-	679,278
Other financial liabilities	10,989	530,094	1,438,866	2,662,997	14,043,540	391,009	12,775	-	19,090,270
Total financial liabilities	10,989	279,865,619	107,070,220	159,554,553	450,951,125	240,932,251	15,646,716	-	1,254,031,473
Net liquidity gap	32,189,419	(213,167,330)	(17,090,970)	(71,492,262)	(105,410,865)	176,760,913	239,197,109	48,514,125	89,500,139

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47. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk (continued)

(i) Analysis of the remaining maturity of the financial assets and financial liabilities is set out below: (continued)

- (1) Includes financial assets held under resale agreements.
- (2) Includes financial assets sold under repurchase agreements.
- (3) Demand deposits from customers are classified as repayable on demand for disclosure purposes. In practice, there is a stable portion which has a longer maturity profile.

(ii) Maturity analysis of contractual undiscounted cash flows

The tables below summarise the maturity profile of the Group's financial instruments based on the contractual undiscounted cash flows. The balances of some items in the tables below are different from the balances on the consolidated statement of financial position as the tables incorporate all cash flows relating to both principal and interest. The Group's expected cash flows on these instruments may vary significantly from the following analysis. For example, demand deposits from customers are expected to maintain a stable or increasing balance although they have been classified as repayable on demand in the following tables.

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47. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk (continued)

(ii) Maturity analysis of contractual undiscounted cash flows (continued)

31 December 2025	Overdue	Repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	More than five years	Undated	Total	Carrying value
Financial assets:										
Cash and deposits										
with central bank	-	38,338,772	-	-	-	-	-	49,149,688	87,488,460	87,488,460
Deposits and placements with banks and other financial institutions ⁽¹⁾										
	-	14,831,705	62,383,987	13,441,461	55,806,534	8,934,589	-	-	155,398,276	154,525,463
Loans and advances										
to customers	23,774,008	-	41,358,921	68,754,231	267,741,649	260,061,828	172,515,004	-	834,205,641	684,881,611
Financial investments										
at FVTPL	3,791,966	13,747,389	1,470,503	308,976	21,258,706	12,388,620	5,898,302	1,448,481	60,312,943	57,149,463
Financial investments at FVTOCI										
	2,331,442	-	928,751	4,372,437	23,134,609	105,598,869	62,814,164	-	199,180,272	173,835,580
Financial investments at amortised cost										
	4,243,103	-	2,127,173	13,151,006	32,109,563	77,035,044	88,392,302	-	217,058,191	186,622,824
Other financial assets										
	453,309	-	538,111	39,199	1,719,313	7,057,757	6,212,828	-	16,020,517	14,497,924
Total financial assets	34,593,828	66,917,866	108,807,446	100,067,310	401,770,374	471,076,707	335,832,600	50,598,169	1,569,664,300	1,359,001,325
Financial liabilities:										
Due to central bank										
	-	-	2,864,041	3,726,503	42,778,695	-	-	-	49,369,239	48,894,247
Deposits and placements from banks and other financial institutions ⁽²⁾										
	-	2,072,197	26,230,870	4,594,771	17,631,265	9,967	-	-	50,539,070	50,371,597
Financial liabilities at FVTPL										
	-	119,026	4,589,054	-	-	-	-	-	4,708,080	4,704,858
Customer deposits ⁽³⁾										
	-	271,979,872	54,909,736	131,974,299	327,413,078	234,558,486	113,689	-	1,020,949,160	1,008,267,060
Debt securities issued										
	-	-	18,870,000	36,315,000	72,722,500	8,005,000	17,115,000	-	153,027,500	147,001,712
Lease liabilities										
	-	-	19,496	34,504	141,266	371,393	58,252	-	624,911	578,763
Other financial liabilities										
	9,608	995,949	1,308,936	1,931,588	9,305,345	752,051	13,533	-	14,317,010	14,200,931
Total financial liabilities	9,608	275,167,044	108,792,133	178,576,665	469,992,149	243,696,897	17,300,474	-	1,293,534,970	1,274,019,168
Net liquidity gap	34,584,220	(208,249,178)	15,313	(78,509,355)	(68,221,775)	227,379,810	318,532,126	50,598,169	276,129,330	84,982,157

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47. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk (continued)

(ii) Maturity analysis of contractual undiscounted cash flows (continued)

31 December 2024	Overdue	Repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	More than five years	Undated	Total	Carrying value
Financial assets:										
Cash and deposits										
with central bank	-	27,516,607	-	-	-	-	-	47,304,359	74,820,966	74,750,057
Deposits and placements with banks and other financial institutions ⁽¹⁾										
	79,500	9,351,005	38,434,420	13,567,316	44,780,154	11,530,297	-	-	117,742,692	116,491,795
Loans and advances to customers										
	22,918,457	-	54,066,579	74,217,928	295,159,285	264,391,689	146,298,526	-	857,052,464	698,208,449
Financial investments at FVTPL										
	3,999,760	29,840,892	819,280	2,983,787	19,897,828	9,193,064	8,868,888	1,273,541	76,877,040	75,073,415
Financial investments at FVTOCI										
	2,654,552	-	1,057,761	5,024,948	8,089,691	113,409,163	52,748,181	-	182,984,296	171,042,104
Financial investments at amortised cost										
	3,453,714	-	700,365	4,795,579	27,290,945	98,698,053	92,182,660	-	227,121,316	199,810,694
Other financial assets										
	579,416	-	716,571	194,066	871,500	3,422,443	3,155,401	-	8,939,397	8,155,098
Total financial assets	33,685,399	66,708,504	95,794,976	100,783,624	396,089,403	500,644,709	303,253,656	48,577,900	1,545,538,171	1,343,531,612
Financial liabilities:										
Due to central bank										
	-	-	1,451,412	3,366,361	10,449,851	-	-	-	15,267,624	15,143,552
Deposits and placements from banks and other financial institutions ⁽²⁾										
	-	7,577,445	34,644,759	8,614,118	21,820,526	9,389	-	-	72,666,237	72,287,276
Financial liabilities at FVTPL										
	-	18,911	5,257,864	-	-	-	-	-	5,276,775	5,271,864
Customer deposits ⁽³⁾										
	-	271,741,757	53,433,813	105,559,452	311,703,705	253,461,040	69,521	-	995,969,288	979,458,777
Debt securities issued										
	-	-	10,920,000	40,465,000	96,946,700	2,820,000	17,820,000	-	168,971,700	162,100,456
Lease liabilities										
	-	-	19,004	38,008	161,500	482,106	45,169	-	745,787	679,278
Other financial liabilities										
	10,989	530,094	1,438,866	2,662,997	14,111,394	391,009	12,775	-	19,158,124	19,090,270
Total financial liabilities	10,989	279,868,207	107,165,718	160,705,936	455,193,676	257,163,544	17,947,465	-	1,278,055,535	1,254,031,473
Net liquidity gap	33,674,410	(213,159,703)	(11,370,742)	(59,922,312)	(59,104,273)	243,481,165	285,306,191	48,577,900	267,482,636	89,500,139

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47. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk (continued)

(ii) Maturity analysis of contractual undiscounted cash flows (continued)

- (1) Includes financial assets held under resale agreements.
- (2) Includes financial assets sold under repurchase agreements.
- (3) Demand deposits from customers are classified as repayable on demand for disclosure purposes. In practice, there is a stable portion which has a longer maturity profile.

(iii) Analysis of credit commitments by contractual expiry date

Management expects that not all of the commitments will be drawn before the expiry of the commitments.

	On demand	Less than one month	One to three months	Three months to one year	One to five years	More than five years	Undated	Total
31 December 2025								
Credit commitments	48,881,182	14,150,799	19,694,376	30,747,223	44,517,833	22,512,647	-	180,504,060
31 December 2024								
Credit commitments	22,649,345	16,674,072	12,835,615	56,394,505	37,989,546	28,332,925	-	174,876,008

(c) Market risk

Market risk is the risk of loss, in respect of the Group's on and off-balance sheet activities, arising from adverse movements in market rates including interest rates, foreign exchange rates, commodity prices and stock prices. Market risk arises from both the Group's trading and non-trading businesses. The Group's market risk contains currency risk, interest rate risk and other price risk.

The Group is primarily exposed to structural interest rate risk arising from commercial banking and position risk arising from treasury transactions. The Group's currency risk mainly arises from exchange rate fluctuations on its foreign exchange exposures. Foreign exchange exposures include the mismatch of foreign exchange assets and liabilities.

Sensitivity analysis, interest rate repricing gap analysis and foreign exchange risk concentration analysis are the major market risk management tools used by the Group. The Group uses different management methods to control market risk which comprises trading book and banking book risks respectively.

The Group considers the market risk arising from commodity or stock price fluctuations in respect of its investment portfolios to be immaterial.

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47. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (continued)

(i) Currency risk

The Group conducts its businesses mainly in RMB, with certain transactions denominated in USD, HKD and other currencies.

Transactions in foreign currencies mainly arise from the Group's treasury exposures and foreign exchange business. The tables below indicate a sensitivity analysis of exchange rate changes of the currencies to which the Group had significant exposure on its monetary assets and liabilities and its forecasted cash flows. The analysis calculates the effect of a reasonably possible movement in the currency rates against RMB, with all other variables held constant, on net profit.

A negative amount in the table reflects a potential net reduction in net profit, while a positive amount reflects a potential net increase. This effect, however, is based on the assumption that the Group's foreign exchange exposures as at the year end are kept unchanged and, therefore, the actions that would be taken by the Group to mitigate the adverse impact of this foreign exchange risk are not incorporated.

Currency	Exchange rate fluctuation	Effect on net profit	
		2025	2024
USD	-5%	(63,381)	(64,525)
USD	+5%	63,381	64,525
HKD	-5%	(4,581)	(4,862)
HKD	+5%	4,581	4,862

The tables below summarises the Group's exposure to currency risk. Included in the tables are the Group's assets and liabilities at carrying amounts in RMB, categorised by original currency.

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47. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (continued)

(i) Currency risk (continued)

31 December 2025	RMB	USD In RMB equivalent	HKD In RMB equivalent	Others In RMB equivalent	Total In RMB equivalent
Financial assets:					
Cash and deposits with central bank	87,407,096	31,743	24,183	25,438	87,488,460
Deposits and placements with banks and other financial institutions ⁽¹⁾	152,818,947	1,441,633	191,262	73,621	154,525,463
Loans and advances to customers	684,171,911	709,700	–	–	684,881,611
Financial investments at FVTPL	57,149,463	–	–	–	57,149,463
Financial investments at FVTOCI	173,835,580	–	–	–	173,835,580
Financial investments at amortised cost	186,622,824	–	–	–	186,622,824
Other financial assets	14,496,870	1,054	–	–	14,497,924
Total financial assets	1,356,502,691	2,184,130	215,445	99,059	1,359,001,325
Financial liabilities:					
Due to central bank	48,894,247	–	–	–	48,894,247
Deposits and placements from banks and other financial institutions ⁽²⁾	50,371,597	–	–	–	50,371,597
Financial liabilities at FVTPL	4,704,858	–	–	–	4,704,858
Customer deposits	1,007,648,583	496,111	93,286	29,080	1,008,267,060
Debt securities issued	147,001,712	–	–	–	147,001,712
Lease liabilities	578,763	–	–	–	578,763
Other financial liabilities	14,200,502	418	6	5	14,200,931
Total financial liabilities	1,273,400,262	496,529	93,292	29,080	1,274,019,168
Net position	83,102,429	1,687,601	122,153	69,974	84,982,157
Credit commitments	180,501,498	2,562	–	–	180,504,060

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

47. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (continued)

(i) Currency risk (continued)

	RMB	USD In RMB equivalent	HKD In RMB equivalent	Others In RMB equivalent	Total In RMB Equivalent
31 December 2024					
Financial assets:					
Cash and deposits with central bank	74,693,345	20,788	18,828	17,096	74,750,057
Deposits and placements with banks and other financial institutions ⁽¹⁾	114,232,225	1,989,410	205,565	64,595	116,491,795
Loans and advances to customers	698,174,691	33,758	–	–	698,208,449
Financial investments at FVTPL	75,073,415	–	–	–	75,073,415
Financial investments at FVTOCI	171,042,104	–	–	–	171,042,104
Financial investments at amortised cost	199,810,694	–	–	–	199,810,694
Other financial assets	8,154,020	1,078	–	–	8,155,098
Total financial assets	1,341,180,494	2,045,034	224,393	81,691	1,343,531,612
Financial liabilities:					
Due to central bank	15,143,552	–	–	–	15,143,552
Deposits and placements from banks and other financial institutions ⁽²⁾	72,287,276	–	–	–	72,287,276
Financial liabilities at FVTPL	5,271,864	–	–	–	5,271,864
Customer deposits	979,013,552	323,646	94,741	26,838	979,458,777
Debt securities issued	162,100,456	–	–	–	162,100,456
Lease liabilities	679,278	–	–	–	679,278
Other financial liabilities	19,089,530	732	7	1	19,090,270
Total financial liabilities	1,253,585,508	324,378	94,748	26,839	1,254,031,473
Net position	87,594,986	1,720,656	129,645	54,852	89,500,139
Credit commitments	174,876,008	–	–	–	174,876,008

⁽¹⁾ Includes financial assets held under resale agreements.

⁽²⁾ Includes financial assets sold under repurchase agreements.

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47. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (continued)

(ii) Interest rate risk

The Group's interest rate risk mainly arises from the mismatches between the repricing dates of interest generating assets and interest-bearing liabilities. The Group's interest-generating assets and interest-bearing liabilities are mainly denominated in RMB.

The Group manages its interest rate risk by:

- regularly monitoring the macroeconomic factors that may have impact on the PBOC benchmark interest rates and market interest rates;
- optimising the differences in timing between contractual repricing (maturities) of interest-generating assets and interest-bearing liabilities; and
- managing the deviation of the pricing of interest-generating assets and interest-bearing liabilities from the PBOC benchmark interest rates and market interest rates.

The following tables demonstrate the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's net profit and equity.

	Effect on net interest income	
	31 December 2025	2024
Change in basis points		
+ 100bps	(1,256,004)	(1,805,465)
- 100bps	1,256,004	1,805,465

The sensitivity of the net profit is the effect of a reasonable possible change in interest rates on the net profit for one year, in respect of the financial assets and liabilities held at the end of the reporting period.

The sensitivity of other comprehensive income is calculated by revaluing the year end portfolio of fixed-rate FVTOCI financial assets, based on a reasonable possible change in interest rates. If interest rates had been 100 basis points higher/lower with all other variables held constant, the Group's other comprehensive income for the year ended 31 December 2025 would decrease/increase by RMB5,060 million/ RMB5,638 million.

The above sensitivity analyses are based on the following assumptions: (i) all assets and liabilities that are repriced/due within three months (inclusive), and between three months and one year (inclusive) are assumed to be repriced in the mid of the respective bands; (ii) there are parallel shifts in the yield curve; and (iii) there are no other changes in the portfolios of assets and liabilities. The Group considers that the assumptions do not reflect their capital utilisation and interest rate risk management policies. Therefore, the above impact may differ from the actual situation.

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47. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

Moreover, the above analysis is for illustration only and represents the effect of pro forma movements in net profit and other comprehensive income based on the projected yield curve scenarios and the Group's current interest rate risk profile. This effect, however, does not incorporate actions that would be taken by management to mitigate the impact of interest rate risk.

	31 December 2025							Total
	Less than one month	One to three months	Three months to one year	One to five years	More than five years	Overdue	Non-interest bearing	
Financial assets:								
Cash and deposits with central bank	84,948,598	-	-	-	-	-	2,539,862	87,488,460
Deposits and placements with banks and other financial institutions ⁽¹⁾	77,169,547	13,371,716	55,165,831	8,681,176	-	-	137,193	154,525,463
Loans and advances to customers	117,084,050	99,987,067	387,135,007	50,149,303	5,489,769	16,426,957	8,609,458	684,881,611
Financial investments at FVTPL	15,166,079	2,049,681	16,873,348	11,543,200	5,429,403	4,335,082	1,752,670	57,149,463
Financial investments at FVTOCI	489,830	3,732,782	10,556,903	96,230,820	57,717,893	2,331,442	2,775,910	173,835,580
Financial investments at amortised cost	1,769,371	13,516,672	31,251,886	62,895,808	72,126,524	2,455,369	2,607,194	186,622,824
Other financial assets	-	-	1,672,042	6,311,617	5,286,916	-	1,227,349	14,497,924
Total financial assets	296,627,475	132,657,918	502,655,017	235,811,924	146,050,505	25,548,850	19,649,636	1,359,001,325
Financial liabilities:								
Due to central bank	2,846,880	3,689,483	42,151,545	-	-	-	206,339	48,894,247
Deposits and placements from banks and other financial institutions ⁽²⁾	28,286,441	4,550,000	17,400,000	9,242	-	-	125,914	50,371,597
Financial liabilities at FVTPL	4,585,832	-	-	-	-	-	119,026	4,704,858
Customer deposits	325,496,132	128,515,061	316,889,602	219,017,313	101,985	-	18,246,967	1,008,267,060
Lease liabilities	18,718	32,735	133,441	342,326	51,543	-	-	578,763
Debt securities issued	18,853,808	35,516,044	72,095,515	5,008,375	15,527,970	-	-	147,001,712
Other financial liabilities	1,180,000	1,870,000	9,691,000	96,696	-	-	1,363,235	14,200,931
Total financial liabilities	381,267,811	174,173,323	458,361,103	224,473,952	15,681,498	-	20,061,481	1,274,019,168
Interest sensitivity gap	(84,640,336)	(41,515,405)	44,293,914	11,337,972	130,369,007	25,548,850	(411,845)	84,982,157

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47. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

	31 December 2024							Total
	Less than one month	One to three months	Three months to one year	One to five years	More than five years	Overdue	Non-interest bearing	
Financial assets:								
Cash and deposits with central bank	71,858,479	-	-	-	-	-	2,891,578	74,750,057
Deposits and placements with banks and other financial institutions ⁽¹⁾	47,719,632	13,175,747	44,278,083	11,077,245	-	79,500	161,588	116,491,795
Loans and advances to customers	89,445,953	83,532,971	428,302,746	54,203,929	11,889,167	22,675,855	8,157,828	698,208,449
Financial investments at FVTPL	30,540,801	2,853,691	18,951,879	8,191,858	8,626,791	3,999,760	1,908,635	75,073,415
Financial investments at FVTOCI	685,672	4,974,393	4,834,797	104,772,530	51,411,535	1,568,063	2,795,114	171,042,104
Financial investments at amortised cost	1,032,093	7,199,632	30,767,896	70,664,462	84,210,611	1,968,469	3,967,531	199,810,694
Other financial assets	-	-	758,707	2,857,911	2,594,522	-	1,943,958	8,155,098
Total financial assets	241,282,630	111,736,434	527,894,108	251,767,935	158,732,626	30,291,647	21,826,232	1,343,531,612
Financial liabilities:								
Due to central bank	1,448,932	3,354,260	10,332,515	-	-	-	7,845	15,143,552
Deposits and placements from banks and other financial institutions ⁽²⁾	42,132,961	8,464,137	21,507,788	9,242	-	-	173,148	72,287,276
Financial liabilities at FVTPL	5,252,953	-	-	-	-	-	18,911	5,271,864
Customer deposits	323,557,888	102,264,286	299,729,155	233,037,895	60,770	-	20,808,783	979,458,777
Debt securities issued	10,909,945	39,625,382	96,037,247	-	15,527,882	-	-	162,100,456
Lease liabilities	16,820	33,641	144,005	441,362	43,450	-	-	679,278
Other financial liabilities	-	4,022,232	12,992,232	96,696	-	-	1,979,110	19,090,270
Total financial liabilities	383,319,499	157,763,938	440,742,942	233,585,195	15,632,102	-	22,987,797	1,254,031,473
Interest sensitivity gap	(142,036,869)	(46,027,504)	87,151,166	18,182,740	143,100,524	30,291,647	(1,161,565)	89,500,139

⁽¹⁾ Includes financial assets held under resale agreements.

⁽²⁾ Includes financial assets sold under repurchase agreements.

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47. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Capital management

The Group follows the following capital management principles:

- Maintain a high quality and adequate capital to meet capital regulatory requirements, support business growth and advance the sustainable development scale in the Group;
- Sufficiently identify, calculate, monitor, mitigate and control various types of risks, ensuring that the capital employed is commensurate with the related risks and the level of risk management of the Group; and
- Optimise asset structure and allocate capital properly, to steadily improve the efficiency and return of capital, and advance the sustainable development of the Group.

Capital adequacy and regulatory capital are monitored by the Group's management by employing techniques based on the guidelines developed by the Basel Committee, as implemented by NFRA, for supervisory purposes. The required information is filed with NFRA on a quarterly basis. From 1 January 2024, the Group commenced to calculate the capital adequacy ratios in accordance with the Administrative Measures for the Capital of Commercial Banks and other relevant regulations promulgated by the NFRA.

The Group's regulatory capital is managed by its asset and liability management department and consists of the followings:

- Common equity tier 1 capital, mainly including share capital, capital reserve, surplus reserve, general reserve, retained profits, eligible portion of minority interests;
- Additional tier 1 capital, including additional tier 1 capital instruments issued and related premium and eligible portion of minority interests; and
- Tier 2 capital, including tier 2 capital instruments issued and related premium, excess loan loss allowances and eligible portion of minority interests.

The Group implements a weighted approach to measuring credit risk-weighted assets, which are determined according to the credit risks associated with each asset and counterparty, taking into account any eligible collateral or guarantee, with adjustments made to reflect the potential losses. Market risk-weighted assets and operational risk weighted assets are calculated using the simplified standardised approach and standardised approach, respectively.

The Group takes various measures to manage risk-weighted assets including adjusting the composition of its on-balance and off-balance sheet assets.

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47. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Capital management (continued)

The Group was in compliance with the capital requirement promulgated by the regulators in the reporting period. The table below summarises the Group's common equity tier 1 capital adequacy ratio, tier 1 capital adequacy ratio and capital adequacy ratio calculated in accordance with the Administrative Measures for the Capital of Commercial Banks and other relevant regulations promulgated by the NFRA.

	As at 31 December	
	2025	2024
Net common equity tier 1 capital	76,737,109	80,811,219
Net tier 1 capital	89,060,229	93,183,240
Net capital	111,646,378	118,486,317
Risk-weighted assets	798,392,414	815,962,203
Common equity tier 1 capital adequacy ratio	9.61%	9.90%
Tier 1 capital adequacy ratio	11.15%	11.42%
Capital adequacy ratio	13.98%	14.52%

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48. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Financial instruments measured at fair value

Determination of fair value and fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

- Level 1: Quoted (Unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, and
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following tables show an analysis of financial instruments measured or disclosed at fair value by level of the fair value hierarchy:

31 December 2025	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial investments at FVTPL				
– Debt investments	–	32,397,961	703,135	33,101,096
– Funds and other investments	369,293	18,311,628	5,367,446	24,048,367
Financial investments at FVTOCI				
– Debt investments	–	169,033,879	133,902	169,167,781
– Other investments	–	–	4,667,799	4,667,799
Loans and advances at FVTOCI	–	88,828,444	–	88,828,444
Total	369,293	308,571,912	10,872,282	319,813,487
Financial liabilities:				
Financial liabilities at FVTPL	–	4,704,858	–	4,704,858
Total	–	4,704,858	–	4,704,858

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48. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial instruments measured at fair value (continued)

Determination of fair value and fair value hierarchy (continued)

31 December 2024	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial investments at FVTPL				
– Debt investments	–	31,901,403	1,545,361	33,446,764
– Funds and other investments	310,169	35,322,629	5,993,853	41,626,651
Financial investments at FVTOCI				
– Debt investments	–	165,953,877	394,047	166,347,924
– Other investments	–	–	4,694,180	4,694,180
Loans and advances at FVTOCI	–	110,628,261	–	110,628,261
Total	310,169	343,806,170	12,627,441	356,743,780
Financial liabilities:				
Financial liabilities at FVTPL				
	–	5,271,864	–	5,271,864
Total	–	5,271,864	–	5,271,864

The following tables present the changes in Level 3 assets for the year ended 31 December 2025 and 2024:

	Financial investments at FVTPL	Financial investments at FVTOCI	Total
At 1 January 2025	7,539,214	5,088,227	12,627,441
Additions	118,406	–	118,406
Total gains and losses	–	–	–
– Profit or loss	(1,513,239)	–	(1,513,239)
– Other comprehensive income	–	(274,689)	(274,689)
Settlement	(73,800)	(11,837)	(85,637)
At 31 December 2025	6,070,581	4,801,701	10,872,282

Total unrealised losses included in the consolidated statement of profit or loss for assets held at the end of the reporting period is RMB1,600 million (2024: RMB1,074 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

48. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial instruments measured at fair value (continued)

Determination of fair value and fair value hierarchy (continued)

The following tables present the changes in Level 3 assets for the year ended 31 December 2025 and 2024: (continued)

	Financial investments at FVTPL	Financial investments at FVTOCI	Total
At 1 January 2024	9,149,592	5,357,671	14,507,263
Purchase	508,979	–	508,979
Transfer to Level 3	369,814	–	369,814
Transfer out of Level 3	(21,209)	–	(21,209)
Total gains and losses			
– Profit or loss	(1,187,809)	–	(1,187,809)
– Other comprehensive income	–	(164,794)	(164,794)
Settlement	(1,280,153)	(104,650)	(1,384,803)
At 31 December 2024	7,539,214	5,088,227	12,627,441

During the year ended 31 December 2025, there were no transfers between Level 1, Level 2 and Level 3 for financial investments measured at fair value during the years of 2025 and 2024. During the year ended 31 December 2024, certain financial investments were transferred to level 3 of the fair value hierarchy for financial investments, as the valuation method for these instruments changed to that based on significant unobservable inputs. Certain financial investments were transferred out from level 3, when significant inputs used in their fair value measurements, which were previously unobservable became observable or quoted prices were available.

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FOR THE YEAR ENDED 31 DECEMBER 2025

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

48. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial instruments measured at fair value (continued)

Determination of fair value and fair value hierarchy (continued)

The valuation techniques used and the qualitative and quantitative information of key parameters for recurring fair value measurements categorised within Level 3 fair value measurement is as below:

	Fair value		Valuation techniques	Unobservable input
	31 December 2025	31 December 2024		
Financial investments at FVTPL				
– Debt investments	703,135	1,545,361	Discounted cash flow	Risk-adjusted discount rate, cash flow
– Funds and other investments	4,775,277	5,518,170	Discounted cash flow	Risk-adjusted discount rate, cash flow
– Funds and other investments	592,169	475,683	Comparable companies analysis	Liquidity discount
Financial investments at FVTOCI				
– Debt investments	133,902	394,047	Discounted cash flow	Risk-adjusted discount rate, cash flow
– Other investments	4,667,799	4,694,180	Discounted cash flow	Risk-adjusted discount rate, cash flow
Total	10,872,282	12,627,441		

During the years of 2025 and 2024, there were no significant changes in the valuation techniques.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

48. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial instruments for which fair values are disclosed

As at 31 December 2025, financial assets and liabilities not presented at fair value on the consolidated statement of financial position on a recurring basis mainly included "Deposits with central bank", "Deposits with banks and other financial institutions", "Placements with banks and other financial institutions", "Financial assets held under resale agreements", "Loans and advances to customers measured at amortised cost", "Financial investments at amortised cost", "Borrowings from central bank", "Deposits from banks and other financial institutions", "Placements from banks and other financial institutions", "Financial assets sold under repurchase agreements", "Customer deposits" and "Debt securities issued" (31 December 2024: same).

Except for the following items, there are no significant differences between carrying amount and fair value.

	As at 31 December	
	2025	2024
Carrying amount:		
Financial assets at amortised cost	186,622,824	199,810,694
Debt securities issued	147,001,712	162,100,456
Fair value:		
Financial assets at amortised cost	195,404,050	212,402,130
Debt securities issued	147,898,044	162,048,650

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES

The Bank and its subsidiaries are collectively referred to as the “Group”. As at 31 December 2025, the Bank had a total of 27 subsidiaries, including 22 county banks, a financial leasing company and 4 rural commercial banks across China. All subsidiaries are limited companies. The details of the Bank’s subsidiaries as at 31 December 2025 are as follows:

Name	Place of registration and operation	Registered capital (in thousands)		Percentage of equity interests held by the Bank		Percentage of voting rights held by the Bank		Principal activities
		31 December 2025	31 December 2024	31 December 2025	31 December 2024	31 December 2025	31 December 2024	
Laiwu Zhujiang County Bank Company Limited	Jinan, Shandong Province	60,000	60,000	51.00%	51.00%	51.00%	51.00%	Banking
Jiangsu Xuyi Zhujiang County Bank Company Limited	Huai'an, Jiangsu Province	100,000	100,000	75.50%	75.50%	75.50%	75.50%	Banking
Jiangsu Qidong Zhujiang County Bank Company Limited	Qidong, Jiangsu Province	100,000	100,000	51.00%	51.00%	51.00%	51.00%	Banking
Changning Zhujiang County Bank Company Limited	Changning, Hunan Province	50,000	50,000	51.00%	51.00%	51.00%	51.00%	Banking
Laizhou Zhujiang County Bank Company Limited (ii)	Laizhou, Shandong Province	80,000	80,000	51.00%	51.00%	56.00%	56.00%	Banking
Haiyang Zhujiang County Bank Company Limited	Haiyang, Shandong Province	70,000	70,000	51.00%	51.00%	51.00%	51.00%	Banking
Huixian Zhujiang County Bank Company Limited (i)(ii)	Huixian, Henan Province	100,000	100,000	35.00%	35.00%	53.57%	53.57%	Banking
Pengshan Zhujiang County Bank Company Limited (ii)	Meishan, Sichuan Province	100,000	100,000	62.50%	62.50%	70.50%	70.50%	Banking
Xinjin Zhujiang County Bank Company Limited (i)(ii)	Chengdu, Sichuan Province	100,000	100,000	35.00%	35.00%	54.00%	54.00%	Banking
Guanghan Zhujiang County Bank Company Limited (i)(ii)	Guanghan, Sichuan Province	100,000	100,000	35.00%	35.00%	41.00%	41.00%	Banking

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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49. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Name	Place of registration and operation	Registered capital (in thousands)		Percentage of equity interests held by the Bank		Percentage of voting rights held by the Bank		Principal activities
		31 December 2025	31 December 2024	31 December 2025	31 December 2024	31 December 2025	31 December 2024	
Dalian Baoshuiqu Zhujiang County Bank Company Limited (ii)	Dalian, Liaoning Province	350,000	350,000	81.43%	81.43%	87.44%	87.44%	Banking
Jizhou Zhujiang County Bank Company Limited (i)(ii)	Ji'an, Jiangxi Province	87,820	87,820	33.79%	33.79%	57.19%	57.19%	Banking
Heshan Zhujiang County Bank Company Limited (i)(ii)	Heshan, Guangdong Province	150,000	150,000	34.00%	34.00%	71.00%	71.00%	Banking
Beijing Mentougou Zhujiang County Bank Company Limited (vii)	Mentougou District, Beijing	765,000	765,000	94.77%	94.77%	97.32%	94.77%	Banking
Xinyang Zhujiang County Bank Company Limited (i)(ii)	Xinyang, Henan Province	414,200	414,200	39.60%	39.60%	54.13%	54.13%	Banking

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Name	Place of registration and operation	Registered capital (in thousands)		Percentage of equity interests held by the Bank		Percentage of voting rights held by the Bank		Principal activities
		31 December 2025	31 December 2024	31 December 2025	31 December 2024	31 December 2025	31 December 2024	
Yantai Fushan Zhujiang County Bank Company Limited (vii)	Yantai, Shandong Province	100,000	100,000	93.00%	93.00%	100.00%	100.00%	Banking
Anyang Zhujiang County Bank Company Limited (i)(ii)	Anyang, Henan Province	60,000	60,000	35.00%	35.00%	55.50%	55.50%	Banking
Qingdao Chengyang Zhujiang County Bank Company Limited (ii)(v)	Qingdao, Shandong Province	100,000	100,000	51.00%	35.00%	61.00%	61.00%	Banking
Suzhou Wuzhong Zhujiang County Bank Company Limited	Suzhou, Jiangsu Province	150,000	150,000	51.00%	51.00%	51.00%	51.00%	Banking
Sanshui Zhujiang County Bank Company Limited (iii)	Foshan, Guangdong Province	–	200,000	0.00%	33.40%	0.00%	50.50%	Banking
Zhongshan Dongfeng Zhujiang County Bank Company Limited (iv)	Zhongshan, Guangdong Province	–	150,000	0.00%	35.00%	0.00%	55.00%	Banking
Xingning Zhujiang County Bank Company Limited (vi)	Xingning, Guangdong Province	50,000	50,000	100.00%	34.00%	100.00%	87.00%	Banking
Shenzhen Pingshan Zhujiang County Bank Company Limited (i)(ii)	Shenzhen, Guangdong Province	300,000	300,000	35.00%	35.00%	77.00%	77.00%	Banking
Dongguan Huangjiang Zhujiang County Bank Company Limited (iv)	Dongguan, Guangdong Province	–	150,000	0.00%	35.00%	0.00%	100.00%	Banking

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Name	Place of registration and operation	Registered capital (in thousands)		Percentage of equity interests held by the Bank		Percentage of voting rights held by the Bank		Principal activities
		31 December 2025	31 December 2024	31 December 2025	31 December 2024	31 December 2025	31 December 2024	
Zhengzhou Zhujiang County Bank Company Limited (i)(ii)	Zhengzhou, Henan Province	200,000	200,000	35.00%	35.00%	90.00%	90.00%	Banking
Hunan Zhuzhou Zhujiang Rural Commercial Bank Company Limited	Zhuzhou, Hunan Province	600,000	600,000	51.00%	51.00%	51.00%	51.00%	Banking
Chaozhou Rural Commercial Bank Company Limited (ii)	Chaozhou, Guangdong Province	2,633,342	2,633,342	57.72%	57.72%	58.22%	58.22%	Banking
Guangdong Nanxiong Rural Commercial Bank Company Limited (ii)	Nanxiong, Guangdong Province	431,800	431,800	51.00%	51.00%	53.39%	53.39%	Banking
Shaoguan Rural Commercial Bank Company Limited	Shaoguan, Guangdong Province	1,373,718	1,373,718	50.10%	50.10%	50.10%	50.10%	Banking
Zhujiang Financial Leasing Co., Ltd.	Guangzhou, Guangdong Province	1,500,000	1,500,000	100.00%	100.00%	100.00%	100.00%	Financial leasing

- (i) The Bank holds less than majority equity interests in these subsidiaries. In accordance with the agreements to act in concert entered into by the Bank and other non-controlling shareholders, the non-controlling shareholders vote consistently with the Bank in deciding the financial and operating policies. Also, the Bank can control these subsidiaries through delegating the key management of these subsidiaries. Hence, the management of the Bank considers that the Bank has controls over these subsidiaries.
- (ii) Other non-controlling shareholders act in concert with the Bank. As a result, the percentage of voting right in these subsidiaries are higher than the percentage of equity interest held by the Bank.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

- (iii) The Bank entered into a sale agreement to dispose of its 33.40% equity interest in Sanshui Zhujiang County Bank Company Limited ("SZCBCL"), a subsidiary of the Bank, to Guangdong Shunde Rural Commercial Bank Company Limited at a consideration of RMB119 million. As at the disposal date, the net assets of SZCBCL amounted to RMB317 million and the disposal was completed in June 2025, on which date the Bank lost control over SZCBCL. The Bank recognised a gain of RMB13 million on the disposal of SZCBCL. As at the completion date, SZCBCL held cash and cash equivalents of RMB640 million.
- (iv) The Bank paid RMB100 million and RMB118 million to acquire 65% and 65% equity interests of Zhongshan Dongfeng Zhujiang County Bank Company Limited ("ZSCBCL") and Dongguan Huangjiang Zhujiang County Bank Company Limited ("DHCBCL"), respectively. With the approval by Guangdong branch of the NFRA on 30 May 2025, the mergers and reformations of ZSCBCL and DHCBCL have been completed.
- (v) The Bank acquired the interest from non-controlling interest in Qingdao Chengyang Zhujiang County Bank Company Limited at a consideration of RMB12,407 thousand in 2025. The percentage of equity interests held by the Bank increased from 35.00% to 51.00%.
- (vi) The Bank acquired the interest from non-controlling interest in Xingning Zhujiang County Bank Company Limited at a consideration of RMB63,388 thousand in 2025. The percentage of equity interests held by the Bank increased from 34.00% to 100.00%.
- (vii) Beijing Mentougou Zhujiang County Bank Company Limited and Yantai Fushan Zhujiang County Bank Company Limited repurchased shares from minority shareholders, which are classified as treasury shares (not yet cancelled as at 31 December 2025). As treasury shares are not entitled to voting rights, the Bank excluded such shares when calculating the percentage of voting rights.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

50. STATEMENT OF FINANCIAL POSITION OF THE BANK

	31 December 2025	31 December 2024
ASSETS		
Cash and deposits with central bank	74,278,804	61,533,575
Deposits with banks and other financial institutions	12,635,178	5,428,658
Placements with banks and other financial institutions	68,870,029	60,444,279
Financial assets held under resale agreements	49,884,524	28,462,136
Loans and advances to customers	608,957,490	612,831,350
Financial investments		
– Financial investments at fair value through profit or loss	56,807,125	73,023,382
– Financial investments at fair value through other comprehensive income	138,278,065	127,757,088
– Financial investments at amortised cost	180,083,048	190,078,887
Investment in subsidiaries	7,200,591	7,643,837
Property and equipment	2,129,957	2,207,530
Deferred tax assets	12,622,037	10,634,140
Other assets	17,491,641	11,050,700
Total assets	1,229,238,489	1,191,095,562
LIABILITIES		
Due to central bank	45,961,464	13,064,682
Deposits from banks and other financial institutions	29,159,572	46,802,680
Placements from banks and other financial institutions	4,402,318	4,000,051
Financial liabilities at fair value through profit or loss	4,704,858	5,271,864
Financial assets sold under repurchase agreements	11,301,082	6,100,415
Customer deposits	892,424,017	858,567,770
Income tax payable	163,800	334,423
Debt securities issued	147,001,712	162,100,456
Other liabilities	5,362,705	5,009,062
Total liabilities	1,140,481,528	1,101,251,403
EQUITY		
Share capital	14,409,789	14,409,789
Other equity instruments	12,000,000	12,000,000
Reserves	46,119,820	47,848,143
Retained earnings	16,227,352	15,586,227
Total equity	88,756,961	89,844,159
Total liabilities and equity	1,229,238,489	1,191,095,562

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

51. RESERVES OF THE BANK

The movements in reserves and retained profits of the Bank during the years 2025 and 2024 are set out below:

	Reserves					Retained profits
	Capital reserve	Surplus reserve	General reserve	Other reserves	Total	
Balance at 1 January 2025	22,170,603	5,926,294	16,762,840	2,988,406	47,848,143	15,586,227
Net profit for the year	-	-	-	-	-	1,803,516
Other comprehensive income for the year	-	-	-	(1,916,107)	(1,916,107)	-
Shareholders' donation	12,522	-	-	-	12,522	-
Appropriation to surplus reserve	-	180,350	-	-	180,350	(180,350)
Absorption merger of subsidiaries	(46,904)	-	41,816	-	(5,088)	-
Dividends declared and paid to ordinary shareholders	-	-	-	-	-	(648,441)
Dividends declared and paid to other equity instrument holders	-	-	-	-	-	(333,600)
Balance at 31 December 2025	22,136,221	6,106,644	16,804,656	1,072,299	46,119,820	16,227,352
Balance at 1 January 2024	22,513,303	5,749,479	15,490,985	(111,526)	43,642,241	16,509,277
Net profit for the year	-	-	-	-	-	1,768,141
Other comprehensive income for the year	-	-	-	3,099,932	3,099,932	-
Redemption of preference shares	(351,285)	-	-	-	(351,285)	-
Issuance of perpetual bonds	(226)	-	-	-	(226)	-
Shareholders' donation	8,811	-	-	-	8,811	-
Appropriation to surplus reserve	-	176,815	-	-	176,815	(176,815)
Appropriation to general reserve	-	-	1,271,855	-	1,271,855	(1,271,855)
Dividends declared and paid to ordinary shareholders	-	-	-	-	-	(576,392)
Dividends declared and paid to other equity instrument holders	-	-	-	-	-	(666,129)
Balance at 31 December 2024	22,170,603	5,926,294	16,762,840	2,988,406	47,848,143	15,586,227

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

52. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2025 of RMB0.46 (pre-tax) for each ten shares, in an aggregate amount of RMB663 million, has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

53. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 27 March 2026.

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2025

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

1. LIQUIDITY RATIO, LIQUIDITY COVERAGE RATIO AND NET STABLE FUNDING RATIO

(1) Liquidity Ratio

	As at 31 December 2025	As at 31 December 2024
Liquidity ratio (RMB and foreign currency)	109.97%	99.60%

(2) Liquidity coverage ratio

	As at 31 December 2025	As at 31 December 2024
High-quality liquid assets	270,029.39	230,960.22
Net cash outflows in future 30 days	111,973.29	115,256.97
Liquidity coverage ratio (%)	241.16%	200.39%

(3) Net stable funding ratio

	As at 31 December 2025	As at 30 September 2025	As at 30 June 2025
Available stable funds	896,703.04	908,058.18	892,374.17
Required stable funds	734,972.17	765,966.25	785,032.74
Net stable funding ratio	122.01%	118.55%	113.67%

Pursuant to the Administrative Measures on the Liquidity Risk of Commercial Banks 《商業銀行流動性風險管理辦法》 issued by the CBIRC, since 1 July 2018 (effective date of the Measures), the above liquidity ratio, liquidity coverage ratio and net stable funding ratio were calculated based on the financial statements prepared in accordance with the Accounting Standards for Business Enterprises issued by the MOF.

2. CURRENCY CONCENTRATION

	As at 31 December 2025			Subtotal
	USD (RMB equivalent)	HKD (RMB equivalent)	Others (RMB equivalent)	
Spot assets	2,183.52	215.44	99.04	2,498.00
Spot liabilities	508.01	94.58	29.10	631.69
Net long position	1,675.51	120.86	69.94	1,866.31

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2025

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

2. CURRENCY CONCENTRATION (CONTINUED)

	As at 31 December 2024			Subtotal
	USD (RMB equivalent)	HKD (RMB equivalent)	Others (RMB equivalent)	
Spot assets	2,045.11	224.39	81.69	2,351.19
Spot liabilities	335.24	96.06	26.86	458.16
Net long position	1,709.87	128.33	54.83	1,893.03

Above information is calculated in accordance with regulations promulgated by the CBRC. The Group had no structural position as at 31 December 2025 and 31 December 2024.

3. INTERNATIONAL CLAIMS

The Group regards all claims on third parties outside Chinese mainland and claims denominated in foreign currencies on third parties inside Chinese mainland as international claims.

International claims include loans and advances to customers, deposits with central bank, deposits and placements with banks and other financial institutions, financial assets held under resale agreements and investments in debt securities.

International claims are disclosed by country or geographical region. A country or geographical region is reported where it constitutes 10% or more of the aggregate amount of international claims, after taking into account any risk transfers. Risk transfers are only made if the claims are guaranteed by a party in a country which is different from that of the counterparty or if the claims are on an overseas branch of a bank whose head office is located in another country.

	As at 31 December 2025		Total
	Banks and other financial institutions	Non-bank private institutions	
Asia Pacific	1,529.49	704.37	2,233.86
of which attributed to Hong Kong	268.12	–	268.12
North and South America	182.13	–	182.13
Europe	11.11	–	11.11
Oceania	26.76	–	26.76
Total	1,749.49	704.37	2,453.86

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2025

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

3. INTERNATIONAL CLAIMS (CONTINUED)

	As at 31 December 2024		Total
	Banks and other financial institutions	Non-bank private institutions	
Asia Pacific	2,433.40	33.79	2,467.19
of which attributed to Hong Kong	333.74	—	333.74
North and South America	312.83	—	312.83
Europe	8.17	—	8.17
Oceania	25.90	—	25.90
Total	2,780.30	33.79	2,814.09



广州农商银行

GUANGZHOU RURAL COMMERCIAL BANK